

Evaluation of Public Policies

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Program

1. **Introduction: Empirical strategies for identification of causal effects (1 hour)**
 - 1.1. Evaluation methods for public policy: purpose and examples
 - 1.2. Microeconomic data structures
 - 1.3. Causal relationships of interest
 - 1.4. The identification problem: potential outcomes and causality
 - 1.5. Examples
2. **Randomized experiments (1 hour)**
 - 2.1. Advantages of randomized experiments: The independence condition.
 - 2.2. Internal and external validity
 - 2.3. Examples
 - 2.4. Limitations
3. **Selection on observables (1 hour)**
 - 3.1. Identification with observational data
 - 3.2. Conditional independence
 - 3.3. Regression and causality
 - 3.4. Examples
 - 3.5. Limitations
4. **Matching (2 hours)**
 - 4.1. Matching methods and assumptions
 - 4.2. Propensity score
 - 4.3. Relation with regression
 - 4.4. Examples
 - 4.5. Limitations
5. **Differences in Differences (DD) (1.5 hours)**
 - 5.1. The fundamental identification assumption
 - 5.2. Differences in differences in differences (DDD)
 - 5.3. Regression interpretation
 - 5.4. Examples
 - 5.5. Limitations
6. **Regression Discontinuity (RD) designs (1.5 hours)**
 - 6.1. Discontinuities in assignment rules
 - 6.2. Sharp RD designs
 - 6.3. Fuzzy RD designs
 - 6.4. Examples
 - 6.5. Limitations

Readings

Some books that may be useful for different parts of the course are:

Angrist, J.D. and J.-S. Pischke. *Mostly Harmless Econometrics: An Empiricists's Companion*. Princeton University Press, 2009.

Arellano, M. *Panel Data Econometrics*, Oxford University Press: *Advanced Texts in Econometrics*, 2003.

Cameron, A.C., and P.K. Trivedi. *Microeconometrics: Methods and Applications*. Cambridge University Press, 2005.

Cameron, A.C., and P.K. Trivedi. *Microeconometrics Using Stata*. Stata Press, 2008.

Morgan, S.L. and C. Winship. *Counterfactuals and Causal Inference: Methods and Principles for Social Research*. Cambridge University Press, 2007.

Wooldridge, J. *Econometric Analysis of Cross Section and Panel Data*. MIT Press, 2002.