

For favour of posting

DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Seminar

Dr. Simon Kwok

School of Economics
The University of Sydney
Australia

will give a talk

entitled

**POLICY EVALUATION WITH INTERACTIVE FIXED
EFFECTS (JOINT WORK WITH MARC CHAN)**

Abstract

We develop an alternative estimator for policy evaluation in the presence of interactive fixed effects. It extends Pesaran (2006)'s two-stage procedure to a difference-in-differences-type program evaluation framework, and extracts principal components from the control group to form factor proxies. Consistency and asymptotic distributions are derived under stationary factors, as well as nonstationary factors with any integration order. Simulation exercises demonstrate excellent performance of our estimator relative to existing methods. We present empirical results from microeconomic and macroeconomic applications. We find that our estimator generates the most robust treatment effect estimates, and our weights for control group units deliver strong economic interpretation regarding the nature of the underlying factors.

on

Wednesday, November 2, 2016

(Refreshments will be served from 2:15 p.m. outside Room 301 Run Run Shaw Building)

2:30 p.m. – 3:30 p.m.

at

Room 301, Run Run Shaw Building

Visitors Please Note that the University has limited parking space. If you are driving please call the Department at 3917 2466 for parking arrangement.

All interested are welcome