

Impact Evaluation: Theory and Application

Winter 2020

Instructor: Prof. Caitlin Brown

Office: Október 6 ut. 7, Room 203

Department: School of Public Policy (SPP)

Office Hours: Tuesday 3.30-5.00pm

Email: brownc@spp.ceu.edu

Course Description

Note: This course runs from Weeks 1-6 and can be taken remotely.

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 Thursday mornings).

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 components:

- (1) Homework sets (60%): Homework will focus on practicing techniques learned in class. There will be 5 homework sets each worth 12%.
- (2) Midterm (15%): Held in class in Week 4. This will be a short exam aimed at assessing student knowledge of methods and concepts presented in Weeks 1-3.
- (3) Final exam (25%): Held in class in Week 6. This will be a longer exam to assess student ability to correctly implement techniques introduced throughout the course on real-world policy issues.

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.
2. *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
3. *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.
4. *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.

Week 1: Introduction to Impact Evaluation

Week 2: Causal Inference and Counterfactuals

Week 3: Randomized Control Trials (RCTs)

Week 4: Difference in Differences

Week 5: Instrumental Variables (IV)

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.