

Public Policy Analysis, Assessment and Practical Wisdom

Professor Itai Sened

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Fall 2011: Mondays and Wednesday 1:00 p.m. to 2:30 p.m.

Office Hours Siegle Hall # 131: Monday and Wednesdays 09:30 A.M. to 10:30 A.M.

Other times welcome by appointment.

TA: Peter Casey

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Office Hours: Siegle Hall #274: Monday/Wednesday 02:30PM to 04:00PM

This course provides an introduction to the study, professional practice, ex-ante and ex-post assessment of public policy and the professional practice of policy analysis.

We will rely heavily on the classic textbook in this field:

David L. Weimer and Aidan R. Vining, *Policy Analysis: Concepts and Practice*, 5th edition Longman Publishing Group, 2010.

The course will cover a series of critical concepts in the understanding of practicing, analyzing and assessing public policy.

We will consider a number of questions relating to the fundamental rationales for public policy, the limitations of public policy interventions and the generic instruments of public policy as well as how to measure economic and social costs and benefits of alternative public policies.

We also hope to improve students' basic skills in analytical thinking, information gathering, and writing on issues of economic social and public policies.

After learning the basic concepts students will split into work groups and will investigate major public policy debates in the U.S. today, such as Health Care, Education, Energy, Welfare and Taxation, using professional tools rather than preconceived ideologies. Students will then choose specific generic public policy projects to work on.

Four memorandum exercises, a briefing, and class participation will count for 40% of the final grade. The memorandum exercises provide opportunities to practice analytical writing: the first will have students present a general introduction or background to a public policy of their choice. The remaining three will allow students to develop their respective policy analysis project.

The briefing simulates oral reports you are likely to be called upon to make while working on a major project in the public or private sector. You will have ten minutes to provide an introduction to the issue you are addressing in your policy analysis project, pose an analytical question you are trying to address, and lead discussion of it. You should allow *at least* five minutes for discussion. Your active class participation will make the course much more valuable for all of us.

30 percent of the final grade will depend on each student's semester-long project on his or her policy of choice. The individual project gives every student an opportunity to apply the concepts and skills introduced in the course to a topic of his or her choice.

The remainder 30 percent will be based on a midterm examination that will test of students' mastery of the basic rationales for, and limits to, public policy.

Enjoy the Class!

Tentative Schedule

August 29: Introduction

Course overview. Projects and assignments discussed.

Reading: Weimer and Vining, Chapter 1.

August 31: Policy Analysis: Overview

We consider two important questions that we will revisit throughout the course: What roles does policy analysis play in democratic societies? What roles should it play?

Reading: Weimer and Vining, Chapters 2, 3, and 13
Janet Musso, Robert Biller, and Robert Myrtle, "Tradecraft: Professional Writing as Problem Solving," *Journal of Policy Analysis and Management* 19:4 (2000), 635-646.

September 7th: Market Failures as Rationales for Public Policy

Welfare economics specifies the assumptions under which market equilibria are Pareto efficient. We will begin a discussion of how certain violations of these assumptions are commonly identified as market failures: public goods, externalities, natural monopolies, and information asymmetries.

Reading: Weimer and Vining Chapter 4, 5

September 12th

Market failures provide important rationales for collective interference with individual choices. Our goal is to understand these basic market failures, and other limitations of the competitive framework, for purposes of framing and modeling policy problems.

Reading: Weimer and Vining, Chapters 6

September 14th: Goals Other Than Efficiency as Rationales for Public Policy

Though efficiency is almost always one of the relevant goals in policy analysis, it is rarely the only one. It is useful to develop conceptual foundations for thinking about distributional and other goals that commonly arise in policy analysis.

Reading: Weimer and Vining, Chapter 7

First Memorandum is due: Discuss a general policy area you want to work on

September 19th Government Failure as Limitation and Rationale

Just as markets fail in systematic ways, so too does collective action. Such generic government failures interfere with the effective correction of market failures and produce public policies that themselves are policy problems.

Reading: Weimer and Vining, Chapter 8

September 21st: Structuring Analysis

An overview of the steps in the rational model of policy analysis. We consider how to frame and model policy problems, select appropriate goals and criteria.

Reading: Weimer and Vining, Chapters 14

September 26th: Specify policy alternatives,

Predict and value consequences, identify tradeoffs among alternatives, and discuss recommendations.

Reading: Weimer and Vining, Chapters 15

September 28th: Policy Design I

A discussion of how to design generic policies as starting points for design, as well as borrowing and adapting designs used in other contexts.

Reading: Weimer and Vining, Chapters 9

Second Memorandum is Due: Submit your draft Policy Design.

October 3rd: Policy Design II

Students will discuss, compare and contrast their goals/alternative matrix for their projects, comparing notes and discussing items on their matrices across projects

Reading: Weimer and Vining, Chapters 10

October 5th: Thinking Strategically: Adoption and Implementation

A realistic assessment of policy alternatives almost always requires consideration of the feasibility of their adoption and implementation. How can we make predictions about feasibility? How can we alter policy alternatives to improve their feasibility?

Readings: Weimer and Vining, Chapter 11, 12.

October 10th: The Science of Politics

Required Reading:

Buzz Breedlove, "The Continuing Education of a Policy Salesman," *Journal of Policy Analysis and Management*, 21:1 (2002), 131-136.

Christopher K. Leman and Robert H. Nelson, "Ten Commandments for Policy Economists," *Journal of Policy Analysis and Management* 1:1 (1981), 97-117.

October 12th: Midterm Examination

Test covering the concepts developed in the first half of the course.

October 17th Cost-Benefit Analysis

Although cost-benefit analysis (CBA) is rarely appropriate as a decision rule, it provides useful protocols for valuing the efficiency impacts of policy alternatives. We review basic concepts underlying CBA such as willingness-to-pay, opportunity cost, discounting for time, and the treatment of risk. We also consider the conceptual and practical limitations to its application.

Readings: Weimer and Vining, Chapters 16 and 17

October 19th: Cost Benefit - Conclusion

First draft of project report due on October 24th at beginning of class.

October 24th: in class short presentations of first draft of project reports

Comments will be made in class to prepare the submission of the first draft of the project report in writing.

October 26th: Midterm exams returned and Discussion

Third Memorandum is due: First draft of project report.

October 31st: Wrap up and preparation for class presentations of reports

November 2nd: First draft of project report returned in class and discussed

November 7th: Exemplary presentation of a project by Professor Sened

Professor Sened will present in class his study of alternative energy policy

November 9th: In class project presentation

November 14th: In class project presentation

November 16th: In class project presentation

November 21st: In class project presentation

**November 23rd: November 23rd-27th: Thanksgiving Break:
Enjoy Every Minute of it but don't Drink and Drive!!!**

November 28th: Concluding Remarks of Class Presentations

November 30th: Politics Getting in the Way: A lesson from the 1978 Gas Deregulation Act

Reading: Gyung-Ho, Jeong, William Lowry, Gary Miller and Itai Sened: "*Changing the Rules: The 1978 Energy Act and the Power of Preferences over Institutions,*"
Unpublished Memo, Washington University in St. Louis.

Fourth and Final Memorandum is due: First draft of Final Project.

December 5th: On Politics and Public Policy – Class Discussion

December 7th: Concluding remarks.