Evaluation of Economic Policy and Programs
ECON 4140/ECON7150 (Fall 2019)

June 2019

Location	TBA
Time	Wednesday 7:00 – 10:00 pm (I may shift this to 6 – 9 with the permission of the class)
Instructor	Greg Mason
Office hours	5:00 – 7:00 Wednesday (or by appointment)
Contact phone	204 474 8670
Contact e-mail	gregory.mason@umanitoba.ca (the best way to contact me)
Course website	UMLearn (This will appear on UMLearn for registered students.)
About me	www.gregorymason.ca

Overview

I have spent much of my academic and professional life trying to understand the contribution of public policy and programs to human wellbeing. In this course, I share my experiences in measuring the value-for-money of a wide range of public policies.

This course blends economic theory, statistics, quantitative and qualitative methods, and program evaluation in the assessment of public policy and programs. The focus is on government intervention in a mixed economy primarily because public sector policies are usually not subject to market assessment of value.

Case study 1: The Canadian Child Tax Benefit is a refundable tax benefit designed to increase financial support for Canadian families. It is intended to improve the welfare of children. Does it do that? What do we mean by welfare of children? Do some families benefit more than others? Is this an efficient way to redistribute income?

In this course, you will apply economic evaluation (cost-benefit and cost effectiveness) to assess the value-for-money of diverse public policy and programs in health, agriculture, infrastructure investment, anti-poverty measures, environment & climate change, cultural investments, urban planning, foreign aid, etc. You will increase your understanding of the economic and program evaluation methods used in government to measure the net contribution of public policy to enhancing individual and collective well-being.

The core idea of the course

In a world of finite resources, a policy such as a tax on carbon, environmental regulation, or subsidies for day care displaces alternative approaches, *including doing nothing*. Measurement of the unique contributions of a policy must occur in relation to the value of all other approaches to reaching the goals of increased efficiency, or increased equity, or both. This course examines the methods for assessing the value proposition of public policies.

This is not an easy course and there is work. But it will prepare you for your next career phase, whether it be graduate school or employment in industry/government. I will provide rapid feedback and opportunity to improve throughout the course.

Learning Outcomes (What you will get out of this course)

As a student in this course you will:

1. Increase your ability to develop analytical approaches to the assessment of value for money in public policy through:
   - exposure to the theory and practice of cost-benefit as well as program evaluation; and
   - debate, independent research and presenting your research to your colleagues.
2. Gain a deeper understanding of a specific policy or program that interests you and/or aligns with your studies through active dialogue with your colleagues in class.
3. Develop a sound economic framework for measuring the value-for-money for a wide range of public policies and programs
4. Learn how to prepare a concise written economic plan to evaluate an existing or proposed policy/ program/public investment.
5. Prepare a professional academic/technical report that you can use for further graduate application or as a job paper.

Case study 2: Vaccination rates for school age children are falling. Now we hear of outbreaks of measles and mumps, and not just children, but professional sports teams. How do we measure the full cost of falling vaccination rates? What is the cost-effectiveness of alternative policies to increase vaccination rates?

Course map

The course comprises a three-hour session each week with three parts.

1. The first 50 minutes will review core concepts in a lecture and Q&A format, with questions posed to the class. Lecture notes and key questions appear on the course web site. I assume that students will review the class notes on line prior to the class.

2. The second 50 minutes will feature a review of key readings. Students will take turns presenting key ideas and critiquing the readings.

3. The final segment of the session will be a policy/methodology debate among teams formed from membership in the class.

The course has two phases. The first (comprising the initial 6 weeks or so) will present the core theory of economic policy/program formation as well as the theory of change in assessing outcomes. The second (the last 5 weeks) will explore cost/benefit and cost-effectiveness analysis applied to important public policies.

More detail for each part appears under My Expectations.

Case study 3: Subsidising agricultural insurance is common to compensate for market failure. This is done to avoid economic losses because famers choose may not to purchase insurance. Subsidising insurance prevents farm bankruptcies and larger economic losses. Some agricultural economists dispute the need for subsidising farm insurance.

Learning resources

Lecture notes, articles referenced/provided and other guidance will be available on the UMLearn site for this course. All registered students have access to these materials. The text is

Boardman, A. et. al. Cost-Benefit Analysis: Concepts and Practice, Pearson, 2019

Also available on the UMLearn site is guidance on paper preparation (videos on Zotero, writing in the active voice, and examples of past papers.)

How the course assessment works

The assessment aligns with the objectives of the course. I will use a mid-term exam of 75 minutes and a final examination of 2 hours to assess your understanding of the first two objectives. All exams are open universe --- you will use your laptops to respond to the question and so will have access to the internet. The examinations will assess your knowledge of the theoretical foundation of economic policy formation and the methodology of assessing value-for-money. A paper, with two elements will assess your ability to develop a framework and to prepared an economic plan for a specific policy/program of your choice.

The final grade will use the assessment elements as follows

- Mid-Term Exam - 15% (See below for a review of role of exams in your learning)
- Final Exam – 25% (see below)
- Paper Element 1 - 20% (See below for a review of role of the paper in your learning)
- Paper Element 2 - 30%
- Class participation – 10% (using my evaluation of your participation in the presentation and discussion)

Numerical grade conversion: A+ (>90), A (>80), B+ (>75), B (>70), C+ (>65), C (>60), D (>50), F (<50).

This is a blended course with upper year undergraduates and graduate students. I expect graduate students to show more capacity and higher levels of performance.

1. The Mid-Terms and Final Exams will be different to undergraduates and graduate students in the sense that I expect more economic and academic sophistication from graduate students. See Exams.
2. The final papers have different parameters.

My expectations

I expect students to read the lecture notes and papers prior to each class. Discussion and debate are critical mastering the course material. I plan to examine on the course notes, the readings, and the discussions we have in class, so plan to attend classes as much as possible.

For my part I will return feedback quickly after exams and paper submission prior to the following class.

The lecture notes are copyright as are my lectures. You may record them for your own purpose, but please do not post or share them.

Case study 4: Advocates of active transportation (cycling/walking) argue for increased allocation of road space to these forms of transportation. They assert that such policies provide benefits to all members of society. Is this true? How can we assess the value of increased cycling infrastructure in a city such as Winnipeg, Vancouver, Beijing?

The university has regulations concerning academic dishonesty. Please see the fine print section below.

Be careful with citations and observe the basic dictum to treat other authors' intellectual property as you would like to be treated. I always check for plagiarism.

I could care less if you watch YouTube cat videos in class. Just do not giggle and pester other students to show what is on your device. I tend to become quite Socratic in my teaching approach when confronted with a wall of students with their faces reflecting blue light.

How we will communicate

You may contact me through university e-mail … please do not use any other email service as I ignore these messages. This is especially important for submitting papers. The university policy on email appears here.

You may also phone me at the number on the front page… it forwards to my cell. I turn my cell off at certain times (dinner with my wife, sleeping, Friday night and Saturday, etc.) which is something we all need to do for our mental health.

I will return e-mails within six hours (often sooner) except between Friday and Saturday evening when my response may be slower. I will not respond to text messages or private emails.

Please monitor your university email as this will be our primary means of communicating about this course.

My office hours appear at the start of this document. Please feel free to come at those times or email to arrange an appointment.

Paper

A goal of this course is to develop skills at preparing a high-quality research paper to academic, government and industry standards. We will review how to structure a paper, develop a literature review/program profile, use reference resources to locate and organize bibliographies, and otherwise create a document to academic and industry standards. Resources exist on the UMLearn course site to support you.

The paper has two elements, corresponding to deliverables outlined in the learning schedule.

1. *Element 1:* The first deliverable is a program profile that describes the origins of the program and it theory of change (the mechanism by which a policy or program is expected to effect changes in the social, economic, and biophysical, environment.)
2. *Element 2:* In part 1 of this element students will prepare an evaluation matrix and evaluation research methodology. Then in the second part of the element you will bring everything together (Element 1 and part 1 of Element 2) in an integrated paper. Examples of excellent work from previous years appear on the UMLearn course web site.

Paper Content

For Undergraduate Students. The final papers are limited to 4000 words (exclusive of references and any appendices). Each element should comprise approximately 50% of the final paper. The final paper must read as an integrated essay and not two separate documents. The papers will be assessed on several dimensions. See Key points for the paper.

For Graduate Students. The final papers are limited to 6000 words (exclusive of references and any appendices). Each element should comprise 50% of the final paper. The final paper must read as an integrated essay and not two separate documents. The papers will be assessed on several dimensions. See Key points for the paper.

I maintain these lengths strictly, since a goal of this course is to express an economic evaluation concisely.

For both undergraduates and graduates I expect the theoretical and economic analysis, as well as the form (referencing, completeness of bibliography, etc.) to be at a high level reflecting the standards for undergraduate and graduate research papers/theses depending on your level.

Paper Form

The paper must be in APA format. Download a template here and view the videos on-line.

Paper Detailed Description

Element 1: Context/Policy/Program description will present the rationale for the program and the theory of change (from an economic perspective). This is actually a literature review.

- What is the program theory of change (how do the policy/program outputs create the desired outcomes)?
- What economic theories support the expected result of the program/policy?
- What confounding influences may interfere/reinforce the expected outcomes?
- Describe the logic of implementation and theory of change. Why do we expect the intervention to work and what role does implementation play?

Element 2: Data collection and analysis methodology will present a plan for data collection.

- What quantitative and qualitative methods are needed to answer the questions
- How is the counterfactual defined and structured?
- What is the schedule for data collection and analysis?
- What threats exist to successful data collection and analysis and how can these be mitigated?

Potential topics

(Students are invited to propose their own policy/program. Please discuss with me first. I will add more topics. I also expect to involve professional evaluators in government to serve as mentors and offer support in the form of additional background on current programs.)

- Select an economic development program directed to a specific sector and create an evaluation plan. Examples include:
  - Small scale fisheries
  - Capacity development for rural resilience
  - Urban agriculture
  - Child labour prevention
  - Manitoba Hydro's Power Smart Programs (demand management)
  - Programs to promote active transportation in urban areas
  - Cost benefit framework for rapid transit options in Winnipeg (using the current proposals before the City of Winnipeg)
- Select a recently funded project by the World Bank (http://www.worldbank.org/projects) to prepare an evaluation methodology (if one does not exist) or a critical appraisal of an existing evaluation of that project.
- Select a recently funded project by CIDA (http://webcast.international.gc.ca/cpc/bci/international/dev_stories-eng.html) to prepare an evaluation methodology (if one does not exist) or a critical appraisal of an existing evaluation of that project. (Note on the last two topics, or some projects there may be published economic evaluations, in which case you will need to prepare a critique with substantive improvements. Do not represent these evaluations as your own; in the past, some students have… to their regret.)
- Evaluate Winnipeg's policy on creating a bicycle friendly city.
- Evaluate the federal carbon tax after one year.

Case study 5: In primary health care, it is common to advocate screening to detect cancer in its early stages. The presumption is that screening saves lives and money. Decision theory shows that this is not necessarily always the

The final paper comprises Element 1 and 2 in both options. The final paper needs to integrate both elements into a

- Create an evaluation framework for a province wishing to increase the minimum wage.
- Select a micro-finance program to assist women to create their own business.
- Develop an evaluation framework for shingles vaccine for seniors (those over 65)
- Evaluate the economic impact of defunding the news element of the CBC.
- Create a framework to examine the costs and benefits of moving heavy oil (Alberta) by rail.
- Evaluate the IMF Project to Help Africa Crack Down on Illicit Diamond Trade
- Create an evaluation plan to evaluate the development of an urban reserve on the Canadian Prairies.
- Develop an evaluation plan to evaluate the First Peoples Economic Growth Fund.
- Create an evaluation plan for the recent budget policies to assist homeownership.
- Propose your own topic.

Due Dates

Please see the Learning Schedule for specific due dates. Students may re-submit Element 1 to gain a higher mark. This allows you to learn my expectations. You may resubmit the final paper for a higher mark, *but you cannot just accept the track changes*. You must make substantive changes based on the comments to receive a grade upgrade.

Sample Papers

Examples of past "A" papers at the undergrad and graduate level appear on the course website

Important information on the submission papers

All papers must be submitted electronically via e-mail (gregory.mason@umanitioba.ca) and in WORD (.doc or .docx) and formatted according to APA style. Please submit the papers using the following subject lines. **I will not covert filenames into the proper format. I will not mark papers submitted through any non-University of Manitoba email.**

Element 1

ECON4140_ Program Profile _Draft_lastname_firstname.docx (or ECON7150)

– *Example:* ECON4140_ Program Profile_Draft_Marx_Karl.doc

ECON4140_ Program Profile _Revised_lastname_firstname.docx

Element 2

E

Key points for the paper:

- Please use the subject line as specified above.
- Please only submit Word files. Since I use track changes in Word, I will not read PDF or other text forms and I will not convert alternative text forms into Word.
- I will base the paper mark on three factors:
  - **Form** (referencing, completeness of source material, referencing accuracy, and integration of hyperlinks and permalinks, etc.)

I use the following marking rubric for both paper elements:

Criteria	Mark (Out of 30)		Comments
Form (referencing, completeness of source material, referencing accuracy, and integration of hyperlinks and permalinks, etc.)	5		
Writing (use of active voice, freedom from spelling /grammar errors, logical layout and transitions, section transitions, ease of reading, etc.)	10		
Content (soundness of the evaluation method, creation of effective theory of change, evaluation matrix and data sources, and economic analysis, etc.)	15		
Total			

Exams

I will use a mid-term and final exam to assess your knowledge of the course materials.

The exams will be **open universe exam**, you may access all course materials and any Internet resource during the exam. If you keep up with the readings and participate in class, you will not need to "cram" for the exams. I am testing on your ability to apply the theory and methods learned in the course, and not to regurgitate facts.

Questions will be based on cases that I will circulate a few days in advance.

The mid-term will be for 1.5 hours in class, and the final will be 2 hours in the normal examination period.

My philosophy is that grading should reflect students' ability on course exit. If you perform better on the final than the mid-term, I will base the exam component (40%) just on the final exam mark. If mid-term is better, I will blend the two marks as presented in the course allocation section.

You will access and administer the exams through the Assessment function in UMLearn. A video on the course site explains how to do this and provides a "practice" file to get this right.

UMLearn is a very strict enforcer of the exam end time; you must upload your answers before the exam end-time, or UMLearn will lock you out. The smart student uploads the answers throughout the exam time – the most recent version or your exam overwrites the early version.

Please bring a notebook computer to the exam that can access UMLearn and has Word installed. If you do not have a notebook computer, let me know prior to the exam and I will arrange one for you. In general, your own computer will always be easier to use than an unfamiliar machine. (Note: If computer availability is a problem, the exam will be held in one of the computer labs on campus.)

At this point in your academic career you should really have a PC/MAC with MS-Office either installed or through Office 365.

Note: it is your responsibility to learn UMLearn and how to use this approach to examinations. You must be present in the examination room to receive a mark.

General UMLearn instruction appears UM Learn resources is available here

Learning Schedule

Lecture Outline (Preliminary) May 2019		
Time		**Topic**
Week	Date	
1.	Sept 4	*Programs and policies – the economic rationale for interventions, programs and polices*
		Readings/debate – (Check UMLearn)
2.	Sep 11	*Creating an economic evaluation framework*
		Readings/debate - (Check UMLearn)
3.	Sept 18	*Measuring and valuing economic outcomes and social welfare concepts*
		Readings/debate - (Check UMLearn)
4.	Sept 25	*Financial concepts in economic evaluation – the cost-benefit model*
		Readings/debate - (Check UMLearn)
5.	Oct 2	*Measuring costs of programs and policies*
		Readings/debate - (Check UMLearn)
6.	Oct 9	*Measuring impacts and outcomes 1: Random Controls, Natural Experiments and net impact*
		Readings/debate During this class, students will present a five **(5)** minute "elevator" speech on their planned paper
7.	Oct 16	Measuring impacts and outcomes 2: Quasi-experiments
		Readings/debate **Element 1 Due** (Comments will be provided by Oct 31, and based on my comments students may submit a revised version by October 30 for a mark improvement)
8.	Oct 23	Mid-term – 1.5 hours
9.	Oct 30	*Mixed-mode data collection and analysis*
		Readings/debate - (Check UMLearn)
10.	Nov 19	*Applications to training and education*
		Readings/debate - (Check UMLearn)
11.	Nov 26	*Applications to poverty policy – the basic income*
		Readings/debate - (Check UMLearn)
12.	Dec 4	Final paper presentation (15 minutes max)
	Dec 18	**Final Paper Due –** Integration of elements 1 and 2 (This date cannot be adjusted)
TBD		Final Exam 2 hours scheduled by registrar

The Fine Print

Student Accessibility Services (SAS)

If you are a student with a disability, please contact SAS for academic accommodation supports and services such as note-taking, interpreting, assistive technology and exam accommodations. Students who have, or think they may have, a disability (e.g. mental illness, learning, medical, hearing, injury-related, visual) are invited to contact SAS to arrange a confidential consultation.

Student Accessibility Services http://umanitoba.ca/student/saa/accessibility/

520 University Centre
204 474 7423
Student_accessibility@umanitoba.ca

Collaboration

This course requires collaboration in presenting readings and discussion of key questions posed for each seminar (see UMLearn). To support this process, I will send non-private emails to the entire group that reveal all student university email addresses. Please use this information responsibly.

All communication between myself and you as a student and among students must comply with the electronic communication with student policy (http://umanitoba.ca/admin/governance/governing_documents/community/electronic_communication_with_students_policy.html). You are required to obtain and use your U of M email account for all communication between yourself and the university and with me.

Academic integrity

Each student must read and understand university regulations regarding academic integrity as described in the General Calendar.

- Plagiarism and Cheating
- Conduct of final exams

Claims that these regulations were not understood will not be accepted.

During the exams, you must not communicate with anyone by any means or share your test with anyone except through the Dropbox process under UMLearn.

By enrolling in this course, students warrant that all work they submit represents their own personal efforts.