Please Note: The questions are organized into discrete parts and sub-parts to aid you in recognizing the different sections of a question and to clarify what you are asked to do.

PART I. Please answer one of the following two questions:

1. There are few examples of pure public goods. Military defense is sometimes offered as an example of one, but even for this example what does status as a public good tell us about how much a nation spends on military defense and how it spends it? There are public and private schools. If education can be delivered on private markets, what market failure concept explains public provision? Thus, there are questions about the strengths and weaknesses of the concept of public goods and other explanations for public provision.

Choose a government program or service and discuss the strengths and weaknesses of public provision of the service.

Your answer should address the following:

a) How do the concepts of market failure explain why government delivers the service? Are these concepts useful in explaining how much government provides, and how it provides it?

b) What alternative concepts and models from the policy process literature, such as advocacy coalition frameworks or others, can be brought in to help explain what market failure concepts fail to explain?

c) How might you combine aspects of the market failures approach and policy process theories to analyze and explain public provision of goods and services?

d) Based on your discussion in response to c) above, develop a testable hypothesis about government provision of a good or service. Specify the dependent variable or outcome of interest. What measures would be required to test the hypothesis? Describe the design of an empirical test of the hypothesis.

2. Privatization of government services through contracting out with private (including nonprofit) providers has been an alternative for government for centuries in the U.S. and other nations. Governments have utilized this alternative increasingly in recent decades. Consider the challenge of assessing a privatized service by comparing it to a government-provided version of the same service.

a) What theoretical and practical difficulties are there in making these sorts of comparisons?
   i) Do the different objectives of the firm providing the service (e.g. profit maximization) make comparisons incommensurate? Is this true for all three types of providers? Why or why not?
ii) Be specific about issues related to cost of provision, quality of service, and quantity of service provided.
b) To what extent do these comparisons raise challenges in research design and analytical methods?
   i) Explain endogeneity and suggest an endogeneity problem that might arise in this study.
   ii) What are ways of trying to deal with such a problem? Explain one other design and/or method problem that one might anticipate, and ways of responding to it.
   iii) Discuss how an idealized experimental design could deal with this design or method problem that you have discussed in response to ii.

Part II. Please answer one of the following two questions:

3. Please explain clearly and assess some of the principal efforts to move policy implementation analysis beyond the so-called top-down/bottom-up debate.

   a. Explain briefly the differences between top-down and bottom-up analysis.
   b. Review what you regard as the principal reasons why moving implementation work forward in this way can represent an improvement.
   c. Make reference to the research literature in your coverage, indicate what progress has been made, and assess the most promising next steps for those interested in implementation questions.

4. Scholars have written of the “cases/variables” problem in implementation research.

   a. Explain this problem. What is it? How serious is this concern? Why is it a challenge, if it is? If it is not a serious challenge, why not?
   b. Give examples of this issue from the research literature, and be specific in your description of the problem, and your assessment of the way the author handled it.
   c. Give suggestions about how the problem can be handled, or at least addressed, in empirical research.

PART III: Please answer one of the following two questions:

5. Researchers in public policy use a variety of models of the public policy process, including models focused on punctuated equilibria, incrementalism, policy streams, policy cycles, systems models, and the advocacy coalition framework.

   Choose two policy process models (you may include others not listed above). For each model, identify and cite one study reporting an empirical test from the published literature.

   a. Briefly summarize the research questions examined in these empirical studies.
b. Characterize, assess, and critique (positively and/or negatively) the method(s) employed in these studies. Please be specific.

c. Does each study help to validate the model it addresses? Or does it raise questions about the model?
   
i. If each study supports and validates the process model it addresses, to what extent do the empirical studies correctly identify “causal” mechanisms?

6. Under well-known conditions of perfect competition, non-increasing returns, and the absence of price externalities, the market determination (i.e. collective decision) about the production and allocation of goods and services attains a point on the Pareto frontier (First Welfare Theorem)

   Therefore the market, considered as a collective mechanism for making social decisions, maximizes a particular social welfare function. This implies that the market system “chooses” an allocation. That allocation operates under the assumption that moves along the Pareto frontier in every direction—moves that transfer wealth from one member of society to another—are of no benefit to social welfare, while moves outward toward the Pareto frontier do benefit social welfare.

   If we restrict ourselves to social welfare functions that are weighted sums of individual utilities, that means that the market system's social welfare function gives each individual a weight inversely proportional to his or her marginal utility of wealth.

   a. Discuss why every point on the Pareto frontier maximizes some social welfare function.

   b. Discuss why the market’s indifference to Pareto optimal allocations implies that each individual is accorded a weight that is inversely proportional to her marginal utility of wealth.

   c. Assume that there is a declining marginal utility of wealth, what does the market social welfare function imply?

   d. If we use the Kaldor-Hicks criteria for cost benefit analysis what types of policies will be favored? Why?

   e. To what extent are social welfare functions the formalizations of the analyst’s concept of a “trade-off” between welfare and its distribution?

   f. Discuss a policy where you would be opposed to using the “market” social welfare function.