

Determining a Policy Paper Topic

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NOTE: The “policy paper” is sometimes called “the thesis” in GRIPS documents; they refer to the same thing.

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What is a policy paper?

A policy paper is a research paper that answers a **policy-relevant question**. You should identify a gap in knowledge or a limitation in previous research — something about your topic that other researchers have overlooked or have demonstrated in a different setting. In brief, the policy paper should shed fresh light, even if a very small light, on an issue related to government policy. You are not required to make a sweeping discovery, but you might: (a) replicate an existing study with slight variations or improvements; (b) modify existing findings; (c) apply existing theory to a new setting as an empirical case study; or (d) test a new hypothesis to contribute to existing theory.

What does *not* qualify as a policy paper?

1. A paper that merely describes facts in the manner of a newspaper report. For example, “The development of the Indonesian economy under the Soeharto administration” sounds like a mere description of what happened. Also avoid questions like “How has Indonesia’s decentralization policy been implemented?” The purely descriptive answer would not interest policy makers because it has no explicit focus, purpose, or significance.
2. A paper that merely sums up, combines, or synthesizes literature by other researchers in the manner of a book review. Although your policy paper should summarize major literature written by others in order to identify your position, you must contribute additional findings of your own.

3. A paper that merely demonstrates your subjective judgment, feeling, or ungrounded speculation, or merely outlines policy proposals without elaboration in the manner of a political party platform. Although its purpose may be to persuade policy makers, a policy paper is not an “opinion piece.” You must back up your assertions with objective evidence/data that you obtain through research. Evidence does not have to be quantitative, but must be objective, substantiated, and produced by a credible source. Hearsay, press reports, and anecdotes are not regarded as “objective” for academic purposes.

What is an appropriate topic for a policy paper?

1. The topic may be empirical (quantitative), theoretical, or qualitative, but **empirical studies** are most appropriate for the master’s level and are highly recommended.

An empirical study poses a hypothesis based on an established theory and tests it in a particular case using statistical tools. Typical tools for quantitative analysis — including the Method of the Least Square, Cost-Benefit Ratio (or Internal Rate of Return), and Input-Output Table — will be taught at GRIPS. Official statistics are the most common form of data used, but polls and interviews can also yield quantitative data.

A theoretical paper sets up a model with a limited number of clearly (often mathematically) stated assumptions and derives relevant implications, in many cases using algebraic methods. Writing a purely theoretical study is much more difficult than conducting an empirical study.

A qualitative paper develops a logical discussion of an issue using arguments supported by the research literature and, often, freshly collected data.

2. **Adequate data** on the topic must be available to you.

Information on Japan is abundantly available, but it is mostly in Japanese. Publications by leading international organizations like the UN, World Bank, IMF, WTO, and OECD are readily available in Japan, either in their branches or electronically. Indonesian central government statistics available in the Tokyo area are listed in Appendix 1. Because statistics on Indonesia’s local areas are rarely available in Japan (exceptions are also listed in Appendix 1), you are advised to bring them to Japan if you need them.

3. The topic may be concerned with a **local, national, international, or global issue**. It may be concerned with a **specific sector** (e.g., agriculture, manufacturing, mining, education, health) or **organization** (e.g., Pertamina, the Bank of Indonesia).

There are advantages and disadvantages to each choice mentioned above. For instance, both research literature and data are readily available for national issues, but most have

been extensively discussed by other researchers and you may find it difficult to make a fresh argument. On the other hand, there may not be much existing literature on local topics, but if you work for a local government you may have access to unpublished data. You might therefore identify issues that have been overlooked by other researchers and shed fresh light on the topic. An example of a local topic concerned with a particular sector is: “The impact of Indonesia’s decentralization on minimum service standards in primary education: The case of Jembrana Region.”

If you choose a national or local topic about Indonesia, you may wish to compare the situation with that in other countries, including Japan. An example: “Lessons from the privatization of the Japan National Railway for privatizing the Indonesia railway company.” Though not mandatory, a well-grounded comparison can improve the quality of your study by providing a wider perspective.

More examples of local topics or those pertaining to a particular sector or organization are listed in Appendix 2. Examples of topics on national issues are listed in Appendix 3.

4. The topic should be **limited** to a small number of factors.

A question bearing on too many factors may not be answerable: “How did the 1997-98 currency crisis affect the Indonesian economy?” would require discussion of numerous issues which are far beyond the scope of a short policy paper. A more focused question is “How did the 1997-98 currency crisis affect plywood exporting from Central Java?”

Another example — “How can poverty be alleviated in Indonesia?” — might be narrowed down to “How did micro-financing by Bank Rakyat Indonesia help alleviate poverty among small traders in X Province in the 1980s?”

5. The topic does **not need to have a direct bearing on your current job**.

Many of GRIPS’ Japanese students work in local government, and they tend to choose local topics. As national government officials, most foreign students have tended to choose national or international topics. The choice is entirely up to you, but if you allow yourself to be constrained by your current job description, your options will be too limited. A major mission of GRIPS is to give you a wide perspective conducive to future, not necessarily current, policy making. Consequently, even if you are currently assigned to, say, fishery, you should feel free to write a paper on another topic.

6. Once the paper is written, your topic should be **clearly defined in relation to existing research literature**. (This may not be possible at this early stage.) Learning what others have done will enable you to:
- establish the significance of your topic;
 - find a gap to fill, a study to replicate, or a theory to apply to a particular case;
 - determine a specific question worth answering; and
 - establish the method you will use to answer it.

Format for #21 of the Application for Admission to GRIPS

1. If you use a separate sheet, put your full name in the upper right corner.
2. Use about 500 words or less.
3. Use 12-pt Times New Roman or 10.5-pt Century font.
4. Follow the format below. Each item should be a labeled section. Write clearly and concisely in response to the questions posed for each section. *Do not* write a numbered outline or table of contents.

Tentative Title

Statement of the Problem/Objective:

What is the specific problem you are interested in, and the specific question(s) you will answer?

Why is it important?

If applicable, what is currently known about it in the research literature?

Research Methodology:

What kind of data will you use and how will you collect them?

References (if applicable):

If possible, provide 2-3 academic references for studies you cite. List the author's name, title, title of journal (if a journal article), and year (or month/year) of publication. Translate non-English titles into English.

Appendix 1: Indonesian Government Statistics Available in Tokyo and Vicinity¹

JETRO (Japan External Trade Organization)²

Macro-economics

Statistical Yearbook of Indonesia*
 National Income of Indonesia
 Report of Indonesian Economy
 Monthly Statistical Bulletin—Economic Indicators*
 Expenditure for Consumption in Indonesia
 Wholesale Price Index
 Indonesian Population Projection: 2000-2025

Financing/Money

Indonesian Financial Statistics*
 Summary of Trend of Investment

Trade

Export/Import Statistics* (in various separate publications)
 Customs Tariff Book*
 Balance of Payments
 Index of Export Unit Value

Economic Sectors

Agricultural Indicators
 Statistics on Livestock
 Mining Statistics of Petroleum & Natural Gas
 Mining Statistics of Non-Petroleum & Non-Natural Gas Statistics
 Large & Medium Manufacturing Statistics*
 Transportation & Communication Statistics*
 Construction Statistics

Labor/Environment/Education/Welfare/Others

Labor Force Statistics
 Unemployment & Semi-unemployment
 Labor/Employee Situation of Indonesia
 Housing & Settlement Statistics
 Welfare Statistics
 Health Statistics
 Statistics of Education
 Environmental Statistics of Indonesia
 Report on Criminal Statistics

¹ These statistics may not be as up-to-date as those available in Indonesia. As of November 2006, most cover up to 2004, while some cover up to 2003 or 2005.

² The starred entries are also available at the Institute of Developing Economies. In the following section, these entries are not repeated.

Local Situations

Financial Statistics of Provincial Government
 Financial Statistics of Regency/Municipality Government*
 Village Government Financial Statistics*
 Village Potential Statistics*

Institute of Developing EconomiesMacro-economics

Results of 2000 Population Census (& various other publications on the 2000 population census)
 Input-Output Table of 2000
 Consumer Prices of Selected Goods & Services in 43 Cities in Indonesia
 Expenditures for Consumption in Indonesia
 Gross Regional Domestic Products

Financing/Money

Annual Report of Bank Indonesia

Economic Sectors

Agricultural Census
 Farmer's Terms of Trade
 Producer's Price Statistics (Food & Small Holder Plantation Estate Crops)
 Indonesian Fisheries Statistics
 Indonesian Oil & Gas Statistics

Local Situations

Aceh Dalam Angka
 Bali Dalam Angka
 Bengkulu Dalam Angka
 D.I. Yogyakarta Dalam Angka
 Irian Jaya Dalam Angka
 Jakarta Dalam Angka
 Jambi Dalam Angka
 Jawa Barat Dalam Angka
 Jawa Tengah Dalam Angka
 Jawa Timor Dalam Angka
 Kalimantan Barat Dalam Angka
 Kalimantan Selatan Dalam Angka
 Lampung Dalam Angka
 Nusa Tenggara Dalam Angka
 Sulawesi Selatan Dalam Angka
 Sulawesi Tengah Dalam Angka
 Sumatera Selatan Dalam Angka
 Sumatera Utara Dalam Angka
 Riau Dalam Angka

Appendix 2: Examples of Topics

Economics

Alternative Design of Farmers' Terms of Trade Index

Growth Deceleration in Domestic Rice Production: An Economic Consequence of Liberalization of Rice Import in Indonesia

Convergence of Per Capita Income among Developing Countries

Impacts of Crude Palm Oil Export Tax Policy on Economic Welfare in Indonesia

The Relative Importance of Agricultural and Manufacturing Exports for Economic Development in Indonesia

Manufactured Exports and Economic Growth in Indonesia: A Granger Causality Analysis

Export Tax Policy and Crude Palm Oil Export in Indonesia

The Local Government Wage and Its Effect on Bureaucratic Corruption in Indonesia

The Determinants of Upstream Investment in Indonesian Oil and Gas Industries

Financial Development and Regional Economic Growth: Panel Data Evidence from Indonesia

The Growth of Foreign Manufacturing Investment and Industrial Agglomeration in West Java

Fisheries Trade Liberalization: Impact on Indonesia's Fish and Fish Products

Gender Earning Gaps: A Case of West Java Province, Indonesia

Human Capital and its Effect on Economic Growth: A Case Study of Selected Countries in East and Southeast Asia

Indonesia's Potential Corporate Income Tax

Analysis of Employment Elasticities in Indonesia 1990-2007

Impact of Minimum Wage Legislation on Poverty Reduction in Indonesia

Wetland Conversion and Local Government's Role : The Case of Central Java

Analyzing the Sustainability Factors of Indonesian Regions to 1997 Economy Crisis

Financial Sector Development and Indonesia's Exports Performance

Indonesia's Trade Potential: A Gravity Model Analysis

The Effects of Import Tariff Reductions on Indonesia's Manufacturing: An Evaluation Through the CGE Model

The Impact of Japanese Loans on Development in Indonesia

Knowledge Stock and Total Factor Productivity of Manufacturing Sectors in Indonesia (1995 - 2005)

The Impact of China on Japanese Foreign Direct Investment in Chemicals and Electronics Sectors to ASEAN-5 (Indonesia, Malaysia, Philippines, Singapore, and Thailand)

Estimating Corporate Income Tax Potential (Input-Output Analysis)

Income Disparity in Java Island: Toward Divergence?

Tax Elasticity in Indonesia: 1970-2009

Decentralization

Efficiency Analysis of Co-administration Fund In The Agricultural Sector in Indonesia

The Effectiveness of Development Aid Project in Land Registration in Indonesia

Administration System Reform in Mie Prefecture: Impacts on Economic Indicators and Lessons for Indonesia

Impact of Decentralization on Regional Income Disparity in Indonesia

Evaluating General Allocation Fund as a Horizontal Fiscal Equalization Policy In Indonesia Comparing To Japanese System

Ways to Control Municipal Bonds Issue for Local Infrastructure Development

Lack of Performance in a Rich Region: Cases of Local Government Financial Management in East Kalimantan

Fiscal Decentralization and Government Size in Indonesia

The Impact of Capital Spending on the Operating Expenditure for Services in Local Government Budgets

Analysis of Fiscal Decentralization and Deficits (A Study of Indonesia's Local Governments)

Fiscal Decentralization, Growth and Regional Income Disparity Among Regions in Indonesia

Planning

Regional Cooperation for Tourism Development—A Case Study of Java Promo

Major Factors Influencing Land Productivity in Sleman Regency 1997—2006

The Effectiveness of Manpower Training Program in Japan for People in Mataram Town from The View point of Job Creation

The Effect of Wonokromo Market Revitalization on Traditional Marchants

Tourism Management of National Parks: Lessons learned from Japan

Evaluating Foreign Fishing Vessel Licensing Policy in Indonesia

Comparing Technical Efficiency of Transjakarta's Corridors towards Sustainable Transportation

Analysis of the Structure of the Manufacturing Sector in West Java, Indonesia

Governance in Housing Reconstruction After Natural Disaster

The Impact of Investment on Wetland Conversion in West Java

Study on Implementation of Industrial Cluster Policy in Japan: Lessons from Ota Ward

Effectiveness of Regional Cooperation "Pawonsari": CASE Study of Education Services in Cross—Border Areas

Agricultural Extension Service and Productivity Enhancement: The Case of Agricultural Extension Workers in Ogan Komering Ilir Regency, South Sumatra, Indonesia

Public—Private Partnership for Local Development Strategy

City Bus Services in Yogyakarta

Exploring the Household Solid Waste Separation System : Lessons learned from the Japanese City of Yokohama

Method for Evaluating Non—Monetary External Impacts of Road Construction Project (Case of Japan)

Feasibility and Design for Control of Waste Water from Cassava Flour Mills in Central Lampung Regency in Indonesia

Determinants of Educational Attainment Across District in North Sumatra Province

Community Participation in Urban Infrastructure Development Projects - An Experience from Bandar Lampung Municipality, Indonesia

Agricultural Clusters: Feasibility for Rural Development in the Southern Area of Bandung District

The Impacts of Farm Gate Prices and Local Government Policies on Paddy Productivity in South Sumatera Province

Application of Hedonic Modeling in Estimating Residential Land Price Using Land Transaction Data in Sleman Regency, Yogyakarta Special Province, Indonesia

Community-based Ecotourism in National Parks: Lessons Learned from Japanese National Parks - A Case Study in Gunung Gede Pangrango National Park, Indonesia

Determinants of Infant Mortality in West Java Indonesia

Performance of Mangosteen Agropolitan Development Based on Farmers' Perspective - Case Study of Karacak Village, Leuwiliang Sub-district, Bogor District

Alternative Policy Instruments for Water Pollution Control: A Case Study of Palm Oil Industries in Jambi Province

TransJakarta Service Quality in Jakarta, Indonesia: A Passenger Perspective

People's livelihoods and participation in Bukit Tiga Puluh National Park: Towards a Policy of Conservation and Growth

Public Administration

Democratization and Institutional Capacity in Indonesia: A Case of Violent Conflict in Maluku

Land Reform in Indonesia's Urban Areas : A case Study of Surakarta

What Should be done to be prepared for and to contain Avian Flu Incidences?

Position and Role of E—Commerce in SMEs in Japan

Determinants of Child Labor and Child Schooling in Indonesia: The Role of Household