

Analysis of Actual Value

P = Actual value, price, present value

Y = Revenue

R = Interest rate, rate of risk, rate of
capitalization

Utilization = all inputs

(furniture, property, etc.)



DECISION MAKING

- $P \gg C$
- $R \gg i ; k$
- Accept
- Reject
- Ranking



CALCULATING ACTUAL VALUE

- $Y = P * R$
- $Y_1 = P + PR = P(1 + R)$
- $Y_2 = P + PR + (P + PR)R$
- $Y_2 = P + PR + PR + PR^2$
- $Y_2 = P + 2PR + PR^2$
- $Y_2 = P(1 + R)^2$
- $Y_1 = P(1 + R)$
- $P_1 = Y_1 / (1 + R)$
- $P_2 = Y_2 / (1 + R)^2$
- $P = Y_1 / (1 + R) + Y_2 / (1 + R)^2 \dots Y_n / (1 + R)^n$



SPECIFIC CASE

$$P * R = Y$$

- 1.) Y is constant
- 2.) Term is infinite



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POLICY

- Formulation
- Implementation
- Policy Elite
- Perceptions of Policy Elites



POLICY

- Policy in the Developing World
- Setting the Agenda: Crisis
- Making Decisions
- Implementing Reform
- International Forces



POLICY IMPLEMENTATION

- Policy Elite
- Policy Space
- Policy Constraints



POLICY ELITE

- Elected Officials
- Appointed Officials
- Cabinet Ministers
- Military
- Academics
- Business
- Unions
- Clergy
- Media
- Other



Perceptions of Policy Elites

- Personal Attributes and Goals
- Ideological Predispositions
- Professional Expertise/Training
- Similar Policy Experiences
- Position and Power Resources
- Political/Institutional Commitments



Setting the Agenda: Crisis

- Perception
- Raises the Stakes
- Higher Level of Government
- Reform vs. Incrementalism
- Timing
- *Politics as Usual*



Making Decisions

- Technical Advice
- Bureaucratic Implications
- Political Stability and Support
- International Pressure
- Political Complexity



Implementing Reform

- Important/Crucial
- Difficult
- Requirements for Success
 - Political
 - Financial
 - Managerial
 - Technical



International Forces

- Globalization
- War on Terror
- Climate Change
- Technology Advances

