THE UNIVERSITY OF NEW SOUTH WALES

AUSTRALIAN SCHOOL OF BUSINESS
SCHOOL OF ECONOMICS

ECON 4106/6202
Policy Evaluation Methods

SESSION 1, 2009

COURSE INFORMATION AND LECTURE SCHEDULE

Lecturers:
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Lectures and Tutorials:     Mondays 2:00-5:00
Venue: ASB 105

Website: http://vista.elearning.unsw.edu.au/
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1. STAFF CONTACT DETAILS

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2. COURSE DETAILS

2.1 Teaching Times and Locations
Each student should enrol in the lecture and the tutorial. The combined lecture/tutorial meets on Mondays 2pm – 5pm in ASB 105.

2.2 Units of Credit
This course carries 6 units of credit.

2.3 Summary of Course
The aim of the course is to learn the tools used in practice to determine whether programs and policies are achieving their objectives. We will critically discuss various techniques and indicate strengths and weaknesses. Several modern tools will be reviewed such as natural experiments, social experiments, and laboratory experiments. The course material will cover both theory and empirical work with the emphasis being placed on applications. We will examine policies and programs in a broad range of areas including labour markets, health care, social welfare and poverty, education, criminal justice, and the environment.

2.4 Course Aims and Relationship to Other Courses
The course aims to endow students with tools relevant in evaluating programs, and to train students’ skills in conducting economic research. ECON 4106/6202 is an option available for students enrolled in an Honours or Post-graduate program in economics or commerce. The course relies considerably on methods of data analysis: tools learned in an intermediate econometrics course such as ECON2206 are assumed knowledge in the course. The subject is suitable both for those students interested in evaluation techniques for any type of program or policy and to students interested in current public policy issues.

2.5 Student Learning Outcomes
By the end of this course, you should:
1. have an understanding of econometric/experimental tools to evaluate economically relevant policies,
2. be able to create an evaluation design,
3. be able to analyse the data collected from the field or created in an experiment, and to derive conclusions,
4. be able to present and discuss your findings.

<table>
<thead>
<tr>
<th>Course Learning Outcomes</th>
<th>ASB Graduate Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2</td>
<td>1. Critical thinking and problem solving</td>
</tr>
<tr>
<td>4</td>
<td>2. Communication</td>
</tr>
</tbody>
</table>


3. LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course
The teaching philosophy of this course is based on the “Guidelines on Learning that Inform Teaching at UNSW” (http://www.guidelinesonlearning.unsw.edu.au). Specifically, the lectures, tutorials and assessment have been designed to actively engage students, to create a climate of inquiry, dialogue, and creativity among students and between students and teacher, and to contextualize the student’s learning. The lecturer aims to provide meaningful and timely feedback to students to improve learning outcome.

3.2 Learning Activities and Teaching Strategies
There will be five basic learning activities utilised in this course: studying of lecture material, reading of additional material, presentation, discussion, and paper writing.

In each meeting, the lecturer will give an overview of the specific meeting topic, emphasise the challenges faced in research and practise, introduce state-of-the-art research tools to tackle the problem, discuss relevant background literature, and point to open research questions.

Students are expected to prepare the class by reading the literature listed as relevant for the meeting. Open questions or difficulties in understanding should be brought to the attention of the class so that they can be resolved.

For each lecture, one student will prepare an oral presentation of a core paper of the session’s topic. The presentation should be about 15-20 minutes. Presenting in class improves your organizational and communication skills.

During and after presentations and lectures, all students in class are expected to actively discuss the material being presented and relevant open questions.

While half of the course assessment will consist of an evaluation of presentations and discussions, the other half will be based on a term paper to be written on one of the topics of the course. The topic should be chosen in close coordination with one of the lecturers.

4. ASSESSMENT

4.1 Formal Requirements
In order to pass this course, you must:
- achieve a composite mark of at least 50; and
- make a satisfactory attempt at all assessment tasks (see below).
4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Learning Outcomes assessed</th>
<th>ASB Graduate Attributes assessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Oral presentations and participation in group discussions</td>
<td>50%</td>
<td>1, 2, 3, 4</td>
<td>1, 2, 3, 4, 5</td>
</tr>
<tr>
<td>2. Term paper</td>
<td>50%</td>
<td>1, 2, 3</td>
<td>1, 4, 5</td>
</tr>
</tbody>
</table>

**Oral presentations and participation in group discussions**
Each week one or more students will be asked to present pre-assigned papers or book chapters. All students should come to tutorials prepared to participate in the class discussion: i.e. they will be expected to ask questions on the assignments and contribute to the discussion surrounding the presentations. Students responsible for the presentation of a reading must also present a short written document that will be made available to the others for future study. These will be posted on the website. Students may hand-in the written copy of the assignment in the week following the presentation. (This will allow the incorporation of any useful comments from the class discussion.) In general, the presentations are to be concise and to last around 15-20 minutes. Students who do not present and hand-in their discussion question will be given a mark of zero for this component of the assessment. Depending on the class size, students may be allowed to present in groups. Marking is done continuously based on content and style of presentation and participation in discussions.

**Term paper**
In the term paper, the student will address one specific topic from the broad range of topics covered in the course. The main subject of the paper will be a real world problem on which an economically relevant policy is/could be addressed. The student will write a critical review of the related literature, make a proposal of a research design and an evaluation design to measure the effectiveness of a certain policy, and discuss its advantages and limitations. Depending on the question under study and the availability of data, an empirical study can be conducted. Also students may choose to replicate an existing relevant paper in order to address/correct a flaw in the existing analysis. More details on the term paper will be provided in class.

Marking will be based on proficiency in policy evaluation tools and methods, as well as creativity, innovation, logic and justification of arguments.

5. **ACADEMIC HONESTY AND PLAGIARISM**
The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW policies, penalties, and information to help you avoid plagiarism see: [http://www.lc.unsw.edu.au/plagiarism/index.html](http://www.lc.unsw.edu.au/plagiarism/index.html) as well as the guidelines in the online ELISE tutorial for all new UNSW students: [http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm](http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm).

6. **COURSE RESOURCES**
Resources available to students consist of:
• Lecture slides – will be provided online after class
• Relevant scholarly papers, articles and chapters – will be provided before the class

7. COURSE EVALUATION AND DEVELOPMENT
Your suggestions, comments and observations with respect to content of the course, delivery of content, and assessment tasks are welcome, as they help to improve the course in the future. Feel free to communicate your views directly to the lecturer. We will seek your feedback also through UNSW’s Course and Teaching Evaluation and Improvement (CATEI) Process.

8. STUDENT RESPONSIBILITIES AND CONDUCT
Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.


8.1 Workload
We expect that you will spend at least ten hours per week studying this course. This time should be made up of reading, and preparing and attending classes. In the period where you prepare your term paper the workload may be greater.

Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

8.2 Attendance
Your regular and punctual attendance at lecture and tutorial is expected in this course. Specifically, presentation and participation in class is marked. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

8.3 Special Consideration and Supplementary Examinations
You must submit all assignments and attend all examinations scheduled for your course. You should seek assistance early if you suffer illness or misadventure which affects your course progress. For advice on UNSW policies and procedures for granting special consideration and supplementary exams, see: ‘UNSW Policy and Process for Special Consideration’: https://my.unsw.edu.au/student/atoz/SpecialConsideration.html

8.4 General Conduct and Behaviour
You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au
8.5 Occupational Health and Safety
UNSW Policy requires each person to work safely and responsibly, in order to avoid personal injury and to protect the safety of others. For more information, see https://my.unsw.edu.au/student/atoz/OccupationalHealth.html.

8.6 Keeping Informed
You should take note of all announcements made in lectures or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

9. ADDITIONAL STUDENT RESOURCES AND SUPPORT
The University and the ASB provide a wide range of support services for students, including:
- ASB Education Development Unit (EDU) www.business.unsw.edu.au/edu
- UNSW Learning Centre www_lc.unsw.edu.au
- Library training and search support services: http://info.library.unsw.edu.au
- UNSW IT Service Desk: www.its.unsw.edu.au/support/support_home.html
- UNSW Counselling Service http://www.counselling.unsw.edu.au
- Student Equity & Disabilities Unit http://www.studentequity.unsw.edu.au

10. COURSE SCHEDULE
There is no required text for the course. Course material will be based on articles and book chapters. Readings are provided below for each topic covered in class. These readings provide the basic theory underlying a technique and/or an application of a relevant methodology. Generally, required readings will be chosen from this list and assigned for the following week’s meeting. Additional readings may be assigned during the semester.

or an equivalent textbook.

Week 1 (9/3) Introduction; overview of the course; definitions; setting-up the evaluation problem; review of basic discrete choice models

**Week 2**

**Evaluation with non-experimental data I: Regressions; Difference-in-differences; Triple differences**


**Week 3**

**Evaluation with non-experimental data II: Instrumental Variables**


**Week 4 (30/4) Evaluation with non-experimental data III: Matching**


**Week 5 (6/4) Evaluation with non-experimental data IV: Local Effects: LATE, MTE, Regression Discontinuity**


**Week 6** (13/4) Break: no lecture

**Week 7** (20/4) Structural Modelling and Policy Evaluation


**Week 8** (27/4) Social Experiments in the Field


**Week 9  (4/5) Field Experiments in Development Economics**


**Week 10  (11/5) Lab and Internet Experiments**


**Week 11  (18/5) Case study: Reputation System Design on eBay**


**Week 12 (25/5) Market design evaluation and experiments**


**Week 13 (1/6) Research Ethics in Field and Laboratory Research**

- Human Research Ethics at UNSW. Website: [http://www.gmo.unsw.edu.au/Ethics/HumanEthics/PoliciesAdmin/HumanEthicsAtUNSW.html](http://www.gmo.unsw.edu.au/Ethics/HumanEthics/PoliciesAdmin/HumanEthicsAtUNSW.html)