**ECOX5004 3rd: Assessed Exercise: Policy Impact Written Report**

The following box is reproduced from the Module Guide and outlines what your written report should include and in what order in very general terms.

**Part 3** a written report of your research and findings. This should not exceed 2000 words and should contain the following

• An introduction that states and motivates your research question.

• A methodology section that describes and justifies your approach. This should include a discussion of the econometric difficulties and explain when & why your approach should be robust to these.

• A data section (short) that provides a simple data description of the main variables you will be using

• Reporting & discussion of your main model and all the robustness checks. Please note cutting a pasting of output from statistical software is not acceptable

• A thoughtful conclusion

**Submit** 18th November 2022 at Midday via Turnitin on Moodle.

**Weighting toward Module, 65%**

**Please note** that each of your policy questions differ from each other in a number of ways. This means that there is no single correct specification for what you must and need not include in your report! With only 2000 words to report the findings of your work, you will need to use words on the parts that matter the most.

You will need to apply your judgement to decide which issues you give emphasis to and which to down-play based on what is most important as you attempt to answer your policy question.

**Some further guidance on Style**

Your report is best thought of as a scientific report. It should guide the reader from that what and why of the question through the options available to find an answer and catalogue the twists and turns of the research journey (your statistical tests and decisions you subsequently make for a next step) through to the analyses to the conclusions.

You can also think of the report as a story of the journey through your research project which draws your reader through the analyses, persuading them that you’ve take an objective approach at each turn. Just be sure to write it in a dispassionate Third Person style – this really helps you persuade. i.e:

**Don’t write** “next I looked at” or “I believe that x assumption is too strong”

**Do write** “our next step is to consider” or “given the …. property of the data, it is likely that x assumption could be violated”

**Some further Explanation on Content**

Let’s look at what you should consider for each of the 5 sections from the box above:

**An introduction that states and motivates your research question.**

You need here to simply state what your policy research question is, why it’s economically interesting and who should take note of the answer.

**A methodology section that describes and justifies your approach. This should include a discussion of the econometric difficulties and explain when & why your approach should be robust to these.**

You will need to state your choice of country/region/timeframe you are studying and briefly describe the shape of your data. Ensure that you guide the reader from the intro into the methods. Only then can you discuss and defend the methods you have employed since these will be very much dictated by the data you have.

Always start from the premise that simple econometric models are best when OLS assumptions are not violated to a high degree. You may then guide the reader through the sorts of problems with OLS you have found (but you need to write this in terms of what you expect to find – your report must tell the story of the work). Then you can set-out the econometric strategy your have employed in your work justified from your ‘expectations’ but not forgetting that this will be (was) guided by the testing you have done.

Give very light coverage of the ‘blind-ally’s’ you went down and more emphasis to what you did in your ‘improved model’.

**Clue:** When you describe a model always be sure to write out your estimating equation using all of the necessary notation – and define your notation too! This saves words and makes the report easier to follow. Number your equations so you can refer back to them later!

**A data section (short) that provides a simple data description of the main variables you will be using**

Ensure you define time/individual/region and shape that your data covers. Data sources should be included in sufficient detail to allow a reader to replicate exactly your work. You can include web addresses in the reference list at the end or in a footnote but be sure to refer properly.

Summary statistics are essential. Scatter/time plots are extremely helpful too. BUT be sure to comment on these and highlight interesting or anomalous ‘things’ you notice in either since these might help you interpret results or justify specification changes later.

**Reporting & discussion of your main model and all the robustness checks. Please note cutting a pasting of output from statistical software is not acceptable**

If space permits, you may report the results of your simple OLS Model 1. In some cases (you need to decide) reporting Model 1 results can help explain the need for the econometric complexity you introduce in Model 2!

Report and discuss the results of your model. Recall that you have 2 tasks here. The first is to reassure the reader that the results can be relied upon. So, focus first on your diagnostics BUT be sure to use those tests that are focusing on the most important econometric problems in your work. If you have used testing to help you decide upon a particular model (many of you have) then describe that line of logic.

Where you have altered the specification of your estimating model (additional X’s or power terms) then show these and ask yourself ‘does my parameter of interest change very much between models?’

Your second task is to qualitatively interpret the size sign and magnitude of your estimated coefficients. Be sure to include a ‘sense check’ here. If something appears implausible, say so. If it looks reasonable, ok. Either way, state a justification for your call.

**Watch Out:** Be very sure that you are giving weight to the most appropriate tests (Do not just report everything for the sake of it!). Ensure that you correctly interpret any hypothesis tests you do report – read carefully the hypothesis and be sure to ‘write it right’.

**A thoughtful conclusion**

This is where you wrap-up your story. Very briefly:

* remind us what you wanted to achieve,
* what methods you applied in your final Model
* what your result tells you (think – is the estimated impact big, small, positive or negative)

Then interpret. Does your result suggest there is an impact of policy on your Y? If so, what have you found and can we trust your result? What can we say about the impact you find (or fail to find)? Are there other methodological avenues that might need exploring IF you had more time and resource?

What are the limits of interpretation of your results? Are your results generalisable to other times and places? Do your results answer all or only part of the Policy Makers problem?

Is there further or additional work needed before you can really say whether the policy has had a positive or detrimental impact on society. And how can your results be used to help refine policy in order to improve outcomes?