

**ECON 603 – Public Economics I**  
**Professor Mark Hoekstra**  
**Fall 2016**

In this class you will be introduced to a reasonably wide selection of papers across different areas of empirical microeconomics. The focus of the class will be on describing the identification strategies used by the authors and assessing their success.

**Course Requirements:**

(1) Class Participation (35 percent). You should carefully read the assigned papers prior to each meeting and come prepared to participate in a discussion. This means that you will be expected to analyze the empirical problems encountered by the authors and the extent to which they are successful in solving those problems. You will also be expected to submit short research proposals every week outlining a new research idea and how you would hope to implement it.

(2) Discussion Leader (10 percent). You will be expected to lead the class discussion on at least two of the papers on the reading list below. In this role, you are expected to think more deeply than usual about the identification strategy used in the paper and any problems not addressed in a convincing way and suggest improvements.

(3) Referee Reports (20 percent). You will be expected to briefly summarize the important (purported) contributions of a paper assigned by me and provide constructive criticism of the paper.

(4) Final Exam (35 percent).

**Grading Scale:**

A	90.0% +
B	80.0 – 89.99%
C	70.0 – 79.99%
D	60.0 – 69.99%
F	Below 60%

**Cheating Policy:** An Aggie does not lie, cheat, or steal, or tolerate those who do. Violations of the honor code will result in a grade of 0 on that exam and a referral to the Honor System Office. See <http://aggiehonor.tamu.edu/> for more information.

**Americans with Disabilities Act:** The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact Disability Services, currently located in the Disability Services building at the Student Services at White Creek complex on west campus or call 979-845-1637. For additional information, visit <http://disability.tamu.edu>.

## Reading List

### Methodological Papers

Angrist, Joshua D. and Alan B. Krueger. 2001. "Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments," *Journal of Economic Perspectives*, Fall: 15 (4): 69-85.

Angrist, Joshua D., Guido Imbens, and Donald Rubin. 1996. "Identification of Causal Effects Using Instrumental Variables," *Journal of the American Statistical Association*, 91 (434): 444-455.

Bertrand, Marianne, Esther Duflo, and Senhil Mullainathan. 2004. "How Much Should We Trust Differences-in-Differences Estimates?" *Quarterly Journal of Economics*, 119 (1): 249-275.

Imbens, Guido W. and Thomas Lemieux. 2008. "Regression Discontinuity Designs: A Guide to Practice." *Journal of Econometrics*, February: 142 (2): 615-635.

Murray, Michael. 2006. "Avoiding Invalid Instruments and Coping with Weak Instruments." *Journal of Economic Perspectives*, 20 (4): 111-132.

### Children

Black, Sandra E., Paul J. Devereux, Petter Lundborg, and Kaveh Majlesi. 2015. "Poor Little Rich Kids? The Determinants of the Intergenerational Transmission of Wealth." NBER Working Paper 21409.

Doyle, Joseph J. 2007. "Child Protection and Child Outcomes: Measuring the Effects of Foster Care." *American Economic Review* 97(5): 1583-1610.

Finlay, Keith, and David Neumark. "Is Marriage Always Good for Children? Evidence from Families Affected by Incarceration." *Journal of Human Resources*, 45(4): 1046-1088.

Oreopoulos, Philip. 2003. "The Long-Run Consequences of Living in a Poor Neighborhood." *Quarterly Journal of Economics*, November: 1533-1575.

Sacerdote, Bruce. 2007. "How Large Are the Effects from Changes in Family Environment? A Study of Korean American Adoptees." *Quarterly Journal of Economics* 122(1): 119-157.

### Crime

Bohn, Sarah, Magnus Lofstrom, and Steven Raphael. 2014. "Did the 2007 Legal Arizona Workers Act Reduce the State's Unauthorized Immigrant Population?" *Review of Economics and Statistics*, 96 (2): 258-269.

Carr, Jillian, and Vijetha Koppa. 2015. "The Effect of Housing Vouchers on Crime: Evidence from a Lottery". Working Paper. Accessed [here](#).

Di Tella, Rafael, and Ernesto Schargrodsy. 2004. "Do Police Reduce Crime? Estimates Using the Allocation of Police Forces after a Terrorist Attack." *American Economic Review*, 94 (1): 115 – 133.

Fryer, Roland. 2016. "An Empirical Analysis of Racial Differences in Police Use of Force." NBER Working Paper 22399.

## **Education**

Dynarski, Susan. 2003. "Does Aid Matter? Measuring the Effect of Student Aid on College Attendance and Completion." *American Economic Review*, March: 279-288.

Garces, Eliana, Thomas Duncan and Janet Currie. 2002. "Longer-Term Effects of Head Start." *American Economic Review*, 92(4): 999-1012.

Hernandez-Julian, Rey. 2009. "Merit-Based Scholarships and Student Effort". *Education Finance and Policy* 5(1): 14-35.

Kirkeboen, Lars J., Edwin Leuven and Magne Mogstad. 2016. "Field of Study, Earnings, and Self-Selection." *Quarterly Journal of Economics*, 131(3): 1057-1111.

Neal, Derek, and Diane Whitmore Schanzenbach. 2010. "Left Behind by Design: Proficiency Counts and Test-Based Accountability". *The Review of Economics and Statistics* 92(2): 263-283.

Robles, Veronica C. Frisanch, and Kala Krishna. 2012. "Affirmative Action in Higher Education in India: Targeting, Catch Up, and Mismatch at IIT-Delhi." NBER Working Paper 17727.

Stinebrickner, Ralph, and Todd Stinebrickner. 2003. "Working during School and Academic Performance." *Journal of Labor Economics*, 21(2): 473-491.

## **Health**

Abadie, Alberto, Alexis Diamond and Jens Hainmueller. 2010. "Synthetic Control Methods for Comparative Case Studies: Estimating the Effect of California's Tobacco Control Program." *Journal of the American Statistical Association*, 105(490): 493-505.

Almond, Douglas, Ken Chay, and David Lee. 2005. "The Costs of Low Birth Weight." *Quarterly Journal of Economics*, August: 1031-1083.

Almond, Douglas. 2006. "Is the 1918 Influenza Pandemic Over? Long-Term Effects of *In Utero* Influenza Exposure in the Post-1940 U.S. Population." *Journal of Political Economy*, 114 (4): 672-712.

Alsan, Marcella, and Claudia Goldin. 2015. "Watersheds in Infant Mortality: The Role of Effective Water and Sewerage Infrastructure, 1880 to 1915." Accessed at <http://www.nber.org/papers/w21263>.

Anderson, Michael. 2015. "As the Wind Blows: The Effects of Long-Term Exposure to Air Pollution on Mortality." NBER Working Paper 21578.

Bollinger, Bryan, Phillip Leslie, and Alan Sorensen. 2010. "Calorie Posting in Chain Restaurants." *American Economic Journal: Economic Policy*, 3 (1): 91-128.

Currie, Janet and Matthew Neidell. 2005. "Air Pollution and Infant Health: What Can We Learn from California's Recent Experience?" *Quarterly Journal of Economics*, August: 1003-1030.

Currie, Janet, Stefano DellaVigna, Enrico Moretti, and Vikram Pathania. 2010. "The Effect of Fast Food Restaurants on Obesity and Weight Gain." *American Economic Journal: Economic Policy*, 2(3): 32-63.

Evans, William N. and Diana S. Lien. 2005. "The Benefits of Prenatal Care: Evidence from the PAT Bus Strike." *Journal of Econometrics*, 125: 207-239.

Mocan, Naci H. and Erdal Tekin. 2009. "Obesity, Self-Esteem, and Wages." Accessed at <http://www.nber.org/papers/w15101>.

Sen, Bisakha, Stephen Menemeyer, and Lisa Gary. 2009. "The Relationship Between Neighborhood Quality and Obesity Among Children." Accessed at <http://www.nber.org/papers/w14985>.

### **Industrial Organization**

Bloom, Nicholas, Carol Propper, Stephan Seiler, and John Van Reenen. 2015. "The Impact of Competition on Management Quality: Evidence from Public Hospitals." *Review of Economic Studies*, 0:1-33.

Milyo, Jeffrey, and Joel Waldfogel. 1999. "The Effect of Price Advertising on Prices: Evidence in the Wake of 44 Liquormart." *American Economic Review*, 89 (5): 1081-1096.

### **Institutions and Development**

Feyrer, James, and Bruce Sacerdote. 2009. "Colonialism and Modern Income: Islands as Natural Experiments." *Review of Economics and Statistics* 91 (2): 245-262.

Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. 2004. "Economic Shocks and Civil Conflict: An Instrumental Variables Approach." *Journal of Political Economy*, 112(4): 725-753.

Nunn, Nathan, and Diego Puga. 2010. "Ruggedness: The Blessing of Bad Geography in Africa". Forthcoming in the *Review of Economics and Statistics*.

Nunn, Nathan, and Nancy Qian. 2011. "The Potato's Contribution to Population and Urbanization: Evidence from a Historical Experiment". *Quarterly Journal of Economics* 126: 593-650

### **Labor Market Discrimination and Labor Supply**

Ayres, Ian, and Peter Siegelman. 1995. "Race and Gender Discrimination in Bargaining for a New Car." *American Economic Review*, 85 (3): 304-321.

Fisman, Raymond, Nikolaj A. Harmon, Emir Kamenica, and Inger Munk. 2015. "Labor Supply of Politicians." *Journal of the European Economic Association*, 13(5): 871-905.

Hagedorn, Marcus, Iourii manovskii, and Kurt Mitman. 2015. "The Impact of Unemployment Benefit Extensions on Employment: The 2014 Employment Miracle?" Accessed at <http://www.nber.org/papers/w20884.pdf>.

Jacobsen, Joyce P., James Wishart Pierce III, and Joshua L. Rosenbloom. 1999. "The Effects of Childbearing on Married Women's Labor Supply and Earnings: Using Twin Births as a Natural Experiment." *Journal of Human Resources*, 34 (3): 449-474.

### **Macroeconomics and Banking**

Agarwal, Sumit, Gene Amromin, Itzhak Ben-David, Souphala Chomsisengphet, and Douglas D. Evanoff. 2014. "Predatory Lending and the Subprime Crisis." *Journal of Financial Economics*, 13(1): 29-52.

Cole, Shawn, Martin Kanz, and Leora Klapper. 2015. "Incentivizing Calculated Risk-Taking: Evidence from an Experiment with Commercial Bank Loan Officers." *Journal of Finance*, 70(2): 537-575.

Greenstone, Michael, Alexandre Mas, and Hoai-Luu Nguyen. 2014. "Do Credit Market Shocks Affect the Real Economy? Quasi-Experimental Evidence from the Great Recession and 'Normal' Economic Times." Accessed at <http://www.nber.org/papers/w20704>.

Hoekstra, Mark, Steven L. Puller, and Jeremy West. 2015. "Cash for Corollas: When Stimulus Reduces Spending." Accessed at <http://econweb.tamu.edu/mhoekstra/stimulus.pdf>.

### **Media and Political Economy**

Gentzkow, Matthew, Jesse M. Shapiro, and Michael Sinkinson. 2011. "The Effect of Newspaper Entry and Exit and Electoral Politics." *American Economic Review* December 101: 2980-3018

Gerber, Alan, Dean Karlan, and Daniel Bergan. 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.

Groseclose, Tim, and Jeffrey Milyo. 2005. "A Measure of Media Bias." *Quarterly Journal of Economics*, November: 1191-1237.

Larreguy, Horacio, John Marshall, and James M. Snyder, Jr. 2014. "Revealing Malfeasance: How Local Media Facilitates Electoral Sanctioning of Mayors in Mexico." Accessed at <http://www.nber.org/papers/w20697>.

### **Social Policy & Social Capital**

Nunn, Nathan, and Leonard Wantchekon. 2011. "The Slave Trade and the Origins of Mistrust in Africa." *American Economic Review*, November 101: 3221-3252.

Olken, Benjamin A. 2009. "Do Television and Radio Destroy Social Capital? Evidence from Indonesian Villages." *American Economic Journal: Applied Economics* 1(4): 1-33.