MSc Economic Policy Analysis
EC406, Michaelmas 2007

Weeks 1-5 LECTURER: John Van Reenen

Professor John Van Reenen, Director Centre for Economic Performance (CEP)
Web-site: http://cep.lse.ac.uk/people/bio.asp?id=1358. See also:
http://cep.lse.ac.uk/people/vanreenen/EC406/default.asp (for lecture notes and
reading lists, etc.) and http://econ.lse.ac.uk/staff/sredding/teaching04.htm for some of
the teaching materials

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R459 (020 7955-7049)

Dates: 11/10, 16/10, 25/10, 1/10, 8/10

COURSE STRUCTURE

- MT weeks 1-5
  - Introduction, Methods for non-experimental data
- MT weeks 6-10
  - Experimental data, Regression Discontinuity, welfare reform,
    immigration

READINGS:

(*) denotes essential reading.

MICHAELMAS TERM

Weeks 1-5 (John Van Reenen)

General Reading

  Experimental Data”, *Fiscal Studies*, 21(4), 427-68.
  Ashenfelter,O. and Card, D. *Handbook of Labor Economics* Volume III

**Week 1: Introduction, Ex Ante vs. Ex Post, Cost-Benefit Analysis**


**Road Pricing**

(class presentation)


**Week 2: Problems in Applied Econometrics**

  - Revision of multiple regression analysis (Chapters 3 and 4)
  - (*) Simple panel data methods (Chapter 13)
  - (*) Advanced panel data methods (Chapter 14)
  - (*) Instrumental variables estimation and 2SLS (Chapter 15)


**Week 3 Introduction to the Program Evaluation Problem**

- Multiple regression with qualitative information (Chapter 7)
- Limited dependent variable models and sample selection corrections (Chapter 17)


**Week 4, Instrumental Variables Methods**


**Week 5: Differences in Differences, Matching**


http://cep.lse.ac.uk/people/vanreenen/papers/0305.pdf

Weeks 5-10 LECTURER: Rajeev Dehejia

LECTURER:

Professor Rajeev Dehejia
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Office Hours: Thursday 1.00-2.00

READINGS:

* denotes essential reading.

Week 6 Social Experiments (with an application to discrimination)


Cox, The Planning of Experiments, selected chapters.

Week 7: Unions; Regression Discontinuity


Alexandre Mas, “Pay, Reference Points, and Policy Performance,” manuscript.


Week 8: Instrumental Variables Revisited and an Application to Labor Supply


James Heckman, Reply to previous, *JHR*.

**Week 9: Matching Estimators**


**Week 10: Discrimination**

Theory—
*Altonji, Joseph and Rebecca Blank, Handbook, Vol. 3C.*


Evidence—


