

Economics of Policy Issues

EC3060

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Tutorial 1

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Objective of Tutorial

1. To provide an overview of what a policy analysis paper is
2. Set you up for your group presentations and final paper.



Introduction

- Policy recommendations, or simply written policy advice, are the key means through which policy decisions are made in most levels of government.
- Whether the policy recommendation is accepted as sound or dismissed in favor of another option largely depends on **how well the issue and the arguments justifying the recommended course of action are presented.**
- POLICY ANALYSIS defines the problem and the goals, examines the arguments, and analyzes implementation of the policy.



Warnings

- Beware the author of the advice. What is their agenda?
- To decipher between different options – good analysis is required!

<https://www.youtube.com/watch?v=on2I1U-F3BY>



Relevance of the Policy Paper

- Arguably as important a skill as writing an academic paper
- Direct relevance for consultancy, politics (manifestos, party policies), public sector, lobbying sector



Six Steps

- **Step 1:** Defining the problem
- **Step 2:** Establishing goals
- **Step 3:** Outlining the current situation (policy and literature)
- **Step 4:** Define Methodology
- **Step 5:** Outlining policy options
- **Step 6:** Evaluating the options
- **Step 7:** Making Recommendations



Step 1: Defining the Problem

- What is the problem to be addressed?
- What was the event or series of events that is a catalyst for action?
- Is it a problem or crisis that demands immediate attention?
- What is the precise nature of the problem?
- What interests are at stake? Who's interests?



Step 2: The Goals

- How will you translate the aforementioned problem into a specific set of goals?
- What is the relationship between those goals and the problem that was identified?
- What government or non-government organizations are involved in making this decision? Which ones are not involved?
- Are there other interests (e.g. in the region) that should be considered in your analysis?



Step 3: Current Situation

- What is the current situation in relation to policy/policy reform?
- What are the next windows of opportunity in the policy process?
- What does the academic and policy literature tell us about the issue?
- What evidence can we bring to bare on our analysis?



Step 4: Define the Methodology

- **Desk Based Research**

- Review of secondary sources

- Original data analysis

{ Starting point for Pres and paper
(and sufficient) }

{ Possible for paper
(Needs to be linked to Q) }

- **Qualitative Approaches**

- Interviews

{ Possible for paper
(not always appropriate) }

- Case studies

- Focus group discussions

- **Quantitative Approaches**

- Original data collection

- Econometric Analysis



Step 5: The Options

- Based on your research and understanding of the situation, select 1-3 policies:
 - Outline the options clearly.
 - Highlight the differences in terms of implementation.
 - What other alternatives were considered?
 - Why were the other alternatives rejected? For rational or political reasons?



Step 6: Evaluation of Options

- Propose a framework for evaluation of the options. Alternative/complementary approaches include:
 - Review of secondary sources
 - Policy analysis framework (see next slide)
 - Cost benefit analysis (other quantitative analysis)
 - Qualitative feedback



Example Policy Analysis Framework

Table 3: Analytical Framework for Assessing the Durability of a Proposal

Desirability	
Effect	What effects will the proposal have on development outcomes?
Equity	Does the proposal provide greater equity?
Feasibility	
	Is this proposal technically feasible?
Acceptability	
	Do the relevant stakeholders view the proposal as acceptable?

- Other versions can be found on the internet.
- Chose/develop a framework to suit your topic.



Step 7: Making Recommendations

- Which proposal is being recommended and why?
- What are the key factors that will make the chosen policy a success? What needs to be done to ensure success?
- What are the next steps towards implementation?



Tips for a well-written policy analysis

1. **Make it Readable:** No matter how complex the issue, or the recommendation, your ideas must be clear and readable. Read the policy analysis out loud to yourself or have a roommate test its readability.
2. **Be accurate:** Policy recommendations must be based on the most recent, accurate and complete information available.
3. **Be Concise:** Decision-makers are busy people. Keep your documents as focused and concise as possible so that your readers spend only the minimum time required to glean the information they need from them. Conciseness is really a product of the revising and editing stage.



Different from an academic paper?

- Yes.
 - It is also different from the structure that would be expected if you were to write an article for an academic journal.
 - Remember that you are not writing to show someone that you have mastered one corner of a large discipline and are therefore qualified to offer opinions and observations and add to that discipline.
 - Engaging in a problem-solving endeavor on behalf of a client who is interested in practical results.



Suggested Contents of PAP

1. **Executive Summary** (400 words approx.)
2. **Scope of the Problem** (400 words approx.)
 - Details and severity of the problem
 - Definition of key terms
 - Key stakeholders
 - Key policy areas needing analysis and resolution
3. **Overview of existing policy** (800 words approx.)
 - What is the overall goal? Is it stated officially?
 - The most important legislative, judicial, and regulatory policy instruments
 - Ambiguities, conflicts, problems, and contradictions related to the instruments
 - Effects on and roles of key stakeholders
 - Key issues for consideration
4. **Overview of related literature** (300 words approx.)
 - Evaluative review of the literature about the topic, including print and electronic sources
5. **Policy alternatives** (1,000 words approx.)
 - Outline 2-4 policy alternatives
 - Evaluate them using one of the approaches
6. **Conclusions and recommendations** (200 words approx.)
 - Recommendations
 - Quick summary of rationale for recommendations
 - Implications and next steps



Resources

- Examples of SYPAs (more economics):
<https://www.hks.harvard.edu/degrees/masters/mpa-id/curriculum/sypa/sample-sypas>
- Examples of PAEs (less economics):
http://www.hks.harvard.edu/degrees/masters/mpp/curriculum/pae/pae_clients/pae_samples



Example 1: PAE

- Smoothing the Transition to Kindergarten: Toward a Coordinated Statewide Policy
- Methodology
 - Literature Review
 - Interviews with 5 different groups

Example 2: PAE

- Measuring Positive Youth Justice in DC YouthLink
- Methodology
 - Literature Review
 - Exemplary Case Studies
 - Survey Design and Pre-test



Example 3: SYPA

- Redesigning the Chilean Child Welfare System
- Methodology
 - Feasibility framework
 - Significant literature review



Example 4: SYPA

- Sharing the Burden: Improving the Welfare of Nepal's Mountain Porters
- Methodology
 - Small scale data collection
 - Interviews (and Focus Group Discussions)
 - Literature review
 - Feasibility framework

Topics

1. Targeted Children's Allowance in Ireland: Ending Universality
2. School Vouchers for Families
3. Funding Crisis at Third Level: Should We Reintroduce Fees?
4. Solutions to Dublin's Housing Crisis
5. Options for Reducing Youth Male Unemployment in Ireland
6. Reform of Health Care: Universal Health Insurance
7. Poverty and Single Parents: The State's Response
8. Options for Encouraging Private Pensions
9. Solutions to Dublin's Homelessness Crisis
10. Transport for Dublin: Dart Underground, Metro North v's Luas Extension to the Airport
11. Reform of Ireland's Voting System: A Review of the Options
12. Addressing Moral Hazard for those on Unemployment Benefit



Advice

- Conduct good literature review
- Think clearly about the options
- Propose an appropriate methodology of analysis
- Make precise recommendations
- Make sure the presentation/report is clear it its logical flow
- Make sure the report is very precisely written



Option 1: Rules for Presentations

1. Meet early and work as a team
2. Not allowed to fall out with each other
3. We all need to work with different personalities and people with different work ethics
4. However, I expect everyone to pull their fair share of the weight (I have ways of finding out!)
5. Each Presentation should be 12 minutes long.
6. All members should present an equal amount of time.
7. There will be 3-4 minutes for feedback.
8. All groups should upload their presentations to the computer in advance.
9. All presentations should be emailed to the lecture by the end of the day of presenting.
10. Modest about of grade for presentation – enjoy working together and learning together.



Option 2: Rules The Debates

- Focus on economic policies of candidates
- No references to scandal, moral issues etc.
- Humor allowed but no marks for it.
- If you can not find information on key topics you can innovate a little.
- Resources:
 - Candidate websites
 - Reviews of candidate economic policies by independent think tanks.
 - Speeches and media.
 - If required you can go back to first principles of political parties to define arguments.
- Focus should always be on convincing arguments, details and evidence to back up your points.
- Moderator will organise debate, start on time, report of pre and post polling should be presented in lectures on Wednesday or Week 8 (5 mins).



Debate Timetable

- H. Clinton, Democratic (5 minutes)
- D. Trump, Republican (5 minutes)
- G. Johnson, Libertarian (5 minutes)
- J. Stein, Green Party (5 minutes)
- Moderator/Time Keeper/Event Manager (in charge of venue)/Pre and Post debate Pollster/ (10 Minutes of Q and A)
- Two minute wrap-up from each candidate
- Panelist 1: Paul Ryan (5 minutes)
- Panelist 2: Bernie Sanders (5 minutes)

