

**Field course**

# Economic and Social Policy



Sophie Guthmuller,  
January 17th, 2023



# Objectives of the course

- **This class introduces to theory and methods of program evaluation**
  - present a comprehensive framework to **evaluate programs** (economic and social policies)
  - introduce key concepts and **quantitative methods for evidence-based analyses** of policies: measuring the causal effects
  - develop **critical appraisal** skills
- **Applications of methods on economic and social policies**

# Objectives of the course

## ■ After this course , you will be:

- aware of the importance of the **program theory** to understand how and why a program works or fails to work,
- familiar with the components of an **evaluation plan**,
- aware of the importance of the **social context** of program evaluation,
- familiar with the **causality concept** in impact evaluation and its prerequisites,
- familiar with different econometric approaches to **identify** program effects,
- familiar with different approaches how to relate program **benefits** to its **costs** and draw conclusions about **efficiency**,
- able to **critically reflect** on different methods of impact and economic evaluation in terms of their **limitations** and **benefits**.

## Example

The Sveriges Riksbank Prize in  
Economic Sciences in Memory  
of Alfred Nobel 2019

Abhijit Banerjee  
Esther Duflo  
Michael Kremer

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You will learn and apply  
how to measure causal  
effects based on :  
**Field experiments or  
Randomized control  
trials (RCT)**

# The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2019



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**Abhijit Banerjee**

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**Esther Duflo**

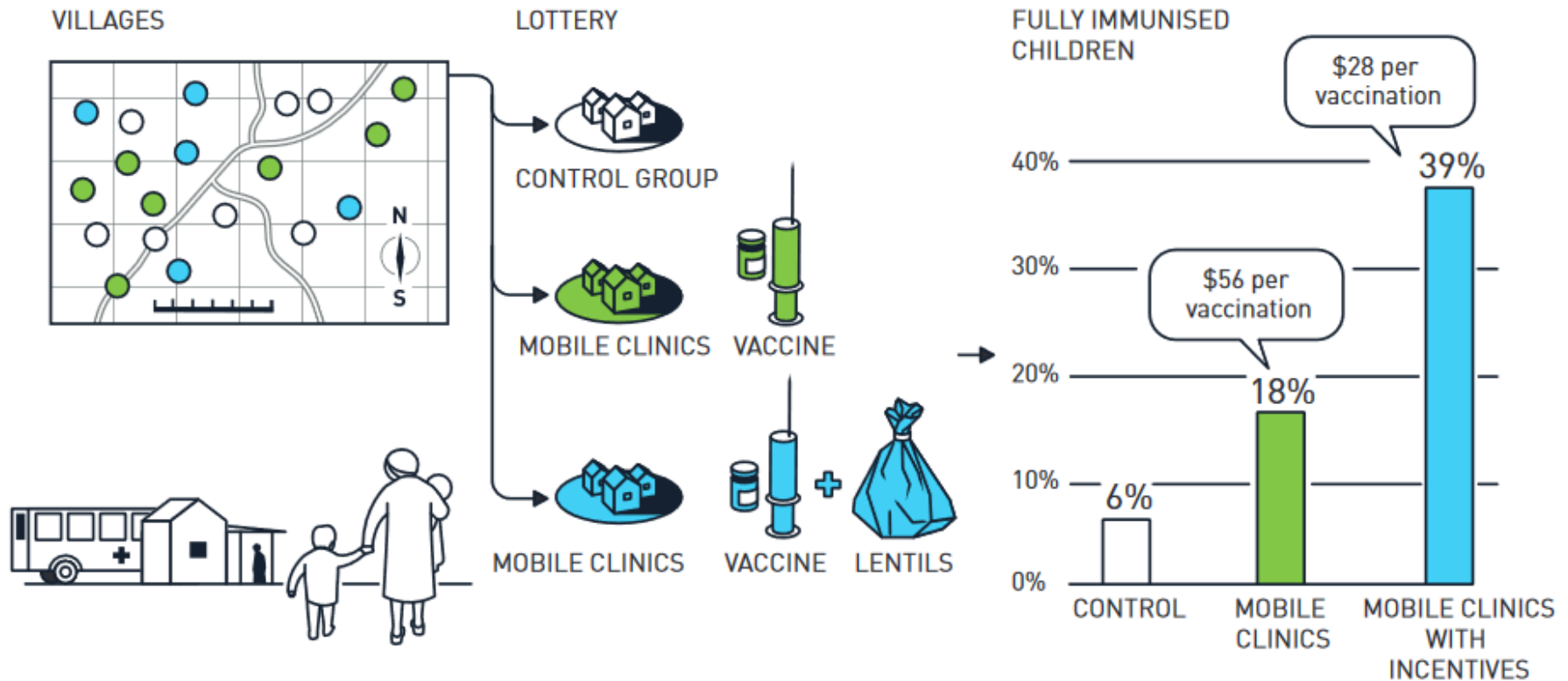
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## Example

The Sveriges Riksbank Prize in  
Economic Sciences in Memory of  
Alfred Nobel 2021

David Card  
Joshua D. Angrist  
Guido W. Imbens

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You learn and apply  
how to measure causal  
effects based on :  
**Natural experiments**

- Difference-in-differences (DD)
- Matching
- Regression discontinuity design (RDD)

# The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2021



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Paul Kennedy  
**David Card**  
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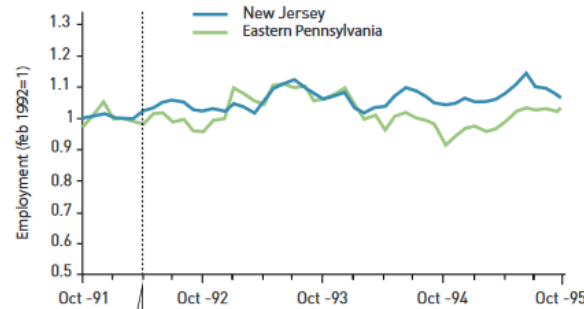
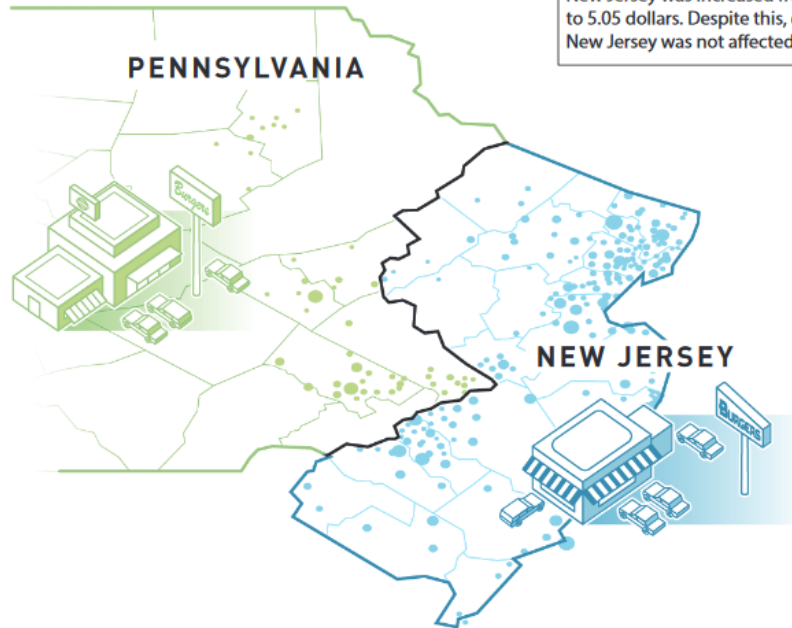
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# The effect of increasing the minimum wage

Card and Krueger used a natural experiment to study how increasing the minimum wage affects employment.

The researchers identified a treatment group (restaurants in New Jersey) and a control group (restaurants in eastern Pennsylvania) to measure the effect of increasing the minimum wage.

● CONTROL GROUP ● TREATMENT GROUP



1 April 1992: The hourly minimum wage in New Jersey was increased from 4.25 dollars to 5.05 dollars. Despite this, employment in New Jersey was not affected.

# Structure of the course

- **Tuesday mornings**
- **The course will be divided in two parts:**
  1. Lectures : weeks 1-6
  2. Practical sessions: weeks 7-11
    - Week 12: written exam



# 1. Lectures

- **Introduction:**
  - Key concepts of policy evaluation
  - Typologies of policy evaluation
- **Module 1: Preparing for Policy Evaluation**
  - Describing and eliciting a Program Theory
  - The social and political context of program evaluation
  - Evaluation plan
- **Module 2: Impact Evaluation**
  - Randomized controlled experiment
  - Quasi-experimental methods: DD, RDD, matching
- **Module 3: Economic Evaluation**
  - Cost-benefit, cost-effectiveness, cost-utility analysis

## 2. Practical sessions

- **Reading of research papers/evaluation reports**
- **Apply methods with statistical software**
- **Group project:**
  - By group, apply one of the evaluation method covered : Matching, RCT, RDD, DD, IV, Cost effective analysis
  - To a policy of your choice
  - Prepare an evaluation plan
  - Prepare and moderate a hands-on tutorial (Stata, R, Excel)

## Assessment Components (relative weights in the final grade)

- 40% (Individual) Written exam
- 50% (Group) project
- 10% (Individual) active participation

## Grade Key (point ranges)

- 1: Excellent (90-100 points)
- 2: Good (80-89 points)
- 3: Satisfactory (65-79 points)
- 4: Sufficient (50-64 points)
- 5: Fail (0-49 points)

- **Apply quantitative methods of program evaluation covered during the course**
  - **Examples of (current) topics at the Health Economics and Study group**
  - **Dr. Sophie Guthmuller**
  - Cancer screening programmes (breast, colorectal, cervical): The impact on Take-up, Diagnoses and Mortality (Europe or Austria) (**Data available!**)
  - Geographical access to abortion services (**UK data and google health trends data available!**)
  - Student aid and academic success in Austria (**Data access on-going**)
- **Other topics aiming at studying and measuring the effects of a policy are welcome!**

Sophie.Guthmuller@wu.ac.at