

**Public Policy and Management (PPM) 510
Seminar in Policy Analysis and Evaluation
Professor Robert Plotnick**

Course Readings

Week One (March 30)

Introductions, overview of course, expectations.

What is policy, policy analysis, policy evaluation, policy research?

Readings:

W & V. Chap. 2, 3 (chap. 1 is optional).

B. Radin (2000). *Beyond Machiavelli: Policy Analysis Comes of Age*.
Washington, DC: Georgetown University Press. Chap. 1-2.

C. Weiss, "Helping Government Think: Functions and Consequences of Policy
Analysis Organizations," pp. 1-18, in Weiss (ed.). *Organizations for Policy
Analysis: Helping Government Think*. Newbury Park, CA: Sage Publications,
1992.

(Optional) J. Kingdon (1995). "The Policy Window and Joining the Streams."
Chap. 8 in *Agendas, Alternatives and Public Policies*, 2nd ed.: NY: Harper
Collins, pp. 165-195.

Week Two (April 6)

The mainstream policy analysis model – economics of market failures.

Weimer & Vining provides a well-recognized conceptual framework for the basic
"modified rationalist" approach to contemporary policy analysis. Though the
material may be familiar to some of you, it bears a careful re-reading. The
journal articles provide examples of published empirical research within this
framework and material for class discussion. The same applies to weeks 3-5.

* W & V., chap. 4, 5, and 6.

* A. Jaffe, R. Newell, and R. Stavins (2005). "A Tale of Two Market Failures:
Technology and Environmental Policy." *Ecological Economics* 54, 164-174.
(Externalities)

* R. Frank (2008). "Should public policy respond to **positional externalities**?"
Journal of Public Economics 92(8-9), pp. 1773-1862.

- S. Manzoor & J. Straub (2005). "The robustness of Kingma's crowd-out estimate: Evidence from new data on contributions to public radio." *Public Choice* 123(3-4): 463–476. (Public goods) OR
- J. Dokko (2009). "Does the NEA Crowd Out Private Charitable Contributions to the Arts?" *National Tax Journal*, March 2009, pp. 57-75. (Public goods)
- I. Ellen and I. Voicu (2006). "Nonprofit housing and neighborhood spillovers." *Journal of Policy Analysis and Management* 25(1), pp. 31-52. (Positive externalities)
- *K. Chay & M. Greenstone (2003). "The Impact of Air Pollution on Infant Mortality: Evidence from Geographic Variation in Pollution Shocks Induced by a Recession," *Quarterly Journal of Economics*, 118 (3), 1121-1167. (Negative externalities)
- M. K. Gugerty (2009). "Signaling virtue: Voluntary accountability programs among nonprofit organizations." *Policy Sciences*, 42, pp. 243–273. (Asymmetric information) OR
- M. Potoski and A. Prakash (2009). "**Information asymmetries** as trade barriers: ISO 9000 increases international commerce," *Journal of Policy Analysis and Management* 28:2, pp. 221-239.
- (Optional) S. Benartzi and R. Thaler (2007). "Heuristics and biases in retirement savings behavior," *Journal of Economic Perspectives*, 21(3), pp. 81-104. (Poor decision making)

Week Three (April 13)

Distributional and other goals. Government failures.

Readings:

- *W & V., chap. 7, 8 and 9.
- H. Hoynes, M. Page and A. Stevens (2006). "Poverty in America: Trends and explanations." *Journal of Economic Perspectives* 20:1, pp. 47-68. OR
- T. Smeeding (2006). "Poor people in rich nations: The US in comparative perspective." *Journal of Economic Perspectives* 20:1, pp. 69-90
- P. Gottschalk and S. Danziger. (2005) "Inequality of wage rates, earnings and family income in the United States, 1975-2002," *Review of Income and Wealth* 51(2), pp. 231-254.
- G. Duncan et al. 1998 "How much does childhood poverty affect the life chances of children?" *American Sociological Review*, 63(June), pp. 406-423. OR
- *E. Plug & W. Vivjerberg. 2005. "Does Family Income Matter for Schooling Outcomes? Using Adoptees as a Natural Experiment." *The Economic Journal* 115: pp. 879–906.

S. Mayer & L. Lopoo. 2005. Has the intergenerational transmission of economic status changed? *Journal of Human Resources* 40(1) pp. 169-185.

*T. Piketty and E. Saez (2007). "How progressive in the US federal tax system? A historical and international perspective." *Journal of Economic Perspectives* 21:1, pp. 3-24.

(Optional) P. Gottschalk and R. Moffitt. (2009). "The rising instability of US earnings," *Journal of Economic Perspectives* 23:4, pp. 3-24.

*D. Pager. 2008. "The dynamics of discrimination," chapter 2 in *The Colors of Poverty*, (A. Lin and D. Harris, eds.) New York: Russell Sage Foundation.

H. Ladd. (1998). "Evidence on Discrimination in Mortgage Lending." *The Journal of Economic Perspectives*, 12(2), pp. 41-62. OR

M. Bertrand & S. Mullainathan. 2004. "Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination," *American Economic Review* 94(4) pp. 991-1013.

*A. Okun, *Equality and efficiency: The big tradeoff*, Brookings Institution 1975, pp. 88-95.

B. Meyer. (2007). "The US Earned Income Tax Credit, its effects, and possible reforms." University of Chicago Harris School Working paper 07-20. OR

L. Juarez (2009). "Crowding out of private support to the elderly: Evidence from a demogrant in Mexico," *Journal of Public Economics* 93(3-4) pp. 454-463 OR

E. Skoufias and V. Di Maro. 2008. "Conditional cash transfers, adult work incentives, and poverty," *Journal of Development Studies* 44(7) pp. 935-960.

A. Amirkhanyan, H. Kim and K. Lambright (2008). "Does the public sector outperform the nonprofit and for-profit sectors? Evidence from a national panel study on nursing home quality and access." *Journal of Policy Analysis and Management* 27:2, pp. 326-353.

Weeks Four and Five (April 20 and 27)

Generic policies for correcting market and government failures

Policy tools for achieving policy objectives

Readings:

*W & V., chap 10 and 13

*A. Schneider and H. Ingram, (1990). "Behavioral assumptions of policy tools," *Journal of Politics*, pp. 510-29

*L. Salamon, Ed. (2002). *The Tools of Government: A Guide to the New Governance*. New York: Oxford University Press. Chap 1.

From the listing below, each student chooses one tool chapter from Salamon (2002) and a “matching” article (or 2 if desired) that illustrates empirical work on that tool. The student will lead a discussion of the chapter and article(s).

Chapters and articles to read will depend on student choices.

- chap. 5, Social regulation, by Peter May
 - chap. 7, Public information, by Janet Weiss
 - chap. 8, Corrective taxes and tradable permits, by Joseph Cordes
 - chap. 10, Purchase of service contracting, by R. DeHoog & L. Salamon
 - chap. 13, Tax expenditures, by Christopher Howard
 - chap. 14, Vouchers, by Eugene Steuerle & Eric Twombly
- L. Benneer 2007. “Are management-based regulations effective? Evidence from state pollution prevention programs,” *Journal of Policy Analysis and Management* 26(2), 327-348. (Social regulation)
- L. Lopoo and T. DeLeire, 2006. “Did welfare reform influence the fertility of young teens?” *Journal of Policy Analysis and Management* 25(2) pp. 275-298. (Social regulation)
- P. May and S. Winter (1999). “Regulatory Enforcement and Compliance: Examining Danish Agro-Environmental Policy.” *Journal of Policy Analysis and Management* 18(4), 625-651. (Social regulation)
- D. Grant and S. Rutner, 2004. “The effect of bicycle helmet legislation on bicycling fatalities,” *Journal of policy analysis and management*, 23(3) pp. 595-611. (Social regulation)
- E. Rigby, R. Ryan, and J. Brooks-Gunn (2007). “Child Care Quality in Different State Policy Contexts.” *Journal of Policy Analysis and Management* 26 (4), 887-907. (Social regulation/subsidies)
- D. Weil *Journal of Policy Analysis and Management*, A. Fung, et al. (2006). “The Effectiveness of Regulatory Disclosure Policies.” *Journal of Policy Analysis and Management* 25(1), 155-181. (Regulation for information asymmetry)
- R. Burkhauser & J. Sabia. 2007. “The effectiveness of minimum wage increases in reducing poverty: Past, present and future,” *Contemporary Economic Policy* 25 (2), pp. 262–281 (Price regulation)
- S. Anderson and R. Newell (2004). “Information Programs for Technology Adoption: The Case of Energy-Efficiency Audits.” *Resource and Energy Economics* 26(1), 27-50. (Information provision)
- H. Bae, P. Wilcoxon and D. Popp (2010). “Information disclosure policy: Do state data processing efforts help more than the information disclosure itself?” *Journal of Policy Analysis and Management* 29(1), pp. 163-182. (Information provision)

- H. Ladd & R. Walsh, 2002. "Implementing value-added measures of school effectiveness: Getting the incentives right," *Economics of Education Review*, 21(1), pp. 1-17.(Information provision)
- E. Rogers, et al. 1999. "Effects of an entertainment-education radio soap opera on family planning behavior in Tanzania," *Studies in Family Planning*, pp. 193-211. (Public information campaign)
- G. Henry and C. Gordon, 2003. "Driving less for better air: Impacts of a public information campaign," *Journal of Policy Analysis and Management* 22(1), pp. 45-63. (Public information campaign)
- G. Metcalf (2009). "Market-based policy options to control US greenhouse gas emissions," *Journal of Economic Perspectives* 23(2), pp.5-27. (Taxes/tradable permits)
- R. Schmalensee, P. Joskow, et al. (1998). "An Interim Evaluation of Sulfur Dioxide Emissions Trading." *Journal of Economic Perspectives* 12(3), 53-68. (Tradable permits)
- J. Tauras. 2005. "Can public policy deter smoking escalation among young adults?" *Journal of Policy Analysis & Management* 24(4) pp. 771-784 (Excise taxation)
- K. Hassett and G. Metcalf (1995). "Energy Tax Credits and Residential Conservation Investment: Evidence from Panel Data." *Journal of Public Economics* 57, 201-217. (Tax expenditures)
- A. Brooks, 2007. "Income tax policy and charitable giving," *Journal of Policy Analysis & Management* 26(3) pp. 599-612. (Tax expenditures)
- S. Hamersma 2008. "The effects of an employer subsidy on employment outcomes: A study of the work opportunity and welfare-to-work tax credits," *Journal of Policy Analysis and Management* 27(3) pp. 498-520. (Subsidies)
- K. Deininger, 2003. "Does cost of schooling affect enrollment by the poor? Universal primary education in Uganda," *Economics of Education Review*, 22(3) pp. 291–305. (In-kind subsidies)
- V. Gauri and A. Vawda (2003). "**Vouchers** for Basic Education in Developing Countries: A Principal-Agent Perspective." World Bank Policy Research Working Paper WPS 3005.
- H. Ladd. 2002. "School **Vouchers**: A Critical View." *Journal of Economic Perspectives* 16(4): pp. 3-24.
- T. Brown and M. Potoski (2003). "Managing Contract Performance: A Transaction Costs Approach." *Journal of Policy Analysis & Management* 22(2), 275-97.(Contracting)
- L. Dearden, C. Emmerson, C. Frayne, et al. 2009. Conditional cash transfers and school dropout rates," *Journal of Human Resources* 44(4) pp. 827-857. (Conditional cash transfers)

T. Barham and J. Maluccio. 2009. "Eradicating diseases: The effect of conditional cash transfers on vaccination coverage in rural Nicaragua," *Journal of Health Economics* 28(3) pp. 611-621. (Conditional cash transfers)

Week Six (May 4)

Alternative theories of and approaches to policy analysis

Readings:

- *A. Fung (2006). "Democratizing the Policy Process." In M. Moran, M. Rein, and R. Goodin (eds.). *The Oxford Handbook of Public Policy*. London and New York: Oxford University Press, pp. 669-685.
- *Deborah Stone (2002). *Policy Paradox: The Art of Political Decisionmaking*, Revised Edition. NY: W.W. Norton. (On reserve). This is a long book but engaging and readable. I suggest that everyone read the preface, introduction, chapter 1, short conclusion, and the short introductions to each of the book's sections (about 50 pp. total). Then read one "Goals" chapter, one "Problems" chapter, and one or two chapters from "Solutions" (her take on policy instruments).

Week Seven (May 11)

Policy impact evaluation methods

Guest: Visiting Professor Maureen Pirog, Editor of *JPAM*

Readings:

- *M. Pirog and L. Xu, "Directions in Public Program Evaluation in the US"
- *R. Nathan and R. Hollister (2008). "The Role of Random Assignment in Social Policy Research," *Journal of Policy Analysis and Management* 27(2), 401-415. (See also the responses to this exchange listed below [Pirog, 2009].)
- *A. Banerjee and E. Duflo, "The Experimental Approach to Development Economics," *Annual Review of Economics*. 2009. 1:151-78.
- *T Cook, W. Shadish, and V. Wong (2008). "Three Conditions Under Which Experiments and Observational Studies Produce Comparable Causal Estimates: New Findings from Within-Study Comparisons." *Journal of Policy Analysis and Management* 27(4), 724-750.
- *D. Greenberg, C. Michalopoulos & P. Robins (2006). "Do Experimental and Nonexperimental Evaluations Give Different Answers about the Effectiveness of Government-Funded Training Programs?" *Journal of Policy Analysis and Management* 25(3), 523-552.

- *E. Wilde and R. Hollister (2007). "How Close is Close Enough? Evaluating Propensity Score Matching Using Data from a Class Size Reduction Experiment." *Journal of Policy Analysis and Management* 26(3), 455-477.

Supplementary:

- M. Pirog (Ed.) (2009). "The Role of Random Assignment in Social Policy Research." *Journal of Policy Analysis and Management* 28(1), 164-181. (Responses to the Nathan-Hollister exchange above including one by Pirog, A. Buffardi, C. Chrisinger, P. Singh, and J. Briney).

Two advanced surveys (not on reserve):

- G. Imbens and J. Woolbridge (2009) "Recent developments in the econometrics of program evaluation," *Journal of Economic Literature*, 47:1, pp. 5-86.
- R. Blundell and M. Dias 2009. "Alternative approaches to evaluation in empirical microeconomics," *Journal of Human Resources* 44:3, pp. 565-640.

Week Eight (May 18)

Policy impact evaluation: Methods and applications

Readings:

From the listing below, each student will choose one article (or 2 if desired) that applies one major method used in policy and program evaluation research and lead a discussion of it (them). We will coordinate the choices so that each of you discusses a different method.

- C. Trenholm et al. 2008. "Impacts of abstinence education on teen sexual activity, risk of pregnancy and risk of sexually transmitted diseases," *Journal of Policy Analysis and Management* pp. 255-276. (Experiment)
- D. Olds, H. Kitzman, et al. 2004. "Effects of Nurse Home-Visiting on Maternal Life Course and Child Development: Age 6 Follow-up Results of a **Randomized Trial**." *Pediatrics* 114(6) pp. 1550–1559.
- T. Barham and J. Maluccio. 2009. "Eradicating diseases: The effect of conditional cash transfers on vaccination coverage in rural Nicaragua," *Journal of Health Economics* 28(3) pp. 611-621. (Random assignment, if not discussed in week 4 or 5)
- S. Niu and M. Tienda (2010). The impact of the Texas top 10 percent law on college enrollment: A **regression discontinuity design**." *Journal of Policy Analysis and Management* 29:4, pp. 84-110.
- V. C. Wong, T.D. Cook, W.S. Barnett, and K. Jung (2008). "An Effectiveness-Based Evaluation of Five State Pre-Kindergarten Programs." *Journal of Policy Analysis and Management* 27(1), 122-154. (Regression discontinuity)

- M. Bertrand, R. Hanna and S. Mullainathan (2010). "Affirmative action in education: Evidence from engineering college admissions in India," *Journal of Public Economics* 94 (2010) 16–29. (Regression discontinuity)
- J. Ludwig and D. Miller. 2007. "Does Head Start Improve Children's Life Chances? Evidence from a **Regression-Discontinuity** Design." *Quarterly Journal of Economics* 122(1) pp. 159–208.
- W. Dobbie and R. Fryer. 2009. "Are High-Quality Schools Enough to Close the Achievement Gap? Evidence from a Bold Social Experiment in Harlem," National Bureau of Economic Research Working Paper 15473 (Instrumental variables and random assignment)
- J. Cannon, A. Jacknowitz and G. Painter (2006). "Is Full Better than Half? Examining the Longitudinal Effects of Full-day Kindergarten Attendance." *Journal of Policy Analysis and Management* 25 (2), 299-321. (Pre-test and post-test with controls)
- B. Long and M. Kurlaender (2009). "Do Community Colleges Provide a Viable Pathway to a Baccalaureate Degree?" *Educational Evaluation and Policy Analysis* 31(1), 30-53. (Post-test with comparison group and several selection control strategies.)
- S. Hamersma. 2008. "The effects of an employer subsidy on employment outcomes: A study of the work opportunity and welfare-to-work tax credits," *Journal of Policy Analysis and Management* 27(3) pp. 498-520. (Propensity score, if not discussed in week 4 or 5)
- O. Korkeamaki O and R. Uusitalo (2009). "Employment and wage effects of a payroll-tax cut-evidence from a regional experiment," *International Tax and Public Finance* 16(6) pp. 753-772 (propensity score)
- K. Mullan, A. Kontoleon, et al., (2010). "Evaluation of the Impact of the Natural Forest Protection Program on Rural Household Livelihoods," *Environmental Management* 45(3) pp. 513-525. (D-in-D, propensity score)
- P. Morgan et al. (2010). "A Propensity Score Matching Analysis of the Effects of Special Education Services," *Journal of Special Education* 43(4) pp. 236-254. (propensity score)
- S. Chen, R. Mu and M. Ravallion (2009). "Are there lasting impacts of aid to poor areas?," *Journal of Public Economics* 93(3-4) pp. 512-528. (D-in-D, propensity score)
- M. Johar (2009). "The impact of the Indonesian health card program: A matching estimator approach," *Journal of Health Economics*. 28(1) pp. 35-53. (propensity score)

Week Nine (May 25)

Policy adoption & implementation from the modified rationalist perspective;
cost-benefit and cost-effectiveness analysis.

Guest: Professor Bill Zumeta

Readings (Tentative):

W & V. chap 12, 16.

*P. May (2003). "Policy Design and Implementation." In B. Peters and J. Pierre (eds.). *Handbook of Public Administration*. Thousand Oaks, CA: Sage, pp. 223-233.

*M. Meyers and S. Vorsanger, "Street-Level Bureaucrats and the Implementation of Public Policy." In Peters and Pierre, pp. 245-255.

*S. Winter (2003). "Introduction" to section on Implementation. In B. G. Peters and J. Pierre (eds.). pp. 205-211.

*J. Lesser and R. Zerbe (1998). "A Practitioner's Guide to Benefit-Cost Analysis." In F. Thompson and M. Green (Eds.). *Handbook of Public Finance*. New York: Marcel Dekker, pp. 221-268.

W. Barnett & L. Masse (2007). "Comparative Benefit-Cost Analysis of the Abecedarian Program and Its Policy Implications." *Economics of Education Review* 26(1) 113–125. OR

J. Heckman, S-H. Moon, R. Pinto, P. Savelyev, and A. Yavitz (2010). "The rate of return to the HighScope Perry Preschool Program," *Journal of Public Economics* 94 pp. 114–128.

D. Aadland & A. Caplan (2006). "Curbside recycling: Waste resource or waste of resources?" *Journal of Policy Analysis and Management* 25(4) pp. 855-874. OR

G. Chen & R. Warburton (2006) "Do speed cameras produce net benefits? Evidence from British Columbia, Canada," *Journal of Policy Analysis and Management* 25(3) pp. 661-678.

Week Ten (June 1)

Uses and impacts of policy research and evaluation in the policy making process

Student presentations of papers

*John Hird, *Policy Analysis in the States*, Washington, DC: Georgetown University Press, 2005.

Other material to be assigned