

Essay guidelines and some review

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LSE

15 February 2013

Introduction

Essay guidance

Some review

Common pool problem

Plan

- ▶ Talk about expectations for the essay
- ▶ Brief feedback on applications
- ▶ Review a few concepts/models

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Essay basics (as explained in syllabus)

- ▶ 2500 words (+/- 10%, see details about what counts)
- ▶ 20% of final mark
- ▶ due 2nd May (first Thursday of summer term)
- ▶ wide choice in what you write about

Essay guidelines (as provided in syllabus)

- ▶ “use the material/concepts from the lectures to analyze the topic that interests [you] most”
- ▶ common strategies:
 1. “consider a theoretical / empirical argument explained in the lectures and try to apply it to a different situation (it could be an application to a different policy area, a different region, etc)”
 2. “consider two seemingly unrelated topics from the lectures and make an effort to build bridges to see how the two views complement/contradict each other”
- ▶ “important elements in the assessed essays are students’ own insights/critical assessment on the topic”

Further guidance

It's like an application where you choose the topic. (And work on your own, and don't have to speak in public. . .)

You get credit for applying the ideas you've learned to a particular problem or question.

Analysis > description; define key terms; etc.

Can you think of an example, case study, or empirical analysis that should be used to teach GV478? Write an essay about it.

Examples of successful essays (1)

Using theory to explain something:

- ▶ Using ideas about lobbying and collective action to explain the persistence of coal subsidies in Germany.
- ▶ Using ideas about commitment problems to explain why one peace treaty in failed to avert violence in northern Ireland while another succeeded.
- ▶ Using ideas about social capital and cooperation in repeated games to explain features of the informal sector in Tanzania.
- ▶ Using models of coordination and collective action to explain the role of social media in the Egyptian revolution.

Examples of successful essays (2)

Empirical analysis:

- ▶ Duverger's Law in Indonesia: Does it hold?
- ▶ Testing ideas about intra-party politics and spending in Japan
- ▶ An analysis of compliance with decisions by the International Court of Justice

Policy-focused:

- ▶ NHS reform, through lens of “bureau-shaping”
- ▶ Critique of the “war on drugs”
- ▶ Analysis of proposed electoral reform in Jordan

What makes a successful essay?

All **merit** essays will:

- ▶ define key terms
- ▶ make an argument or claim
- ▶ have clear and logically sound analysis
- ▶ choose the appropriate scope: not too broad
- ▶ make appropriate use of concepts from GV478 or of extensions you have pursued on your own

What makes an outstanding essay?

Distinction essays tend to go further:

- ▶ identify a puzzle or problem or gap in knowledge that requires explanation or investigation
- ▶ convince the reader that this analysis helps us address the puzzle or problem or gap above
- ▶ consider alternative approaches/explanations, and provide a convincing explanation why this account is worth adding
- ▶ carry out original data analysis

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It is hard to do all these things *and* use GV478 material creatively!

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Common pool problem

Common pool problem, n districts

Setup:

- ▶ n districts
- ▶ Vector of spending in each district $\mathbf{q} = \{q_1, q_2, \dots, q_n\}$ (can think of q in terms of dollars, or bridges/projects)
- ▶ No spillovers: benefit to district i of \mathbf{q} is $b(q_i)$
- ▶ Cost of q_i is q_i (i.e. marginal cost = 1)
- ▶ No principal-agent problems at the district level: politicians want to maximize district utility

Common pool problem, part 2

Scenario 1: Spending decisions made locally, taxes raised locally

- ▶ Utility (net benefit) to district i from q is

$$b(q_i) - q_i$$

- ▶ Equilibrium amount of spending in each district i is q'_i where

$$b'(q'_i) = 1$$

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Scenario 2: Spending decisions made locally, taxes raised centrally (i.e. each district decides how much to spend; taxes are then set to pay for the total spending)

- ▶ Utility (net benefit) to district i from \mathbf{q} is

$$b(q_i) - \frac{1}{n} \sum_j^n q_j$$

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(**Note:** Make sure you can relate the math to a figure with MPB etc.)

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Application in applications: Decentralization.

- ▶ in this model, decentralization is a great solution.
- ▶ as some groups pointed out, there may be other considerations:
 - ▶ Spillovers (i.e. benefits of spending in district j to residents of district i)
 - ▶ Principal-agent problems being greater or worse when decisions are centralized or decentralized

Niskanen model

Useful way to think about this:

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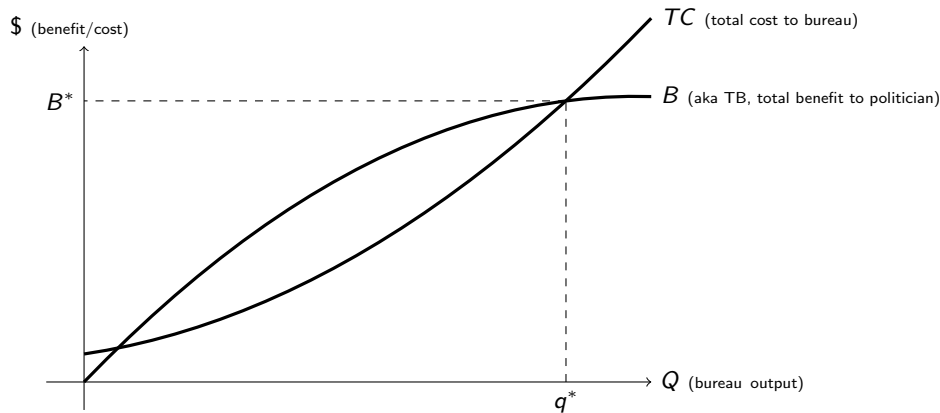
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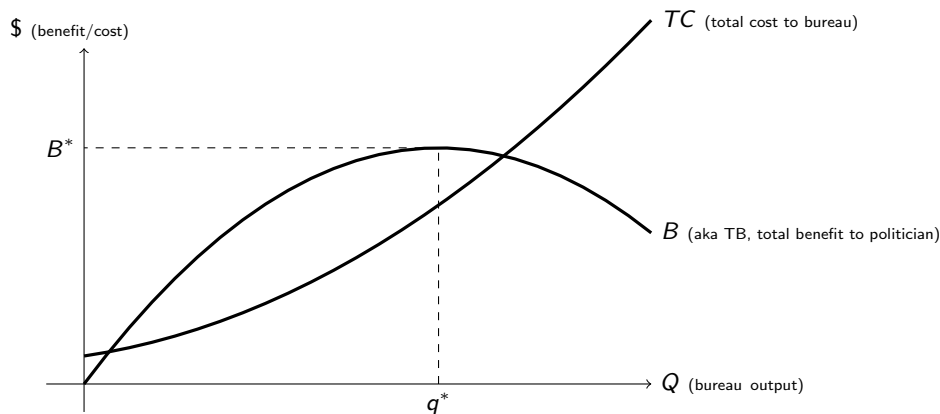
This means: the agency chooses an amount of output (Q) that will maximize the politician's willingness-to-pay (and thus the budget), subject to the constraint that the agency get a large enough budget to produce that amount of output.

The cost-constrained situation



- ▶ q^* : the amount of government output proposed by the bureaucrat
- ▶ B^* the budget proposed by the bureaucrat

The demand-constrained situation



- ▶ q^* : the amount of government output proposed by the bureaucrat
- ▶ B^* the budget proposed by the bureaucrat