This course provides an introduction to the study of public policy and the professional practice of policy analysis. We consider a number of fundamental questions: What are the rationales for collective interference in private affairs? What are the limitations to collective action? What are the generic instruments of public policy? How can we measure social costs and benefits? What are the appropriate roles for policy analysts in democratic societies? We also seek to improve our basic skills in analytical thinking, information gathering, and writing as we attempt to answer these questions.

I will base course grades on the following:

**Four memorandum exercises, pop-briefing, and class participation** (40 percent)

The memorandum exercises provide an opportunity to practice analytical writing: the first exercise provides a general introduction; the remaining three are related to your policy analysis project.

The pop-briefing simulates the sort of oral report you are likely to be called upon to make while you are working on a major project. You will have a total of ten minutes to provide an introduction to the issue you are addressing in your policy analysis project, pose an analytical question you are trying to address, and lead discussion of it. Work hard to keep the introduction of your issue to about one minute. You should allow at least five minutes for discussion. The discussion may be extended at my discretion. I will randomly select two or three presenters each class beginning on **February 11**.

Your active class participation will make the course more valuable for all of us.

**Policy Analysis project** (30 percent)

A semester-long project on a randomly assigned topic gives you an opportunity to apply the concepts and craft skills introduced in the course.

**Midterm examination on March 11** (30 percent)

A test of your mastery of the basic rationales for, and limits to, public policy.
I will consider presentation and punctuality in evaluating all assignments.

We will make heavy use of the following text, which is available on reserve and at the bookstore:


A few additional readings and other relevant course materials are available at learn@uw.

**Tentative Schedule**

**Introduction** (January 28)

Course overview. Projects randomly assigned and briefly discussed.

Reading: Weimer and Vining, Chapter 1.

Exercise 1: Due in class on January 28. (Be prepared to discuss in class.)

**Policy Analysis: Overview** (February 4)

We consider two important questions that we will revisit throughout the course: What roles does policy analysis play in democratic societies? What roles should it play?

Readings: Weimer and Vining, Chapters 2, 3, and 14


**Market Failures as Rationales for Public Policy** (February 11 and 18)

Welfare economics specifies the assumptions under which market equilibria are Pareto efficient. Certain violations of these assumptions are commonly identified as market failures: public goods, externalities, natural monopolies, and information asymmetries. Market failures provide important rationales for collective interference with individual choices. Our goal is to understand these basic market failures, and other limitations of the competitive framework, for purposes of framing and modeling policy problems.

Reading: Weimer and Vining, Chapters 4, 5, and 6

**Goals Other Than Efficiency as Rationales for Public Policy** (February 25)

Though efficiency is almost always one of the relevant goals in policy analysis, it is rarely the only one. It is useful to develop conceptual foundations for thinking about distributional and other
goals that commonly arise in policy analysis.

Reading: Weimer and Vining, Chapter 7

Exercise 2: Due **February 25**

**Government Failure as Limitation and Rationale** (March 4)

Just as markets fail in systematic ways, so too does collective action. Such generic government failures interfere with the effective correction of market failures and produce public policies that themselves are policy problems.

Reading: Weimer and Vining, Chapter 8

**Midterm Examination** (March 11)

Test covering the concepts developed in the first half of the course.

**Structuring Analysis** (March 18 and April 1)

An overview of the steps in the rationalist mode of policy analysis. We consider how to frame and model policy problems, select appropriate goals and criteria, specify policy alternatives, predict and value consequences, identify tradeoffs among alternatives, and effectively communicate recommendations.

Reading: Weimer and Vining, Chapter 15

Exercise 3: Due **March 18**.

**Policy Design** (April 8 and 15)

A discussion of how to design policies. We will consider generic policies as starting points for design, as well as borrowing and adapting designs used in other contexts.

Reading: Weimer and Vining, Chapters 9, 10, and 13

**Bring your goals/alternative matrix for your project to class as a PowerPoint slide or pdf page on a flash drive. Be prepared to present it to the class.**

**Thinking Strategically: Adoption and Implementation** (April 22)

A realistic assessment of policy alternatives almost always requires consideration of the feasibility of their adoption and implementation. How can we make predictions about feasibility? How can we alter policy alternatives to improve their feasibility?
Readings: Weimer and Vining, Chapters 11 and 12.


**Cost-Benefit Analysis (April 29)**

Although cost-benefit analysis (CBA) is rarely appropriate as a decision rule, it provides useful protocols for valuing the efficiency impacts of policy alternatives. We review basic concepts underlying CBA such as willingness-to-pay, opportunity cost, discounting for time, and the treatment of risk. We also consider the conceptual and practical limitations to its application.

Readings: Weimer and Vining, Chapters 16 and 17

*Two copies of your project report are due on April 29 at the beginning of class.* (My evaluation of this draft of your report is the primary basis for my assessment of your project.)

Exercise 4: Due by noon Friday, **May 3**. Put in my La Follette mailbox.

**Project Wrap-Up (May 6)**

This session is set aside for revisiting topics of interest and discussing successful completion of projects.

PDF file of revised project report due by e-mail attachment on **May 11**. The title of the file should be (your last name)_(word conveying subject)_2011.pdf. The e-mail itself should indicate how you responded to comments on your initial report draft.)
Exercise 1

Read each of the following policy analyses available at learn@uw:

Emily Brunjes, “Addressing Drug Shortages”

Edward Cubero, “Wolf Management in Wisconsin”

Ben Nerad, “Addressing the Use of Cell Phones while Driving”

Phil Sletten, “Corporate Tax Reform: Taxing Capital Value”

Write a memorandum to the client of one of these reports that makes a recommendation for action on the problem addressed in the report. You may focus on the recommendation in the report or argue for some other alternative. Your memorandum should be no more than three, double-spaced, typed pages in length. Your recommendation should be stated clearly in the last sentence of the first paragraph. The rest of your memorandum should indicate the advantages and disadvantages of your recommendation.

Exercise 2

One of the steps in defining a policy problem is framing it as a market or government failure. The framing helps you to determine if there is a strong rationale for government action and suggests generic policy alternatives for consideration. Prepare a three- to four-page (double-spaced) analysis that introduces the problem implied by your project statement and frames it as a market or government failure. (Projects often begin as a request for analysis of a specific alternative to the status quo. In such cases, problem definition involves identifying the underlying policy problem that prompts interest in the alternative.) After writing an introductory paragraph, divide your memorandum into two distinct parts. In the first part provide a sketch of the context for your problem. The sketch may be in the form of a brief history, or it may simply describe the symptoms of the problem. The second part should clearly frame your problem as a market or government failure.

It is likely that you will be able to provide a useful frame by focusing on one market or government failure. It may be that several others are applicable as well. While you may note these in passing, try to stay focused on the one that best helps you understand the nature of the problem from the perspective of the good of society. Your memorandum should show that you understand the concept and that you are able to apply it to a specific context.

Imagine that you are writing your memorandum to a colleague who will be working with you on the analysis. Assume that your colleague does not have much background in economics. Clearly explain any technical terms that you use. Also, avoid using diagrams. If you think that a diagram is essential, then put it in an appendix.
Exercise 3

When doing policy analysis, it is usually helpful to consider some possible policy alternatives in considerable depth well before preparing a full draft. Looking ahead to alternatives often helps one to refine goals and criteria. It also helps one anticipate the sort of information that will be useful for predicting consequences of alternative policies. Now would be a good time for you to focus on one of your promising policy alternatives for your project.

In a brief memorandum of three double-spaced pages please do the following: First, clearly specify one of your policy alternatives in terms of all its essential elements. Second, briefly outline what you believe to be the major effects of the alternative—including both the use of resources required to implement it and its impacts. Third, discuss what information you hope to use to predict the magnitudes of the major effects.

Exercise 4

Prepare a brief memorandum of two or three double-spaced pages that provides your colleague with constructive criticism of his or her policy report. Submit two copies.