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PUBLIC POLICY AND MANAGEMENT

Policy Research and Analysis

Introduction to Public Policy
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Key points

- Defining the policy issue is the most important step in policy research and analysis.
- Care and precision is required in collecting, processing and citing data sources and other evidence.
- Consider all feasible options: Your job is to inform decisions, not limit them.
- There is rarely one correct answer, or one point of view. Keep an open mind and encourage your client to see every side of the issue.
- Follow the standard format when writing up your results: introduction including thesis statement, analysis and conclusion.



Define the problem

- Identify the problem: Use objective, *reliable* evidence to confirm that there is a policy problem, and to estimate its magnitude.
- Propose a theory of causation: For example: “Reducing the number of people in poverty” requires us to propose a theory as to why specific groups are poor.
 - Define poverty: Income poverty? Relative poverty? Multidimensional poverty?
 - Who is affected. Urban, rural, old, young, male, female, etc?
 - Estimate the magnitude of the problem. How many people are poor in these different categories and in different places?
 - Propose a theory of causation: This group is poor because...
- Can government solve the problem? Would it be better to leave it to households, businesses or voluntary groups to deal with?



Identify policy alternatives

- Start with an inventory of policies currently being pursued or proposed.
- Map out the set of all feasible solutions to the problem:
 - Is regulation needed? (air pollution)
 - Or less regulation? (ride hailing apps)
 - Taxes or subsidies to change market incentives? (petrol taxes)
 - Public provision of goods and services? (R&D)
 - Privatization of public enterprises or programs? Or allowing private companies to compete with SOEs?
 - Information, training, education? (vocational education)
- Example: Policies to counter rising levels of child obesity include regulation (no sweets in public schools), taxes (a sugar tax) and education (nutrition lessons).
- Sometimes the costs of public action are greater than the benefits.



Choose evaluation criteria

Criterion	Strength	Weakness
Effectiveness: Likelihood of achieving policy goals	Political leaders most afraid of failed policies	We cannot predict the future with much confidence
Efficiency: Achieving goals at least cost	Avoid costly policies and programs	Quantifying all costs and benefits not always possible
Equity: Justice in the distribution of costs and benefits	Political/ethical value of fairness and justice	Implies political consensus on fairness and justice
Freedom of choice: Allowing the public to make their own choices	Freedom to choose often produces better outcomes	Depends on social and political norms, e.g. smoking
Feasibility: Technical and administrative constraints	Options must consider government capacity	Capacity is not fixed: e.g. digitalization of government services

Source: Adapted from Kraft and Furlong 2018



Assess the policy alternatives

- Cost benefit analysis: opportunity costs (costs of time), shadow prices (foreign exchange and labor), discount rate
 - Value of a human life or human suffering, contingent valuation
 - Sensitivity analysis
- Cost effectiveness analysis: The cheapest way to achieve an agreed objective.
- Risk assessment: For example, health risks resulting from contaminated food.
- Forecasting: econometric modeling, and qualitative assessments using surveys and expert opinions
- Impact assessment, for example environmental impact.
- Project and program evaluation: Did a policy or government program achieve its stated objectives?



The quality of data and other information is crucial

- Know your data and information
 - How was it collected? Who collected it?
 - Is the information complete? Are some individuals or groups omitted?
 - Sampling method, coverage, sampling frame, survey methods.
 - Is the quality of information affected by political factors?
- Data on unenumerated sectors and activities.
- Be sensitive to how social and economic change affects the reliability of indicators (e.g. employment statistics).



Draw conclusions

- Evaluate the policy alternatives using the evaluation criteria selected.
- Conclusions should not reach beyond the reliable information used in the analysis: Candidly assess the quality of the data.
- Be explicit about assumptions: Use sensitivity analysis to show how changes in the assumptions affect outcomes.
- Present decision-makers with options: Your job is to help them make informed decisions, not to make their decisions for them.
 - Include all relevant alternatives, including doing nothing
 - Refer to experiences in other places and other times



Writing up your policy analysis

1. Summary: A concise summary of the issue, evidence and conclusion.
2. Introduction
 - Introduction to the policy issue, its context and importance.
 - State the purpose of the policy analysis.
 - Summarize the most important points—This is your thesis statement.
 - Set out the structure of the report.
3. Body
 - Present the main points and supporting ideas.
 - Explicitly state your assumptions.
 - Provide evidence including tables and figures.
4. Conclusion and policy recommendations
 - Summarize main arguments and make policy proposals.
 - Situate your recommendations within the broader policy context.
 - Discuss feasibility, risks and impact.



Citing sources

- You can use whatever format you prefer, but you need to provide citations for your sources.
 - Any concepts, theories and evidence that you derive from secondary sources must include a complete citation.
 - All data sources must be cited.
- All quotations must come with a citation.
- Using someone else's words without quotes or a citation is not admissible and will result in a zero mark.



Try it yourself

Choose a policy issue and present an outline for a policy analysis/research paper.

1. Youth unemployment in a city or province is above 10% according to a recent survey.

2. There have been 150 reported cases of food poisoning in a city ward in one month.

3. There have been 200 cases of dengue fever reported in the city this month.

4. Monthly rate of public school teacher resignations has increased from 1 to 3 percent.

5. The number of women holding high-ranking positions in city government has not increased for ten years.

6. Investment in solar power generation has slowed because of uncertainty surrounding electricity tariffs.

7. Tourists are complaining about plastic waste on beaches.

8. Multinational semiconductor manufacturers cannot recruit enough engineers and other skilled workers.

9. Two state-owned enterprises reported data breaches including loss of sensitive consumer information.

10. Rice prices have gone up 10% this year because of bad weather in India.