# POL SCI 4043: PUBLIC POLICY ANALYSIS

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Washington University in St Louis Washington University in St. Louis Spring 2019 MW 10-11:30AM

Classroom: Seigle 301

Assistant Instructor: Zoe Ang. Seigle 275.

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Office Hours: Tuesday 11AM-12PM, Thursday, 1PM-2PM, and by appointment

# COURSE DESCRIPTION

This course teaches students how to provide good advice to decision-makers about matters of public importance. To that end, our focus will be on identifying policy problems, identifying potential solutions, navigating trade-offs between different policy goals, and evaluating the effectiveness of existing policies. The course has three main components:

- 1. Conceptualizing policy interventions. This portion of the course will help students to think systematically about normative frameworks for assessing policy problems, when government intervention is necessary, and what kinds of interventions may be useful for solving a particular problem.
- 2. Policy evaluation. Policy evaluation here means assessment of whether existing policies acheive their goals. The main analytical problem to be solved in policy evaluation is the problem of causal inference. Are the outcomes we observed a result of the policy or of some other unobserved factors? What would have happened had the policy in question not been implemented?
- 3. Choosing a policy. The last portion of the course is about confronting trade-offs between different policies using cost-benefit analysis. Our introduction to cost-benefit analysis will include elementary probability theory, discounting, measurement of costs and benefits, and some computer simulations.

Overall, the course will provide students with some important tools necessary to do serious policy analysis for governments, non-profits, or think tanks.

# COURSE REQUIREMENTS

# **PREREQUISITES**

Quantitative Political Methods (L32-363) is a prerequisite for this course. Though other introductory statistics courses may be used to substitute for this course, it will be necessary for all students

to use  $\mathbb R$  statistical software and to be familiar with linear regression with multiple variables. For students who learned some other statistical software I will provide interactive  $\mathbb R$  tutorials which the students should begin using immediately. Students with a background in  $\mathbb R$  may also find these tutorials helpful.

### TEXTBOOK AND READINGS

There are two required textbooks for this course. They are:

- Policy Analysis. David Weimer and Aidan Vining. Ed 5. 2011. <sup>1</sup>
- Mastering Metrics: The Path from Cause to Effect. Joshua Angrist and J orn-Steffen Pischke. Princeton University Press. 2015.

Toward the end of the course we will also rely heavily on the Environmental Protection Agency's *Guidelines for Preparing Economic Analyses*. Individual chapters are hyperlinked in the appropriate portion of the syllabus but students may find the entire document interesting and it can be downloaded as one document here. I will also provide supplemental readings for various weeks which will be made available on Canvas.

It is always absolutely essential for students to do the reading before coming to class. The material will rarely be repeated in lectures and will instead be incorporated into in-class activities.

#### **ASSIGNMENTS**

The graded components of the course are listed below, with percent contributions to your final course grade in paretheses:

- In-class assignments (20%): This class relies very heavily on in-class assignments. Very often these assignments will be done in groups. Students must come prepared to complete these assignments by having studied the assigned readings. These assignments will be submitted at the end of each class period. Presentations are included in the definition of in-class assignments.
- Midterm exam (20%): The midterm exam will require students to apply concepts from the first half of class and will contain short answer questions and problem-solving questions in approximately equal parts.
- Final exam (20%): The final exam will be comprehensive and focused on applying class concepts to a given problem.
- Policy memo (40%): The students will write a short (8-10 page) policy memo using a prompt distributed by me, along with further instructions, at the beginning of class.

<sup>&</sup>lt;sup>1</sup>Any edition is fine but students need to make sure the chapters match up to the topics.

### GRADING SCALE

The course will follow a standard grading scale:

97-100	A+	77-79	C+
93-96	A	73-76	C
90-92	A-	70-72	C-
87-89	B+	67-69	D+
83-86	В	63-66	D
80-82	B-	60-62	D-

# **EXPECTATIONS/PROCEDURES**

**Respect.** Students are expected to treat one another with respect. This is essential to creating a good classroom environment. Incidentally, it is also essential to being a good policy analyst – a good policy analyst is charitable to the arguments of those who disagree with his or her conclusions.

**Inclusive Learning Environment Statement.** The best learning environment—whether in the class-room, studio, laboratory, or fieldwork site—is one in which all members feel respected while being productively challenged. At Washington University in St. Louis, we are dedicated to fostering an inclusive atmosphere, in which all participants can contribute, explore, and challenge their own ideas as well as those of others. Every participant has an active responsibility to foster a climate of intellectual stimulation, openness, and respect for diverse perspectives, questions, personal backgrounds, abilities, and experiences, although instructors bear primary responsibility for its maintenance.

A range of resources is available to those who perceive a learning environment as lacking inclusivity, as defined in the preceding paragraph. If possible, we encourage students to speak directly with their instructor or TA about any suggestions or concerns they have regarding a particular instructional space or situation. Alternatively, students may bring concerns to another trusted advisor or administrator (such as an academic advisor, mentor, department chair, or dean). All classroom participants—including faculty, staff, and students—who observe a bias incident affecting a student may also file a report (whether personally or anonymously) utilizing the online Bias Report and Support System.

Office Hours. Come! You will get a lot more out of this course if you come to office hours with questions related to the course material. In addition to my listed office hours I am always happy to take appointments.

**Late Assignments.** Assignments not completed by class time they day they are listed on the syllabus are late. The two homework assignments and the final policy memo may be accepted late subject to a 5% per day (including weekends) late penalty. Other assignments are given as preparation for that day's in-class activities and therefore will not be accepted late.

Ethics/Violations of Academic Integrity Ethical behavior is an essential component of learning and scholarship. Students are expected to understand, and adhere to, the University?s academic integrity policy: wustl.edu/policies/undergraduate-academic-integrity.

html. Students who violate this policy will be referred to the Academic Integrity Policy Committee. Penalties for violating the policy will be determined by the Academic Integrity Policy committee, and can include failure of the assignment, failure of the course, suspension or expulsion from the University. If you have any doubts about what constitutes a violation of the Academic Integrity policy, or any other issue related to academic integrity, please ask your instructor.

**Feedback on Policy Memo.** I will provide feedback on early drafts of the policy memo **provided** the draft is given to me by April 22.

#### RESOURCES FOR STUDENTS

**Disability Resources.** If you have a disability that requires an accommodation, please speak with instructor and consult the Disability Resource Center at Cornerstone (cornerstone. wustl.edu/). Cornerstone staff will determine appropriate accommodations and will work with your instructor to make sure these are available to you.

**Writing Assistance.** For additional help on your writing, consult the expert staff of The Writing Center (writingcenter.wustl.edu) in Olin Library (first floor). It can be enormously helpful to ask someone outside a course to read your essays and to provide feedback on strength of argument, clarity, organization, etc.

Sexual Assault The University is committed to offering reasonable academic accommodations to students who are victims of sexual assault. Students are eligible for accommodation regardless of whether they seek criminal or disciplinary action. Depending on the specific nature of the allegation, such measures may include but are not limited to: implementation of a nocontact order, course/classroom assignment changes, and other academic support services and accommodations. If you need to request such accommodations, please direct your request to Kim Webb (kim\_webb@wustl.edu), Director of the Relationship and Sexual Violence Prevention Center. Ms. Webb is a confidential resource; however, requests for accommodations will be shared with the appropriate University administration and faculty. The University will maintain as confidential any accommodations or protective measures provided to an individual student so long as it does not impair the ability to provide such measures.

If a student comes to me to discuss or disclose an instance of sexual assault, sex discrimination, sexual harassment, dating violence, domestic violence or stalking, or if I otherwise observe or become aware of such an allegation, I will keep the information as private as I can, but as a faculty member of Washington University, I am required to immediately report it to my Department Chair or Dean or directly to Ms. Jessica Kennedy, the University?s Title IX Coordinator. If you would like to speak with the Title IX Coordinator directly, Ms. Kennedy can be reached at (314) 935-3118, jwkennedy@wustl.edu, or by visiting her office in the Women?s Building. Additionally, you can report incidents or complaints to Tamara King, Associate Dean for Students and Director of Student Conduct, or by contacting WUPD at (314) 935-5555 or your local law enforcement agency. You can also speak confidentially and learn more about available resources at the Relationship and Sexual Violence Prevention Center by calling (314) 935-8761 or visiting the 4th floor of Seigle Hall.

**Bias Reporting.** The University has a process through which students, faculty, staff and community members who have experienced or witnessed incidents of bias, prejudice or discrimination against a student can report their experiences to the University?s Bias Report and Support System (BRSS) team. See: <a href="mailto:brss.wustl.edu">brss.wustl.edu</a>.

Mental Health Mental Health Services' professional staff members work with students to resolve personal and interpersonal difficulties, many of which can affect the academic experience. These include conflicts with or worry about friends or family, concerns about eating or drinking patterns, and feelings of anxiety and depression. See: <a href="mailto:shs.wustl.edu/MentalHealth">shs.wustl.edu/MentalHealth</a>.

### **DISCLAIMER**

The instructor reserves the right to make modifications to this information throughout the semester.

# SCHEDULE OF TOPICS

PART I: CONCEPTUALIZING POLICY INTERVENTIONS

January 14 Introduction.

Reading: Chapter 1-2 of Weimer and Vining.

**January 16** Normative foundations for public policy.

Reading: Chapter 1 of "Political Economy for Public Policy" by Ethan Bueno de Mesquita on library reserve.

**January 21** No class. MLK Day.

**January 23** Market failures as a rationale for public policy.

Reading: Chapters 4-5 of Weimer and Vining

**January 28** Other rationales for public policy.

Reading: Chapters 6-7 of Weimer and Vining.

January 30 Government failures.

Reading: Chapters 8-9 of Weimer and Vining

February 4 Generic policy solutions.

Reading: Chapter 10 of Weimer and Vining

### PART II: POLICY EVALUATION

**February 6** The role of evidence in policy analysis.

Reading: Chapter 17 of Weimer and Vining.

February 11 Randomized experiments.

Reading: Chapter 1 of Angrist and Pischke

Blattman, Christopher, Nathan Fiala, and Sebastian Martinez. "Generating skilled self-employment in developing countries: Experimental evidence from Uganda." The Quarterly Journal of Economics 129.2 (2014): 697-752.

February 13 Regression review.

Reading: Chapter 2 of Angrist and Pischke.

**February 18** Instrumental variables

Reading: Chapter 3 of Angrist and Pischke.

February 20 Instrumental variables reprise.

Reading:

Aizer, Anna, and Joseph J. Doyle Jr. "Juvenile incarceration, human capital and future crime: Evidence from randomly-assigned judges." The Quarterly Journal of Economics, Volume 130, Issue 2, 1 May 2015, Pages 759?803

Angrist, Joshua D. "Lifetime earnings and the Vietnam era draft lottery: evidence from social security administrative records." The American Economic Review (1990): 313-336.

**February 25** Regression discontinuity.

Reading: Chapter 4 of Angrist and Pischke

**February 27** Regression discontinuity reprise.

Reading:

Jacob, Brian A., and Lars Lefgren. "Remedial education and student achievement: A regression-discontinuity analysis." Review of Economics and Statistics 86.1 (2004): 226-244.

Dobkin, Carlos and Ferreira Fernando. "Do school entry laws affect educational attainment and labor market outcomes?" Economics of Education Review. 29. 40-54. (2010)

#### **March 4** Difference in differences.

Reading: Chapter 5 of Angrist and Pischke.

March 6 Difference in differences reprise.

Reading:

Krueger, David Card Alan B. "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania." The American Economic Review 84.4 (1994).

Card, David. "The Impact of the Mariel Boatlift on the Miami Labor Market." Industrial and Labor Relations Review (1990): 245-257.

March 11 No class. Spring break.

March 13 No class. Spring break.

March 18 Policy evaluation synthesis.

Reading: Chapter 6 of Angrist and Pischke.

March 20 Review Session

March 25 Midterm Exam

### PART III: CHOOSING A POLICY AND MAKING YOUR CASE

March 27 Doing policy analysis.

Reading: Skim Chapter 14 of Weimer and Vining. Read Chapter 15 of Weimer and Vining.

**April 1** Discounting and accounting for risk

Reading:

Morrow Chapter 1 (library reserve)

Munger Chapter 10 (library reserve)

EPA Guidelines for Economic Analysis. Discounting Future Benefits and Costs

**April 3** Overview of cost-benefit analysis.

Reading: Weimer and Vining Chapter 16

### **April 8** Identifying and valuing costs and benefits. (Primary markets)

Reading:

EPA Guideline for Economic Analysis ??Analyzing Costs

Vitaliano, Donald F. 2015. Repeal of Prohibition: A Benefit-Cost Analysis. Contemporary Economic Policy 33 (1): 44-55.

## **April 10** Identifying and valuing costs and benefits. (Secondary markets)

Reading:

EPA Guideline for Economic Analysis Analyzing Benefits

Farrow, Scott. 2015. Adding Value with Benefit-Cost Analysis: Forecasting Net Social Benefit from Impacts of Slot Machine Gambling in Maryland. Journal of Benefit-Cost Analysis 6 (2): 281-304.

For your reference (not required reading but useful for your projects):

Chapter 17 of Boardman, Greenberg, Vining and Weimer (library reserve)

# **April 15** Distributional concerns.

EPA Guideline for Economic Analysis Environmental Justice, Children's Environmental Health, and Other Distributional Considerations

Bartik, Timothy J., Brad Hershbein and Marta Lachowska. 2016. The Merits of Universal Scholarships: Benefit-Cost Evidence from the Kalamazoo Promise. Journal of Benefit Cost-Analysis 7 (3): 400-433.

## **April 17** Cost effectiveness analysis

Reading:

Chapter 17 of Boardman, Greenberg, Vining and Weimer (library reserve)

April 22 Memo Presentations I

**April 24** Memo Presentations II

### May 6 2019 10:30AM - 12:30PM FINAL EXAM + FINAL DUE DATE OF MEMO