Policy Analysis: The Link between Knowledge and Policy

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Workshop for Algerian National Assembly
What is Policy Analysis?

- A tool to
  - Identify options available to address a problem
  - Evaluate the merits of each option using a standard set of criteria
- Links information and knowledge to process of making policy
Policy Analysis vs. Academic Research

- Policy analysis is very practical
- Doesn’t require review of published research
- Is more focused on finding options and solutions
- Reports more to the point
Policy Analysis Process

- Define the problem
- Identify alternatives
- Establish criteria for evaluating alternatives
- Determine data needs and collect information
- Evaluate alternatives based on criteria
- Draw conclusions and report
Defining the Policy Problem

- State the problem as a question
  - How can we create more jobs?
  - How can we improve the well-being of children?
  - How can we ensure adequate funding for transportation?
Defining the Problem: Make the Problem Researchable

- How can we create more jobs?
  - Jobs for young graduates?
  - Jobs in rural areas?
  - High wage/high skill jobs for college graduates?

- How can we improve the “well-being” of “children?”
  - Well-being: Health? Education? Poverty?
  - Children: Infants? Those under 5? Age 10 and under?
Defining the Problem: Identify Goals or Targets

- Where are we now?
  - How many young people need jobs?
  - What is the current rate of job creation?
  - How many 7 year-olds are in school?

- Where do policy-makers want to be?
  - What is a desirable or acceptable outcome?
  - When?
  - At what cost?
Identifying Alternatives

- What happens if we do nothing?
  - The status quo is always *one* alternative
- What is the policy-maker’s goal?
- Sources of other alternatives
  - Other policy-makers
  - Other governments—national or subnational
  - Policy experts/scholars
  - Interest groups and other stakeholders
  - The public
Establish Evaluation Criteria

- Criteria must relate to targets

- Key criteria:
  - Can each alternative be implemented?
  - How much will each alternative cost?
  - How well and how quickly will each alternative lead to an acceptable outcome?
  - What are other implications of each alternative?
Determining Data Needs

- What data will be needed to answer the questions that have been identified?
- Are the data available?
- If so, where?
- If data less than ideal, then clearly identify the limits
Collecting data

- Common sources of data to assess alternatives
  - existing government sources
  - International sources (such as the U.N., Arab League)
  - Published reports (academic, NGO, business)
  - Interviews with experts
Evaluating the Alternatives

- Assess impact of alternative policies on problem
- Apply research methodologies to the data
- Keep pitfalls and limitations in mind and disclosed
Assessing Findings

- What can we conclude?
  - If Algeria lowers taxes for businesses that create new jobs, will there will be:
    - A measurable increase in the number of jobs created?
    - A measurable increase in the number of jobs in rural areas?
    - A measurable increase in the number of jobs for college graduates
Things to Remember

- Clearly state a researchable problem
- No one right way to solve problem
- Some problems are very difficult to solve – may need many approaches over time
- No action is an alternative
- Make assumptions/limitations clear
- Purpose is to educate, not advocate
Political Reality

- Political realities are practical realities
- Policy decisions require political judgment and will
- Be aware of politics but don’t be political
- Goal: implement effective policies, not just develop them
Policy Analysis Exercise

- Identify a problem facing Algerian policy-makers
- State the problem in researchable terms
- Identify possible goals and criteria for evaluating policy option
- Identify possible sources of policy alternatives