

Public Economics II (MA) - Field experiments and public policy

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Objectives:

The experimental approach is gaining more and more traction in informing public policy, and having a grasp of the key concepts and methods will therefore become an increasingly valuable skill for students. In order to gain first hands-on experience, this course will cover the method of experimental policy evaluation, i.e. how to design and conduct field experiments, and how to interpret the results. We will also discuss common procedural and methodological errors that lead to biased effect estimations. Specifically, students will be introduced to problems such as imbalances in randomization, spillovers, attrition, (low) power, and we will discuss how to deal with such common issues.

In the course, we will discuss experimental approaches to recent issues in economic policy and public economics. Special attention will be given to policy interventions where the experimental design incorporates insights from the behavioral sciences.

In order to apply the newly acquired insights, students will be asked to come up with an experimental design that can be helpful in better understanding a specific policy issue. The course requires a basic understanding of statistics/econometrics and we will build the foundations needed for experimentation in the field from the ground up.

This course will enable you to:

- Engage in constructive scientific discourse on the limitations of surveys, field and lab experiments as well administrative data
- Design and propose a reproducible field experiment that is feasible, ethical, and interesting
- Critically assess the quality of randomized controlled trials which were implemented to evaluate public policy

Assignment:

Research Proposal-Planning Document (6 pages per student, excluding title page, table of content, figures, tables & references): Students will propose a field experiment that investigates a relevant public policy question.

During the first half of the course students will learn how to plan and conduct field experiments and will be acquainted with different areas in which field experiments have successfully been conducted. The content from this first half will help students to select their own research question. Before the start of the second half, students should have a basic idea of their planned research question and they should survey the relevant current literature. Based on this initial screening of the literature students will briefly present an idea for their research proposal (in our online meeting, and up to 15 minutes duration). This is a great opportunity to get peer feedback before submitting the research idea in the form of a research proposal for grading.

Each participant needs to come up with a proposal for an experiment where the results can help to inform policy makers. In order to confront the practical challenges to designing an ethical field experiment that examines a specific research question, students are strongly encouraged to craft a proposal regarding areas of personal academic interest. Students must address potential ethical concerns and consider administrative obstacles.

You can find a template for the organization and formatting of the research proposal on the website of the professorship (along with this syllabus).

Submission deadline for the research proposal – 31 August 2020 (11:59pm) via email to oliver.himmler@uni-erfurt.de.

Time & Location:

Please signal your interest in participation via email to kerstin.rathje@uni-erfurt.de. You will then receive the password to enter the Moodle environment. We meet on Tuesdays at 14:15 hours. A link to the virtual seminar space will be distributed to students who have enrolled in the class via email.

Reading list

General topics in the framework of field experiments

Glennester, R. (2017). The practicalities of running randomized evaluations: partnerships, measurement, ethics, and transparency. In *Handbook of Economic Field Experiments* (Vol. 1, pp. 175-243). North-Holland.

List, J. A. (2011). Why economists should conduct field experiments and 14 tips for pulling one off. *Journal of Economic Perspectives*, 25(3), 3-16.

Oakley, A. (2000). A historical perspective on the use of randomized trials in social science settings. *Crime & Delinquency*, 46(3), 315-329.

Tollefson, J. (2015). Can randomized trials eliminate global poverty?. *Nature News*, 524(7564), 150.

Some examples of recent and not-so-recent field experiments

Altmann, S., Falk, A., Jäger, S., & Zimmermann, F. (2018). Learning about job search: A field experiment with job seekers in Germany. *Journal of Public Economics*, 164, 33-49.

Brade, R., Himmler, O., & Jäckle, R. (2018). Normatively Framed Relative Performance Feedback—Field Experiment and Replication.

Brandon, A., List, J. A., Metcalfe, R. D., Price, M. K., & Rundhammer, F. (2019). Testing for crowd out in social nudges: Evidence from a natural field experiment in the market for electricity. *Proceedings of the National Academy of Sciences*, 116(12), 5293-5298.

Gerber, A. S., Karlan, D., & Bergan, D. (2009). Does the media matter? A field experiment measuring the effect of newspapers on voting behavior and political opinions. *American Economic Journal: Applied Economics*, 1(2), 35-52.

Himmler, O., Jäckle, R., & Weinschenk, P. (2019). Soft Commitments, Reminders, and Academic Performance. *American Economic Journal: Applied Economics*, 11(2), 114-42.

Page, S. (1998). Accepting the gay person: Rental accommodation in the community. *Journal of homosexuality*, 36(2), 31-39.

Schilbach, F. (2019). Alcohol and self-control: A field experiment in India. *American Economic Review*, 109(4), 1290-1322.

Further reading (optional)

Czibor, E., Jimenez-Gomez, D., & List, J. A. (2019). The Dozen Things Experimental Economists Should Do (More of) (No. w25451). National Bureau of Economic Research.

Athey, S., & Imbens, G. W. (2017). The econometrics of randomized experiments. In *Handbook of Economic Field Experiments* (Vol. 1, pp. 73-140). North-Holland.