

The Policy Lab - Experimenting with Public Policy

BA-Research Seminar - Fall Semester 2015

www.policylab.ch

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Time and Location: Tuesdays, 14.00 - 15.45, AFL-E-003

Motivation

"It is one of the most characteristic aspects of the present situation that specific reforms are advocated as though they were certain to be successful [...] One simple shift in political posture which would reduce the problem is the shift from the advocacy of a specific reform to the advocacy of the seriousness of the problem, and hence to the advocacy of persistence in alternative reform efforts should the first one fail. The political stance would become: "This is a serious problem. We propose to initiate Policy A on an experimental basis. If after five years there has been no significant improvement, we will shift to Policy B."

Donald Campbell (1969: 410): "Reforms as Experiments"

Aims of the Course

What are the health consequences of legalizing marijuana? Does civic education increase turnout among young voters? Do welfare programs help and mobilize the poor? Although there is more data generated than ever before, there is great uncertainty and fierce political debate about the social, economic and political effects of different policies. Uncertainty arises because citizens often do not behave in line with strict economic rationality, making it difficult for policy makers to predict behavior and develop policy that "works" based on theory alone. Because human behavior is complex, isolating cause and effect through observation proves difficult. Realizing this limitation, policy makers and researchers point to the advantages of randomization for identifying the effects of competing policies. Today, experimentation drives policy innovation, and randomized trials are increasingly important tools. This seminar introduces students to the world of policy experimentation, and equips them with skills to create their own policy lab.

During the fall semester, students will learn about psychological biases underlying policy-relevant behavior (Simon, Kaheman and Tversky, Thaler and Sunstein), and evaluate the available evidence and uncertainty surrounding the social, political and economic effects of various policies. In application to different policy fields, ranging from discrimination, to welfare and criminal justice, students will encounter different methods of identifying the consequences of policies. Throughout the course there is an emphasis on equipping students with the practical skills of research design, and of experimental and quasi-experimental data analysis using R. The seminar is taught as a combination of lectures, class and panel discussions, group exercises and applied data analysis.

As part of the course, students will get the chance to create their own Policy Lab, culminating in their BA-thesis. During the first term students will conduct and analyze a small practice experiment with the class serving as their experimental sample, familiarizing students with experimental practice. Building on the skills in research design, understanding of methods, and the policy-literature introduced in the fall semester, the second part of the course will guide and support students in conducting and writing-up their BA-thesis projects. For their dissertation research students will be encouraged to run their own, small-scale, field or online experiments, or to collaborate with local NGOs, parties, and clubs and societies to analyze one stage of a policy program or ballot initiative. Alternatively, they will be able to think of alternative identification strategies using publicly available administrative and survey data to examine causes and consequences of policies at the local, and cantonal level. The research seminar will be taught as a combination of students' research presentations and hands-on classes helping students with the methods used in their specific research projects. There will be ample opportunity to discuss the research question, study design and choice of methods with their peers and the course provider. Students will have the opportunity to present their BA research on the Policy Lab website.

Evaluation

Fall Term

25% Problem Set, 30% Class Experiment, 45% BA-Thesis Research Design

Spring Term

100% of your mark will consist of your BA-thesis.

Evaluation Timetable Term 1

- 03/11/2015 Hand out Problem Set.

- 17/11/2015 Submission of Problem Set.
- 18/11/2015 Discussion of Thesis Research Question.
- 09/12/2015 Discussion of First Draft of Research Design.
- 15/12/2015 Submission of Class-Experiment.
- 06/01/2016 Submission of Research Design.

Methods Books:

- Angrist, Joshua and Joern-Steffen Pischke. 2009. *Mostly Harmless Econometrics: An Empiricist's Companion*. Princeton: Princeton University Press.
- Dunning, Thad. 2012. *Natural Experiments in the Social Sciences. A Design-Based Approach*. Cambridge: Cambridge University Press.
- Gerber, Alan, and Donald P. Green. 2012. *Field Experiments: Design, Analysis and Interpretation*. New York: W.W. Norton
- Gertler, Paul J., Sebastian Martinez, Patrick Premand, Laura B. Rawlings, Christel M. J. Vermeersch. 2011. *Impact Evaluation in Practice*. Washington D.C.: The World Bank.

Substantive Readings:

- Green, Donald P. and Alan S. Gerber. 2008. *Get Out the Vote. How to Increase Voter Turnout*. Second Edition. New York: The Brookings Institution.
- John, Peter, Sarah Cotterill, Liz Richardson, Alice Moseley, Gerry Stoker, Corinne Wales, and Graham Smith. 2011. *Nudge, Nudge, Think, Think*. London: Bloomsbury.
- Kahneman, Daniel. 2012. *Thinking, Fast and Slow*. London: Penguin.
- Manski, Charles E. 2013. *Public Policy in an Uncertain World. Analysis and Decisions*. Cambridge: Harvard University Press.
- Shafir, Eldgar (ed). 2013. *The Behavioral Foundations of Public Policy*. Princeton: Princeton University Press. Thaler, Richard H. and Cass R. Sunstein. 2009. *Nudge. Improving decisions about health, wealth and happiness*. Cambridge, MA: Yale University Press.

- Teele, Dawn Langan (ed.). 2014. Field Experiments and Their Critics: Essays on the Uses and Abuses of Experimentation in the Social Sciences. Cambridge, MA: Yale University Press

There are 3-4 copies of each course books available from the Social Science Library.

Online Resources

Data Archives on Policy Experiments

- Poverty Action Lab – Data Archive: <http://www.povertyactionlab.org/evaluations>
- Yale Institution for Social and Policy Studies: <http://isps.yale.edu/research/data#.VOEBjUKprzI>
- Data Archive MHE – Data Archive <http://economics.mit.edu/faculty/angrist/data1/mhe>
- EGAP - experiments in governance and politics: Power calculator, registration: www.e-gap.org

Data Journalism Reporting on Policy, Economics and Politics – The data behind what you read in the daily news:

- FiveThirtyEight - Nate Silver: <http://fivethirtyeight.com>
- The Monkey Cage - John Sides, Andrew Gelman and others: <http://www.washingtonpost.com/blogs/monkey-cage/>
- The Upshot - NYTimes, Sendhil Mullainathan and others: http://www.nytimes.com/upshot/?_r=0
- Vox - Ezra Klein: <http://www.vox.com>

Fall Term: Timetable

Week 1 – 15/09/2015 – The Policy Lab: Introduction

Public Policy and Experiments, Random Assignment,

Compulsory Reading:

- Leonhardt, David. 2014. Efficiency Experiments: The Quiet Movement to Make Government Fail Less Often. The Upshot.

Week 2 – 22/09/2015 – Uncertainty & Policy Making

- The limits to knowledge and inference, uncertainty, rationality and bias.

Compulsory Reading:

- Manski (2013) Introduction, Chapter 1.
- Simon, Herbert A. (1955). A Behavioral Model of Rational Choice. *The Quarterly Journal of Economics* 69(1): 99-118.

Supplementary Reading:

- Thaler and Sunstein (2008) Chapter 1.

Week 3 – 29/09/2015 – The Fundamental Problem of Causal Inference

- The 'fundamental problem of causal inference', the potential outcomes framework

Compulsory Reading:

- Holland, Paul W. 1986. "Statistics and Causal Inference". *Journal of the American Statistical Association* 81: 945-960.
- Gerber and Green (2012) Chapter 1.

Week 4 – 06/10/2015 – Reforms as Experiments

Compulsory Reading:

- Donald, Campbell T. 1969. "Reforms as Experiments." *American Psychologist* 24: 409-428.
- Humphreys, Macartan. 2011. "Ethical Issues for Embedded Experimentation". *Comparative Democratization Newsletter*, October 9(3): 10.

Week 5 – 13/10/2015 – Experimental Assignment

- Performing Random Assignment in Excel and in R.

Compulsory Reading:

- Gerber and Green (2012) Chapter 2.

Week 6 – 20/10/2015 – Discrimination and Prejudice Reduction

Compulsory Reading:

- Enos, Ryan D. 2014. "Causal effect of intergroup contact on exclusionary attitudes". *Proceedings of the National Academy of Sciences* 111(10): 3699-3704.
- Bertrand, Marianne, and Mullainathan, Sendhil. 2004. "Are Emily and Greg more Employable than Lakisha and Jamal? A Field Experiment on Labour Market Discrimination". *American Economic Review* 94(4): 991-1013.
- Paluck, Elizabeth Levy, and Donald P. Green. 2009. "Prejudice reduction: What works? A Review and Assessment of Research and Practice". *Annual Review of Psychology* 60: 339-367.

Week 7 – 27/10/2015 – Introduction to Experimental Data Analysis

- Treatment Effect Estimation in R, Randomization Inference.

Compulsory Reading:

- Gerber and Green (2012) Chapters 2, 3 and 4.

Week 8 – 03/11/2015 – Natural Experiments: Does it matter which party governs?

The Regression Discontinuity Design (RDD).

Compulsory Reading:

- Dunning (2012) Chapters 1 and 2.
- Gerber, Elisabeth R. and Daniel J. Hopkins. 2011. "When Mayors Matter: Estimating the Impact of Mayoral Partisanship on City Policy." *American Journal of Political Science* 55(2): 326-339.

Week 9 – 10/11/2015 – Criminalization or Legalization?

The Difference-in-Differences Design (DiD).

Compulsory Reading:

- Cunningham, Scott and Manisha Shah. 2014. "Decriminalizing Indoor Prostitution: Implications for Sexual Violence and Public Health". SSRN Working Paper.
- Crosta, Benjamin and Santiago Guerrero. 2011. "The effect of alcohol availability on marijuana use: Evidence from the minimum legal drinking age". *Journal of Health Economics* 31: 112- 121.

Week 10 – 17/11/2014 – Quasi-Experimental Data Analysis

- Introduction to Difference-in-Differences (DiD) estimation.

Week 11 – 24/11/2015 – The Poor and Targeted Welfare Spending

Compulsory Reading:

- Carpenter, Joshua and Florian Foos. 2015. "Mobilizing for Medicaid. A Randomized Field Experiment Testing Pocketbook Versus Sociotropic Campaign Appeals". Working Paper presented at the Annual Meeting of the American Political Science Association, San Francisco, September 2015.
- Mullainathan, Sendhil and Eldar Shafir. 2013. Scarcity: Why Having Too Little Means So Much. New York: Times Books: Chapters 1.1, 2.7, 3.8.

Week 12- – 01/12/2015 – Research Design Workshop

Compulsory Reading:

- Green and Gerber (2012) Chapter 13.

Week 13 – 08/12/2015 – Fieldwork and Data Collection Workshop

- Loewen, Peter John, Daniel Rubenson and Leonard Wantchekon. 2010. "Help Me Help You: Conducting Field Experiments with Political Elites". The Annals of the American Academy of Political and Social Science 628(1): 165-175.
- Peyton, Kyle. 2012. "Ethics and Politics in Field Experiments". The Experimental Political Scientist. Newsletter of the APSA Experimental Section 3(1).

Panel Discussion:

- Ethics and Field Experiments: The Montana Case

Week 14 – 15/12/2015 – Presentation & Discussion of Class Experiments