

Microeconomics Research Project Public Policy Analysis and Evaluation

In this project, choose a public policy of your concern or among the ones discussed in the lectures. Collect data and information to answer the research questions below. For relevant concepts and theories, refer to the theories covered in lectures 17-20 (slides and notes) and corresponding textbook chapters. The final report must be organized in PowerPoint slides. Sources and links must be provided for all data information and research findings. Please follow all instructions and keep your answers clear, concise, and concrete.

I. Brief Introduction

1. Sketch a timeline of the policy: background, objectives, announcement, enforcement, expiration
2. What are the opinions from mainstream news and media? Are these opinions objective or biased based on positive analysis or normative views or both?

II. Literature Survey

1. What are the empirical and descriptive/narrative evidence for a similar policy in history?
2. What are the major conclusions from the most rigorous scientific research on a similar policy?
3. What lessons can be learned from history for a similar policy? Is it comparable and relevant?

III. Policy Effects Analysis

1. What is the competitive criterion in the policy context?
2. What are the “rules of the game” under the policy design?
3. Will the policy have a stronger effect on the price or quantity of the “good”?
4. Apply demand and supply model to show the short-run and long-run impacts.
5. What are the seen, unseen, and unintended consequence of the policy?

IV. Policy Evaluation: Equity and Efficiency

1. Who are the groups of “winners” and “losers” from the policy? Is the policy fair? In what sense?
2. What institutions are accountable for the policy? How is the policy financed (sources of funding)?
3. What is the total budget or explicit cost of the policy? What are the implicit or opportunity costs?
4. What are the means (measures) for the policy to effect? What are the ends (effects and outcomes)?
5. Does the policy design and implementation follow the economic efficiency principle? Analyze.
6. Does the policy design and implementation follow the economic equity principle? Analyze.
7. Is there a tradeoff between the equity and efficiency in designing and implementing the policy?
8. How do you evaluate the effectiveness and social value (external benefit and cost) of the policy?
9. If you were the central policy-maker, what and how would you improve the policy?