AIMS

- To give students broad advanced-level training in the economics of policy evaluation
- To provide students with the facility to apply economic models to evaluate actual policy interventions
- To provide students with the facility to apply quantitative techniques and qualitative methods to evaluate actual policy interventions in particular fields and countries

LEARNING OUTCOMES

By the end of this course students should:

- Have an advanced level understanding of the principal econometric techniques used to undertake ex post evaluations of economic policies
- Be able to apply their knowledge of econometrics to articles in peer-reviewed journals studying the effects of specific policies in particular countries
- Understand key debates and problems in the economics of policy evaluation
- Be able to apply advanced-level evaluation methods to study independently the effects of a specific policy intervention
- Improved understanding of Stata as a statistical package

COURSE DELIVERY

The course will be delivered through one 2-hour lecture and one 1-hour seminar per week, for 10 weeks. The lecture will also allow for working through problems related to material presented in previous week’s lecture, and discussing policy implications of the material.

ASSESSMENT

Formative assessment:

- Formative assessment will consist of problem sets that include data analysis and econometric estimation. The problem sets will be discussed in class and you will be provided with standardized feedback on this work.
- In class discussion of key reading. Students will be requested to have done the reading before the class. These discussions will focus on identifying the research question, the identification strategy and whether the required assumptions are satisfied.
Summative assessment:

- Exam (75% weighting towards final course mark) 2 hour unseen exam during the summer term.
- Coursework (25% weighting towards final course mark): A replication of a published evaluation study and a critical referee report of this study.

Dates of tests and coursework hand-in deadlines can be found in the Departmental Student Handbook and on the Economics Department website.

READING

A list of articles will be provided and articles will be made available on Moodle or in the Library in hard copy. A “*” indicates required reading. Everything else is optional.

The course will be based on “Mostly Harmless Econometrics” by J. Angrist and J.S. Pischke, Princeton University Press. However, this does not cover all the chapters. Additional notes – especially for stata will be available on Moodle.

Other books of interest are:

- Econometric Analysis of cross section and panel data by J. Wooldridge, MIT press
- Microeconometrics: Methods and Application by C. Cameron and P. Trivedi, Cambridge University Press.

WEEKLY TIMETABLE

This is provided for indication only and we may not exactly follow this order. The reading on this list is preliminary and susceptible to changes. Some of the compulsory readings will be presented in the class room, others will be part of your personal work for this course.

Week 1

The evaluation problem + introduction to Stata – MHE Chapter 1

Week 2

Randomized experiments – MHE Chapter 2


**Week 3**

Natural experiments


**Week 4**

Review of regression analysis – MHE Chapter 3


**Week 5**

Propensity score matching methods


Week 6

Controlling for Unobservables: Twins and Fixed Effects - MHE Chapter 5

Week 7

Difference in differences methods MHE Chapter 5

Week 8

Instrumental variable methods MHE Chapter 4
C. Hoxby (2000) "Does Competition Among Public Schools Benefit Students and Taxpayers?" American Economic Review, 90.5 (December).

Week 9

Regression discontinuity MHE Chapter 6
http://www.sciencedirect.com/science?_ob=MImg&_imagekey=B6VC0-4NSMMVX-3-1&_cdo=5940&_user=122871&_pii=S0304407607001093&_origin=browse&_zone=rslt_list_item&_overDate=02%2F29%2F2008&_sk=998579997&wchp=dGLzVzz-zSk2V&mdc=29870e3e0991fe7c73c1791ee94b23d53b&ie=/sdarticle.pdf
http://www.sciencedirect.com/science?_ob=MImg&_imagekey=B6VC0-4P32J78-1-R&_cdo=5940&_user=122871&_pii=S0304407607001170&_origin=browse&_zone=rslt_list_item&_overDate=02%2F29%2F2008&_sk=998579997&wchp=dGLzVzz-zSk2V&mdc=02836f863f1eb4f87510d2b2cd9bc3&ie=/sdarticle.pdf

Week 10

Review and Discussion in class of the replication projects [If time allows]