

Econ 490: Section 008
Policy Evaluation
WINTER 2011

Instructor: Professor M. Marit Rehavi

Email: marit.rehavi@ubc.ca

Office: Buchanan Tower 1017

Office Hours: Tuesdays 9:45-11:30am

Course time and location: Tuesdays and Thursdays 8:00 - 9:30, Buchanan B210.

This course will not meet every week. See schedule below.

Course Website: The course website is available on Vista (www.vista.ubc.ca)

Course Description: This section will guide students through their own original analyses of the effect of a government program/policy, or the political forces leading governments to adopt different policies. In the first half of the course, we will build upon the skills already developed in econometrics (ECON 325 and ECON 326) with an emphasis on their practical application to the choice and effect of policies. In the second half of the course, students will work independently to apply these skills in the production of a major research paper.

Required Materials: There is no required textbook for this course. The software package STATA will be used in the labs and for the assignments and paper. This software is found on the machines in the Buchanan computer labs. It is also available for purchase at a special rate on campus. There is a campus-wide special plan for purchasing Stata at a special price. After you place the order, you can pick it up on campus. The version of the software that you want is Stata/IC with PDF documentation. It is available in both a 6 month license (\$75) and a 1 year license (\$108). You can place your order at:

<http://www.stata.com/order/new/edu/gradplans/cgpcampus-order.html>.

Course Organization: This course is designed around the completion of an independent research paper. The course has three distinct phases: lectures, presentations, and independent individual work.

Lectures: During the first few weeks of class, we will meet as a class during the scheduled lecture time and I will lecture on recent research in public economics and on the econometric techniques used to identify and quantify it. The lectures will be very important in helping you choose your research topic. I will also talk about how to make the most of your time and discuss several research strategies.

Presentations: You will give a 10-12 minute paper proposal presentation in the middle of the semester. This is an opportunity for you to get feedback on your research plan and to help your classmates develop their ideas. You will be graded both on your own presentation as well as the feedback you give your classmates. For more information on this, see the "presentation" requirement below.

Individual Work: For the final portion of the course we will not meet regularly together as a class. You will be expected to use this time to conduct research on your own, keeping in touch with me by e-mail and meeting with me individually from time to time.

Communication: I will keep in regular contact with you through regular and broadcast e-mails. All e-mail communications will be considered official; please check your E-mail regularly. The calendar on the course website will be kept up-to-date and contains information on class meetings (including location) and deadlines.

Academic Citation Quiz: You must correctly answer all of the questions on the course's on-line academic citation quiz. The "quiz" is on the course website and you may complete it as many times as necessary to obtain a score of 100%. The "quiz" will not count towards your final grade, but you will not be allowed to submit any assignments until it is completed.

Grading: There will be written assignments and in class presentations culminating in a final paper. They will count toward the grade as follows.

Assignments	23%
Presentation and Comment	12%
Final Paper	60%
Other	5%

Graded Assignments:

12% **Sept 15:** 2 idea write-up

Sept 27: Group Presentation/Exercise (one per group)

Sept 30: 2 idea write-up

11% Proposal/Outline (due October 21st by 3pm)

Presentation: You will give a 10-12 minute presentation to the class on your research proposal/plan. That is not a lot of time. You need to carefully plan what you will say. At a minimum you should:

- (a) Clearly state your research question and explain its relevance.
- (b) Say what has been done already and how your approach is innovative.
- (c) Describe your null hypothesis, methodology and data. What assumptions will you need to make?
- (d) What regression will you run and how will you interpret your coefficients of interest? For example: What will it mean if the coefficient is negative? What if it is positive? What if it is zero?
- (e) What are the limitations of your proposal? What omitted variables worry you?

You will be expected to use a Power Point presentation or PDF, which you will need to email me and your discussant by noon 2 days BEFORE your presentation (e.g. those presenting on Tuesday need to email their presentation slides by noon Sunday). To save time, all presentations will be loaded onto my laptop, you will not be able to use your own computer. I suggest you practice your presentation, carefully timing yourself. In this assignment, expository organization and the ability to clearly explain your project will carry a lot of weight in the mark. You are also required to attend all of your classmates' presentations. Your own presentation grade will be reduced for each missed presentation.

Presentation Comment: You will provide formal comments on one of your classmates' presentations. Your comments will be under 5 minutes and will directly follow your classmates' presentation. You will also turn in a brief written outline of your comments. The comment should have the following format:

- (a) A brief summary of the research question and how your classmate proposes to answer it.
- (b) Anything that is unclear
- (c) Things you think are particularly good
- (d) Suggestions: Examples of suggestions include:
 - * Are there variables that it would be important to add as controls (that are possible to add)?
 - * Are there omitted variables or assumptions that can't be helped that will limit or change the interpretation of the results?
 - * What assumptions will they need to work harder to convince the reader are okay? How might they do that?
 - * Are there related questions or extensions that your classmate could also address with the same data?

OPTIONAL Draft Tables/Figures: No later **Nov 15th** (i.e. BEFORE Nov 15th) you may turn in 1 graph and 2 tables that you plan to include in the paper along with your interpretation of the analysis contained in those tables for comments. This is an opportunity for you to get detailed comments on the statistical analysis and results section of your paper and your interpretation of the analysis. This is completely optional and will not be formally graded. However, you are strongly encouraged to take advantage of this opportunity.

Final Paper: The final paper must be turned into the Economics Department Office by **1:00pm on FRIDAY December 2nd**, without exception. Late papers will be penalized 10 points the first late day and an additional 5 points for each additional day late. You must turn in a printed copy and also upload an electronic copy of your paper to Turn-It-in. If either copy of the paper is missing it will be considered late. Make sure to leave plenty of time for computer malfunctions and any technical difficulties that may arise. Detailed guidelines for the final paper will be provided in a separate handout.

Other: This component of the grade includes being on time and prepared for scheduled meetings, keeping in touch with me during the independent work phase of the course and generally being proactive and successfully working independently.

Plagiarism: Any plagiarized assignment will receive 0 credit and may be referred to the University for further disciplinary action (plagiarism on the final paper will automatically be referred to the University). In addition, penalty points equal to 50% of the assignment's original weight in the final grade will be deducted from the final course grade (e.g. if an assignment is worth 10% of the course grade 5 penalty points will be deducted). Ignorance is not an excuse. It is your responsibility to insure that any work handed in is your own work and complies with the University's policies on academic honesty and plagiarism as stated in the Academic Calendar. University sanctions for plagiarism can include a 1 year suspension (and associated delay of graduation) and a permanent note on your record. The following sites have detailed information on the University's academic honesty policies and helpful tips for avoiding plagiarism.

<http://www.arts.ubc.ca/arts-students/plagiarism-avoided.html>

<http://www.library.ubc.ca/clc/airc.html>

<http://www.students.ubc.ca/calendar/index.cfm?tree=3,286,0,0#15620>

Tentative Schedule: These assignments are designed to develop the skills you will need to write a successful research paper and to keep you on track to complete the paper by the end of the semester.

Weeks 2-4: Lecture on Tuesdays, Computer Lab on Thursdays (waiting for confirmation of lab availability)

Mandatory Individual Meetings: Sept 30th - Oct 7

Weeks 6-7: Paper Proposal Presentations

Paper Proposal Due: October 21st by 3pm!!!

Week 9-12: "Optional" Individual Meetings

FINAL PAPER DUE in the Econ Dept Office DECEMBER 2nd by 1pm.

Readings

Bold papers will be discussed in detail in lecture. Students are strongly encouraged to read papers *before* the class in which they will be discussed. Other papers are listed as a good starting place for anyone writing a paper in that area. They are either an accessible overview of existing research or an example of the type of project that could be scaled down and completed in a semester.

Politics of Public Policy (Political Economy):

Alesina, A. and E. La Ferrara (2005), "Preferences for Redistribution in the Land of Opportunities" *Journal of Public Economics* 89, pp. 897-931.

Besley, T. and A. Case (1995), "Does Electoral Accountability Affect Economic Policy Choices? Evidence from Gubernatorial Term Limits," *Quarterly Journal of Economics* 110(3), pp. 769-98.

Besley, T. and A. Case (2003), "Political Institutions and Policy Choices: Evidence from the United States," *Journal of Economic Literature* 41(1), pp 7-73.

Edlund, L. and R. Pande (2002), "Why Have Women Become More Left Wing? The Political Gender Gap and the Decline of Marriage," *Quarterly Journal of Economics* 117 (3), pp. 917-61.

Ferreira, F. and J. Gyourko (2009), "Do Political Parties Matter? Evidence from U.S. Cities," *Quarterly Journal of Economics* 124(1).

Milligan, K., E. Moretti and P. Oreopoulos (2004) "Does Education Improve Citizenship? Evidence from the U.S. and the U.K." *Journal of Public Economics* 88, pp. 1667-1695.

Miller, G. (2008), "Women's Suffrage, Political Responsiveness, and Child American History," *Quarterly Journal of Economics*, forthcoming.

Washington, E (2008), "Female Socialization: How Daughters Affect Their Legislator Fathers' Voting on Women's Issues," *American Economic Review* 98(1), pp. 311-332.

The Economics of Crime

Katz, L., S Levitt and E. Shustorovich (2003), "Prison Conditions, Capital Punishment and Deterrence," *American Law and Economics Review* 5, pp. 318-43.

Donahue, J. and Justin Wolfers (2006), "Uses and Abuses of Empirical Evidence in the Death Penalty Debate," *Stanford Law Review* 58, pp. 791-846.

Di Tella, Rafael, and Ernesto Schargrotsky (2004), "Do Police Reduce Crime? Estimates using the Allocation of Police Forces after a Terrorist Attack," *American Economic Review* 94 (1), pp. 115-33.

<http://www.people.hbs.edu/rditella/papers/AERPoliceCrime.pdf>

Levitt, S. (2004), "Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not," *Journal of Economic Perspectives* 18, pp. 163-90.

Levitt, S. (1996), "The Effect of Prison Population Size on Crime Rates: Evidence from Prison Over-Crowding Legislation," *Quarterly Journal of Economics* 111, pp.319-51.

Social Safety Net Programs

Card, D. (1992), "Using Regional Variation in Wages to Measure the Effects of the Federal Minimum Wage," *Industrial Labor Relations Review* 46, pp. 22-38.

Difference in Differences Papers

Card, D. and A. Krueger (1994), "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania," *American Economic Review* 84, pp. 772-793.

Eissa, N. and J. Liebman (1996), "Labor Supply Response to the Earned Income Tax Credit," *Quarterly Journal of Economics* 111, pp. 605-637.

Gruber, J. (2000), "Disability Insurance Benefits and Labor Supply," *Journal of Political Economy* 108, pp. 1162-1183.

Meyer, B. K Viscusi and D. Durbin (1995), "Workers' Compensation and Injury Duration: Evidence from a Natural Experiment," *American Economic Review* 85, pp. 322-340.

Programs for Children

Angrist, J. and V. Lavy (1999), "Using Maimonides' Rule to Estimate the effect of Class Size on Scholastic Achievement," *Quarterly Journal of Economics* 114, p. 533-575.

Baker, M. and K. Milligan, "Evidence from maternity leave expansions of the impact of maternal care on early child development," NBER Working Paper #13826.

Burtless, G. (1995), "The Case for Randomized Field Trials in Economic and Policy Research," *Journal of Economic Perspectives* 9, pp. 63-84.

Card, D., M. Dooley and A. Payne (2008) "School Competition and Efficiency with Publicly Funded Catholic Schools," NBER Working Paper #14176.

Currie, J. (1994), "Welfare and the Well-Being of Children: The Relative Effectiveness of Cash and In-Kind Transfers," *Tax Policy and the Economy* 8, pp. 1-43.

Currie, J. (2001), "Early Childhood Intervention Programs," *Journal of Economic Perspectives* 15, pp. 159-208.

Hoxby, C. (1998), "The Effects of Class Size and Competition on Student Achievement: New Evidence from Natural Population Variation," NBER Working Paper #6869.

Ludwig, J. and D. Miller (2007), "Does Head Start Improve Children's Life Chances? Evidence from a Regression Discontinuity Design," *Quarterly Journal of Economics* 122, pp. 159-208.

Mandated Benefits

Summers, L. (1989), "Some Simple Economics of Mandated Benefits," *American Economic Review* 79(2), pp. 177-183.

Baker, M., and K. Milligan (2008), "How does Job-Protected Maternity Leave affect Mother's Employment?" *Journal of Labor Economics* 26(4).

Baker, M., J. Gruber and K. Milligan (2008), "Universal Childcare, Maternal Labor Supply and Family Well-Being" *Journal of Political Economy* 116(4).

Gruber, J. (1994), "The Incidence of Mandated Maternity Benefits," *American Economic Review* 84(3), pp. 622-641.