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# BLOCK SEMINAR

## METHODS OF ECONOMIC POLICY EVALUATION: CASE STUDIES

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**PLEASE READ THE FOLLOWING INSTRUCTIONS  
CAREFULLY! THEY SHOULD ANSWER ALL YOUR  
QUESTIONS!**

**Preliminary discussion: April 18, 2012, 14-15 h, MZG 1940**

**Block course: June 8 - 9, 2012**

Please contact Jann Lay directly under the above email-addresses for the selection of the seminar paper's topic indicating your preferences (max. three papers from the list below). You will find all the papers on StudIP.

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### COURSE DESCRIPTION

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The seminar seeks to acquaint students with core methods of evaluating economic policies. This includes experimental and quasi-experimental (micro-econometric) approaches, as well as macro- and microeconomic simulation studies, such as Computable General Equilibrium (CGE) models. The focus lies on showing the application of these methods on the basis of several case studies, often in the context of developing countries. The methods are, however, universally applicable, and can also be used for policy evaluation in OECD countries.

**Language of instruction: English, but seminar papers can be written in German.**

**Compulsory meeting I: You should be present at the preliminary discussion. It may be that slots are already limited at the meeting.**

**Compulsory meeting II: You should meet your supervisor (either XXX or Jann Lay) at least once to discuss the table of contents of your paper. This meeting Appointments can be made via email.**

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## TIME SCHEDULE

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Feb 15, 2012	Application for seminar papers starts, topics are allocated according to “first-come-first-served”
April 18, 2012	Compulsory preliminary discussion and announcement of participants
May 18, 2012	Registration with FlexNow closes. The compulsory meeting with the supervisor should have taken place. If not, we assume that the student will not participate.
June 4, 2012	Deadline for seminar papers. Only an electronic version should be sent in at 12:00 am latest.
June 8-9, 2012	Seminar

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## COURSE REQUIREMENTS

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To acquire 6 credit points students will have to write a seminar paper (50%), prepare a presentation, participate in the discussions and briefly discuss a paper of another student (which together accounts for the other 50%).

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## ELIGIBLE PARTICIPANTS

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The seminar is open to MA students in economics, MA students in the three business MA programs, and Diplom Students in VWL or BWL. Ideally (but not necessarily), you have participated in the corresponding class on methods of economic policy evaluation.

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## SEMINAR PAPERS

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The seminar papers should be written in English or German, comprising no more than 15 pages (Times New Roman, 12pt, 1.5 spaced, margins: left 2.5 cm, right 3.5; top/bottom 2.5, 15 pages excluding title page, table of content, bibliography and exhibits, max. 22 pages total). In addition, a short abstract of about 200 words (key question, methodology and main results) has to be composed. The papers should be analytical and critical, develop a coherent argument, drawing own conclusions and should go beyond the pure summary of existing literature. Guidelines on well-written papers can be found on the webpage of Prof. Klasen.

Students should hand in an electronic (pdf) as well as two printed copies of their seminar papers. The electronic version will then be made available to all other students for reading.

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## PRESENTATIONS

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The presentations should be in English and have a maximum (!) length of 30 min focusing on the main insights of the research papers. The speaker can use any visual device for her or his

presentation (e.g. handouts, transparencies) and should be able to answer short questions during the presentation. (Please do not forget about your audience and prepare a well structured, interesting and educational presentation!)

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## DISCUSSIONS

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In addition each student will be assigned to another paper which he should briefly (5 min) discuss after the presentation. The discussion should be a critical reflection of the paper and presentation (content, structure, unclear points) and come up with two or three questions to start a discussion. It is also expected that all other students have briefly gone through the papers of the other participants before the seminar, so that a good discussion after the presentations can take place.

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## TOPICS

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Each student will discuss MAINLY one of the following papers, each of which represents a case study. Each seminar participant will choose one of the papers below. This paper will be discussed and presented in quite some detail in the seminar paper and in the presentation. However, you also will have to cover other contributions to the respective debates, for example on specific education interventions, conditional cash transfers etc. Hence, while one paper will be covered in detail in your seminar paper, you will use other sources to frame the discussion, in particular in terms of applied methods and results.

You can choose from one of the below papers, but are also welcome to suggest alternative ones!

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## GENERAL AND METHODS

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Levitt, Steven D., and John A. List. 2011. "Was There Really a Hawthorne Effect at the Hawthorne Plant? An Analysis of the Original Illumination Experiments." *American Economic Journal: Applied Economics*, 3(1): 224–38.

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## EDUCATION

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Angrist, J., E. Bettinger, E. Bloom, E. King and M. Kremer (2002). "Vouchers for Private Schooling in Colombia: Evidence from a Randomized Natural Experiment", *The American Economic Review*, December: 1535 – 1558.

Banerjee, A. V., S. Cole, E. Duflo and L. Linden (2007). "Remedying Education: Evidence from Two Randomized Experiments in India", *The Quarterly Journal of Economics*, August: 1235 – 1264.

Chin, A. (2005). "Can redistributing teachers across schools raise educational attainment? Evidence from Operation Blackboard in India", *Journal of Development Economics*, 78 (2): 384 – 405.

- Duflo, E. and H. Rema (2005). "Monitoring Works: Getting Teachers to Come to School", NBER Working Paper, 11880, National Bureau of Economic Research, Cambridge.
- Godtland, E. M, E. Sadoulet, A. de Janvry, R. Murgai and O. Ortiz (2004). "The Impact of Farmer Field Schools on Knowledge and Productivity: A Study of Potato Farmers in the Peruvian Andes", *Economic Development and Cultural Change*, Vol. 53, No 1: 63 – 92.
- Newman, J., M. Pradhan, L. B. Rawlings, G. Ridder, R. Coa and J. L. Evia (2002). "An Impact Evaluation of Education, Health, and Water Supply Investments by the Bolivian Social Investment Fund", *World Bank Economic Review*, 16 (2): 241 – 274.
- Paxson, C. and N. R. Schady (2002). "The Allocation and Impact of Social Funds: Spending on School Infrastructure in Peru", *The World Bank Economic Review*, Vol. 16, No. 2: 297 – 319.
- Dorothe Bonjour & Lynn F. Cherkas & Jonathan E. Haskel & Denise D. Hawkes & Tim D Spector, (2003). "Returns to Education: Evidence from U.K. Twins," *American Economic Review*, American Economic Association, vol. 93(5), pages 1799-1812.
- Nielsen, Helena Skyt, Torben Sørensen, and Christopher Taber. 2010. "Estimating the Effect of Student Aid on College Enrollment: Evidence from a Government Grant Policy Reform." *American Economic Journal: Economic Policy*, 2(2): 185–215.

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#### HEALTH

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- Bjorkman, M. and J. Svensson (2009). "Power to the People: Evidence from a Randomized Field Experiment of a Community-Based Monitoring Project in Uganda", *Quarterly Journal of Economics*, forthcoming.
- Deininger, K. and P. Mpuga (2005). "Economic and Welfare Impact of the Abolition of Health User Fees: Evidence from Uganda", *Journal of African Economies*, 14(1): 55-91.
- Thirumurthy, H., M. Goldstein, and J. Graff Zivin(2008), "The economic impact of AIDS treatment: labor supply in western Kenya", *Journal of Human Resources*, 43(3): 511-552.
- Jalan, J. and M. Ravallion (2003). "Does piped water reduce diarrhea for children in rural India?", *Journal of Econometrics* 112: 153-173.
- Miller G., D. M. Pinto and M. Vera-Hernández (2009). "High-Powered Incentives in Developing Country Health Insurance: Evidence from Colombia's Régimen Subsidiado," NBER Working Paper No. 15456, Cambridge: National Bureau of Economic Research.
- Thornton, R. L. (2008). "The Demand for, and Impact of Learning HIV Status", *American Economic Review*, 98 (5): 1829-63.
- Wagstaff, A. and S. Yu (2007). "Do health sector reforms have their intended impacts?: The World Bank's Health VIII project in Gansu province, China," *Journal of Health Economics*, Elsevier, Vol. 26: 505-535.

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#### SOCIAL PROGRAMS

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- Bourguignon, F., F. H. G. Ferreira and P. G. Leite (2003). "Conditional Cash Transfers, Schooling, and Child Labor : Micro-Simulating Brazil's Bolsa Escola Program", *The World Bank Economic Review* 17: 229-254.
- Chong, Galdo and Saavedra (2008), "Informality and productivity in the labor market in Peru", *Journal of Economic Policy Reform* 11 (4): 229-245.

- Freije, S., R. Bando and F. Arce (2006), "Conditional Transfers, Labor Supply, and Poverty: Microsimulating Oportunidades", *Economía* 7: 73-124.
- Galasso, E. and M. Ravallion (2004). "Social Protection in a Crisis: Argentina's Plan Jefes y Jefas", *The World Bank Economic Review*, Vol. 18(3): 367 – 399.
- Hoddinott, J. and E. Skoufias (2004). "The Impact of PROGRESA on Food Consumption", *Economic Development and Cultural Change*, Vol. 53, No. 1: 37 – 61.
- Jacoby, H. G. (2002). "Is There an Intrahousehold Flypaper Effect? Evidence from A School Feeding Programme", *The Economic Journal*, 112 (January): 196 – 221.
- Medeiros, M., T. Britto and F. V. Soares (2008). "Targeted Cash Transfer Programmes in Brazil: BPC and the Bolsa Familia", *International Policy Centre for Inclusive Growth. Working Paper No. 46*.
- Ñopo, H., M. Robles and J. Saavedra (2008). "Occupation training to reduce gender segregation: The impacts of ProJoven", *Economía* Vol. XXXI, N° 62: 33 – 54.
- Ravallion, M., E. Galasso, T. Lazo and E. Philipp (2005). "What Can Ex-Participants Reveal about a Program's Impact?", *The Journal of Human Resources*, XL (1): 208 – 230.

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#### LABOR MARKET INTERVENTIONS (ALSO EUROPEAN CASE STUDIES)

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- Baumgartner, H. J. and M. Caliendo (2008). "Turning Unemployment into Self-Employment: Effectiveness of Two Start-Up Programmes", *Oxford Bulletin of Economics and Statistics*, 70 (3): 347 – 373.
- Bell, L. A. (1997). "The impact of minimum wages in Mexico and Colombia", *Journal of Labor Economics*, 15 (3): 120-134.
- Bernhard, S., H. Gartner and G. Stephan (2008). "Wage Subsidies for Needy Job-Seekers and Their Effect on Individual Labour Market Outcomes after the German Reforms", *IZA Discussion Paper No. 3772*, Bonn: IZA.
- Lechner, M., R. Miquel and C. Wunsch (2007). "The Curse and Blessing of Training the Unemployed in a Changing Economy: The Case of East Germany After Unification", *German Economic Review* 8(4): 468 – 509.
- Maloney, W. F., and J. N. Mendez (2003). "Measuring the Impact of Minimum Wages: Evidence from Latin America", *NBER Working Paper 9800*, Cambridge: National Bureau of Economic Research.
- Stewart, M. B. (2004). "The Impact of the Introduction of the U.K. Minimum Wage on the Employment Probabilities of Low-Wage Workers", *Journal of the European Economic Association*, 2: 67-97.

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## MICROFINANCE

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- Banerjee, A., E. Duflo, R. Glennerster, C. Kinnan (2009). "The miracle of microfinance? Evidence from a randomized evaluation", Draft, Cambridge: M.I.T. Jameel Poverty Action Lab.
- Coleman, B. E. (2006). "Microfinance in Northeast Thailand: Who benefits and how much?", *World Development*, 34 (9): 1612-1638.
- Karlan, D. and J. Zinman (2009). "Expanding Microenterprise Credit Access: Using Randomized Supply Decisions to Estimate the Impacts in Manila", Daft, Cambridge: M.I.T. Jameel Poverty Action Lab.
- Khandker, S. R. (2005). "Microfinance and Poverty: Evidence Using Panel Data from Bangladesh", *The World Bank Economic Review*, 19(2): 263 – 286.

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## TRADE

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- Abbott, P., J. Bentzen and F. Tarp (2009). "Trade and Development: Lessons from Vietnam's Past Trade Agreements", *World Development*, 37 (2): 341-353.
- Ashraf, N., X. Gine and D. Karlan (2009). "Finding Missing Markets (and a disturbing epilogue): Evidence from an Export Crop Adoption and Marketing Intervention in Kenya", *The World Bank Policy Research Working Paper*: 4477.
- Goldberg, P. K. and N. Pavcnik (2003). "The Response of the Informal Sector to Trade Liberalization", *Journal of Development Economics*, 72: 463-496.
- Goldberg, P. K. and N. Pavcnik (2007). "Distributional Effects of Globalization in Developing Countries", *Journal of Economic Literature* 45 (1): 39-82.
- Porto, G. G. (2006). "Using survey data to assess the distributional effects of trade policy", *Journal of International Economics*, 70 (1): 140-160.

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## INFRASTRUCTURE, PUBLIC SERVICES, AGRICULTURE

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- Dinkelman, T. (2011). The Effects of Rural Electrification on Employment: New Evidence from South Africa. *American Economic Review*, 101(7), pages 3078-3108.
- Banerjee, Abhijit V., Rukmini Banerji, Esther Duflo, Rachel Glennerster, and Stuti Khemani. 2010. Pitfalls of Participatory Programs: Evidence from a Randomized Evaluation in Education in India. *American Economic Journal: Economic Policy*, 2(1): 1-30.
- Bardhan, Pranab, and Dilip Mookherjee. 2011. Subsidized Farm Input Programs and Agricultural Performance: A Farm-Level Analysis of West Bengal's Green Revolution, 1982-1995. *American Economic Journal: Applied Economics*, 3(4): 186-214.
- Chen, Yih-su, and Alexander Whalley. 2012. "Green Infrastructure: The Effects of Urban Rail Transit on Air Quality." *American Economic Journal: Economic Policy*, 4(1): 58-97.

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## GENDER

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- Kenneth R. Ahern and Amy K. Dittmar (2012). The Changing of the Boards: The Impact on Firm Valuation of Mandated Female Board Representation. *Quarterly Journal of Economics* 2012 127: 137-197.