



13. August 2021

Winter Term 2021/2022

Lecture + Exercises: Impact Evaluations of Social Programs

Dr. Alexandra Avdeenko

Office hours upon appointment via email

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Both the courses and the tutorials will be taught in English language.

Lecture: starting 20.10.2021, **online**, weekly 9:30 – 11:45

Start of exercises: starting 02.11.2021, Tuesday 14:00-15:30, once every two weeks

Room for exercises: AWI building PC Pool room II (small) 99.007

Grading: Problem sets; 90-minute exam at the end of the term

Date of exam: t.b.a.

Literature:

Books:

Békés, G., Kézdi, G. (2021): Analysis for Business, Economics, and Policy, Cambridge University Press

Gertler, P. J., Martinez, S., Premand, P., Rawlings, L. B., & Vermeersch, C. M. (2016): Impact evaluation in practice. World Bank Publications, open source: <https://openknowledge.worldbank.org/handle/10986/25030>)

Cunningham, S. (2020): Causal Inference: The Mixtape, open source: <https://mixtape.scunning.com/index.html#welcome>

Articles:

Baird, S., McIntosh, C., & Özler, B. (2011). Cash or condition? Evidence from a cash transfer experiment. The Quarterly journal of economics, 126(4), 1709-1753.

Banerjee, Abhijit V., et al. "Remedying education: Evidence from two randomized experiments in India." The Quarterly Journal of Economics 122.3 (2007): 1235-1264.

Benhassine, N., Devoto, F., Duflo, E., Dupas, P., & Pouliquen, V. (2015). Turning a shove into a nudge? A "labeled cash transfer" for education. *American Economic Journal: Economic Policy*, 7(3), 86-125.

Card, D., & Krueger, A. B. (2000). Minimum wages and employment: a case study of the fast-food industry in New Jersey and Pennsylvania: reply. *American Economic Review*, 90(5), 1397-1420.

Cohen, Jessica, and Pascaline Dupas. "Free distribution or cost-sharing? Evidence from a randomized malaria prevention experiment." *The Quarterly Journal of Economics* (2010): 1-45.

Manacorda, Marco, Edward Miguel, and Andrea Vigorito. "Government transfers and political support." *American Economic Journal: Applied Economics* 3.3 (2011): 1-28.

Miguel, E., & Kremer, M. (2004). Worms: identifying impacts on education and health in the presence of treatment externalities. *Econometrica*, 72(1), 159-217.

Olken, Benjamin A. "Monitoring corruption: evidence from a field experiment in Indonesia." *Journal of Political Economy* 115.2 (2007): 200-249.

Further readings:

Frölich, M., Sperlich S. (2019): *Impact evaluation*. Cambridge University Press.

Glennerster, R., Takavarasha, K. (2013). *Running randomized evaluations*. Princeton University Press.

Overview of course topics:

Governments, development banks and agencies, foundations, and donor organizations invest billions into social programs. But how effective are social programs in achieving their goals? Which interventions work, which do not? For whom? For whom are they harmful? At which costs are the goals achieved? At what point of time? And how can programs be further improved to achieve higher impact and larger scale? Methodologically rigorous, objective, and neutral impact evaluations offer important answers, for which the 2019 Nobel Prize in economics was awarded. Impact evaluations allow measurement of net impacts of policies and thereby carry the potential for advancement and achieving higher social impact. This lecture equips students with the social, theoretical, and practical reasoning behind impact evaluations. It provides the necessary tools, methods, and skills needed to choose and apply appropriate methods to answer real life policy questions empirically. We will discuss the assumptions behind the "whens", "whys", and "hows" of different methods. Several replications of well-published papers using STATA will add-on as the relevant practical experience with real-world data.

Teaching Assistant:

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Procedure of exercises:

- STATA is taught and used in the exercises. Students have access to it using their Student ID. *STATA should be installed before the first exercise.*
- Problem sets will be uploaded to Moodle.
- For each exercise (Übung) we will set up a forum on Moodle where students may and should ask and answer each other's questions.

Content

Date	Topic	Reading
20.10.21	Impact evaluations in practice	<p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 1.</i></p> <p><i>Baird, Sarah, Craig McIntosh, and Berk Özler. "Cash or condition? Evidence from a cash transfer experiment." The Quarterly Journal of Economics 126.4 (2011): 1709-1753.</i></p>
27.10.21	Generalizing from data and testing hypotheses	<i>Békés-Kézdi Data Analysis textbook, Chapter 5 & 6</i>
03.11.21	Regressions and data (complicated patterns and messy data)	<i>Békés-Kézdi Data Analysis textbook, Chapter 7 & 8</i>
10.11.21	Multiple regression and probabilities modelling	<i>Békés-Kézdi Data Analysis textbook, Chapter 10 & 11</i>
17.11.21	A framework for causal analysis	<p><i>Békés-Kézdi Data Analysis textbook, Chapter 19;</i></p> <p><i>Cunningham, S. (2020): Causal Inference: The Mixtape, Chapter 4;</i></p> <p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 3;</i></p>
24.11.21	Quasi-experimental causal analysis (overview of core assumptions)	<i>Békés-Kézdi Data Analysis textbook, Chapter 21 & 22</i>
01.12.21	Experimental causal analysis (randomized field experiments in practice I)	<p><i>Békés-Kézdi Data Analysis textbook, Chapter 20</i></p> <p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 4</i></p> <p><i>Miguel, Edward, and Michael Kremer. "Worms: identifying impacts on education and health in the presence of treatment externalities." Econometrica 72.1 (2004): 159-217.</i></p>

08.12.21	Randomized field experiments in practice II	<p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 2;</i></p> <p><i>Olken, Benjamin A. "Monitoring corruption: evidence from a field experiment in Indonesia." Journal of Political Economy 115.2 (2007): 200-249.</i></p> <p><i>Benhassine, N., Devoto, F., Duflo, E., Dupas, P., & Pouliquen, V. (2015). Turning a shove into a nudge? A "labeled cash transfer" for education. American Economic Journal: Economic Policy, 7(3), 86-125.</i></p>
15.12.21	Randomized field experiments in practice III	<p><i>Banerjee, Abhijit V., et al. "Remedying education: Evidence from two randomized experiments in India." The Quarterly Journal of Economics 122.3 (2007): 1235-1264.</i></p> <p><i>Cohen, Jessica, and Pascaline Dupas. "Free distribution or cost-sharing? Evidence from a randomized malaria prevention experiment." The Quarterly Journal of Economics (2010): 1-45.</i></p>
12.01.22	Regression and matching with observational data	<p><i>Békés-Kézdi Data Analysis textbook, Chapter 21;</i></p> <p><i>Cunningham, S. (2020): Causal Inference: The Mixtape, Chapter 5;</i></p> <p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 8</i></p>
19.01.22	Difference-in-differences	<p><i>Békés-Kézdi Data Analysis textbook, Chapter 22;</i></p> <p><i>Cunningham, S. (2020): Causal Inference: The Mixtape, Chapter 9;</i></p> <p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 7</i></p> <p><i>Card, D., & Krueger, A. B. (2000). Minimum wages and employment: a case study of the fast-food industry in New Jersey and Pennsylvania: reply. American Economic Review, 90(5), 1397-1420.</i></p>
26.01.22	Regression discontinuity designs	<p><i>Cunningham, S. (2020): Causal Inference: The Mixtape, Chapter 6;</i></p> <p><i>Gertler, Paul J., et al. Impact evaluation in practice. World Bank Publications, 2016. Chapter 6</i></p> <p><i>Manacorda, Marco, Edward Miguel, and Andrea</i></p>

		<i>Vigorito. "Government transfers and political support." American Economic Journal: Applied Economics 3.3 (2011): 1-28.</i>
02.02.22	Review and Q&A	