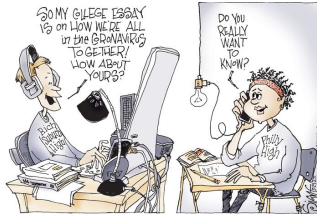


EMPIRICAL POLICY EVALUATION



Sources: ocregister.com, Philadelphia Inquirer, devpolicy.org

- The COVID-19 Pandemic has put public policy in the spotlight like never before
 - Unprecedented policy measures like lock-downs and stay-at-home-orders
 - It is of utmost importance to understand the “true” costs and benefits of these measures
 - But how can we identify these *causal* effects?
- Only one of many, many issues (climate policy, social policy, economics development etc.)

SEMINAR CONTENT

- Our main **goal** is to learn about *causal effects* of policies
- Our main **challenge** is that we lack a *counterfactual*
 - Impossible to know what would have happened in the absence of a policy or treatment
 - But need to know for causal effect!
- Main **idea**: compare a *treatment* to an untreated, but very similar *control* group
- There are 5 widely-used techniques to do so
 - Gold Standard: Experiments
 - Statistical accounting for differences between groups
 - Instrumental Variables Estimation
 - Regression Discontinuity Design
 - Difference-in-Differences Estimation

PRE-REQUISITES AND COURSE OVERVIEW

- Pre-requisites
 - **Must** be comfortable with multivariate linear regression (OLS) and hypothesis testing (youtube, ChatGPT)
 - Basic microeconomics
- Structure
 1. Self-study: A primer on Empirical Policy Evaluation
 2. Project: Data-based research
 3. Presentation and final paper
- Evaluation
 - Individual presentation of data project and a paper (60%)
 - Individual written assignment (40%)

PROJECT, PRESENTATION, WRITTEN WORK

- Data Project
 - Familiarise yourself with the World Bank Enterprise Database.
 - Develop own basic research question based on particular country and particular relationship in the data.
 - Clean the relevant dataset, provide summary statistics on the key variables, and conduct a basic regression analysis.
 - Interpret results; explain why the correlation does not capture a causal relationship.
- Presentation
 - Data Project (10mins) and identification strategy in related paper (10mins)
 - Motivation, empirical approach, data, summary statistics, regression analysis and interpretation of results (including a discussion of endogeneity)
 - Presentation of identification strategy in related paper
- Written assignment (5 pages)
 - Introduction/motivation (0.5 pages), presentation of own research work (follow presentation, 2 pages), embed in most relevant literature (1 page), explain identification strategy of relevant paper (2 pages)

TIMELINE AND CONTACT INFORMATION

- Timeline

24 April Kick-off and sign-up for seminar

15 May Meet with assistant to determine research question

15 Jul Presentations

22 Jul Submit written assignment

- For further questions, please contact the course assistant Nastasia Redkina

- nastasia.redkina@tu-darmstadt.de

- details at

- https://www.vwl1.wi.tu-darmstadt.de/team_vwl1/redkina_vwl1/redkina_vwl1_1.en.jsp