

A Decision Analysis Approach to Policy Issues: The NAFTA Case
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Abstract

This article presents decision analysis concepts and tools that can help scholars and decision makers to get a better understanding of policy issues. It describes the structure of **knowledge maps** for representing uncertain elements in policy issues, and **decision frames** for uncovering the information elements behind conflicting positions and help participants find a common ground for agreement. The article also presents the application of these techniques to issues arising from the North America Free Trade Agreement (NAFTA).

Introduction

Policy issues are some of the most complex and far-reaching problems confronted by societies. Policy issues range from city problems to international and world issues, include conflicting sets of interest and objectives, need to be resolved in the face of uncertainty, and may affect millions of people. We certainly need to be careful and thorough when analyzing policy issues: high impact actions may be guided by such analysis.

Decision analysis is a discipline whose main objective is to gain clarity of action for decision makers. The decision analysis approach frames complex issues efficiently, explores relationships among key elements, and provides a systematic way of arriving to conclusions. Decision analysis uses a systematic approach to quantify the important elements of an issue (even when some of the important elements may not seem, at first, quantifiable at all) and integrates the elements into models that include objectives, uncertainties, and policy options. These models are meant to provide a clearer picture of the issue and help decision makers identify the best course of action.

Several decision analysis tools can be readily used for modeling policy issues and new decision analysis-based tools can be developed for particular aspects of policy problems. In this article we will see examples of the application of new decision analysis tools to policy issues.

We can develop custom-made decision models to smooth out conflicts. For example, in many cases conflicts are an expression of a difference of positions among actors and by developing a unified decision frame we can uncover the information elements behind conflicting positions and help the actors find a common ground for agreement.

This article presents decision analysis concepts and tools that can help actors get a better understanding of policy issues. In particular, it introduces the use of *knowledge maps* for representing uncertain elements in policy issues and also introduces the use of a new tool—*decision frames*—as a way of furthering understanding among conflicting actors. These concepts and techniques will be applied to issues arising from the North America Free Trade Agreement (NAFTA).