

## Policy Analysis Paper

In this paper, you will have the opportunity to apply the tools of economic analysis learned in the course to a current environmental policy issue. The successful paper will develop an economic story of a current environmental policy problem and use the story to make and justify a policy recommendation. You should target your writing to a reader who has taken Introductory Microeconomics but might not remember all the details (e.g. a policy maker who took Intro Econ in college 20 years ago).

I have structured this assignment with three related goals in mind:

1. To provide structured practice in how to use economic theories and reasoning to analyze real world situations and to communicate your arguments to an audience without a strong economics background. These skills are essential for those of you who want to use your economics training in government and policy advocacy situations.
2. To provide practice in developing, communicating, and using an “economic story” of a situation. Those of you who are economics majors will be asked to write a major research paper in your senior seminar and this paper is designed to give you practice on a smaller scale in one format your paper might take.
3. To emphasize the important role of revision and reflection in writing effectively.

### Paper Structure

You have considerable discretion about how exactly to structure your paper, but there are four specific requirements.

1. You must include an executive summary at the beginning of your document.
2. You must have a short conclusion at the end.
3. You must make a specific recommendation.
4. You must present an economic story of the policy situation and use it in supporting your recommendation.

Many students will find it helpful to present their arguments using sections like the ones below. You are encouraged to use headings more specific to your particular context and do not have to include all of these sections or present them in exactly this order as long as your paper meets the four guidelines above and is clearly written and argued. In the past, many students have organized the body of the paper differently, preferring to blend the description of the current situation with the policy options.

#### *Executive Summary*

Concise 100-150 word summary of your argument. It should identify the policy problem, clearly state your recommendation and briefly summarize the key justifications for your recommendation. If your audience reads only this executive summary, they should have a good idea what the rest of the paper argues. It is generally a good idea to write this last even though it goes at the beginning of your paper.

### ***Introduction/Policy Problem***

(200-250 words) Introduce the policy problem in more depth. Offer some indication of why this problem is important. Clearly state your recommendation, which serves as the thesis of your paper. Although you may or may not actually use the word, this statement should answer the question of what some policymaker or jurisdiction ***should*** or ***should not*** do. Provide a preview of the key justifications for your recommendation. Examples of a recommendation thesis for a paper on US climate policy could include:

- The United States should adopt a carbon cap and trade system to reduce carbon emissions.
- A revenue-neutral point-of-extraction carbon tax is the best way to way to reduce US carbon emissions.
- The United States should focus attention on adapting to climate change rather than reducing carbon emissions.

### ***Economic Story of the Current Situation***

(250-400 words) Present a narrative economic story describing the current situation. You should identify what products are being bought and sold and/or what decisions about pollution or clean up or other quantities might be important, identify whose decisions drive the current outcome, describe their decision making processes, and how they influence the outcome. You should also consider whether the government is currently involved, and if so, how. You should consider how the decisions of different people/firms interact, if applicable. Using this story, you should then explain why the current outcome might be problematic. For instance, you may wish to discuss any market failures that might currently be present and discuss their consequences, or you might want to consider non-efficiency criteria like equity or fairness.

### ***Policy Options***

(300-500 words) Describe possible approaches to improving the current situation. You should use the economic framework you presented in the previous section in analyzing the impact of policies, carefully describing how the policy or policies you are analyzing would change the predicted outcomes. Although you must use economic analysis to predict the outcome of the policies you consider, you are free to use whatever criteria you like in justifying your recommendation. If you are recommending a particular solution, you will want to spend most of your time describing your particular solution but should at least briefly mention other possible alternatives and explain why your solution is better. If you are recommending that no action be taken, you will need to either use your economic model to explain why there is not actually a problem that needs to be solved or will need to consider any serious alternatives and argue that all are flawed in some critical way. Although you will be restating your recommendation in the conclusion, this section will likely be more effective if your recommendation is clear throughout this section.

### *Conclusion*

(100-200 words) Having analyzed possible policies, your conclusion section will summarize your arguments and restate your conclusion and recommendation. You may wish to include some caveats or acknowledge how changing particular assumptions could change your conclusion, but should end on a strong note.

## General Guidelines

### *Submission*

Both your draft and your final paper should be submitted on Moodle **in PDF format**.

### *Research*

The focus of this assignment is more on the development and use of an economic model to recommend policy than on research, but you may want to do some background reading on the topics. Make sure you cite any sources you consult.

### *Length*

Your final paper should be approximately 1200-1400 words and I urge you to limit your paper to no more than 1800 words (excluding figures and references) but this is not a hard limit. There is no explicit minimum length, but unless your paper is exceptionally well-crafted and concise, it will be difficult to satisfy the assignment requirements in less than 1000 words.

### *Graphs and Diagrams*

Much of our analysis in class has been driven by diagrams. I encourage you to think about how to explain the situation and policies you are thinking about in diagrams to help you develop those arguments. Whether you include them in the paper or not is up to you. Your choice should be driven by whether you think the diagram will help you explain the situation to your audience or not. Remember that your audience has not seen a supply and demand diagram in 20 years. If you use diagrams in the paper, you will need to explain them clearly and carefully. Ask yourself whether you would have understood this explanation on the first day of class.

Diagrams in the paper must be neat and easy to read. You can draw them by hand and scan them to insert them into your document. You are encouraged to include them in the text at an appropriate point but can place them at the end if this is easier. All diagrams and figures should be numbered so that you can use the numbers to refer to them in the text.

### *Draft*

You must submit a draft of your paper by November 9. While the draft is a work in progress, it should meet the four specific requirements in the paper structure section (an executive summary, a clear recommendation, an economic story used in analyzing the problem/justifying the recommendation, and a conclusion). Drafts can be somewhat shorter or longer than the expected range for the final paper. As long as you meet these guidelines, the evaluation of your paper in the remaining grading categories will be based solely on the final

version, giving you plenty of time to revise and improve both your central argument and your writing. I will read and provide feedback on your drafts using the grading standards below.

**In addition to the draft itself, you must include a short reflection statement on the first page of your draft.** It should be a brief statement about what you think the strengths and weaknesses of your draft are and identify any particular challenges or difficulties. This will help me provide useful feedback. You should also include the paper's word count in this reflection statement.

### *Revision*

You are expected to undertake significant revision between your draft and your final paper. You must turn in a brief statement describing the changes you have made between the draft and the final version. This should not be a line by line description, but should give me a summary of the most important places you focused your revision efforts.

## Grading Rubric

I will assign wholistic grades to your papers, based on my assessment of your work in the following categories:

- Articulation and justification of a clear recommendation
- Articulation of an economic story or framework adapted to the specific situation
- Use of economic analysis in supporting your recommendation
- Targeting of your explanations to an audience with limited economic background
- Clear and concise writing and structure
- Strong mechanics: grammar, punctuation, spelling, proofreading, etc
- Adherence to assignment guidelines for the draft and final paper. These include:
  - a draft containing the four assignment requirements by the deadline
  - a reflection statement submitted with the draft
  - a revision statement submitted with your final paper
  - files submitted through Moodle **in PDF format**

## Topics

I ***strongly*** encourage you to pick one of the following policy situations. Each topic was chosen because the key issues lend themselves to analysis using one or more of the concepts used in class and because there are reasonable arguments in favor of different recommendations. If you would like to write your policy analysis on a different topic, you must submit a written topic proposal by Nov 2. The proposal must include a brief description of the policy problem, a preliminary proposed solution, and a statement of the economic concepts from class you intend to use in arguing in favor of your solution. Your description of the economic concepts should also include a rough outline of your narrative economic story.

- The Dept of Interior recently announced a plan to increase entrance fees at many of the most popular national parks substantially. For instance, entry to Yosemite would increase from \$30/car to \$70/car. Make a recommendation about whether the entrance fees at national parks should be increased substantially as this plan argues, increased a smaller amount, maintained at current level, lowered, or even eliminated.
- In recent years, there has been a recent dramatic increase in the installation of residential solar panels. Various subsidies and incentives have contributed to this increase. There have been many calls to increase the subsidies and others to reduce or eliminate the subsidies. Make a recommendation about whether subsidies should be maintained at current levels, increased, decreased, phased out, or eliminated all together. Since subsidies exist at both the national and state levels, you can choose to focus on either a specific state policy or on the federal solar credit.
- Statistics suggest that roughly one-third of all trash in the United States is packaging waste. Pick a particular jurisdiction (e.g. a national, state, or local government) and make a recommendation about whether the region should adopt a policy to reduce packaging waste and if so, what policy it should adopt. *You are free to recommend a particular policy with or without discussing the possibility of linking it with additional policies.*