

**HS302f: Policy Analysis and Design in the Developing World**  
Spring 2017 Module 2 Meets Tuesdays 9 am -12 pm

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**Course Overview and Objectives:**

This course will provide an overview of the tools of policy analysis and policy design. The course topics are:

1. Defining policy problems with causal analysis.
2. Analyzing issue framing and political feasibility
3. Measurement for policy knowledge and as a tool of control
4. Program evaluation with cost-benefit analysis, experiments and surveys
5. Analyzing policy instruments: rules, incentives,
6. Analyzing policy instruments: rights and empowerment strategies
7. Policy design at the grassroots

The learning objectives are:

1. Introduce quantitative and qualitative methods of gathering information for policymaking.
2. Encourage you to articulate the assumptions about human behavior and cause-and-effect mechanisms that underlie mainstream policy analysis, and begin to compare these with what we know about the developing world. We'll pay special attention to understanding the rational choice and microeconomic paradigms.
3. Inspire you to question concepts of policy success and articulate your own standards.
4. Instill confidence that you can use your knowledge to constructively analyze existing programs and design innovative policy solutions.

**Course Requirements:**

Class Sessions

1. **Come to class the first session with a topic that you will use throughout the semester as a sort of test case or laboratory specimen for applying each week's readings. This will be the topic for your final paper.** It could be something you're exploring for a thesis, could be some aspect of your volunteer, activist, or paid work, could be something else. I will ask everyone to think aloud about your topic during our introductions in the first session.

2. Do the readings and come prepared to discuss how you have applied them to your policy topic. In every session, we will discuss the readings by exploring how you can use them to analyze your policy topic, and by collaborating to build on each other's ideas.

3. Attendance should be perfect unless you have a medical problem or an emergency. If you have to miss a class or leave early/come late, please let me know in advance. Frequent lateness will be noted on the attendance sheet and will reduce your participation grade. Because modules are so short, with only seven class sessions, if you miss more than one class session without a medical or emergency excuse from a dean, you will not be able to pass the course or receive credit for it.

4. Please let me know if you need any special accommodations for a disability or other life circumstances that might interfere with your attendance, class participation or meeting deadlines. You can learn about the process for documenting disabilities and requesting accommodations through Heller School's disabilities coordinator (to be announced soon).

5. Devices: You are welcome to bring your laptops and tablets for note-taking and referring to readings if you don't use hard copies. Any other use (Web surfing and e-mail) is the height of rudeness. If I get an inkling that anyone is doing anything but referring to assigned texts and note taking, I'll put an end to in-class device use for everyone. Please keep your phones turned off and tucked away. (Exception: if you have some kind of family emergency and need to be accessible, you may keep your phone on vibrate, but please tell me before class.)

#### Written Assignments:

One final paper 10 pages maximum due May 9 by 5 pm.

Final Project: A detailed outline is provided at the end of the syllabus. Here's a quick summary: Each student will select a policy topic on the first day of class and we will build towards the final paper with specific applications of each week's readings to your topic. The syllabus provides a "Guide for Class Preparation" each week to help you apply the readings to your policy topic and construct the building blocks for your final paper. These interim exercises are not written assignments, but you will have a much easier time doing your final paper if you make written notes during the term.

Course grades will be based on your final papers and the quality of class participation. Percentages below are approximate—As you'll find out in the readings, I'm not a believer in numerical precision for assessing human beings or social processes (such as learning and contribution to collective life).

Participation:	35%
Final Paper	65%

## Reading Materials:

We will be reading substantial chunks of *Poor Economics* so I encourage you to purchase a copy. There will be a copy on reserve, but I can't copy the entire book to put on Latte without violating copyright laws. It is a relatively inexpensive paperback and something that you probably want in your personal libraries.

Abhijit V. Banerjee and Esther Duflo, *Poor Economics* (Public Affairs, 2011)

Other materials are all available either on line or through the Brandeis library subscription databases.

## **Statement on Integrity**

As researchers and policy analysts, we should not be hired guns. In selecting a thesis topic or a research question, or in deciding whether to accept a job or work on a policy project, we should first question the goals and premises of the work and ask whether they accord with our own moral values. Of course, anyone in public life will face “the problem of dirty hands,” as the philosopher Michael Walzer called it. We will have to make compromises with our moral principles, presumably because we think a particular compromise is the best outcome we can obtain under the circumstances. But, as my late friend and colleague Judy Layzer put it, “The point is to be *aware* when you are making compromises, not talk yourself into believing that you're doing the right thing when you really know you're compromising.” In short, it is not only permissible but desirable to have moral and ideological commitments and to let them inform your work.

Regarding behaviors that are often called “cheating” and “plagiarism”: The prevailing norms in academia forbid collaboration with others except when explicitly allowed by the instructor. According to the standard Heller template on academic integrity (2015): “Each student is expected to turn in work completed independently, except when assignments specifically authorize collaborative effort.” That rule reflects the profoundly individualistic political culture of the contemporary U.S. and is out of synch with the more group-based and cooperative cultures of the rest of the world, especially the developing world. *I encourage you to cooperate and collaborate*, to discuss, argue, critique, and *to help each other* develop your ideas. As in the standard university template, I expect you to write your own papers, but you don't have to quote every word or phrase you heard from someone else; it's enough to acknowledge someone in a note with a phrase such as, “I would like to thank so-and-so [or my study group, or my classmates] for suggesting this idea to me.” Of course you will put the idea in your own words and develop it. I will post additional thoughts on the appropriate use of quotations on the course website.

## **HS302f: Policy Analysis and Design in the Developing World**

### **Topics, Readings and Assignments:**

#### **Week 1 Tuesday March 14: Defining a Policy Problem with Causal Analysis**

Case Study: Analyzing the causes of poverty and development outcomes

Abhijit V. Banerjee and Esther Duflo, *Poor Economics* (Public Affairs, 2011), chap 1 “Think, Think Again, pp. 3-16; and Chapter 2 “A Billion Hungry People,” pp. 19-40.

Amartya Sen, *Poverty and Famines* (Oxford University Press, 1981), chap. 1 “Poverty and Entitlements,” pp. 1-8.

World Bank, *Equity and Development*, World Development Report 2006: overview and introduction (pp. 18-24); section on “Global inequalities in power” (pp. 66-68); intro to Part II “Why Does Equity Matter” (pp. 73-75); and chapter 4, section on “Income inequality and poverty reduction” (pp. 84-88); chap 6 “Equity, Institutions and the Development Process” (pp. 107-109 only).

Guide for class preparation: As a way of taking notes on the readings, write down for yourself what causal factors each author/reading identifies as the source or causal mechanism of the problem. Some (especially Banerjee and Duflo), explore multiple hypotheses for causal mechanisms.

Next, using your own topic or case that you will follow through the module, reflect on two or three causal theories about the problem. The purpose of this exercise is not to provide evidence for or against the arguments, but rather, to understand and present different causal arguments and show how they attribute “blame” to different sources.

#### **Week 2 Tuesday March 21: Defining a Policy Problem: Issue Framing and Political Feasibility**

Charles Wheelan, *Introduction to Public Policy*, chap. 15, section 15.2 “Stakeholder Analysis,” pp. 516-19.

Robert M. Entman, “Framing: Toward Clarification of a Fractured Paradigm,” *Journal of Communication* vol. no. 4 (1993), pp. 51-58 but **read only pp. 52-55** for its excellent explanation of the concept of issue framing.

Deborah Stone, *Policy Paradox*, 3<sup>rd</sup> ed., chap. 7 “Symbols,” excerpts (on Latte)

Economist, “Economic Data in Argentina: An Augean Stable”, *Economist* Feb. 13, 2016.  
Note: The *Economist* article about Argentina is a decline story about government statistics, similar to the *New York Times* article about decline in U.S. government statistics reprinted in Chapter 7 of my book. As you read it, analyze it the same

way I analyzed the *New York Times* to understand how the author frames the issue as a decline story. Who are the heroes and villains in this story? What rhetorical devices does the writer use to convey decline? Try underlining all the words that convey decline. There is also a "story of rising" in this article. What is that story? We will discuss how various political actors in Argentina and the *Economist* frame the issue.

#### Case Studies: Two examples of reframing an issue for political feasibility

“Greenery by Stealth: India and the Environment,” and “Catching Up with China,” both in *The Economist* Oct. 10, 2015, pp. 16 and 39-41. Available at

<http://www.economist.com/news/leaders/21672218-india-shows-there-are-more-ways-cutting-carbon-emissions-having-grand>

<http://www.economist.com/news/asia/21672359-prime-minister-wants-india-grow-fast-over-next-20-years-china-has-over-past-20>

Naomi Klein, “Haiti: A Creditor, Not a Debtor,” *Nation* March 1, 2010, p.9.

#### Guide for Class Preparation

Analyze issue framing in your topic/policy issue using the concepts presented in the readings. First, identify two or three of the main political actors or stakeholders in your topic. Then ask, how do these actors use various narrative stories, causal stories and overarching frames to define an issue and gain adherents for their preferred policy choice?

#### **Week 3 Tuesday March 28: Getting the Data: Measurement for Policy Knowledge and as Tools of Influence**

Deborah Stone, *Policy Paradox*, 3<sup>rd</sup> ed., chap. 8 “Numbers,” excerpts (on Latte)

Charles Wheelan, *Introduction to Public Policy* (W.W. Norton 2011), chap. 5, **pp. 143-54 only** (sections on Measuring Social Welfare, Indicators, Indices, and Human Development Index)

Deborah Stone, *Policy Paradox*, chap. 4 “Welfare” excerpts (pp. 85-99) (the excerpted portion addresses how we conceptualize welfare before we can begin to measure it)

Gabriella Y. Carolini, “Framing Water, Sanitation, and Hygiene Needs Among Female-Headed Households in Periurban Maputo, Mozambique,” *American Journal of Public Health* vol. 102, no. 2 (2012), pp. 256-61. Carolini explores the reliability of statistical data on water and sanitation by in-depth interviews to get at more textured understanding than the categorical data provide.

Morten Jerven, *Poor Numbers: How We Are Misled by African Development Statistics and What to Do About It* (Ithaca NY: Cornell University Press, 2013), chap. 1 “What Do We Know About Income and Growth in Africa?” pp. 8-32. **Read pp. 8-16 and 29-32; skim the section in between on “Survey of National Income Evidence.”** (Jerven explores the reliability of standard national income data by digging into how they are collected and categorized.)

Judith G. Kelley and Beth A. Simmons, “Politics by Number: Indicators as Social Pressure in International Relations,” *American Journal of Political Science*, vol. 59, no. 1, pp. 55-70. (Kelley and Simmons show how numerical indicators can become political forces for change.)

### Guide for Class Preparation

Here’s the key lesson of this week: a good place to begin any analysis is to question the assumptions and concepts on which the data are based. Here are two ways you can apply the readings to your topic:

Option 1: Select an important measurement in your policy topic and make notes about how the measure (or indicator or index) is conceptualized: In what ways does it accurately capture the phenomenon it is supposed to measure and in what ways does it not? Also consider whatever you know or can find out about how the data for this measure are collected and where there might be sources of distortion or inaccuracy.

Option 2: Select an important measurement or indicator in your policy topic and analyze how it exerts power and how it is or might be used as a tool for controlling people’s behavior.

### **Week 4 Tuesday April 4: Program Evaluation: Cost Benefit Analysis and other techniques**

Charles Wheelan, *Introduction to Public Policy*, chap. 12 “Cost-Benefit Analysis,” pp. 405-436

Note: cost-benefit analysis can be used to evaluate policy options prospectively in order to decide between them, as well as to evaluate programs retrospectively to see whether they delivered “bang for the buck.”

Deborah Stone, *Policy Paradox*, chap. 11 “Decisions,” excerpt,

Abhijit V. Banerjee and Esther Duflo, *Poor Economics*, pp. 32-33 (cost of iron supplements compared with labor productivity gains); pp. 41-50 (cost of medical interventions compared with health improvements)

Note: You have already read these sections. Re-read them now as —examples of cost-benefit analysis.

## Case Study: evaluating microfinance and small business start-ups

Abhijit V. Banerjee and Esther Duflo, *Poor Economics* (Public Affairs, 2011), chap. 7 (microfinance), pp. 157-81; and chap. 9 (entrepreneurship) pp. 205-34

### Guide for Class Preparation

1. Try to find an example of a cost-benefit analysis or other program evaluation for your topic. You may not be able to find one that is directly on your topic, since most of you are tackling unique problems that haven't been much studied, but try to find one that is related to your topic and that evaluates a program in a country or context similar to yours—for example, evaluation of a program to generate employment opportunities or “better” jobs; evaluation of program to address a specific disease or health problem; or evaluation of problem; evaluation of program to improve business opportunities or education.
2. Using the tools provided in the readings and last week's material on measurement, analyze the evaluation study to identify its strengths and weaknesses.
3. Begin to think about how you would design an evaluation of the innovation or reform you are going to suggest in your final project. You won't actually do or even include this retrospective evaluation in your final paper, but it is a great thought experiment as you are designing a new program to think about how one would measure success. Not only will this thought process help you design an effective program but also, showing that you have thought about evaluation and have concrete indicators of success can help persuade governments and donors to fund your idea.

### **Week 5 Tuesday April 25: Analyzing the core tools of policy: rules and incentives**

The standard approach to policy analysis looks at the *outcomes* of policy decisions or reform programs to decide 1) whether to proceed with a particular policy alternative (prospective analysis); or 2) what impact a program has had and whether it has been successful (retrospective analysis). However, as a matter of policy design, it is important to examine the *mechanisms* by which a policy or program is supposed to produce the intended outcomes. This week and next, we look at four main policy “instruments”: rules, incentives, rights and empowerment.

Charles Wheelan, *Introduction to Public Policy*, chap. 15 “Policy Design,” pp. 511-513 “Fighting Poverty in Brazil”; section 15.3 “Mechanisms for Changing Behavior” pp. 521-24; section 15.4 “Deciding between public or private provision” pp. 524-26. [available on Latte all in one file called “Wheelan, Intro to PP, Ch. 15 Policy Design excerpts”]

Deborah Stone, *Policy Paradox*, chap. 12 “Incentives,” excerpts and chap. 13 “Rules,” excerpts [on Latte, one file for each chapter]

[Assignment continues on next page]

Case studies:

Using financial incentives to motivate personal decisions: Why don't poor people eat better and get better health care? Can and should we use material incentives to motivate people to make better decisions?

Abhijit V. Banerjee and Esther Duflo, *Poor Economics* (Public Affairs, 2011), chap. 2 “A Billion Hungry People?” re-read second part pp. 33-40. Chap 3 “Low Hanging Fruit for Better Global Health,” pp. 41-70

Using financial incentives to motivate political leaders: What are the impacts of economic sanctions on development and are sanctions ethical?

Elizabeth Gibbons, “The Impact of Economic Sanctions on Health and Human Rights in Haiti, 1991-1994,” *American Journal of Public Health* vol. 89, no. 10 (1999), pp. 1409-1594. [Note: Skim this one to get the gist of the empirical study; concentrate on the following more general argument in Stephen Marks' article.]

Stephen P. Marks, “Economic Sanctions as Human Rights Violations: Reconciling Political and Public Health Imperatives,” *American Journal of Public Health* vol. 89, no. 10 (1999) pp. 1509-1513.

Using rules to change people's behavior: How do rules work in practice and what are some of the intended consequences?

Abhijit V. Banerjee and Esther Duflo, *Poor Economics*, chap. 5 “Pat Sudarno's Big Family, pp. 103-129. Pay special attention to the authors' imaginative concept of the family as a set of rules and norms.

Reading Guide and Questions for Class Discussion:

All policy tools make some assumptions about what motivates people and how they will react to new incentives or rules (or other kinds of policies). Much of Banerjee and Duflo's work is an attempt to understand why poor people don't think and behave the way policy analysts expect them to think and behave. Their case studies illustrate how successful policy innovators re-think human motivation and then design rules and incentives more in accord with social realities.

For discussion this week: select one specific rule or incentive in your policy topic. It could be an incentive or rule in an existing policy; or it could be a rule or incentive in a proposed policy reform. Note that all rules have built-in incentives, implicitly if not explicitly, and all incentives must be administered through rules, so don't worry if you're not exactly clear on whether you are looking at a rule or an incentive.

Analyze the rule and/or incentive in your policy using the following questions as stimuli:

1) Whose behavior is it meant to change, and what behavior exactly?

- 2) What are the underlying assumptions about human motivation (or the motivation of the targets of this policy)?
- 3) How well do these assumptions accord with what is known about the targets?
- 4) Do you see built-in reasons why the rule or incentive should work well or not so well?
- 5) Do you see perverse incentives built into the policy?

**Week 6 Tuesday May 2: Analyzing the Core Tools of Policy: Changing power relationships through rights and empowerment programs**

Deborah Stone, *Policy Paradox*, chap. 16. “Rights,” pp. 331-53.

Tom Zwart, “Using Local Culture to Further the Implementation of International Human Rights: The Receptor Approach,” *Human Rights Quarterly* vol. 34 (2012), pp. 546-569. **Excerpt only: 547-48; 549-564 (sections II-V); the remainder of the article is optional.**

Jason Calder and Aziz Hakimi, “Statebuilding and Community Engagement Without Reconciliation: A Case Study of Afghanistan’s National Solidarity Program,” Franklin, West Virginia, Future Generations Graduation School, Occasional Paper: Peace Building Series No. 2, March 2009, pp. 1-31.

Nicola Banks, “What Works for Young People’s Development? A Case Study of BRAC’s Empowerment and Livelihoods for Adolescent Girls Programme in Uganda and Tanzania, Brooks World Poverty Institute, BWPI Working Paper 212, January 2015.

Abhijit V. Banerjee and Esther Duflo, *Poor Economics*, chap. 10 “Politics, Policy,” pp. 235-65 and “In Place of a Sweeping Conclusion,” pp. 267-73.

Reading Guide:

Rights are a legal device for empowering people to claim certain kinds of treatment from either public and private institutions or from other individuals. My chapter explains how rights work as policy tools both within a domestic context and in international human rights. But of course, rights never work perfectly and are especially problematic when they derive from one culture and are transplanted into another. Zwart’s article is a profound challenge to the Western understanding of human rights from the perspective of Southern and Eastern countries. It portrays several concrete ways that countries have created human rights institutions based on their own cultural understanding of human rights.

Empowerment is a strategy that may involve educating people to claim legal rights but more often entails providing new social structures and supports to give people more control over their own lives, including greater capacity to participate in decision making that affects them. The National Solidarity Program in Afghanistan enables villages to engage in collective decisions making about major development projects and pays special attention to ensuring that women participate equally. The BRAC empowerment program

helps girls and young women acquire the capacity to become independent and self-employed. Both studies are good examples of program evaluation.

For class discussion, identify a rights-based strategy or an empowerment program that has been used to address the problem you are working on. It doesn't have to be a program in your country or addressed to exactly the same problem—only something that might be a close analogy from which you could draw ideas for your problem. Using the analytic questions and criteria in the readings about their respective examples, discuss (in class) what aspects of the rights or empowerment program work well and what are some of the challenges.

**Week 7 Tuesday May 9: In-Class Presentations on your final projects**

**Note: if the class enrollment is large, we may schedule an extra session to give time for every student to present. We will know by the second week of class.**

**Final paper Due May 9<sup>th</sup> by 5 pm on LATTE. Note: the due date may change (that is, be extended) depending on the number of students enrolled and the date grades are due to the Heller registrar.**

**Format: 10 pages maximum, excluding references; double-spaced, 12-point font, 1 inch margins.**

These format specifications are firm. If you fudge on any of these formatting requirements, for example, by using 1 ½ spacing or 11 point font, I will reformat your paper to the specifications and read only as much as fits in 10 pages.

**Guidelines for your project:**

Choose a very specific, well-defined policy problem in a particular locale that you'd like to address. Read up on what is known about this problem and how the people whose behavior you want to change think about the issue. Building on the work you have done for each class session, write a short policy analysis and design for a reform or program to ameliorate the problem.

You may suggest an innovation or reform that grows out of the knowledge you have built up during this module, or you may choose to analyze an existing program that was designed to address the problem.

Your paper should address the following questions but does not have to be organized around these questions in sequential order. Use an organization that makes logical sense given the material you bring to your topic.

Introduction

- 1) Define the nature of the problem. Be sure that you are stating a problem, not a potential solution or response to a problem. To define a problem, say what goal is not being met or what harms or problems are people enduring.
- 2) What is the most important measure of your policy problem or alternatively, what is the major indicator of success? Use this measure to present empirical evidence that the problem exists and is important. If you wish, you may want to briefly discuss the most important problem with how this measure is conceptualized and the reliability of the data on which it is based. This would be a caveat (warning) about the limitations of the data.
- 3) Briefly introduce the policy reform or program that you will suggest to address the problem and link it to the outcome you hope it will accomplish.

### Design Analysis

- 4) Identify the two or three main theories or ideas about the causes of the problem, including individual behavior(s) and organization, structural or systemic problems. Then state which causal theory you have selected as most plausible or important, and explain how your reform proposal will intervene in/alter the causal mechanism.
- 5) Explain your proposal in terms of the major policy instrument(s) it uses to induce people to behave differently: incentives, rules, rights or empowerment. Here are some questions to guide your thinking for this part. You don't have to answer them all—they are meant to help you think about designing your reform and explaining why it might work better than the status quo.
  - a) How are incentives and rules currently used to change behavior in this policy area or in your proposed reform.
  - b) Do the rules and incentives accord with or clash with important social norms that motivate people and shape their behavior?
  - c) Are the rules and incentives based on a realistic understanding of power relationships?
  - d) Are there problems with perverse incentives?
  - e) What different rules or incentives does your reform program use and why might you expect them to work better?
  - f) If rights or empowerment strategies are used in your policy area, discuss one specific right or type of power and the most significant problem(s) in implementing it.
  - g) What reasons can you give for why your rights or empowerment strategy might work—even if just a little bit? No policy ever works 100 percent.

### Political Feasibility Analysis

- 6) **Sell Your Proposal:** Identify who are the major stakeholders and what their interests are. Consider possible ways of framing your innovation to make it more politically feasible, i.e. persuasive and acceptable to the people whose behavior you hope to change, not only the targets of your policy but stakeholders who might resist your policy and perhaps also leaders and funders who must approve and support your idea.

Last but not least: Have fun!