Empirical Methods for Policy Evaluation
(EMPE)

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Motivation/Background

- Long-standing debate on the extent to which economic theory should inform econometric modeling and estimation
  - Design-based vs. model-based approaches to policy evaluation

- Natural synergy for a better characterization of policy impacts
  - Middle ground approach dates back to Marschak (1953)
  - McFadden (1977) validated ex-ante model predictions against actual data realized ex-post
  - Many advocates since then

- We will focus on both methods and applications (Labor, Devo, Public,..)

Overview of the Course

1. Econometrics of Treatment Effects **(Arnaud Maurel: Weeks 1-5)**

2. Causal Inference Meets Structural Models **(Matteo Bobba: Weeks 6-10)**

Part 1: Econometrics of Treatment Effects

1 Overview and Identification of Treatment Effects

2 Treatment Effect Heterogeneity and Marginal Treatment Effects

3 Treatment Effects and Generalized Roy Model

4 Unconfoundedness, Matching, and Synthetic Control Methods

5 Distributional Treatment Effects, Factor Models, and Ex Ante Treatment Effects

Part 2: Causal Inference Meets Structural Models

1 Ex-ante and Ex-post Policy Evaluation

2 Field Experiments and Risk Sharing Models

3 Regression Discontinuity Designs and Discrete Choice Models

4 Difference-in-Differences and Job Search Models

Course Requirements

1. Short research proposal (Arnaud's Part)

   - Extension of one of the methods discussed in class, a new application to a particular economic question, or both

2. Takehome (Matteo's Part)

   - A few exercises based on class material (I will provide the datasets)

3. Referee report (Matteo's Part)

   - Pick one paper from a list

4. Class participation

   - Please take a look at required readings (* in the syllabus) before class