**Impact Evaluation: Theory and Application**

**Winter 2018**

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**Course Description**

How do we know whether a policy is achieving its aim or not? Evaluating the impact of public policies is key in successful policy development and implementation. This course will review the primary methods used to analyze the impact of public policy in an array of settings. It will focus on the role of causality and how the features of a policy, as well as the environment in which it is implemented, hinder (or help) the accuracy of an evaluation. Case studies from a variety of countries and contexts will be used to emphasize the methods presented. This course will focus on practical applicability of evaluation techniques.

This class is a 6-week intensive course that will be held two times each week (Tuesday and Friday mornings). If students wish to continue with impact evaluation, they can continue with the advanced course to be held in the following 6 weeks of the semester.

**Learning Outcomes**

By the end of the course students should be able to:

* Understand and implement basic methods used in impact evaluation
* Think critically about the issues involved with evaluating public policies
* Select an appropriate method for evaluating a public policy, given the context of the policy and the data available
* Execute an analysis of a policy using Stata or a related statistical program
* Present findings in a readable and professional manner.

**Assessment**

Grades will have two main components:

1. Homework sets (60%): Homework will focus on practicing techniques learned in class. There will be 3 homework sets each worth 20%.
2. Take home exam (40%): The exam is cumulative and will focus on combining everything learned in class to answer policy questions using data provided. Students can submit the exam on or before the due date.

**Course Readings**

There are no mandatory texts for this class. Instead, students will be required to complete the readings assigned before each class. For students who would like additional readings, I encourage you to read the following:

1. *Mastering ‘Metrics: The Path from Cause to Effect* (2014) by Joshua Angrist and Jörn-Steffen Pischke.

Angrist and Pischke are infamous for their econometrics books that put intuition and causal analysis front and center. Loaded with real-world examples to highlight the concepts presented, this book is aimed at students with some knowledge of math and statistics.

1. *Mostly Harmless Econometrics* (2009) by Joshua Angrist and Jörn-Steffen Pischke.

A more advanced version of Mastering ‘Metrics, aimed at explaining the technical aspects behind causal analysis

1. *Poor Economics* (2011) by Esther Duflo and Abhijit Banerjee.

A practical explanation of how randomized control trials can be used to answer important policy issues. The book focused on questions related to economic development; however, the methods can be applied to a range of related policy issues across the world.

1. *Impact Evaluation in Practice* by Paul Gertler, Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M. J. Vermeersch. Washington, D.C.: World Bank Publications. www.worldbank.org/ieinpractice.

**Schedule**

Please note that this schedule is approximate and is subject to change. Each week will constitute 2 classes.

Week 1: Introduction to Impact Evaluation

Week 2: Causal Inference and Counterfactuals

Week 3: Randomized Control Trials

Week 4: Instrumental Variables

Week 5: Regression Discontinuity Design

Week 6: Policy Evaluation in Practice

**Grading**

CEU uses a system of letter grades and grade points for evaluating student work, including the thesis (please refer to the grade outline in the *CEU Student Records Manual*). Major assignments (i.e. term papers or ﬁnal exams) graded ‘unsatisfactory’ may be retaken once within a given time frame agreed upon between the faculty member(s) and the student. Students who fail to submit work, or whose work fails to meet the minimum requirements for the assignment, will receive a grade of ‘F.’ The lowest passing grade is C+. At the end of each course, course instructors distribute a detailed breakdown of the course grade components.