

Syllabus for the Master Seminar “Advanced Methods and Applications in Policy Evaluation”

MA-E-210 / MA-E-230 / MA-M-210 / MA-M-320 / MA-M-410 / MA-W-210 / MA-W-220

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Course content and structure

This master seminar aims at providing a deeper understanding of microeconomic estimation techniques that can be used to evaluate public policies. You will learn about issues and recent methodological advances in popular evaluation approaches, such as difference-in-differences. Furthermore, you will practice applying the theoretical insights to an empirical problem of your own choice.

The seminar is structured as follows. After the kick-off meeting where we will give you short introduction into the proposed topics, you will have to hold two presentations. First, you will present the econometric theory on your topic. Second, you have to find an empirical paper that has applied the method. We ask you to summarize and discuss the application in the second presentation. [Optionally, you may also reestimate the analysis in your application given the new methodological insights, e.g. using data from a replication package.] At the end of the semester, you submit a seminar thesis that discusses both theory and your selected application.

Registration

If interested in participating, please send an email to [schmeisser\[at\]uni-potsdam.de](mailto:schmeisser[at]uni-potsdam.de) by **October 21, 2022** stating your name, matriculation number and a list of courses you have taken at the Chair of Empirical Economics including the grade you achieved. We recommend successful completion of the courses “MA: Microeconometrics” as well as “MA: Policy Evaluation”. Please also indicate your preferred topic(s).

Schedule

18.10.22, 16 - 18	Room 3.07.0.39	Kick-off meeting
21.10.22, midnight		Deadline for registration via email
29.11.22, 16 - 18	Room 3.07.0.39	1st presentation: method
24.01.23, 16 - 18	Room 3.07.0.39	2nd presentation: application
Deadline tba		Seminar thesis due

In addition upon request: individual office hours

Examination

The final grade will be awarded based on the performance in the following components:

- 2 presentations (25%)
- Seminar thesis (75%)

Topics

1. DiD with Staggered Treatment Implementation (Event Studies)

Theory:

- Schmidheiny, K., Siegloch, S. (2020): On Event Studies and Distributed-Lags in Two-Way Fixed Effects Models: Identification, Equivalence, and Generalization, *ZEW Discussion Paper* 20-017.
- De Chasemartin, C., D’Haultfœuille, X. (forthcoming): Two-Way Fixed Effects and Differences-in-Differences with Heterogeneous Treatment Effects: A Survey, *Econometrics Journal*.
- Roth, J., Sant’Anna, P. H. C., Bilinski, A., Poe, J. (forthcoming): What’s Trending in Difference-in-Differences? A Synthesis of the Recent Econometrics Literature, *Journal of Econometrics*.

Example application:

- Fuest, C., Peichl, A., Siegloch, S. (2018): Do Higher Corporate Taxes Reduce Wages? Micro Evidence from Germany, *American Economic Review*, 108(2), 393-418.

2. DiD with Continuous Treatments

Theory:

- Callaway, B., Goodman-Bacon, A., Sant’Anna, P. H. C. (2021): Difference-in-Differences with a Continuous Treatment, *arXiv:2107.02637*.
- De Chasemartin, C., D’Haultfœuille, X. (2022): Difference-in-Differences Estimators of Intertemporal Treatment Effect, *NBER Working Paper* 29873.
- De Chasemartin, C., D’Haultfœuille, X. (2022): Difference-in-Differences Estimators for Treatments Continuously Distributed at Every Period, *SSRN Working Paper* 4011782.

Example application:

- Adema, J. A. H., Aksoy, C. G., Poutvaara, P. (2021): Mobile Internet Access and the Desire to Emigrate, *ifo Working Paper* 365.

3. DiD with Multiple Treatments

Theory:

- De Chasemartin, C., D’Haultfœuille, X. (2022): Two-way Fixed Effects and Differences-in-Differences Estimators with Several Treatments, *SSRN Working Paper* 3751060.
- Goldsmith-Pinkham, P., Hull, P., Kolesár, M. (2022): Contamination Bias in Linear Regressions, *NBER Working Paper* 30108.

Example application:

- Goussé, M., Leturcq, M. (forthcoming): More or Less Unmarried. The Impact of Legal Settings of Cohabitation on Labor Market Outcomes, *European Economic Review*.

4. Bunching

Theory:

- Kleven, H. (2016): Bunching, *Annual Review of Economics*, 8, 435-464.

- Kleven, H., Waseem, M. (2013): Using notches to uncover optimization frictions and structural elasticities: theory and evidence from Pakistan, *Quarterly Journal of Economics*, 128(2), 669-723.
- Saez, E. (2010): Do taxpayers bunch at kink points?, *American Economic Journal: Economic Policy*, 2(3), 180-212.

Example application:

- Traxler, C., Westermaier, F. G., Wohlschlegel, A. (2018): Bunching on the Autobahn? Speeding responses to a ‘notched’ penalty scheme, *Journal of Public Economics*, 157, 78-94.