**Public Policy and Management (PPM) 510**

**Seminar in Policy Analysis and Evaluation**

**Professor Robert Plotnick**

**Course Readings, Spring 2011**

**Week One (March 29)**

Introductions, overview of course, expectations.

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

**Readings:**

\* Weimer & Vining (W & V). Chap. 2, 3 (chap. 1 is optional).

\* D. Carlson (2011). “Trends and innovations in public policy analysis,” *Policy Studies Journal Vol. 39, No. S1, 2011, pp. 13-26.*

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

(Optional) 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 5)**

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. (Externalities)

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)

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) OR

J. Currie and R. Walker. 2011. "Traffic Congestion and Infant Health: Evidence from E-ZPass." *American Economic Journal: Applied Economics*, 3(1): 65–90. (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. (Asymmetric information) OR

# B. Bollinger, P. Leslie and A. Sorensen (2011) “Calorie Posting in Chain Restaurants,” *American Economic Journal: Economic Policy*, 3(1): 91-128. (Asymmetric information)

(Optional) I. Ellen and I. Voicu (2006). “Nonprofit housing and neighborhood spillovers.” *Journal of Policy Analysis and Management* 25(1), pp. 31-52. (Positive externalities)

(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 12)**

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.

\*R. Burkhauser (2011). “Evaluating the questions that alternative policy success measures answer,” *Journal of Policy Analysis and Management* 30:2, pp. 205-215. (OK to skip the section on the minimum wage)

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

R. Akee, W. Copeland, G. Keeler, A. Angold, and E. Costello (2010), “Parents’ Incomes and Children’s Outcomes: A Quasi-Experiment Using Transfer Payments from Casino Profits,” *American Economic Journal: Applied Economics 2:1, 86–115.*

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.

\*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.

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.

\*C. Thomas, A. Soule, and T. Davis (2010) “Special Interest Capture of Regulatory Agencies: A Ten-Year Analysis of Voting Behavior on Regional Fishery Management Councils,” *Policy Studies Journal,* 38(3)pp. 447-464.

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 19 and 26**)

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. On reserve

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. You are welcome to suggest an appropriate article that is not on this list, but check with me first. 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. Bennear 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)

A. Prakash & M. Gugerty (2010) “Trust but verify? Voluntary regulation programs in the nonprofit sector,” *Regulation and Governance*, 4(1): 22–47. (Social regulation)

# M. Klawitter (2011). “Multilevel analysis of the effects of antidiscrimination policies on earnings by sexual orientation,” *Journal of Policy Analysis and Management 30*(2) pp. 334-358. (Social regulation)

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)

G. Bel, X. Fegada and M. Warner (2010). “Is private production of public services cheaper than public production? A meta-regression analysis of solid waste and water services,” *Journal of Policy Analysis and Management* 29(3), pp 553-577. (Privatization)

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. Wilcoxen 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)

J. Fletcher, D. Friswold and N. Tefft (2010). “The effects of soft drink taxes on child and adolescent consumption and weight outcomes,” *Journal of Public Economics* 94: 967–974. (Corrective taxes)

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)

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)

J. Kolko and D. Neumark (2010). “Do *some* enterprise zones create jobs?” *Journal of Policy Analysis and Management 29*(1) pp. 5-38. (Tax expenditures)

# B. Clark and A. Whitford (2011) “Does more federal environmental funding increase or decrease states' efforts?” *Journal of Policy Analysis and Management 30*(1) pp. 136-152. (Grants)

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)

G. Henry and C. Gordon. (2006) Competition in the sandbox: A test of the effects of preschool competition on educational outcomes,” *Journal of Policy Analysis and Management* 25(1) pp. 97–127. (Vouchers)

T. Joyce, A. Racine and C. Yunzal-Butler (2008). Reassessing the WIC effect: Evidence from the Pregnancy Nutrition Surveillance System *Journal of Policy Analysis and Management***,** 27(2), pp. 277–303 (Vouchers)

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 3)**

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 10)**

Policy impact evaluation methods

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

**Readings (Tentative):**

\*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 17**)

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. Forthcoming. “Are High-Quality Schools Enough to Close the Achievement Gap? Evidence from a Bold Social Experiment in Harlem,” *American Economic Journal: Applied Economics* (Instrumental variables and random assignment)

J. Steele, R. Murnane and J. Willett (2010). “Do financial incentives help low-performing schools attract and keep academically talented teachers? Evidence from California. *Journal of Policy Analysis and Management* 29(3), pp. 451-478. (Instrumental variables)

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)

M. Caliendo and S. Künn. (2011) “Start-up subsidies for the unemployed: Long-term evidence and effect heterogeneity,” *Journal of Public Economics* 95: 311-331 (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 24)**

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.

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.

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 OR

R. Zerbe, R. Plotnick et al. (2009). “Benefits and costs of intensive foster care services: The Casey Family Program compared to state services,” *Contemporary Economic Policy*, 308-320. OR

D. Carlson, .R. Haveman, T. Kaplan and B. Wolfe (2011) “The benefits and costs of the Section 8 housing subsidy program: A framework and estimates of first-year effects. *Journal of Policy Analysis and Management* 30(2): 233–255.

**Week Ten (May 31)**

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

Student presentations of papers

\*John Hird, Power, Politics and Knowledge: *Policy Analysis in the States*, Washington, DC: Georgetown University Press, 2005.

Other material to be assigned