

Public Policies I

Code: 42732
ECTS Credits: 10

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Degree	Type	Year
4310025 Economics and Business Administration	OT	0

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Teaching groups languages

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Prerequisites

Fundamentals of Economics and Business I

Fundamentals of Economics and Business II

Objectives and Contextualisation

Evaluation Methodologies:

The objective of this course is to familiarize students with the growing field of impact evaluation in economics. The course presents the main methodologies used to quantify the causal effect of policy interventions on outcomes, including randomized evaluations, difference-in-differences, regression discontinuity designs and natural experiments. These methodologies are assessed critically focusing on their weaknesses and strengths as well as focusing on their application in Stata. The course also offers an overview of the key debates in the design and implementation of a wide range of policies, and their impact on socially relevant issues such as tackling poverty, improving quality and access to education, regeneration of deprived areas, fostering employment.

Infrastructure Policies:

This course studies the economic aspects of infrastructures using the tools of economic analysis in deciding the optimal level of infrastructure provision, the role of public and private sector in their provision and operation and shows the policy implications of the deregulation process that has taken place in infrastructure markets in recent years. The emphasis of the course is empirical, with detailed examples and case studies to show the economic consequences of alternative policy designs.

Education Policies:

The course provides a deep dive into the intersection of economics and education. Beginning with foundational concepts, such as human capital and global perspectives, students' progress to scrutinize education production functions and educational innovations. The course culminates with an exploration of education policy, funding models and strategies for addressing inequalities, and the autonomy in schools. Through lectures and case studies, students gain a comprehensive understanding of how economic principles shape educational outcomes globally, preparing them to critically analyze policies and contribute to the evolving discourse on the future of education.

Competences

- Argue the case for and write a precise, clear and concise report of the problems presented in the English language.
- Carry out empirical studies for impact assessments of different policies: Identify existing data sources or design a data collection, application of statistical and econometric techniques that are appropriate for programme and policy evaluation, formulation of empirical strategies and the appropriate interpretation of the results.
- Carry out empirical studies.
- Carry out oral presentations in the English language.
- Contextualise economic problems through the use of formal models that enable quantitative analysis.
- Demonstrate an understanding and carry out a critical analysis of economic studies of the economic policies of international organisations such as the OECD or the European Commission in the areas indicated.
- Demonstrate an understanding of apply the main economic principles of efficiency and equity in the different areas mentioned above.
- Identify specific cases among situations in which the markets are not efficient and those in which they are, as well as public intervention that leads to efficiency and that which does not.
- Respect ethical, social and environmental values.
- Understand academic research in the areas indicated.
- Use different statistical programs to process data.

Learning Outcomes

1. Argue the case for and write a precise, clear and concise report of the problems presented in the English language.
2. Carry out empirical studies for impact assessments of different policies: Identify existing data sources or design a data collection, application of statistical and econometric techniques that are appropriate for programme and policy evaluation, formulation of empirical strategies and the appropriate interpretation of the results.
3. Carry out empirical studies.
4. Carry out oral presentations in the English language.
5. Contextualise economic problems through the use of formal models that enable quantitative analysis.
6. Demonstrate an understanding and carry out a critical analysis of economic studies of the economic policies of international organisations such as the OECD or the European Commission in the areas indicated.
7. Demonstrate an understanding of apply the main economic principles of efficiency and equity in the different areas mentioned above.

8. Identify specific cases among situations in which the markets are not efficient and those in which they are, as well as public intervention that leads to efficiency and that which does not.
9. Respect ethical, social and environmental values.
10. Understand academic research in the areas indicated.
11. Use different statistical programs to process data.

Content

Evaluation Methodologies:

1. Key challenges of estimating the causal impact of public policies
2. Randomized evaluations
3. Difference-in-differences
4. Propensity score matching
5. Regression discontinuity designs
6. Endogeneity and Instrumental Variables
7. Natural and quasi-natural experiments

Infrastructure Policies:

1. Introduction: economic importance of infrastructures: Economic impact of public infrastructures: demand and supply effects, net and spillover effects, crowding out effects and distributive effects.
2. Infrastructures and economic growth: Models used to investigate the relationship between infrastructure and economic activity: Input Output Models, Econometric Models.
3. Decision-making on infrastructure provision: Cost Benefit Analysis and beyond.
4. Models of public-private infrastructure management: The problem of monopoly in infrastructure provision and the range of possible solutions. Public provision of infrastructures and reasons for privatization.
5. Infrastructure provision with private contracts and concessions: Private contracts. Infrastructure concessions and the renegotiation problem. Public Private Partnerships (PPPs).
6. Infrastructure regulation and competition: Infrastructure regulation: rate of return & price cap. Vertical unbundling and the introduction of competition. Regulation of liberalized infrastructures.

Education Policies:

1. Introduction to economics of education
 - 1.1 Definition and scope of economics of education
 - 1.2 Human capital and growth
 - 1.3 Returns to education
 - 1.4 Global perspectives on education
2. Education production functions
 - 2.1 Introduction to education production functions
 - 2.2 Education production functions specifications in the literature
 - 2.3 Measurement of educational outcomes
 - 2.4 Which inputs are relevant in education production functions
3. Innovation in education
 - 3.1 Impact of technology on educational outcomes
 - 3.2 Innovative pedagogical methods
 - 3.3 What skills are relevant for the future and how do we enhance them?
4. Education inequalities
 - 4.1 Socioeconomic status and educational outcomes
 - 4.2 Gender and minority disparities
 - 4.3 Policies to address educational inequalities
5. Education policy and funding
 - 5.1 The role of government in funding and regulation
 - 5.2 Funding models and equity

Activities and Methodology

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Lectures with ITC support	37.5	1.5	1, 2, 3, 5, 6, 7, 8, 9, 10, 11
Resolution of exercises	37.5	1.5	1, 2, 3, 5, 6, 7, 8, 9, 10, 11
Type: Supervised			
Tutoring and monitoring work in progress. In-class presentations	62.5	2.5	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11
Type: Autonomous			
Study, Reading, Exercise solving, Essays writing,	79.5	3.18	2, 3, 5, 6, 7, 8, 9, 10, 11

The activities that will allow the students to learn the basic concepts included in this course are:

1. Theory lectures where the instructor will explain the main concepts.

The goal of this activity is to introduce the basic notions and guide the student learning.

2. Problem Sets

In some subjects, a problem set which students will have to solve individually or in teams will be included in every unit. The goal of this activity is twofold. On one hand students will work with the theoretical concepts explained in the classroom, and on the other hand through this practice they will develop the necessary skills for problem solving.

3. Practice lectures

The aim of this activity is to comment on and solve any possible doubt that students may have had solving the problem assignment. This way they will be able to understand and correct any errors they may have had during this process.

4. Essay writing

In some subjects students will produce written essays on the topics proposed.

5. Tutoring hours

Students will have some tutor hours in which the subject instructors will help them solve any doubts they may have.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

Assessment

Continous Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exercises and essays	35%	27	1.08	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11
Topic Exam: Education Policies	21.66%	2	0.08	1, 5, 6, 9, 10, 11
Topic Exam: Evaluation Methodologies	21.66%	2	0.08	1, 5, 7, 8, 9, 10, 11
Topic Exam: Infrastructure Policies	21.66%	2	0.08	2, 5, 9, 10, 11

1. The module consists of a number of different subjects or parts taught by different professors. The final mark for the module will consist of the average of the marks of each subject within the module.

- The module is considered successfully passed if:
 - the mark for each subject within the module is higher than or equal to 3.0 (in a 0 to 10 scale), and
 - the final mark for that module is higher than or equal to 5.0 (in a 0 to 10 scale).

IMPORTANT: Class attendance is mandatory. In order to pass each subject, students must attend all lectures. Special cases, with appropriate justification, will be considered individually by the professors together with MEBA coordinators.

- If the module is not successfully passed, the MEBA coordinators will ask the student to re-take the exams for those subjects that, according to the coordinators and the professors opinions, may help the student to successfully pass the module.

If after the re-take exams the student successfully passes the module, her or his mark for that module will be upgraded accordingly, otherwise the previous grade will remain valid. Two restrictions apply for the results after retaking:

- the highest mark for any subject retaken is 5.5; and
- the final grade of the module after the re-take exams cannot be higher than 6.8.

The calendar for the re-retake exams will be announced along with the grades report

1. The mark -between 0 and 10- for each subject will be computed by each professor based on his or her own criteria and on the student's performance. As a general rule, 35% of the mark will correspond to the assessment of the continuous work of the student during the course, and 65% will consist of a comprehensive final examination. The duration and nature of the final examination is decided by each professor.

1. Final exams are compulsory. Re-take exams are only thought for those students having previously written a first exam and failed.

Bibliography

General References

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- Straub, S., *Infrastructure and Development: A Critical Appraisal of the Macro-level Literature*, *The Journal of Development Studies*, vol. 47(5), 683-708, 2011.
- World Bank, *World Development Report 1994: Infrastructure For Development*. Oxford University Press, New York. Overview and Chapter 1, 1-36, 1994.

Specific References

- Each professor will provide specific references for each topic along the course.

Software

STATA

Language list

Name	Group	Language	Semester	Turn
(TEm) Theory (master)	30	English	second semester	morning-mixed