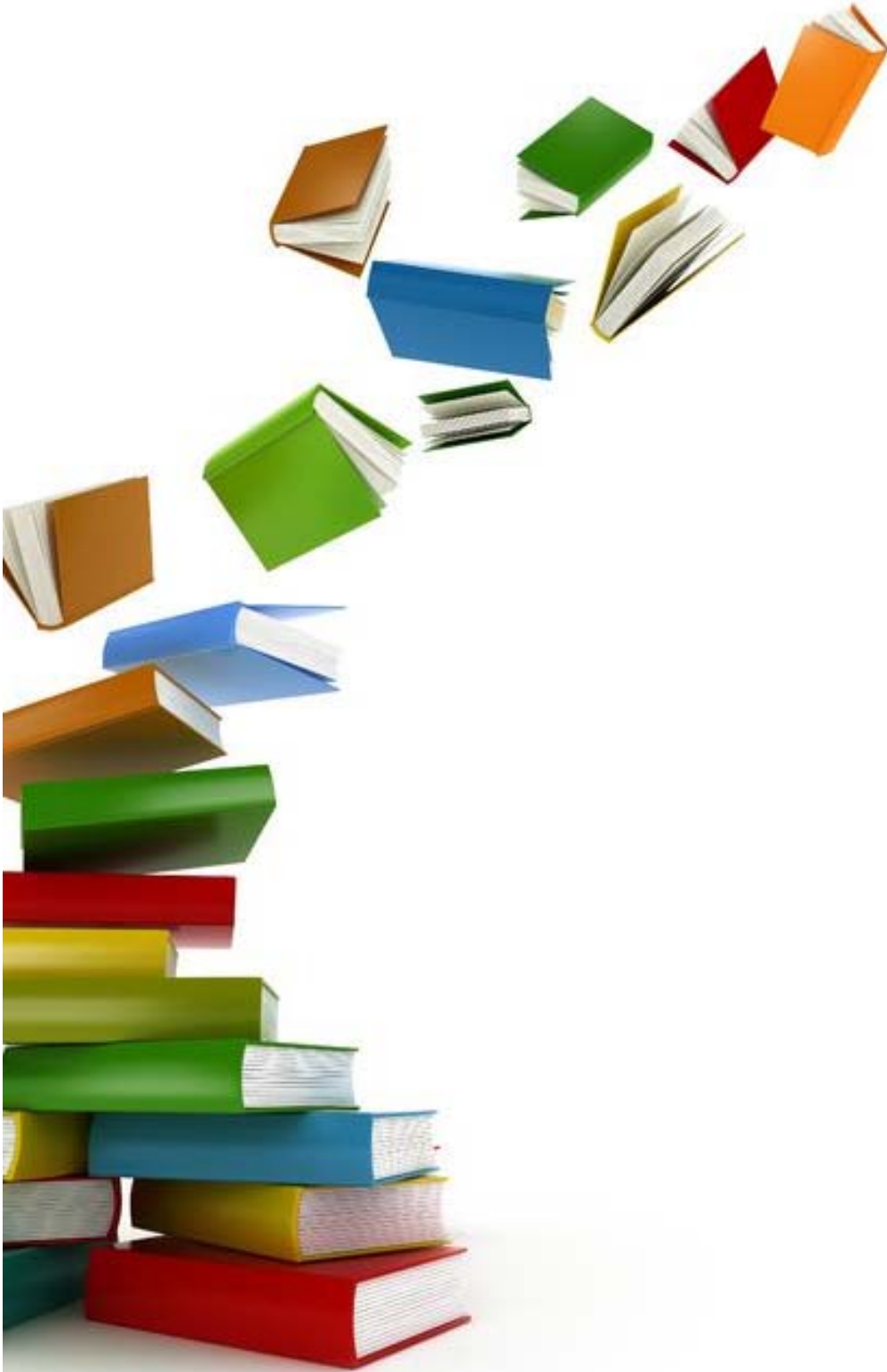


Public policy dialogue & advocacy



Public policy analysis

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# Public policy dialogue & advocacy

## Public policy analysis

### 1. Introduction

The Business Advocacy Fund (BAF) provides support to Business Member Organisations (BMOs) in Kenya to advocate for a conducive business and investment climate policy environment. The support provided is mainly in the form of grants and technical assistance in respect of projects that target policy reforms for private sector growth and development.

The purpose of the public policy analysis unit is to build the capacity of participants by equipping them with knowledge and skills on how to carry out policy analysis. The unit focuses on the process and methodology of analysing public policies. The unit builds on the *Understanding public policy* unit, which lays the foundation for policy analysis. The unit also contributes to the *Public Policy formulation* unit by providing methodology of conducting policy analysis, which, as noted in section 6 below plays a critical role throughout policy process

### 2. Learning objectives and outcomes

#### 2.1 Learning objectives

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The objectives of this unit are to

- enhance knowledge on policy analysis
- create opportunity for development of analytical skills on public policy
- expose participants to diverse methods and tools of policy analysis

#### 2.2 Learning outcomes

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On completion of the unit, it is expected that you will:

- have gained knowledge and good understanding on what policy analysis entails and its role in the policy process;
- be able to explain the policy analysis methodology and tools;
- have gained skills on how to undertake policy analysis.

### 3. Definitions of and concepts in public policy analysis

The definitions and concepts described here are not exhaustive. However, they provide a basic description of the meaning of policy analysis and clarification on how to conceptualize policy analysis.

William Dunn (2012: 2) defines policy analysis as a process of multidisciplinary inquiry aiming at the creation, critical assessment and communication of policy-relevant information. It is also defined as “a means of synthesising information to draw from it policy alternatives and preferences stated in comparable, predicted quantitative and qualitative terms as a basis or guide for policy decisions; conceptually it does not include the gathering of information” (Dunn 2012: 10).

Policy analysis is partly descriptive and partly normative, Dunn (2012: 10). It is descriptive as it seeks to describe and explain the causes and consequences of policy problems. It is normative as it has value judgments about what ought to be in contrast to descriptive statements of what is. In essence, policy analysis describes the current status of a problem in terms of effects and causal relationship as well as describing what should be the expected ideal policy status in relation to the problem.

Policy analysis can be conceptualised as the generation of useful information that paints a picture of how a problem is (e.g. prevalence, causal relationship and impact of a problem) and presenting viable alternatives to solve the problem in the form of advice. Bogason (2006: 107) observed that policy analysis concerns deliberation and discourse in policy process. It is a discursive process where ideas on policy problems and solutions are discussed through the process of argumentation.

### 4. The purpose of policy analysis

The public policy process involves utilization of information for decision making. From problem definition and agenda setting, policy formulation and choice of policy solutions to implementing policies, policy makers require relevant information to make appropriate decisions. The policy process is a complex process, which involves political deliberations among diverse interest groups, dynamic or transient problems and competing policy options. Sometimes, decision makers make policy decisions without reference to policy relevant information and evidence. This may be due to unavailability of the applicable information in the appropriate form or lack of use of the available information. At the same time, BMOs may often engage in policy advocacy without having evidence and policy relevant information on the policy problem. Consequently, information presented to policy makers may not be in a form that convincingly presents facts about the problem, effects and available policy alternatives that government should consider.

To overcome these challenges, it is essential to undertake policy analysis before, during and after making public policy decisions. The purpose of conducting policy analysis therefore is to:

- generate ideas and propositions on policy problem affecting a group in society (members of a BMO);
- understand a problem better so as to have the most appropriate perspective of the problem;
- generate credible evidence to inform policy decisions;
- identify appropriate solutions to solve the problem;
- provide informed advice to policy makers on the best policy to deal with a specific problem;
- shape public opinion on a specific policy issue or problem.

## 5. When to conduct policy analysis

Policy analysis is a valuable process throughout the policy cycle. The essence of policy analysis ultimately is to provide useful information in the form of advice to decision makers and to an extent shape public opinion. Policy analysis may be conducted when any of the following circumstances arise (the list is not exhaustive):

- The presence of policy problems affecting members of society e.g. businesses or private sector emerging from:
  - the process or manner in which a policy is being implemented;
  - enforcement of a particular law in a way that may be procedurally unfair, unjust, discriminatory, administratively cumbersome or unjustifiably costly;
  - gaps in the existing law which hinder business processes;
  - observed unintended consequences during policy implementation;
  - administrative challenges experienced by government implementing agencies;
- effects of globalisation e.g. free trade regime especially movement of services, goods, capital (including establishment of commercial enterprises) and labour; or
- application of outdated laws in a policy field.
- absence of policy measures to govern current business processes that have emerged due to innovation and development by private sector before government develops the required regulatory policy e.g. e-commerce processes (such as mobile money transfer and electronic transactions and communication) were adopted by the market before government set up regulatory regime;
- need to adapt new technology and business practices being used in other jurisdictions which would enhance business process e.g. use of Unmanned Aerial Vehicles (UAVs) which are commonly referred to as drones;
- response to government intentions or plans to introduce new regulatory policy measures which may impact on sectors such as business. This is common when a Bill is introduced in a legislative assembly (e.g. introduction of interest cap legislation, introduction of new taxes, fees and charges), government agency pronouncements on new regulatory measures or intention to introduce new administrative measures (e.g. tax administrative measures);

- response to government soliciting for policy advice or commentary from private sector on how to deal with specific problems or issues
- response to challenges local businesses face when operating in other countries e.g. through export of goods and services within EAC or COMESA or establishing commercial enterprises within the two regional trading areas.

## 6. How policy analysis is integrated in the policy process

Policy analysis is integrated within the policy process. Policy analysis is conducted prospectively or retrospectively. *Prospective policy analysis (ex ante)* involves the production and transformation of information before taking any policy action. It seeks to analyse what might happen about the problem in the future and what should be done about it. *Retrospective policy analysis (ex post)* entails production and transformation of information after policies have been implemented. It analyses what happened about the situation and the difference it makes after implementation of the policy. The table below summarises the integration of policy analysis in public policy process.

**Table 1: Policy analysis contribution to the policy process**

| Policy process                            | Policy analysis contribution   |
|---|--|
| Problem identification and agenda setting | <ul style="list-style-type: none"> <li>▪ Problem definition and framing</li> <li>▪ Problem structuring and description</li> </ul>  |
| Policy formulation                        | <ul style="list-style-type: none"> <li>▪ Identification of policy options and solutions</li> <li>▪ Policy evaluation criteria</li> <li>▪ Analysis of policy alternatives</li> <li>▪ Description of expected policy outcomes through forecasting of possible or plausible future</li> </ul> |
| Decision making or policy adoption        | <ul style="list-style-type: none"> <li>▪ Identification of policy options and solutions</li> <li>▪ Policy evaluation criteria</li> <li>▪ Selection of policy alternatives</li> </ul>   |
| Policy implementation                     | <ul style="list-style-type: none"> <li>▪ Analysis of policy implemented through monitoring</li> </ul>  |
| Policy evaluation                         | <ul style="list-style-type: none"> <li>▪ Analysis of policy outcomes</li> <li>▪ Analysis of policy performance</li> </ul>  |

## 7. Policy analysis model

The policy analysis model provides a framework for policy analysis. It explains the nature of policy information that the policy analysis seeks to process in order to influence policy decision making. In addition, the model explains the analytical approach for identifying and transforming relevant policy information into a form that informs the policy decision making process. The model highlights the policy information component, which outlines the type of relevant policy information in policy analysis, the method of policy analysis (which focuses on analysis of policy problems and policy instruments) and institutional analysis, which is a form of policy analysis specific to analysis of institutional framework and organisations. It is worth noting that the policy analysis model provides a framework that is applicable when undertaking a comprehensive policy analysis (e.g. when there is adequate time and resources) or a quick analytical approach for policy advice (e.g. when policy advice has to be provided within time constraints such as

advising a departmental committee on a particular legislation when a policy analyst or BMO has one day to make proposals).

## **7.1 Policy information component**

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The main focus of policy analysis is the generation of relevant information in a usable manner for the purposes of informing the policy decision making process.

As noted by Dunn (2012: 5-7), policy analysis seeks to provide policy-relevant information based on the following five interdependent questions:

### **7.1.1 Policy problems**

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What is the problem for which a potential solution is sought? What alternatives are available to mitigate the problem? What are the potential outcomes of these alternatives and what is their value or utility?

A policy problem is an unrealised need, value or opportunity for improvement attainable through public action. Knowledge of what problem to solve requires information about a problem's antecedent conditions (e.g. school dropouts as an antecedent condition of unemployment), as well as information about values (e.g. safe schools or a living wage) whose achievement may lead to the problem's solution.

### **7.1.2 Expected policy outcomes**

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What are the expected outcomes of policies designed to solve the problem?

Expected policy outcomes are likely consequences of one or more policy alternatives designed to solve a problem. In order to understand the expected policy outcomes, it is essential to have the necessary information about the circumstances that gave rise to the problem.

### **7.1.3 Preferred policies**

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Which policies should be chosen, considering not only the expected outcomes, but also the value accrued by adopting the policy in terms of social and economic benefits? Preferred policy is the solution to be adopted in solving the problem. To select or prescribe the appropriate policy, it is necessary to consider the facts related to expected outcomes as well as the related values such as efficiency, effectiveness, inclusiveness, equality, equity and democracy among others (such as the values stipulated under Art. 10 of the Constitution).

### **7.1.4 Observed policy outcomes**

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What policy outcomes are observed before the expected outcomes of implementation of a preferred policy? Observed outcomes relate to the current or past results of implementing a preferred policy. Since any selection of preferred policy is preceded with implementation of a similar or related policy, it is essential to identify past consequences (intended or unintended) of implementation of a preferred policy.

### **7.1.5 Policy performance**

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To what extent do observed policy outcomes contribute to the reduction of harm or consequences of the problem? What are the benefits and costs of government intervention to present and future generations through the policy? Policy performance is the degree to which an observed policy outcome contributes to the solution of a problem? In principle, policy performance entails the resolving and reformulating problems as a continuous process of solving problems.

Policy relevant information generated under each of the steps is interrelated and interdependent. Information generated from type of question informs the next component of questions through transformation during the analysis process. The types of questions also generate the respective five types of policy information as described in this part. This is the information that policy analysis process seeks to identify and transform into for purposes of decision making.

### **7.2 Policy analysis method**

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The policy analysis method (Morse & Struyk: 2006) is an analytical approach for generating policy-relevant information and solving societal problems. The analytical approach seeks to answer the above stated questions in a manner that is relevant to the policy situation. The analytic approach consists of the following six steps

#### **7.2.1 Verify, define and detail the problem**

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Note that the units on *Understanding Public Policy* and *Formulating Public Policy* include further information on definition and framing of policy problems or issues, which complements this unit. As noted above, the right identification and definition of a problem is a core determinant of effective policy analysis. The way a policy problem is defined shapes the search for available solutions. How a problem is defined influences the choice of policy alternatives. Inadequate or faulty information on the problem leads to defining the wrong problem. It is important to define and describe the problem specifically to identify the real problem. In framing the issue or policy problem, policy analysis entails collection of all necessary information related to the problem.

Policy problems are multidimensional. Consequently, there is no single policy or government action that can deal with all the dimensions of the problem. Policy problems should be defined based on the sphere of influence of the target government ministry and department. This ensures that policy analysis informs decision making at the relevant level of government that has power to change the situation surrounding the problem.

Policy problem analysis covers generation of information on definition of the problem, identification of expected policy outcomes, policy solutions and options and policy performance. This in essence provides useful information to assist in responding to information demands under the policy information components outlined above.



## 7.2.2 Characteristics of policy problems

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Specific characteristics of a problem that are socially constructed through the process referred to as *framing*. Problem framing entails selective use of knowledge and information about a problem and the causal relationships surrounding it, to assign it meaning and make it manageable. Framing a problem is essential in policy formulation and adoption as the policy makers are able to structure conflicts in a policy or legislation in order to satisfy electorate. Knill and Tosun (2012: 102-106) describe seven categories that characterise and influence how a problem is framed. These are

- **Causality** relates to the question of which factors or actors have caused a problem in the first place. Causality is mostly a contested factor especially in political debate where apportionment of blame is essential.
- **Severity** is mainly concerned with how serious a problem is and how the consequences are perceived by the parties concerned. When a problem is framed as severe or serious, it attracts attention of policy makers, mass media and concerned population faster.
- **Proximity** Under proximity, a problem is framed as directly or indirectly personal interests of a broader population. When a problem is defined to include a broader range of people who are potentially affected, it results in higher political mobilisation.
- **Crisis** A problem is labelled a *crisis* where it is framed as an urgent problem requiring action.
- **Incidence** refers to the actual prevalence and magnitude of the problem in terms of the number of actors affected by the problem. A policy problem is deemed to exist if it can be framed as affecting a wide cross section of people and at the same time causing severe problems. Data and statistics on the magnitude of the problem inform the framing of incidence of the problem.
- **Novelty** refers to labelling a problem as something new and unprecedented. This attracts media and decision makers' attention. However, framing an issue as novel should be accompanied with very clear solutions as decision makers get apprehensive in making drastic changes on new issues.
- **Problem Populations** deals with how the image of target population is manipulated by contending parties. Problems related to poverty, health and social welfare generally raise contention on framing of the image of target population. Sometimes the problem population may be viewed as helpless or hopeless group in need of external assistance

## 7.2.3 Gathering evidence

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Effective policy analysis depends on access, utilisation and transformation of information in the form of evidence. The optimal goal of policy analysis is evidence based policy decision making. It is therefore important to collect and analyse relevant policy information that will add value to policy process and decision making. The relevant evidence for policy analysis primarily focuses on problem definition which encompasses identification of solutions and options, expected outcomes and policy performance. Data and statistics form the main form of evidence that is relevant to policy analysis. However, case studies with

experiences of real cases as well as views and perspectives of relevant target groups add value to policy analysis. This is because policy analysis is both quantitative and qualitative approach.

### **Useful evidence**

The following information presents useful evidence that is relevant for policy analysis (however, the information does not have to be used all at once but it should be used within the context of policy analysis and as appropriate):

- What is the problem that is affecting society or a section of society that requires public or governmental intervention in the respective policy field?
- Who is affected by the problem? How many people or entities are affected?
- Who is concerned with the problem? This question benefits from stakeholder analysis below.
- Is the problem increasing or growing and what is the extent of that increase or growth?
- What is the magnitude of the problem? How prevalent is the problem in terms of frequency, geographical distribution, population target group?
- What is the current social and economic structure related to the problem?
- How does the magnitude of the problem in the area of concern compare with other areas (geographical disparity)?
- What are the social, economic and political factors are causing, influencing or driving the problem? How are those factors interrelated or interconnected?
- What is currently being done to address the problem and how effective is it? The question reflects on evidence on policy performance (success, challenges and failures)
- How does the performance in dealing with the problem compare with other jurisdictions in terms of comparative policy and institutional performance?
- Is the problem part of a larger problem? Is the problem present in various levels of governance or across sectors? What proportion of the problem is related to respective levels of government or sectors? For example, county tax policies are influenced by national tax policies including national revenue allocation to county governments?
- What is the expected future or changes in regard to the problem (expected outcome)?
- What policy solutions and options would effectively resolve the problem?
- What policy solutions have been tried locally and globally that have to an extent resolved the problem?

### **Sources of information**

There is need for information, data and statistics from credible sources for evidence-based policy analysis. The following are some of the sources of policy analysis information relevant to BMOs:

- Industry data and statistics collected or maintained by industry players in the ordinary course of business. BMOs should maintain core data and statistics on key industry indicators;

- Government data, statistics and studies from Kenya National Bureau of Statistics (KNBS), regulatory and service delivery agencies such as Central Bank of Kenya (CBK), Capital Markets Authority (CMA), Insurance Regulatory Agency (IRA), Kenya Revenue Authority (KRA), Kenya Public Policy Research and Analysis (KIPPRA) and Kenya Bureau of Standards (KEBS); and respective line ministries and departments such as National Treasury;
- Multilateral or international bodies such as UN and its agencies (e.g. WTO, WHO and UN Economic Commission for Africa); EAC and COMESA; World Bank and IMF;
- Policy think tanks such as Institute of Economic Affairs (IEA) and Institute of Policy Research and Analysis (IPAR)

#### **7.2.4 Tools and methods for policy problem definition or structuring**

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There are different tools that can be used to define a policy problem. Some of the common tools (Dunn, 2012: 96-101) are

##### **Hierarchy analysis**

Hierarchy analysis is a tool used in analysing possible causes of the problem. It helps identify three kinds of causes: possible causes, plausible causes and actionable causes. *Possible causes* are events or actions that may contribute to the occurrence of a given problem situation e.g. unemployment and distribution of power may be possible causes of poverty. *Plausible causes* are the actions, through scientific research or direct influence are identified to have influence on the occurrence of the problem e.g. unemployment may be an observed phenomenon that contributes to poverty. *Actionable causes* are those actions that are subject to control or manipulation by policy makers e.g. unemployment as a cause of poverty. However, distribution of power and wealth in society cannot be deemed to be an actionable cause as it is based on social structure in society.

##### **Brainstorming**

Brainstorming is the process of generating ideas, goals and strategies that help identify and conceptualise problem situations. Brainstorming entails selection of knowledgeable persons about a problem situation and engaging in the process of idea generation, evaluation and prioritisation. It assists in identification of problems and possible solutions that are ranked according to the priority. Scenario building (hypothesising of possible future events) is one of the ways that benefit from brainstorming. Brainstorming requires asking the right questions on the problem and possible solutions in an open and objective manner.

##### **Multiple perspective analysis**

Multiple perspective analysis is a method of gaining deeper insight into problems and potential solutions by systematically applying personal, organisational and technical perspectives to problem situations. *Technical perspective* is the analytical approach to problem and solution identification that applies scientific methods such as microeconomic analysis, cost-benefit analysis and systems analysis that focuses on causal reasoning, objective analysis, prediction and inference among others. *Organisational perspective* views problems and solutions as orderly

progression from one organisational state to another. Characteristics of organisational perspective include standard operating procedures, rules and institutional routines. *Personal perspectives* views problems and solutions in terms of personal perceptions, needs and values.

### **Stakeholder analysis**

Problem definition and analysis may involve analysis of key stakeholders associated with or relevant to the problem. A stakeholder is a person who is affected or is likely to affect a problem or an issue. The key stakeholders considered in problem analysis are persons or group of persons who are affected by the problem or those that have caused problem. Stakeholder analysis also identifies the supporters and opponents of a particular definition of a problem and proposed policy solutions. In policy analysis, the main focus of stakeholder analysis is identification of the stakeholders, their interests in the problem definition and policy solutions and how those interests can be taken care of in policy solutions.

### **Problem tree analysis**

Problem tree analysis identifies the problem, causes or drivers of the problem and its effects or consequences. It focuses on analysis of cause-effect relationship. Problem analysis entails identification of negative aspects of a situation, which may be causing dissatisfaction to a particular group, identification of the causes (root cause) or drivers of the problem and finally identifying effects of the problem. Analysis is based on continuously asking the question “why” on establishing the causes of problem at each level of hierarchy and the question “what” on establishing the effect of the problem at each hierarchy. This finally leads to design of policy solutions to tackle the causes of the problem. Problem tree analysis is a useful tool in prioritization of problem causes that require policy intervention. Problem tree analysis can be undertaken through brainstorming process.

### **Regulatory Impact Assessment**

Regulatory Impact Assessment (RIA) is an economic policy analytical tool that assesses the impact a proposed policy or legislation has on a particular group e.g. an industry. The assessment may be carried out before a policy is introduced to assess its potential impact. The assessment focuses on benefit-cost analysis of the policy. The Statutory Instruments Act, No. 23 of 2013 for example requires that government departments should carry out RIAs before introducing Regulations that impose costs and other impact on particular groups in society.

#### **7.2.2 Establish evaluation criteria**

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Evaluation criteria provide the standard against which to measure the proposed alternatives to policy solutions based on the problem definition. The criteria are very useful in considering multiple available or proposed policy alternatives. The criteria presented below is not exhaustive or conclusive. Analysis of different policy alternatives may require specific components of the criteria. Therefore, it is

necessary to pick on the applicable criteria that suit the policy under consideration as opposed to applying the entire criteria at the same time.

The following criteria is useful in analysing policy alternatives and matching with problem framing:

**Table 2: Evaluation criteria**

|  |   |
|--|---|
| Cost   | What is the cost of the proposed policy alternative both to government and those affected by the policy alternative e.g. the private sector?  |
| Net benefit  | <ul style="list-style-type: none"> <li>▪ What is the net benefit of the policy alternative from the perspective of the different beneficiaries?</li> <li>▪ What is the benefit compared to the cost of policy alternatives?</li> </ul>  |
| Efficiency   | <ul style="list-style-type: none"> <li>▪ How efficient is the proposed policy alternative? Is it the most efficient way to produce the desired policy outcomes and policy performance?</li> <li>▪ What is the cost effectiveness of the policy alternatives?</li> <li>▪ This entails utilization of cost-benefit analysis and cost-effectiveness analysis</li> </ul>  |
| Equity<br>(may also include equality, fairness, justice) | <ul style="list-style-type: none"> <li>▪ How are the policy benefits distributed across the different social groups in society that are affected by the problem?</li> <li>▪ How are the alternative policy alternatives integrating horizontal and vertical equity?</li> </ul>  |
| Administrative ease<br>(administrative feasibility)      | <ul style="list-style-type: none"> <li>▪ How easily can the policy solutions be implemented?</li> <li>▪ Does the policy alternative require reorganization of the current administrative structure and is it feasible?</li> </ul>   |
| Legal issues   | <ul style="list-style-type: none"> <li>▪ Does the level of government seeking to address the policy problem have legal authority to adopt the proposed policy solution?</li> <li>▪ Does the policy alternative require a new law or approval from other departments or other levels of government?</li> <li>▪ Are there any legal implications arising from the policy option</li> <li>▪ <i>Does the policy measure comply with constitutional requirements?</i></li> </ul> |
| Political acceptability                                  | Will the proposed policy solution be acceptable to political leadership or popular among general citizenry?   |
| Extent of uncertainty                                    | How much of uncertainty is likely to result from implementing the policy especially if it is a new policy?  |
| Adequacy   | Will the policy solution adequately address the problem?  |
| Feasibility  | Is the policy alternative feasible given the political, budgetary, administrative and technical constraints   |
| Impact on other policy fields                            | How does the policy solution impact on other policy fields whether positively or negatively?  |
| Responsiveness   | To what extent does the policy solution satisfy the preferences, needs and values of particular group?  |

### 7.2.3 Identify alternative policies

After defining and describing the problem, the next step is to identify possible policy options or solutions to resolve or address the problem. The evidence presented in section 7.2.1 above is useful in crafting appropriate policy solutions. In addition, identification of alternative policies focuses the policy options that are more likely to result in the anticipated policy outcomes and performance. It is advisable to identify not more than three alternative policy options for effective analysis.

Alternative policies identified should consist of policy measures that fall within the categories of policy instruments, which are covered in the *Understanding policy* Unit and *Formulating public policy*. These instruments are:

- Information-based policy instruments
- Authority-based policy instruments
- Treasure-based policy instruments
- Organisational-based policy instruments

Since any policy problem is multidimensional, more than one form of policy instrument would be required to solve the problem. For example, regulating market behaviour may be complemented by establishing or reorganising government regulatory institution and also have financial implications such as fees and charges or penalties.

*Formulating public policy* provides key aspects to consider when formulating policy which would be useful to consider when recommending policy options.

### 7.2.4 Evaluate and compare alternative policies

Whereas there are several policy options that are identified in dealing with the policy problem, the options cannot all be adopted and implemented at the same time. It is therefore important to prioritise the policy options through evaluating and comparing the various options. Using the evaluation criteria identified above, policy alternatives identified are evaluated and compared against each other.

During the evaluation, potential constraints associated with each criterion are noted since any severe constraints would result in adopting a policy option untenable. Policy or decision makers would normally be interested in reviewing an analysis that contains evaluation of possible policy options and their implications in accordance with the evaluation criteria.

Evaluation of policy options involves value judgment in that the analyst makes judgment as to which policy option is most appropriate based on values and perspectives about the problem and appropriate policy solution.

Table 3 below provides a template for evaluating and comparing policy options.

**Table 3: Evaluation & comparison of alternative policies**

| Attributes of the proposed intervention<br>(captures the characteristics of the policy option) | Option 1 | Option 2 | Option 3 |
|--|----------|----------|----------|
| Cost   |          |          |          |
| Net benefit  |          |          |          |
| Efficiency   |          |          |          |
| Equity   |          |          |          |
| Administrative ease  |          |          |          |
| Legal issues   |          |          |          |
| Political acceptability  |          |          |          |
| Extent of uncertainty  |          |          |          |

### **7.2.5 Select the best policy among the options**

---

Evaluation of policy options leads to identification of the best option to address the problem. The outcome of policy analysis results in identification of recommendations of specific policy options to be considered by decision makers. Policy recommendations should be supported by clear justification, based on the problem framing and evaluation. When selecting the best policy options, the following issues should be taken into consideration

- consider the prevailing socio-economic and political context and its implications on the best policy option. An option might be the best but it may not be suitable given the prevailing socio-economic and political context
- most times, there may not be a policy option that meets 'perfectly' all the above criteria together. Therefore, select the option that meets most of the criteria. This calls for skillful analysis and value judgment by the person carrying out policy analysis
- selection of the best policy options call for trade offs between various options and respective criteria. For example, trade offs between cost and benefit, administrative and political feasibility
- be realistic. Some policy options however good they may look, may not be realistic given the socio-economic and political context or given the time constraints
- consider the policy option that is likely to have most probable outcome within the constraints
- consider the some of the core constraints in adopting policy options such as constitutional or legal constraints and costs (budgets) constraints
- consider feasibility of implementation of the policy given the socio-economic and political constraints
- consult with key stakeholders in selection of best policy options
- balance between the current needs and future demands (sustainable development) i.e. apply intergenerational benefit sharing principle. Some policies especially in regard to large infrastructure investments or natural resources utilization have intergenerational impact

### **7.2.6 Monitor and evaluate the implemented policy**

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Policy analysis also entails monitoring and evaluating the implemented policy. Designing and adopting a policy does not solve a problem in itself. Effective and efficient policy implementation is what matters in order to realise the expected policy outcomes. Monitoring and evaluating implemented policy entails answering the policy information question on policy performance.

#### **Policy monitoring as policy analysis**

Policy monitoring entails assessing what is and what is not working during policy implementation period. A policy may be implemented through programs that are mainly designed as public services or through expectations of compliance with the policy by the targeted public or private actors. Monitoring is intended to improve policy performance. Policy monitoring entails–

- designing of indicators that will be observed during policy implementation period
- collecting of information (data) related to the program (public service) or policy on a continuous and systematic manner. Data may be collected on a daily, weekly, monthly, quarterly or yearly basis
- analyzing the data collected in a manner that assesses key parameters to determine if the policy is achieving or will lead to achievement of the intended outcomes if it is implemented in current manner. Such parameters include process efficiency and effectiveness, responsiveness to the intended needs
- observing intended and unintended outcomes of the policy or program
- utilizing information generated from analyzed data to inform making decision

### **Policy evaluation as policy analysis**

Policy evaluation entails carrying out a summative assessment of policy outcomes and performance. A policy is normally evaluated after certain summative period e.g. 5 or 10 years or such time, which would not be less than one year, as the implementing agency may deem necessary. Policy evaluation entails

- collecting information (data) on intended results, outcomes or impact of implementing policy and programs
- analyzing information to assess whether the policy has achieved the intended results or outcome and the impact it has had to the target group
- identifying any intended or unintended consequences of the policy implementation
- consideration and assessment of the relevance of the policy outputs (policy directives) by observing the extent to which the problem has been solved

## **7. Structure of policy analysis report**

Policy analysis is followed by production of policy paper or policy position paper or a policy analysis report. There are complementary Units in this course that cover areas of policy research and development of policy position paper. Therefore, this unit does not cover issues dealing with how to prepare a position paper. However, in summary form, a policy analysis report may cover at least the following issues among others:

- Title of the issue of focus in policy analysis
- Problem statement
- Background information
- Criteria used
- Analysis
- Policy options and implications (derived from the criteria and analysis)
- Policy recommendation with justification for the policy options recommended.



## Further reading and further information

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This series of advocacy competence handbooks – divided into modules and units – is intended to support business member organisations (BMOs) to engage in public private dialogue and to advocate improvements to the business environment. You are free to use the units and other materials provided that the source is acknowledged.

#### Foundation Unit

##### 0. Introduction to advocacy & dialogue

##### Module 1: The policy process

###### 1.1 Understanding policy and regulation

###### 1.2 Policy analysis

###### 1.3 The process of formulating and reforming policy

##### Module 2: Policy positions

###### 2.1 Identifying, understanding & framing issues

###### 2.2 Preparing policy positions

###### 2.3 Influence & argumentation

##### Module 3: Communications

###### 3.1 Communications & public relations

###### 3.2 Media relations & use of social media

###### 3.3 Interview skills

##### Module 4: Written communications

###### 4.1 Branding & house styles

###### 4.2 Writing press releases

###### 4.3 Preparing written documents

##### Module 5: Managing advocacy projects

###### 5.1 Planning an advocacy project

###### 5.2 Budgeting & financial management

###### 5.3 Evaluation of advocacy

##### Module 6: Managing a BMO

###### 6.1 Leadership, strategy & business planning

###### 6.2 Governance and ethics

###### 6.3 Members and member services

##### Module 7: Research

###### 7. Research methods



The Business Advocacy Network is an initiative of Irwin Grayson Associates and can be found at [businessadvocacy.net](http://businessadvocacy.net). IGA can be found at [irwingrayson.com](http://irwingrayson.com) and contacted at [david@irwin.org](mailto:david@irwin.org). You can follow David Irwin on twitter at [@drdaavidirwin](https://twitter.com/drdaavidirwin).

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