

Introduction to Policy Analysis

PPS 55

Fall 2007

[UNIT 1: INDIVIDUAL INTERESTS & COLLECTIVE ACTION]

[UNIT 2: VALUING SOCIAL OUTCOMES]

[UNIT 3: DECIDING UNDER UNCERTAINTY]

[UNIT 4: FORMULATING POLITICAL STRATEGY]

WHAT IS PUBLIC POLICY?

8/28 Introduction: What is Public Policy Analysis?

Reading: Munger, chapter 1, pp. 3-8, 14-24; and chapter 2.

8/29 Section 1

8/30 Elements of Policy Analysis: The Case of Global Warming

US Environmental Protection Agency website

Calculate your personal emissions

Due: Memo on Global Warming

UNIT I: INDIVIDUAL INTERESTS AND COLLECTIVE ACTION

9/4 Theory of Games I

See selected Lecture Slides

Reading: Thomas C. Schelling, *What is Game Theory?* from *Choice and Consequence*, Harvard University Press.

James Morrow: *Game Theory for Political Scientists*: Princeton University press, 1994. [Chapter Two](#) and [Chapter Three](#).

New York Times, April 29, 2005, "[Rock, Paper, Payoff: Child's Play Wins Auction House an Art](#)

Sale” by Carol Vogel.

New York Times, April 11, 2002, “You've Seen the Movie, Now Just Exactly What Was it That John Nash Had on His Beautiful Mind?” by Hal Varian.

The Cincinnati Enquirer, July 19, 2002, “Gaming: A Baseball Strike,” by Tony Lang.

9/5 Section 2

DUE: Problem Set 1

9/6 Theory of Games II

See Selected Lecture Slides

Reading: Andrew M. Colman, *Game Theory and Experimental Games: The Study of Strategic Interaction*, Pergamon Press, 1982, chapters 6, pp. 93-106; and 8, pp. 153-163.

** Douglas R. Hofstadter, "The Prisoner's Dilemma Computer Tournaments and the Evolution of Cooperation," from *Metamagical Themas*, Basic Books, 1985.

Fred Kaplan. A global game of chicken, *Slate Magazine*, April 7, 2006

Katie Zezima, S. Carolina GOP moves up primary. *New York Times*, August 9, 2007.

9/11 Markets

See selected Lecture Slides

Reading: Munger, chapter 3; Case 1: A Prison Camp Economy; and chapter 4, pp. 106-108.

Charles Wolf, *Markets or Governments*, chapters 1&2.

Baumol & Blinder, *Total and Marginal Utility*, pp. 97-101.

See "Supply and Demand" in the Handouts section if you'd like more background on markets.

9/12 Section 3

DUE: Problem Set 2

9/13 Market Failures

See selected Lecture Slides

Reading: Munger, Chapter 4, pp. 113-126.

Russell Hardin, *Collective Action*; Baltimore, Johns Hopkins/Resources for the Future; Chapters 1 & 2, pp. 6-35.

Ronald Coase, "The Problem of Social Cost," *Journal of Law and Economics*, no. 3, pp. 1-8.

Financial Times (London), June 23, 2003, “[Economic Theory on Media Markets is Flawed](#),” by Michael Fein and David Moss.

Financial Times (London), Sep 8, 2003, “[A Ledger of the Real Costs of Pollution](#),” by Roger Cowe.

DUE: Policy Memo 1

9/18 Negotiations I

See selected Lecture Slides

Reading: Howard Raiffa, *The Art and Science of Negotiation*, Chapters 1, 3, 4.

Financial Times (London), April 22, 2003, “[Brinkmanship Lessons as US Prepares for North Korea Talks](#),” by Andrew Ward.

DUE: Results of Negotiation Simulation 1

9/19 Section 4

DUE: Problem Set 3

9/20 Negotiations II

See selected Lecture Slides

Reading: Howard Raiffa, *The Art and Science of Negotiation*, Chapters 10 and 11.

Financial Times, June 13, 2003. Emotions' role in economic thinking. Science Briefing.
<http://search.ft.com/ftArticle?queryText=Emotions%27+role+in+economic+thinking%2C+June+13%2C+2003&aje=true&id=030613002332&ct=0>: Clive Cookson

DUE: Results of Negotiation Simulation 2

UNIT 2: VALUING SOCIAL OUTCOMES

9/25 What is the Public Interest?

See selected Lecture Slides

Reading: Munger, chapter 4, pp. 102-106.

John Bonner, "Social Welfare," from *Introduction to the Theory of Social Choice*, The Johns Hopkins University Press, Baltimore, 1986.

Harvey Rosen, "Income Distribution: Conceptual Issues." from *Public Finance*, pp. 157-169.

9/26 Section 5

DUE: Problem Set 4

9/27 **MIDTERM 1**

10/2 Introduction to Cost-Benefit Analysis

See selected Lecture Slides

Reading: Munger, chapter 11.

Financial Times (London), January 11, 2006, [America failed to calculate the enormous costs of war](#), by Martin Wolf

[Circular No. A-94, Revised, \(Transmittal Memo No. 64\), October 29, 1992, MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS. SUBJECT: Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs](#)

10/3 Section 6

10/4 Cost-Benefit Analysis: Standing and Distribution

See selected Lecture Slides

Reading: William N. Trumball, "Who Has Standing in Cost-Benefit Analysis?" *Journal of Policy Analysis and Management*, Vol. 9, No. 2, pp. 210-218.

<http://www.whitehouse.gov/omb/circulars/a004/a-4.pdf>

** ["The Battle of Alamodome: Henry Cisneros and the San Antonio Stadium,"](#) Kennedy School of Government case study. Log on to the Kennedy school case study program to BUY this case for \$2.75. You can pay directly online and immediately download the document. You will need to create a login and password to check out, but anyone can do this. Keep the information for the next case you need to buy for class on 10/16 (or just buy both cases now)

10/6 - 10/9. Fall Break. No Classes.

10/10 Section 7

DUE: Problem Set 5

10/11 Evaluating Future Benefits and Costs

See selected Lecture Slides

Reading: Munger, Chapter 10.

Financial Times (London), July 29, 2003, "[Arcane actuarial science widens political divide over pensions: Legislation to allow US companies to reduce their payments into funds is criticized on Capitol Hill as a fudge,](#)" by Norma Cohen.

10/16 Issues in Cost-Benefit Analysis: Valuing Life and Health

Readings: The New York Times, December 8, 2002, [Just Money](#), by Lisa Belkin.

Paul R. Portney, "[The Contingent Valuation Debate: Why Economists Should Care](#)," *Journal of Economic Perspectives*, Fall 1994, pp. 3-17.

**On the [Copenhagen Consensus Website](#) read about the overall project, and then read the [report](#).

** "[Matters of Life and Death: Defunding Organ Transplants in the State of Arizona](#)," Kennedy School of Government case study. Kennedy School of Government case study. Log on to the Kennedy school case study program to BUY this case. You can pay directly online and immediately download the document.

Kenneth J. Arrow et al, "[Is There a Role for Benefit-Cost Analysis in Environmental, Health, and Safety Regulation?](#)" *Science*, vol. 272, April 1996.

UNIT 3: DECIDING UNDER UNCERTAINTY

10/17 Section 8

DUE: Problem Set 6

10/18 Introduction to Decision Analysis

See selected Lecture Slides

Reading: Munger, chapter 9, pp. 280-286, 309-316.

Dipak K. Gupta, "[Elements of Strategic Thinking](#)," Chapter 13 of *Analyzing Public Policy: Concepts, Tools and Techniques*," pp. 330-343.

Robert D. Behn and James W. Vaupel, "[Thinking About Uncertainty](#)," Chapter 4 of *Quick Analysis for Busy Decisionmakers*, pp. 71-100.

DUE: Policy Memo 2

10/23 Decision Analysis II

See selected Lecture Slides

10/24 Section 9

DUE: Problem Set 7

10/25 Bayes Theorem and the Value of Information

See selected Lecture Slides

Reading: Munger, chapter 9, pp. 286-289, 295-307.

Stokey and Zeckhauser, [Chapter 12](#), pp. 219-229. *Note: This e-reserve also includes pp. 237-254,*

which are assigned for the Utility Theory lecture.

Financial Times (London), January 9, 2004, "[Why no one understands probability: STATISTICS: Greater skill in analysing data would help prevent wrongful convictions and medical misdiagnosis.](#)" by Robert Matthews.

John Markoff, "[Microsoft Sees Software 'Agent' as Way to Avoid Distractions.](#)" *New York Times*, July 17, 2000.

10/30 Value of Information II

See selected Lecture Slides

<http://www.hivmedicine.com/textbook/testing.htm>

The New York Times, June 20, 2004, "[In New Tests for Fetal Defects, Agonizing Choices for Parents.](#)" by Amy Harmon.

10/31 Section 10

DUE: Problem Set 8

11/1 Utility Theory, Subjective Valuation, and Risk Aversion

See selected Lecture Slides

Reading: Munger, chapter 9, pp. 307-309.

Stokey and Zeckhauser, [Chapter 12](#), pp. 237-254.

11/6 OMB and regulatory review

[Graham, John D., "The Evolving Role of the U.S. Office of Management and Budget in Regulatory Policy"](#) (February 2007). AEI-Brookings Joint Center Working Paper No. 07-04

UNIT 4: FORMULATING POLITICAL STRATEGY

11/7 Section 11

DUE: Problem Set 9

11/8 **MIDTERM II**

11/13 Policy Analysis and Politics

Reading: Munger, chapter 5, pp. 141-155.

Robert Behn, "[Policy Analysis and Policy Politics](#)," *Policy Analysis*, 1981, pp. 199-226.

** William Greider, "[The Education of David Stockman](#)," *Atlantic Monthly*, December 1981, pp. 27-54.

11/14 Section 12

11/15 Politics as Rational Choice I

See selected Lecture Slides

Reading: James Madison, [*The Federalist*, #10](#).

James N. Buchanan and Gordon Tulloch, [*The Calculus of Consent*, Chapter 4](#).

[**Articles on Clinton's efforts to reform health care.](#)

11/20 Politics as Rational Choice II

See selected Lecture Slides

Anthony Downs, [*An Economic Theory of Democracy*](#), Chapters 11 and 12.

Pressure-Group Models: [Mueller, Dennis, Public Choice II, selections](#).

DUE: Policy Memo 3

11/21 - 11/25. Thanksgiving Break. No Classes.

11/27 Symbolic Politics I

Reading: Kenneth Burke, [*On Symbols and Society*](#), pp. 53-74.

Deborah Stone, "[Symbols, part 1](#)" (Chapter 6 in *Policy Paradox and Political Reason*).

"[Framing the Dems: How conservatives control political debate and how progressives can take it back](#),"
by George Lakoff,
The American Prospect, Sept. 1, 2003.

11/28 Section 13

DUE: Problem Set 10

11/29 Symbolic Politics II

Viewing: "A Bridge Too Far," episode from *Eyes on the Prize*, documentary film of the Civil Rights movement. (Viewing this movie before next class is mandatory. If you are sick, you can go to the library and view it there as there is a copy in Duke libraries.)

12/4 Leadership and Strategy

(Viewing the movie of 4/12 before this class is mandatory. If you are sick, you can go to the library and view it there as there is a copy in Duke libraries.)

New York Times, November 30, 2003, [A Thousand Words: Good as a Gun: When Cameras Define a War](#), by John Kifner.

12/5 Section 14

12/6 Putting it all together: The *Complete Analyst*

****Reading:** Frederick W. Mayer, "Diagnosis and Strategy: The Campaign for NAFTA," from *Interpreting NAFTA: The Science and Art of Political Analysis*, (1998).

DUE: Policy Memo 4

12/14 **FINAL EXAM Time: 2-5 pm**

**** Required for class discussion on listed date.**

[To top](#)