

FRST 415 – Policy Analysis for Advocacy Tutorial 3: Consequences of Alternatives and Tradeoff

Step Four: Consequences of Alternatives

The purpose of step four is to examine the consequences of your alternatives for your values of concern (your criteria). Many tools can be brought to bear to perform analysis, depending on what your policy problem is and where your criteria lead you. Economic analysis of costs and benefits are frequently appropriate. Risk analysis can be useful for analyzing environmental consequences. Modelling the relations between different system components could be used. If political feasibility is important to you, public opinion polls, focus groups, or stakeholder analysis could be useful.

This is the most difficult step, mostly because it is about projecting outcomes into an uncertain future. For this course, you are not required to do original analysis of the consequences of alternatives (although you are welcome to give it a try), but you are required to provide the best evidence you can based on available data and information. As always, the more independent, peer reviewed information you can bring to bear the better. If that is unavailable, use the analysis presented by other stakeholders as raw material, but do so critically, keeping in mind what values underlie their analysis and how they might influence the type of analysis they do or how they interpret the results.

If you find that there is no information available to project consequences of alternatives, your job is to construct a plausible case about the general direction of the impacts of an alternative, especially if you can compare it to the projected consequences of other alternatives.

Step Five: Comparing Alternatives, Confronting Trade-Offs

The purpose of rigorous policy analysis is to develop adequate information to compare alternatives to guide decision-making according to your values. Given the complexity of many policy problems, it is rare that one alternative will be preferred on all of your criteria. If you're lucky enough for that to happen, your recommendation is a no-brainer. But in almost all cases there are trade-offs – alternatives will perform better on one criteria and worse on another. The challenge of this stage is to find a useful way to organize and present these trade-offs.

One useful way to do this is through the presentation of a trade-off matrix, a table where you list alternatives on one axis and your criteria on the other. In each cell, you should provide meaningful information about the consequences of that alternative for that particular criterion. In an ideal situation, you would be able to compare the alternatives with the same metric (for example, dollars), making ranking of alternatives relatively straightforward. In many policy problems, however, it is frequently difficult or impossible to measure consequences on the same scale, and alternative means of ranking trade-offs becomes necessary.

Let's take a very common example first: where to go out for dinner with your friends. Our alternatives are sushi, pizza, and Indian, and our criteria are affordability, tastiness and location.

One approach would to use qualitative statement for how an alternative performs, for example from "poor" to "excellent." You could substitute some kind of numerical measure to indicate the relationship between the magnitudes of impacts on different criteria. Or you could simply rank your alternatives from best to worst on that criterion.

Here is a generic example, with three different measurement methods used for each alternative. In your analysis, you should pick one measurement method for all criteria.

	Criteria 1	Criteria 2	Criteria 3	...
Alternative 1	Good	Very Good	Poor	
Alternative 2	+	-	+	
Alternative 3	3	1	2	
...				

You don't need to weight all your criteria equally. If you're really craving Indian, you can ignore the higher cost. Or if you're really feeling stretched for cash, you'll end up with pizza, again.

Now let's say, instead of figuring out where to eat, we're deciding how to get a landlocked oil reserve to international markets. We could build a pipeline to the Pacific, a pipeline to the Atlantic, or simply expand rail shipments. Our criteria could be number of long-term jobs, environmental impact, and political acceptability.

	Long-term jobs	Environment impact	acceptability	...
Pacific Pipeline	Good	moderate	Poor	
Atlantic Pipeline	Good	moderate	Good	
Expanded Rail	moderate	poor	moderate	
...				

Regardless of which format you use, it is important to justify your analysis and conclusions. Simply putting number in a table is not enough; you need to explain why you chose the values or the ranking that you did.

Now that you've analyzed your alternatives and organized a presentation of them for comparison, you should be able to decide which alternative is best from your perspective.

You're now at Step 6: You make your recommendation to the decision-maker.

Tasks for consequences and trade-offs tutorial (in class):

By 12:05: Draft a trade-off matrix with alternatives on one axis and criteria on another. Do some form of ranking of how the different alternatives perform on the criteria