

Economics 174 – Global Poverty and Impact Evaluation

Updated: November 29, 2018

FALL 2018 SYLLABUS

Lectures: Tuesday 3:30-6:30 pm, 180 Tan Hall

Professor Kaur (www.supreetkaur.com)

Professor office hours: Check website for office hours sign up. Evans 655.

GSI: Isabelle Cohen (imcohen@econ.berkeley.edu)

GSI office hours: Thursday, 10 am – 12 pm, 636 Evans

Final Exam Time: Friday, December 14, 7-10pm, 180 Tan Hall

Description: Rather than simply describing the causes and symptoms of global poverty, this course will explore the variety of tools available for rigorously measuring the impact of development programs. Through a series of case studies drawn from the international development literature, the course will cover impact evaluation theory (causal inference, experimental design and basic statistics) as well as methods (randomization, difference-in-differences, and regression discontinuity).

Prerequisites: At least one prior term of intermediate economics (i.e., Economics 100A or 100B or equivalent), and some prior coursework in statistics or econometrics.

** Please note that this is strictly enforced. You will struggle in this course if you have not had prior exposure to statistics or econometrics.

Grading: The course grade will be based on the following components:

- Three take-home problem set assignments (25 percent)
- Reading response questions (graded as check, check plus, check minus) (10 percent)
- Impact evaluation design project (5 percent)
- Classroom participation (5 percent)
- Midterm exam (25 percent)
- Final exam (30 percent)

Assignments: Problem sets and reading responses will be posted on the web page and must be submitted through bcourses. Homework handed in after the due date will not be accepted and will be given NO CREDIT.

For all assignments, you may work in groups (maximum 4 people), but each person must write up his or her own answers. Please write down the names of the people in the group on the homework. Failure to do so will result in penalties.

You will receive zero for any homework not handed. In addition, you will receive an “F” for the course if you don’t do any of the problem set assignments. Problem set grades and feedback will be given online via bcourses.

Software: Problem sets will require Stata, a statistical software program widely used in impact evaluations. We recommend that students install Stata on their computer in order to complete the problem sets.

UC Berkeley provides free access to Stata via Citrix, although there are a limited number of licenses so there may be times when you cannot access it. Download and use information for Citrix is available at <https://software.berkeley.edu/citrix>

If you want to purchase a copy, a single-user six-month license for Stata/IC (sufficient for this course, but likely not more intense analysis) is available through Berkeley's GradPlan for a discounted price. For purchases, go to <http://www.stata.com/order/new/edu/gradplans/campus-gradplan/>.

Students can also access Stata through all library computers and other on campus computing facilities (a full list can be found at <https://technology.berkeley.edu/services/classroom-technology-and-equipment-device-support-support-and-training/computer-facilities>). We recommend using Moffitt or Doe Library.

Grading policy: Grade disputes should be put in writing and given to the GSI in your session. The written dispute can only be given to the GSI within two weeks from the time the exam or homework was returned.

Lecture Notes: Slides will be printed and distributed at the beginning of each class. They will also be posted on bcourses. If you would prefer not to receive a paper copy of the lectures, please email the GSI so we can avoid printing unnecessary sheets.

Section: In addition to lecture, this course requires attendance at section once a week.

Course Readings

Reading assignments are posted on the syllabus. Readings marked with a * denote required reading.

Textbooks: We will use the following textbook for assigned readings:

Angrist, J. D., & Pischke, J. S. (2014). *Mastering 'Metrics: The Path from Cause to Effect*. Princeton University Press.

In addition, for background readings, which go over econometric concepts in more detail:

Stock, J. & Watson, M. *Introduction to Econometrics*. Pearson Education.

These texts are available via the campus bookstore, and online in both hard and e-book formats.

Journal articles: Journal articles that are required reading will be posted to bcourses. You can also access them online via the library.

Other Administrative Details

Laptop and Cell Phone Policies: No laptops are allowed in lecture unless pre-approved by the GSI or the Professor. DSP note-takers should contact the Head GSI before the first day of class. iPads and other tablets (laid flat and being used for note-taking) are ok. Cell phones should be turned off and put away in your backpack or bag, not left out on your desk or lap.

E-mail policy: E-mail messages should be kept to a minimum, and should only concern important matters and clarifications that cannot be addressed by attending class regularly and by checking the syllabus and the class web page. You should always contact the GSI first. Given the size of the class I or the GSI cannot guarantee that all emails will be answered, so please exercise your judgment. For example, emails that will not be answered are those asking: (a) which material was covered in class; (b) questions that can be answered by reading the syllabus; (c) emails requesting help in solving the homework sent the same day the homework is due. In general, we will also not answer individually emails requesting generic help in solving the homework (such as “how do I answer question X?”). For all other legitimate matters, I or the GSI will be happy to help you in person during office hours.

Special Accommodations: If you require disability-related accommodations for exams or lecture, if you have emergency medical information that you wish to share, or if you need special arrangements in case the building must be evacuated, please email or speak with GSI Isabelle Cohen by September 18. At least 2 weeks before the exam, you must also obtain a Letter of Accommodation (LOA) from Disabled Students' Program (<http://dsp.berkeley.edu>, 260 César Chávez Center) which they send electronically to the GSI. DSP's Proctoring Service requires notice of participants at least two weeks in advance of an exam. Request for exam accommodation must be received and acknowledged by the GSI at least two weeks before each exam, which is DSP's own internal deadline for scheduling the proctoring of exams. Accommodations are not offered retroactively.

Academic Integrity Policy: In fairness to students who put in an honest effort, cheaters will be harshly treated. Any evidence of cheating will result in a score of zero (0) on that assignment. Cheating on a midterm, the comprehensive essay, or the final exam results in an “F” for the course. Cheating includes but is not limited to bringing written or electronic materials into an exam, using written or electronic materials during an exam, copying off another person's exam or assignment, allowing someone to copy off of your exam or assignment, having someone take an exam or assignment for you, changing an exam answer after an exam is graded, and plagiarizing written or other materials. Incidences of cheating are reported to Center for Student Conduct, which administers additional punishment. See also <http://sa.berkeley.edu/conduct/students/standards>.

Honor Code: We at UC Berkeley have adopted this Honor Code: “As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others.” Your Econ 1 instructors join you in pledging to adhere to this code.

Lectures

Lecture 1 (8/28) – Potential Outcomes and Selection Bias

* *Mastering Metrics*, Chapter 1 (pg. 1-14)

Stock and Watson, 2.1–2.2.

Lecture 2 (9/4) – Regression Review & Omitted Variables Bias

* *Mastering Metrics*, Sections 2.1-2.3

Stock and Watson 4.1-4.3: Regression Introduction

Stock and Watson 5.1-5.3: Regression with a Single Covariate

Stock and Watson 6.1-6.2: Omitted Variables Bias & Multiple Regression Model

Lecture 3 (9/11) – Introduction to Randomization

* *Mastering Metrics*, Chapter 1 (pg. 1-30)

Stock and Watson, 2.1–2.3, 2.5.

Problem Set 1 Assigned (Due 9/25)

Lecture 4 (9/18) – Randomization Designs (Application: Education)

* Duflo, E., Glennerster, R., & Kremer, M. (2007). Using randomization in development economics research: A toolkit. *Handbook of development economics*. Section 3 only.

* Karthik Muralidharan & Venkatesh Sundararaman. (2011). Teacher Performance Pay: Experimental Evidence from India. *Journal of Political Economy*, vol. 119(1), pages 39 - 77.

Note: There will be no sections this week (on Wednesday, September 19).

Lecture 5 (9/25) – RCT Applications (Microfinance)

* Banerjee, Abhijit et al. (2015). “The Miracle of Microfinance? Evidence from a Randomized Evaluation.” *American Economic Journal: Applied Economics*.

Murdoch, Jonathan. (1999). “The Microfinance Promise.” *Journal of Economic Literature*. Promise”https://wagner.nyu.edu/files/faculty/publications/1999-12-Microfinance_Promise.pdf

Problem Set 1 Due

Lecture 6 (10/2) – Spillovers (Voting)

* Giné, X & Mansuri, G. (2018). Together We Will: Experimental Evidence on Female Voting Behavior in Pakistan.” *American Economic Journal: Applied Economics*, 10(1): 207-35.

Lecture 7 (10/9) – MIDTERM EXAMINATION

Lecture 8 (10/16) – Natural RCTs

* Adhvaryu, A., Kala, N., & Nyshadham, A. (2015). “Booms, Busts, and Household Enterprise: Evidence from Coffee Farmers in Tanzania.” Working Paper. Available: https://namratakala.files.wordpress.com/2014/01/enterprise_may2016.pdf

Problem Set 2 Assigned (Due 10/30)

Lecture 9 (10/23) – Regression Discontinuity Designs (Government Transfers)

* Mastering Metrics, Section 4.1

* Manacorda, M., Miguel, E., & Vigorito, A. (2011). Government transfers and political support. *American Economic Journal: Applied Economics*, 3(3), 1-28.

Lecture 10 (10/30) – Panel Data & Differences in Differences

* Mastering Metrics, Sections 5.1-5.2

Stock and Watson, 10.1-10.3: Panel Data

Stock and Watson, 13.3, 13.5: Difference in Differences

Problem Set 2 Due

Lecture 11 (11/6) – Guest Lecture (TBD)

Problem Set 3 Assigned (Due 11/20)

Lecture 12 (11/13) – Diff-in-Diff Applications: Gender Norms

* Jensen, R., & Oster, E. (2009). The power of TV: Cable television and women's status in India. *The Quarterly Journal of Economics*, 1057-1094.

Galiani, S., and Gertler, P., and Schargrodsky, E. (2005). Water for Life: The Impact of the Privatization of Water Services on Child Mortality. *Journal of Political Economy*, 113(1), 83-120.

Lecture 13 (11/20) – Psychology of Poverty: Alternative Frameworks

* Mani, A., Mullainathan, S., Shafir, E., & Zhao, J. (2013). “Poverty Impedes Cognitive Function.” *Science*, 341(6149): 976-980.

* Haushofer, Johannes and Ernst Fehr. (2014). “On the Psychology of Poverty.” *Science*, 344.6186: 862-867.

Bertrand, M., Mullainathan, S., & Shafir, E. (2004). A behavioral-economics view of poverty. *The American Economic Review*, 94(2), 419-423.

Problem Set 3 Due

Note: There will be no sections this week (on Wednesday, November 21).

Lecture 14 (11/27) – Supplementary Topics and Review