Special Issues in Public Policy - Policy Design
AY 2017
Wednesday 9:30-12:30

Rationale
The increased complexity of ‘wicked’ policy problems that confront governments has placed renewed emphasis on the importance of policy design. How can the design of policy and programs be improved to achieve better societal outcomes? The reduced the fiscal space available across developing economies underscores the need for designing effective policies to improve outcomes. This course equips students to assess and evaluate policy design, and importantly provides them tools to better understand what can be done to improve outcomes.

Learning Outcomes
By the end of this course, you (as a student) would be able to

- Get a critical understanding of the design-orientation in Policy Sciences and its emphasis on problem-solving
- Synthesize different approaches to address complex policy problems
- Appreciate the technical and political complexity that underpins any design process
- Understand how policy tools and instruments are assembled, and deployed.
- Articulate broad ‘principles’ of what good design is
- Apply these principles to a series of real-world cases such as healthcare, pension reform, etc.

This course offers students a critical introduction to key concepts, approaches and analytical tools to respond to these vital questions in policy analysis. To accomplish this, the course adopts a problem-solving approach from a design perspective. The focus is on the substance and the context of public policies, the forms in which they are delivered and financed, and how they might be improved. Every lecture is anchored in the design-orientation or problem-solving approach of the policy sciences.

Course Structure
The course is divided in two parts. The first half of the course reviews conceptual and analytical tools from various disciplines including public administration, public financial management, microeconomic theory, and policy sciences to lay the theoretical foundation of how policy design can be assessed and evaluated, and ultimately improved.

The second half of the course focuses on public policies in specific domains (e.g. including healthcare, pensions, environment, and financial regulation). To maintain focus, we will rely on examples in these policy domains in across Asian economies.

Course Schedule
The course schedule and readings are updated on a bi-weekly basis. All readings are available at the library or are online. Lecture notes (power point slides, handouts, word documents) will be provided to students. There is no assigned text book. Additional readings may be assigned as the course progresses.
LECTURE 1: INTRODUCTION TO POLICY DESIGN

- Lecture Notes

VIDEOS
- Governments Versus Markets – Vito Tanzi (8:00-29:00 minutes) https://www.youtube.com/watch?v=opPUawF_Pm0

LECTURE 2 & 3: ECONOMIC REASONING FOR POLICY DESIGN

- Lecture Notes (Synthesis of key definitions and concepts)
- Miller, Benjamin and North (The Economics of Public Issues, 19th ed)  
  - Chapter 6- Sex, Booze, and Drugs;  
  - Chapter 10 - Bankrupt Landlords, from Sea to Shining Sea
- Weimer and Vining (Policy Analysis, 5th Ed) Chapter 5, 7 & 9 – Rationale for Public Policy (Ch. 5,7)

VIDEOS
- Market Failures and Government Failures: https://www.youtube.com/watch?v=SuPsePSUdxA
- Robert Frank – Talks at Google (First 38 minutes) https://www.youtube.com/watch?v=QalNVxelKEE
Lectures 4&5: “Principles” of Policy Design

- Lecture Notes
- Case Study: Swanson et al Adaptive policy case study: analysis of the Crow Rate in Prairie Canada: a cautionary tale
- Howlett, Mukherjee and Woo (2016) “From tools to toolkits in policy design studies: the new design orientation towards policy formulation research” Policy & Politics, Volume 43, Number 2, April 2015, pp. 291-311(21)

Lecture 6: Evaluating Policy Design

- Lecture Notes


Lecture Notes


LECTURE 7 THEORY & PRACTICE: HEALTHCARE


VIDEOS
• Uwe Reindhart 2014 Hewitt Health Care Lecture https://www.youtube.com/watch?v=FOBzwoKpC0s

LECTURE 8: THEORY & PRACTICE: FOOD SECURITY

• Lecture Notes

LECTURE 9 & 10: UNCERTAINTY & LONG-TERM DESIGN

Concepts
• Desai, M, 2015, Hubris: Why Economists Failed to Predict the Crisis and How to Avoid the Next One, Yale University Press.

Policy tools for addressing uncertainty, case applications

• Maxim, L and van der Sluijs, Jereon, P, 2011, Quality in environmental science for policy: Assessing uncertainty as a component of policy analysis, Environmental Science and Policy, 14, 482-492.
• Swanson, D, Barg S, Tyler S, Venema H, Tomar S, Bhadwal S, Nair S, Roy D, and Drexhage J, 2010, Seven tools for creating adaptive policies, Technological Forecasting & Social Change, 77, 6, 924-939.

LECTURE 11: THEORY & PRACTICE – PENSION REFORM

• Asher, MG and Fauziah Zen (2016) Age Related Pension Expenditure and Fiscal Space. Routledge. Chapter 1
• Weaver, K., & Willén, A. (2014). The Swedish pension system after twenty years: Mid-course corrections and lessons. OECD Journal on Budgeting, 13(3), 1A.
LECTURE 12: THEORY & PRACTICE – TRAFFIC CONGESTION


LECTURE 13: CONCLUSION

ASSESSMENT

**Class Participation – 10%**

Students are expected to contribute actively to their own learning, and that of their classmates. The assessment is not measured by “showing up to class”, but by the extent to which you participate and contribute to the discussion in class and in achieving the course’s learning outcomes.

**Short Essay 800 words – 15%**

All students are to submit a short essay (800 words) on any policy design principle or concept taught in class. A sign-up sheet will be provided in Week 3. The aim of this assignment is to test your conceptual understanding. Please describe the concept as analytically as possible, and explain why it is important from a policy perspective. You are especially encouraged to think of interesting examples to explain the concept.

**Evaluation**

a. 30%: Understanding of the Concept
b. 30%: Connecting it with public policy
c. 30%: The application of the concept (i.e. interesting example, i.e. ‘non-text book’!)
d. 10%: Overall writing exposition
Students will be assigned to a group (by random allocation) and can choose to work on one of six broad policy areas covered under the theory & practice weeks. Each group will select a particular policy design challenge in a country of their choice. The paper will have to address a major policy problem that afflicts a sector; review the domain-specific literature; connect it with the literature on policy design; and the current debates on what solutions are being used or considered. This is challenging assignment, which is why each group is required to consult with the instructor in week 4, and turn in a preliminary draft (identifying the problem, its context, the design issues) before the mid-semester break. Students are expected to present their paper in class, lead class discussion, as well as a final submission at the end of week 13.

Word limit: 4000 words

Deadlines for the papers:
- First Draft – Due before mid-semester: 10%
- Final Paper – Due end of week 13: 20%
- Presentation – from week 7 onwards

Closed-book Final Exam – 40%
The exam will be closed-book and students will be informed the exact date, and format closer towards the end of the semester.

Important dates
- Form Groups – End of week 2
- Sign up for Individual Short Essay – End of week 3
- Meet Instructor to discuss Group Project – End of week 4
- Draft Group Essay due – End of week 7
- Individual Short Essay due – End of week 9
- Final Group Paper– End of week 13
- Final Exam – to be announced.

Note for students
Students are expected to contribute actively to their own learning, and that of their peers. Accordingly, participation is not assessed by attendance but the extent to which you participate and contribute to the discussion in class and in achieving the course’s learning outcomes.

Students are expected to complete all assigned readings and watch the videos before coming to class. Students are expected to actively participate in class discussions. The instructor will create opportunities to ensure all students participate.

Assignments as well as their deadlines are listed on the syllabus and must be adhered to. Delayed submissions (under all circumstances) will receive a 10 percent penalty per 24 hours.

An important part of learning is feedback and reflection.

Students can expect to receive feedback on their assignments within 2 weeks, and meet with the instructor during office hours. The quality of your work as a student relies on adhering to the principles of academic integrity and to the Honour Code, a set of values shared by the whole university community. If you are uncertain of the definitions of any of these terms, you should go to the academic integrity website for more information. Consult your instructor.