GENERAL DESCRIPTION

Course title: Impact evaluation of public policies [2020-2021]
Monday, 2-4pm (Room TBC)

Language of instruction: English
Semester: Fall Semester

Course description – Aims of the course:

Public policy is being reshaped, guided by a growing global trend marked by a shift in focus from measuring and analysing the inputs of a program – for instance, how much money is spent, how many school materials are distributed, or how many children participate in a nutritional intervention – to assessing the differences in outcomes as a result of an intervention – such as raising incomes, stimulate cognitive abilities, or improve nutritional health.

In this sense, impact evaluations seek to answer a basic question: what is the impact or causal effect of an intervention on an outcome of interest? This can be applied to many contexts in social sciences: what is the causal effect of a maternity leave policy? If natural resources are extracted by contaminating rivers and lands, what will be the impact on food security? Does pre-school education contributes to improve children’s social, emotional and physical development, and if so, how much? Answering these questions enables to provide convincing and comprehensive evidence that could be used to inform policy, shape public opinion, and improve program design.

Different methodologies can be used, according to the approach to address the causal-and-effect question. This course will provide a detailed understanding of impact evaluations in practice and the main methodologies that can be implemented. In particular, the course will focus on randomized assignment, instrumental variables, regression discontinuity design, differences-in-differences, and matching. The course will present advantages and disadvantages of each approach. Each empirical method will be presented and illustrated using applications in the areas of labor, health, education, development and political economy. Tutorials and laboratory sessions, in which students can apply the techniques using micro-econometric software packages, could complete the course.

Knowledge, skills and understanding:

• Acquire skills and knowledge of the main econometric and statistical tools that have been developed to estimate the causal impact on one or more outcomes of interest of any intervention (particular focus in Latin America and the Caribbean region)
• Learn to apply the appropriate techniques through case studies from development economics.
Course requirements (grading & assessment):
Grades will be calculated as follows:
Class participation: 20%
(Team) Research project (around 5 pages with focus on the research question, data, empirical strategy, conclusions): 40%
Team presentation of a paper in class: 40%

Course workload:
Students are expected to read the required readings before each class and to actively participate in class discussions.

Pedagogical format:
The lectures are interactive. Theory and key concepts will be presented in lecture format.

Required readings:
The following readings will be used throughout the course:

Lecture notes are also part of the required readings (slides and other material posted in iCampus).

Course Outline (provisional)

Session 1&2: Why evaluate? What is impact evaluation?
Presentation of the semester.
Required readings:
Chapter 1 in: Gertler et al., Impact evaluation in practice.

Suggested readings:

Session 3: How to evaluate? How to implement an impact evaluation?
Required readings:
Chapter 3 in: Gertler et al., Impact evaluation in practice.
Optional readings:

**Session 4: Randomized assignment**

Required readings:
Chapter 4 in: Gertler et al., *Impact evaluation in practice.*

Suggested readings:

Additional material:
https://vimeo.com/86744573

**Session 5: Imperfect Compliance and Instrumental Variables**

Required readings:
Chapter 5 in: Gertler et al., *Impact evaluation in practice.*

Suggested readings:

**Session 6: Regression discontinuity design**

Required readings:
Chapter 6 in: Gertler et al., *Impact evaluation in practice.*

Optional readings:

**Session 7: Difference-in-Difference**

Required readings:
Chapter 7 in: Gertler et al., *Impact evaluation in practice.*

Suggested readings:
Session 8: Matching

Required readings:
Chapter 8 in: Gertler et al., *Impact evaluation in practice.*

Suggested readings:

Session 9: TBC - How to select an impact evaluation method/Disseminating results to inform policy/Data collection

Required and suggest readings: TBC

Sessions 10 & 11:
Oral presentations

Session 12: Tutorials and laboratory sessions
Apply methods using publicly available data and the software Stata