

BOUNDED RATIONAL POLICY ANALYSIS

Policy is the way a government tries to get from where it is now to where it wants to be. It is concerned with getting from A, where it is now, to B, the preferred situation. In our reading about the Cold War, we saw the U.S. create a policy of containment of the USSR. We also saw the U.S. adjusting that policy as events affected the implementation of containment. A policy can be considered as a plan, which must be changed as the situation unfolds.

One of the critical aspects of creating policy is that when a government is at A, about which it does not know enough. However, the government knows even less about the future where B is.

Moreover, the process of making policy is not a rational one. In reality, policy emerges from the rough and tumble of a political process. Not only may there not be a clearly defined goal, there usually are many competing goals, all deserving consideration, some requiring close scrutiny. How a country defines its goals depends on its political system, which determines who participates, what is considered, and how decisions are made. Additionally, even when goals are agreed, there are usually a number of ways to try to achieve those goals. This is a political, therefore very subjective, process.

Although the actual process is not a rational process and may not result in a fully reasoned policy, the best way for you to think about policy is in a rational manner.

A goal of this course is for you to be able to think rationally about American foreign policy. See the course syllabus: “2) to provide you with an effective ability to understand, analyze, and judge American foreign policy.”

Yet you, too, suffer from the same shortfalls as the government – lack of information, experience, and conceptual ability.

Therefore, your “effective ability” is bounded. Your task is to learn to think rationally -- bounded rationally, but rationally -- about American foreign policy. This means using a simple process of bounded reasoning – understanding the situation, determining the goals that arise from that situation, determining ways to achieve those goals, selecting the best course of action, and being able to justify your choice. This may seem to be an easy task. We each pride ourselves as being rational when necessary. It is, however, not an easy task, as will unfold below.

THE QUICK PROCESS:

You become aware of a situation. You have only the information at hand. Your first thought – what should be the goal of the U.S. in this matter? Then how should we seek that goal, given our instruments of power and the interests (goals) and relative power of the major players in this situation? What are our options? Which appears to be the best option to get to our goal (B)? Why?

If there is too little information and too little time, at least consider what should be the goal of the U.S.. Your view of the goal, not what someone has said is the U.S. goal.

THE LONG ANALYTICAL PROCESS:

1. Situation. Here is the focus of your research effort. Here you provide the policymaker an adequate understanding of the policy environment. Moreover, there must be enough information to support your analysis. Your knowledge of the situation will determine the quality of your recommendation. Superb analytical reasoning is of little use if you do not know enough about the situation. Although this is the first step, it is an iterative step. You will need to return to the situation as your analysis develops, seeking additional necessary information and evidence.

You should include:

- a. Description of the situation.
 - ◆What is the primary issue(s)?
 - ◆What are the critical events that have caused this issue to become important?
 - ◆What is currently causing the need for the United States to consider action or a change in policy?
 - ◆Is there a threat we must respond to or is there an opportunity we can mold to our advantage?
- b. Scope of the issue.
 - ◆Is this a transnational issue?
 - ◆Does the issue involve multilateral or bilateral relations?
 - ◆Is the issue related only to one state and the U.S.?
 - ◆Is the issue a regional one with minimal effect beyond the region or does it have significant consequences beyond the region?
 - ◆Does it involve a single set of concerns or are there many related issues?
 - ◆Are there other important American interests involved?
 - ◆If the scope of the issue is complex, can you effectively focus on what you believe to be the more important aspects.
- c. The players.
 - ◆Who are the important players -- states, non-government organizations, other international and domestic bodies?
 - ◆What are the facts regarding the players that are necessary to understand the situation and their interaction?
 - ◆What are their interests?
 - ◆What are their abilities to make things happen? (See Ingram's "A Useful Concept of Power.")
- d. The causal factors.
 - ◆What are the important causal factors that will affect the outcome? Outcome = $f(a, b, c, \dots)$.

- ◆ Use Ingram's "Factors of Causation" as a guide.
 - ◆ Remember you will be using primarily, if not solely, level-two analysis [state(s)].
- e. Your boundedness.
- ◆ How might your socialization influence your view of the situation?
 - ◆ How do or might the players view the situation?

Having noted all the above, this section must not be a long history or a jumble of facts. Neither should it be an extremely long discussion. You must judge how much is necessary to include in the situation and focus on what you need in an organized fashion. You will probably need to rewrite this section after you complete your analysis in order to keep the section adequately supportive of your analysis.

2. Goal(s). During this course, we will spend some time on the concept of goals. From the situation arises the question -- what do you believe the United States needs to achieve. Your policy recommendation must be aimed at that achievement. This is the critical step in your analysis. If your goals are poorly conceived, your analysis will be poorly focused and probably not of much value. "The superb application of very effective instruments to the wrong or a poorly chosen goal is a terrible misuse of effort." (Ingram, "A Useful Concept of Power," p. 12)

Some considerations:

- a. Is your goal(s) clearly defined so you can use it consistently throughout the paper?
- b. Is it concrete, not a restatement of the problem or the threat, not a process (be careful of gerunds), but a something you will know when you are at situation B?
- c. Is it what we really want? Remember our discussions of historical goals.
- d. Since this is your analysis, the goal(s) must be what you believe is the goal(s), not necessarily what your research may have found to be the goal(s) as stated by the U.S. government or others.
- e. Your goal(s) should be linked to a core national interest through a hierarchy of goals. How each goal in the hierarchy affects the others should be clear. It might be useful at this point to consider other goals that are related to this issue and might be affected by the policy you eventually will select. This thought process can become very complex, branching out to consider many possible considerations and paths of thought.
- f. The relationship between the situation and the goal must be clear. The purpose of a policy is to get from the situation A to situation B, where situation B is an improvement toward the achievement of the American core national interests. The outcome of the policy should be to cause situation B.
- g. From the above, it should be obvious that a goal cannot be stated in a

one-liner. You will need a good paragraph.

3. Analysis of the Policy Options. Although you will eventually deal with your preferred course of action, your consideration must involve the analysis of the more important feasible options. Dealing with the options is the crux of your analysis. Here you determine what you believe can be done. You will need to effectively define the options. These definitions will need to be more than a simple statement. You must describe each option fully, including how you believe each option might achieve/cause the goal. This requires that you show how the option is related to the achievement or a significant movement toward the goal. Make sure you define the significant elements of the option. (See the Appendix.)

4. Recommendation. Having made a choice, you will need to state your policy choice and write a section that supports that choice. Although this will need to be somewhat repetitive of your analysis, it should not be the analysis again. Here you make clear why your choice is the best available. However, do not over emphasize the quality of your choice and the likelihood it will cause B. Note the uncertainties, the risks, the critical shortfalls of information, your significant assumptions, and the unresolved aspects of your analysis. This is not a place to skimp effort. It may be all the reader reads.

5. Iteration. This is not a step, but an extremely important aspect of any research effort. The process is not linear. You do not do “your research,” then decide on a goal, then analyze the policy options, and then make a decision. As you proceed through the process, you will discover the need for more information, perhaps to refine or even change your goal, modify or drop policy options, among other changes. This iteration should help you make the final paper a cohesive, sufficiently comprehensive, and focused effort, which provides a policy that is likely to be effective.

6. Continual Review. You should continually review your work to ensure that the line of reasoning from situation to goal and from situation through goal to policy recommendation is clear and logical.

8. Boundedness. Because this is a bounded analysis, there will be gaps and shortfalls in your analysis beyond your ability and available time. As you continue your effort, recognize these and the key assumptions you are making. If suitable, discuss these in the flow of the paper. Otherwise, mention and discuss them briefly in an informational footnote.

Appendix

THE PROCESS OF ANALYSIS (THE WEIGHING THE OPTIONS)

Here is where the bulk of your thinking should be, although the bulk of your work will be in your research related to the situation. A well-researched effort is of little use, if your analysis is poorly done or misguided.

The question – how to weigh the policy options so that one can be recommended?

The answer – do the best you can within your bounded capabilities.

This is an extremely difficult step, one where neither the necessary information nor an effective weighing methodology is always available. Moreover, the latter, if it exists, may be beyond your understanding. Here you must do the best you can with what you have. In general, you will conduct a simplified cost-benefit analysis, with the costs and benefits broadly defined, probably without specific figures.

First, you must select a set of policy options to consider – two, maybe three, that seem to you the most likely to cause the desired outcome. As your effort develops, you may need to drop or adjust these.

Second, you must define the policy options adequately for the reader to understand and for you to weigh effectively. This requires that you show how the option is related to the achievement or a significant movement toward the goal. This is where many analysts fail, because they have created the basis for “miracle moments.”

Do not use one-liners. However, one of the most famous, perhaps infamous, analyses in American history, the basis for NSC-68, had the following policy options – do nothing, go to war with the USSR, or build up our military and alliance. Some believe that it was one of the most significant statements of American policy in the Cold War. It was based on an extraordinary poor analysis, but that was not its purpose.

Third, with the options in hand, you will consider each using the following:

a. **Feasibility. Is it possible?** An example: given what you know is it likely that this course of action could happen in a reasonable or necessary span of time? Another example: does the U.S. have the resources to carry out the policy or the will to commit those resources, or the ability to commit those resources, given its other tasks. If you find your course of action is not possible, then develop another course of action. This is not a question of effectiveness. If you believe that it is still worthy of consideration, discuss the circumstances and the likely probability of success.

b. **Legitimacy. What is its potential legitimacy in the American political**

system? Given what you know, how likely would your course of action be supported by the U.S. people and Congress. If your issue were North Korea's nuclear program, how likely would the use of nuclear weapons by the U.S. preventively be supported by the American political system? If the likelihood of your course of action would be supported is low, then you should consider another course of action. If you believe that it is still worthy of consideration, then discuss the circumstances and the likely probability of success. You might adjust your course of action to manage the issue of legitimacy.

Your course of action should be consistent with the American ethos and congruent with informed public opinion. If not, attempts to take the American public where it does not want to go will probably lack the necessary public support to be successful.

You may wish to consider the legitimacy in the eyes of the other players.

Effectiveness. How effective will it be in achieving your national goals?

Here you are analyzing the ability of the United States to make this course of action happen and if it happens the degree it will achieve your national goals. **This usually is the critical criterion.** It is here where you must deal with the seven levels of causality. What will get us from A → B.

These are two separate considerations.

The first is about the power of the U.S. to achieve this course of action given what you know about its capabilities. Remember that power is relative to the interests and capabilities of the other states, international actors, and transnational forces involved. This is why you must discuss these to some degree in your situation. It is also about the ability of the U.S. to cause change where states have little or no influence, such as technological change, environmental and climatic factors, etc.

The second is about what would happen if the course of action were carried out. What would be the effect toward achievement of the national goal? What might be other possible consequences?

In both cases, you might wish to consider a sense of probability and a degree of risk, relative to the effectiveness of the course of action.

Cost/Effectiveness. This is a way to compare options. Which option has the lower cost/effectiveness? Effectiveness is paramount, but it usually cannot be the sole criterion.

Costs. What are the estimated costs? These are not only costs in terms of dollars but also other costs in terms of lives, other resources, and other national goals. This is not an exercise in precision. You will usually have only an idea of the order of magnitude of the various costs for comparison with the other courses of action. Because your analysis is aimed at only one national interest in one area of American foreign policy, *a critical cost may be the negative impact that a course of action suitable for your national goals will have on other national goals.*

Benefits. These are the achievement or significant movement toward the goal. Achieving the objective should mean, at least, moving toward situation B

Other Positive and Negative Aspects of the Policy Option. There may be other considerations and consequences that you wish to weigh, which do not fit in the above

categories. You need to consider these. Time is usually a critical consideration. (See Ingram, "Prevention/Preemption.")

After having weighed the policy options, you must decide on how to select the best option. By what criteria will you judge the alternatives? Which criteria are the more important and why? The most important criterion is how effective will the policy be in achieving your national interest -- a measure of benefit. However, rarely can that criterion stand alone. For instance, if the costs differ considerably and especially if the costs to other national interests are high, then benefit alone is not sufficient. In the end, you will have to weigh both benefits and costs.

Other criteria that may arise include level of risks to other national interests, level of risks of other costs, and the effect of available time on the course of action. In this latter case, there may be courses of action there are very cost-beneficial, but which have a high risk of coming to fruition too late to be of value.

You may also wish to think about your assumptions. Are there any related to a particular option that if wrong would cause you to change your decision? This is a simple sensitivity analysis. How sensitive is your decision to critical variables.

As you prepare to make your decision consider the following:

- a. Does your evidence support your choice?
- b. Have you under emphasized or ignore evidence that is contrary to your choice?
- c. Is the evidence credible?
- d. Is your support for your choice effectively compelling or only as compelling as you can make it with the information at hand?
- e. Have you remained focused on achievement of your goal?
- f. Can you and the reader follow your reasoning string from situation to goal to policy to the effect on the goal? Is there a "miracle" moment(s), where by avoidable ignorance, carelessness, or oversight you end up assuming effectiveness and success of you option?

In your studies elsewhere you may have been introduced to other analytical processes, methods, and concepts. If you can fit these into the above, do so. However, I strongly suggest that you keep things "simple." Do the above well.

From previous experience with research and policy papers, there have been two significant problems: 1) the analysis wanders away from the goal and 2) there is at least one place, usually several, where the reasoning string breaks down. This latter problem shows up in the student having to rely on the "miracle moment" to get from A → B. This means there is no logical way shown in your paper for your chosen policy to → B. It may work, but you have not shown the reader that it can work.

How to avoid the "miracle moment." You cannot completely. You can, however, try to

identify the problem areas in your analysis. Seeking more information or thinking more carefully with the information you have at hand may overcome or reduce these problems. Every policy analysis will have problem areas. The important point is you need to recognize these, try to reduce them, and avoid claiming too much. With care you can avoid claiming too much. Use “will cause” or similar statements carefully. Be appropriately conditional in your conclusions. Remember the key rule about causation – be careful. All too often, students and policy analysts fail to be careful.

I do not expect, especially in a bounded analysis, perfection. I do expect good research, solid analysis, and thoughtful conclusions, in a well-written paper.