

Doctoral Take-home Examination
Policy Process and Analysis
Fall Semester, 2010

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) Develop a testable hypothesis about a characteristic of a public good or service and the probability of government provision. 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: government, private non-profit and private for profit? 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) Explain the methodological procedures for trying to deal with such a problem.
- iii) Explain one other design and/or method problem that one might anticipate, and ways of responding to it. Include discussion of how an idealized experimental design could deal with this design or method problem.

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. Consider a resource that is currently being used by the community at large, with no restrictions on access (for example, a lake which is popular for fishing, but which currently puts no limits on the types of, or time of, fishing people can do). Social welfare is increasing in the number of fish that are taken from the lake at each point in time. For the purposes of this exercise, assume that the only social use of the lake is in producing fish. If no one fishes, there are many fish in the lake, but social welfare from the lake is zero. If too many people fish, then there will be high social welfare today, but no fish left in the lake after that, and welfare is zero tomorrow and thereafter.

- a) Discuss what factors you would need to take into consideration to decide what the correct (i.e., optimal) number of people fishing would be. What costs and benefits would have to be compared? If fishing technology changed, such that it is now easier to catch fish than before (say, a new lure that fish found irresistible) how would that affect the optimal number of people who should be allowed to fish?
- b) Discuss at least two ways you could implement your answer to section a) above if you were to use direct government action. Which of these would be the best approach in terms of achieving your goal of maximizing long-term fish production with the fewest dollars expended in government action? Which would be the best approach in terms of minimizing any distortions in the market from people trying to circumvent the government action?
- c) Discuss how you could implement your answer to section a) above if you were to follow the guidance of Ronald Coase in his paper “The Problem of Social Costs?”
- d) Considering your answer in c) above, discuss the impact that the initial allocation of rights has on the ethical / political aspects of your action. What might make you more or less satisfied, from those perspectives, with the outcomes of a market based on the initial endowments of rights? Extend this answer to a general discussion of the distributional disadvantages of relying on markets to solve problems of externalities.