Planning and Policy Analysis: Advanced Methods

Meeting Day/time: T 6:30-9:20 pm   Room: 213B Hester   Office Hours: W 1-3 pm & by appt.

Description:
This course surveys a range of issues associated with evaluating the role of government in the economy. Our particular focus will be the numerous strands of literature related to fiscal decentralization—how revenue and spending decisions should be made in the presence of multi-levels of government. Learning the art of doing economics research is primary goal of the course. We will discuss basic methodological and practical issues associated with doing economics research in general and as well as those associated with the decentralization literature. Students will be expected to discuss published articles and to develop their own, original research article by the end of the semester.

Prerequisites:
Econ 5123 and an understanding of basic regression analysis and statistical techniques.

Grading and Course Requirements:
Students will take two term exams, answer discussion questions, create annotated bibliographies/summaries of all assigned readings, discuss several papers, and write and present a grant proposal for evaluating a public policy/program. Class participation is an integral part of the course as reflected in the weights given below.

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<th>Percentage</th>
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<tr>
<td>Exam</td>
<td>30%</td>
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<tr>
<td>Homework/presentations</td>
<td>35%</td>
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<tr>
<td>Research Paper Proposal (15-20 page)</td>
<td>30%</td>
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<td>Participation</td>
<td>5%</td>
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Course Requirements:
1. Homework will entail a combination of the following types of assignments:
   a. Preparing answers to a set of specified questions and being prepared to discuss them in class.
   b. Preparing a typed annotated bibliographic reference for selected papers. These will be graded on completeness and understanding. These will include the following items:
      i. Motivation – Why is the topic interesting and important?
      ii. Literature – How does the paper relate to previous literature?
      iii. Theoretical Model – Describe the theoretical model if appropriate. What are the key implications for the empirical analogue?
      iv. Empirical Model – Describe the empirical model and econometric methods.
          1. Data – Carefully explain the data the author(s) use in the paper.
          v. Empirical Results – present the results.
         vi. Conclusions – What are the main conclusions and contributions of the work?
         vii. Assessment - Discuss the main strengths and weakness of the paper.
   c. Students will discuss several papers throughout the course of the semester. Presentations including discussion should last around 10-20 minutes. Students should be prepared to answer questions from both myself and from fellow students.
2. Research Proposal/Paper: Students will write a 15-20 page, research paper proposal. We will develop the concept, motivation, and analysis throughout the course of the semester.
3. Students must review OU Code of Student Conduct and understand the various aspects associated with upholding academic integrity. Academic integrity demands careful documentation of sources, direct quotes, and appropriate paraphrasing.
ECON 6123 READING LIST & RESOURCES
*Materials discussed in class

I. GENERAL ECONOMICS WRITING AND RESEARCH REFERENCES

I.1 Writing & Publishing Strategies in Economics

Economics Writing Guides


General Writing Guides

Cook, Claire Kehrwald. *Line by Line: How To Improve Your Own Writing*. (Houghton Mifflin Company, Boston) 1985. This book is not as portable as Strunk and White, but it is very helpful.

I.2 Methodology and Economics


I.3 Program Evaluation and Conceptualization


Replication and Researcher Errors
Technical Issues


Aggregation Problems and Ecological Inference Problems


II FISCAL DECENTRALIZATION

II.1 Overview of Related Literature


II.2 Decentralization Hypothesis


II.3 Causes of Decentralization


**II.4 Consequences of Fiscal Decentralization**

**Fiscal Decentralization and Growth**


**Fiscal Decentralization and Government Size (Leviathan--Brennan/Buchanan)**


Fiscal Decentralization and Corruption

Fiscal Decentralization and Environment

Fiscal Decentralization and Social Capital


III. TIEBOUT HYPOTHESIS

*Tiebout, C. M. (1956) “A Pure Theory of Local Expenditures,” Journal of Political Economy 64, 416-424. This is the classic article by Tiebout.


Anex, Alex, “The Costs and Benefits of Fragmented Metropolitan Governance and the New Regionalist Policies,” Planning & Markets, Volume 2, number 1, 1999 available online at http://www-pam.usc.edu. This provides a nice, simple overview of the Tiebout hypothesis and reasons why fragmentation is favorable.


IV. FISCAL COMPETITION & INTERDEPENDENCE OF JURISDICTIONS


**Spillover Issues**


**Business location Issues**


**International tax competition**


**V. FISCAL ILLUSION**


VI. EMPIRICAL ISSUES IN PROGRAM EVALUATION (Supplemental Readings)

Non Random Sampling Issues


Matched Samples (See Rogers’ synthesis notes)


Quasi-Experimental Methods and Applications

