

What is Analysis (and how do we do it)?

In the broadest sense ...

Analysis is the process of evaluating and transforming raw data into descriptions, explanations, and conclusions that help readers (policymakers) take action.

Analysis

A basic, time-tested, relevant analytical model:

- Identify drivers
- Identify trends
- Weight drivers and interaction within trends
- Identify scenarios
- Reexamine drivers and weights
- Identify wildcards
- Reexamine scenarios
- Assess implications

Double-value:

- Transparency of analysis empowers policymaker
- Drivers are at the heart of good policymaking

Definitions

Judgment – a statement that goes beyond available information, enriched by your expertise, background, methodologies, assessment of sources, and knowledge of policy – interpreting ...

- what's happening (and where and how)
- why it's happening
- who's making it happen
- what'll happen next and later
- to reach a conclusion on the basis of probabilities – an analytic leap from the known to the uncertain

Opinion – something you're entitled to but is probably of little interest or value to your client

- often influenced by bias/assumptions
- usually lacking transparency and rigor

Definitions

Bias – combination of experiences, facts, and opinions that influence how we approach an issue.

- Sometimes transparent; often not
- Can guide formation of hypothesis only

Assumption - a proposition whose truth is taken for granted and guides us in making a judgment.

- Not necessarily bad if made explicit up front
- Help us determine scope of work by ruling out certain

Hypothesis - A tentative assertion linking two or more phenomena, subject to testing and proof.

- To be tested with empirical evidence
- Helps build/logic of drivers, trends and scenarios

In its simplest form ... good analysis ... the “key judgments”:

- Provides an accurate snapshot of what we *know* and what we *think* about a current situation
 - who, what, when, where, how, why
 - what’s driving it – the “drivers”
- Identifies the *trends*
 - what’s happening with each key driver
- Identifies potential *outcomes*, with some estimation of *probability*

Good analysis educates ... is transparent ... is policy-relevant ... is dynamic.

SOME EXAMPLES:

- Identify drivers
- Identify trends
- Weight drivers and interaction within trends
- Identify scenarios
- Reexamine drivers and weights
- Identify wildcards
- Reexamine scenarios

Double-value:

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War in Syria

Violence in Central America

Chinese behavior in S. China Sea

Putin's immense popularity

Immigration into Europe

Immigration into U.S.

Or ... some U.S. domestic phenomena

Example

CENTRAL AMERICA MIGRATION PRESSURES

Key Findings

The heightened migration flows from the Northern Triangle in 2014 can be directly attributed to the following “push” and “pull” factors:

Income and power disparities driven by social exclusion encourage migration. Historic oligarchies in all three Northern Triangle countries hold a monopoly on political and economic power, while marginalized groups suffer disproportionately and face discrimination which inhibits social mobility.

Elites take an active role in maintaining these disparities by the avoidance of direct or indirect investment, most notably in terms of failure to pay taxes. Inequality is most evident in border regions, which, historically underserved and populated by marginalized portions of society, are most prone to migration.

Greater economic prospects in the U.S. than in Central America encourage migration.

Poverty and lack of social services pressure the poor to seek opportunity in the low-skill and relatively high-wage jobs offered by the U.S. economy. The inability of Northern Triangle governments to develop industry, collect taxes effectively, eliminate corruption and extortion, establish effective regulation, ensure security, and attract domestic and international investment have resulted in poor opportunities both for job-seekers and existing and potential businesses. Lack of institutional support and reliance on foreign income have created precarious macroeconomic conditions predicated on the strength of the global economy.

In particular, outsized reliance on remittance flows to the region resulted in increased economic pressure when the Great Recession shrunk those flows. Meanwhile, NAFTA and CAFTA-DR have undermined the profitability of key agricultural products, such as corn, while failing to create jobs.

Lack of effective governance institutions in each Northern Triangle country drives migration. Weakness and corruption of law enforcement and justice systems allow for an atmosphere of impunity, frequent extortion, low prosecution rates, and system backlogs. Social services, private property laws and business regulations, tax collection, public ...

Example

Key Judgments: Drivers to Normalization

The normalization of relations between the United States and Cuba is a process that was initiated by President Barack Obama and President Raul Castro on December 17, 2014. The government-to-government relationship has already begun to normalize; now is the perfect opportunity for businesses to broaden the scope of normalization.

The push for normalization between the United States and Cuba is directly affected by the following factors:

Policy irritants remain an obstacle in the normalization process as they challenge Cuban sovereignty. The Cuban government demands respect for its nation's sovereignty and wants to be viewed as an equal partner in the normalization process. Eliminating policy irritants, including U.S. presence at Guantanamo Naval Base, the 1996 Cuban Adjustment Act, the Cuban Medical Professional Parole Program, dissemination of U.S. ideology through Radio and TV Marti, funding of democracy promotion programs that target Cuba under the Helms-Burton Act, and others will hasten the pace of normalization and show respect for Cuba's national sovereignty.

Examples

Current U.S. legislation hinders economic growth and development in Cuba by prohibiting trade, investment, and cooperation with the U.S. and other international markets. Cuba views the U.S. embargo as the most significant impediment to its economic development as well as the greatest obstacle in Cuba's integration into the world economy. Current U.S.-imposed regulations on Cuba limit the creation and implementation of collaborative agreements and the development of long-lasting business relations with the United States. The embargo hinders Cuba's ability to sustain economic growth with U.S. and international markets, and to form sustainable relationships in areas such as business, pharmaceutical research and development; resolve property rights with the U.S.; enforce intellectual property rights; and more.

The inability of the socialist structure to adapt and modernize has caused Cuba to reevaluate its economic model. Pressured by monetary and fiscal crises, low labor productivity, changes in the education level ...

Next Steps

While continuing research ...

- Formulate hypotheses
- Build arguments; collate evidence
- Validate information; remain conscious of information gaps
- Check assumptions; check logic
- Remain aware of importance of words
- Discern patterns
- Assess probabilities
- Think about wildcards
- Test, test, test
- Edit, edit, edit

Questions? Comments?