

POLICY

THE PURPOSE OF POLICY IS TO CAUSE A CHANGE TOWARD A GOAL.

Policy is the means we use to try to get from $A \rightarrow B$, where A is the current, not well known, situation and B is the desired situation in an unknown future.

The \rightarrow is the getting there. It is all the events, circumstances, happenings, causal factors, and actions, about which we know little, in part because they have not yet taken place, that will be involved in getting to B . It, therefore, includes the policy we have chosen to follow.

In our analysis, we start with $B = f(A, a, b, \dots \text{ etc.})$. B is a function of the current situation (A) and the many causal factors ($a, b, \dots \text{ etc.}$). In this equation, the \rightarrow is the interrelationship among all the factors within the parentheses, which are the things that are involved in getting to B .

In our bounded rational analysis, we will not know all the causal factors, enough about those we do know, and not know much about how they are related. We will not know much about how they and their relationship will change as we try to get to B . This means that we will not know very much how to cause B .

Because we know very little about the current situation and the causal factors, as well as their relationships, our concern is not what will cause B , but what we believe will cause B from the information available.

It is not proof we seek, but a sufficient consideration of the things in the parentheses as we can understand them to allow us to reason as well as we can.

Usually, the best we can do is to **infer** what causes B from the information available. Although we will not be able to determine what will cause B , we should be able to work with a logical explanation of what we can infer will cause B .

Therefore, the equation becomes: B , our desired outcome, A , what we understand about our current situation, and the primary causal factors, those we perceive as the most important. **(From the reading about causation, we should look for the reasonable causative factors, avoid those that are likely to have had little or no effect, try to distinguish between those that are necessary and those that are sufficient, and think about those that are immediate and those that may be distant in effect.)**

Once we have a grasp of the above, we can try to develop policy options that may get us from $A \rightarrow B$.

Now the equation becomes: $B = f(A, \text{ a policy option}, a, b, \dots \text{ etc.})$. The equation now includes specifically our potential policy. Now we must consider each option's potential to get us to B or closer to B .

If we are to have any assurance that our analysis is worthwhile, we must do our rational best. We must learn as much as we can about the current situation (A). We must try to ensure we are considering the most critical factors. We must also avoid common errors and misleading generalities related to thinking about what causes what.

Two fundamental issues will arise: 1) we must keep in mind that our analysis is bounded, not only by a lack of information, but also by our overall boundedness, which includes our socialization and 2) the factors and their relationship as they develop overtime may take us to B_1 or B_{23} or even to Z . The first issue requires us to consider our limitations and that others will reason from different perspectives. The second requires that our analysis be continuous. It is not ever done.