Economics 174/274 – Global Poverty and Impact Evaluation
SPRING 2011 SYLLABUS
Lectures: Tuesday and Thursday 2-3:30pm, 120 Latimer
Professor Fred Finan (ffinan@econ.berkeley.edu)
Office hours: Mondays 2-4pm, Evans 651

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-difference, regression discontinuity, and propensity score matching).

Undergraduates should enroll in 174, graduate students in 274. Both courses are offered for 4 units.

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.

Grading for 174 students: The course grade will be based on three components:
- Three take-home assignments, each worth 10 percent (30 percent)
- Midterm examination (30 percent)
  - Date: March 17th
- Final Examination (40 percent)
  - Date: May 9th
- Classroom participation may be a factor in borderline grading cases

Grading for 274 students: The course grade will be based on three components:
- Three take-home assignments, each worth 10 percent (30 percent)
- Midterm examination (30 percent)
  - Date: March 17th
- One research proposal, 8-9 pages double-spaced (40 percent):
  - The research proposal should briefly (3-4 pages) survey an existing literature in Development Economics, and then describe a planned research project. All students must meet with me (in office hours) to discuss their proposal by 4/20. It is due 4/28.
- Classroom participation may be a factor in borderline grading cases

N.B. Graduate students are expected to complete more quantitative and rigorous problem sets and final projects.

Assignments: The problem sets are designed to teach students how to apply the various methods (randomization, difference-in-difference, regression discontinuity, and propensity

score matching) using statistical software (STATA) with actual data. An example of STATA code will be provided for each problem set.

Homework will be posted on the web page and collected in class according to the schedule given below. I will let you know when they are available but you are responsible for printing them. Homework assignments must be handed in before class on the due date and answers will be posted on the course web page the following day. Please write the GSI's name on the homework before handing it in. Homework handed in after class but on the due date will be marked down 2 points (out of 10 maximum) and homework assignments handed in one or more days after the due date will be given NO CREDIT. There will be four homework assignments, but only your three highest scores will count towards your grade.

You are encouraged to work in groups (maximum 3 people), but each person should write up his or her own answers. Please write down the names of the people in the group on the homework and include computer printouts (but not the printout of the data). You will receive zero for any homework not handed in but you will receive an "F" for the course if you don't do any of the homework assignments. Graded homework will be returned by the GSI during the section. Unlike exams, homework can be taken home. All homework not picked up will be kept by the GSI and can be picked up during the GSI's office hours.

Listed below are the four problem sets with the due dates.

Problem Set 1: Handed Out Feb 3rd, Due Feb 17th.
Problem Set 2: Handed Out Feb 22th, Due Mar 3th.
Problem Set 3: Handed Out Mar 8th, Due Apr 5th.
Problem Set 4: Handed Out Apr 7th, Due Apr 19th.

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. If you need to purchase a copy, a single-user one-year license for Small Stata (sufficient for this course) is available through Berkeley's GradPlan for $29. I will post a pdf file explaining how you can obtain a copy of STATA from Berkeley's GradPlan.

Students can also access STATA in the computer labs at 1535 Tolman Hall during drop in hours. If you need access, we will issue you a login and password. Drop in hours for the Tolman Computer labs can be found at (http://facility.berkeley.edu/labs/hourstmf.html)

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.

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 in

your session first. Given the size of the class I or the GSIs 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 GSIs will be happy to help you in person during office hours.

Special Accommodations: If you need disability-related accommodations in this class, if you have emergency medical information you wish to share with me, or if you need special arrangements in case the building must be evacuated, please inform me immediately. Please see me privately after class or in my office.

Teaching Assistants:

- Joshua Blumenstock
  - Email: jblumenstock@berkeley.edu
  - Office hours: Tuesday, 10am-12pm, Evans 608-3.
- Willa Friedman
  - Email: willa@econ.berkeley.edu
  - Office hours: Wednesday, 9am-11am, Evans 608-3.

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

Readings: Required reading assignments will be announced in class and posted on the course website.

Course Outline

1. Course overview (Jan 18th)
2. Review of probability and statistics and regression analysis (Jan 20th – Jan 25th)
3. Education (Jan 27th – Feb 10th)
4. Health and nutrition (Feb 15th – Mar 1st)
5. Credit markets and microfinance (Mar 3rd – Mar 15th)
6. Politics and corruption (Mar 29th – Apr 12th)
7. Institutions and development (Apr 14th – Apr 21st)
8. Data collection and logistics (Apr 26th – Apr 28th)