PUBLIC POLICY & DEVELOPMENT

Course Booklet
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To the reader:

This document presents the course syllabi for the current academic year.

In the interest of improving course offerings, the PSE Programmes require students to evaluate their courses therefore the contents of these might be modified or adapted the following year according to the feedback received.

The location of the courses, the teachers as well as the semester they are taught in may also change from year to year.
**Macroeconomic policies**

**Location:** CIUP  
**Year:** M1  
**Semester:** S1&S2  
**Lectures:** 36h  
**Tutorials:** 18h  
**ECTS:** 6  
**Teachers:** Julia SCHMIDT, Christian THIMANN  
**Teaching assistant:** Marin FERRY  
**Presentation:** The aim of the course is to give students an overview of economic policies in advanced and developing economies. The course will make regular references to the basic models of macroeconomics (ISLM, AS/AD, Solow, Phillips curve...), and present more advanced models (currency crises, dynamic inconsistency...) as needed. Each lecture will be illustrated by country case studies.

**Economic Growth**

**Location:** JOURDAN  
**Year:** M1  
**Semester:** S1  
**Lectures:** 12h  
**Tutorials:** 6h  
**ECTS:** 3  
**Teacher:** Sean DOUGHERTY  
**Teaching assistant:** Marin FERRY  
**Presentation:** This course covers the theory of economic growth. We will present some aspects of growth empirics, and focus on specific topics, including economic growth and innovation, as well as some implications of inequality on economic growth. Because economies interact with each other, we shall also emphasize some linkages between trade and growth, as well as some process of economic development through, for instance, technology transfers.  
**A prerequisite is David Weil’s textbook:**  
« Why are some countries rich and others poor? David N. Weil, one of the top researchers in economic growth, introduces students to the latest theoretical tools, data, and insights underlying this pivotal question. By showing how empirical data relate to new and old theoretical ideas, Economic Growth provides students with a complete introduction to the discipline and the latest research. With its comprehensive and flexible organization, Economic Growth is ideal for a wide array of courses, including undergraduate and graduate courses in economic growth, economic development, macro theory, applied econometrics, and development studies. »  
**The two essential book manuscripts for this course are:**  
« A central puzzle of growth theory is to account for sustained productivity increase in the face of diminishing returns. Aghion and Howitt describe, with great clarity and verve, the main explanations that growth theory has proposed: from denial of the reality of diminishing returns to capital to Schumpeterian creative destruction, with intervening stops for exogenous and endogenous technological progress.»  
« One of the hottest fields in contemporary macroeconomics, economic growth is both fascinating to theorists and critically important to policy makers. In Introduction to Economic Growth—the only text in the field designed specifically for advanced undergraduates—Charles I. Jones explains in clear, direct language how economists have come to understand the long-run growth of economies. Beginning with empirical evidence—how rich are the rich countries, how poor are the poor, and how fast do the rich and poor countries grow? —Professor Jones then presents the major theories of economic growth, from the Nobel Prize-winning work of Robert Solow to the new growth theory that has ignited the field in recent years. »

**Public Economics: Tax and Transfer Policies**

**Location:** JOURDAN  
**Year:** M1  
**Semester:** S1  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Thomas PIKETTY  
**Presentation:** The objective of this course is to present the basic tools and concepts of modern public economics, with special emphasis on the incidence of tax and transfer policies, both in developed countries (EU, US) and in the developing world. The course will be organized in 8 lectures of 3 hours. In order to validate the course, students are required (1) to attend and actively participate to all lectures and take and pass the final exam.  
**Course website:** [http://piketty.pse.ens.fr/fr/enseignement/10-page-statique/18-pubecon](http://piketty.pse.ens.fr/fr/enseignement/10-page-statique/18-pubecon)

**Econometrics 1**

**Location:** CIUP/JOURDAN  
**Year:** M1  
**Semester:** S1  
**Lectures:** 15h  
**Tutorials:** 12h  
**ECTS:** 4  
**Teacher:** Karen MACOURS  
**Teaching assistant:** Son Thierry LY  
**Presentation:** Linear econometrics model, tests and instrumental variables.  
The objective of the course is enabling students to critically read empirical studies that use different econometric techniques to address policy questions, to identify some of the most common econometric problems in these studies, and to understand the potential consequences and remedies. At the end of this course, the students should be able to analyze data using the most common estimation techniques and with the help of statistical software (STATA).
### Econometrics 2

**Location:** CIUP/JOURDAN  
**Year:** M1  
**Semester:** S1

**Lectures:** 15h  
**Tutorials:** 12h  
**ECTS:** 4

**Teacher:** Marc GURGAND  
**Teaching assistant:** Son Thierry Ly  
**Presentation:** The lecture covers the main micro econometric techniques that are used in policy evaluation: random experiments, matching, difference-in-difference, regression discontinuity and instrumental variables, with particular emphasis on local average treatment effect.

### Econometrics 3

**Location:** CIUP/JOURDAN  
**Year:** M1  
**Semester:** S2

**Lectures:** 15h  
**Tutorials:** 12h  
**ECTS:** 4

**Teacher:** Luc BEHAGHEL  
**Teaching assistant:** Son Thierry LY  
**Presentation:** This course complements the two econometric classes (linear econometrics and evaluation econometrics) dealing with specification and identification issues arising when data are discrete and when samples are not randomly selected from the initial population. This allows us to introduce some slightly technical tools (conditional maximum of likelihood) and also to get a concrete grasp of the tradeoffs empirical econometricians face, between simple, robust models like the linear probability model, and more satisfactory, but also sometimes less robust models.

The fourth lecture gives an introduction to panel data models. The last session drives the students through a real data application on sample selectivity bias.

### STATA Practice Class

**Location:** CIUP  
**Year:** M1  
**Semester:** S1

**Tutorials:** 4h

**Teacher:** Son Thierry LY  
**Presentation:** The aim of this class is to give some basic knowledge of STATA software for statistical and econometric analysis. This class is divided in 2 sessions (2 hours each) and based on a handbook, available from the tutorial section below. Students can find in the handbook a quick introduction to the software and a detailed description of the basic and most useful commands, as well as a tutorial and its (do file) solution in appendix.

### Team work in Applied Economics

**Location:** JOURDAN  
**Year:** M1  
**Semester:** S1&S2

**ECTS:** 4

**Teachers:** Pauline CHARNOZ, Mathilde GAINI

### Master PPD

**Presentation:** The teamwork in econometrics is part of the requirement for the PPD master students. It accounts for 3 ECTS. It is the opportunity for you to apply econometric methods on economic questions of your choice, using real datasets. Pauline Charnoz and Mathilde Gaini can assist you on technical questions and supervise your work. Don’t hesitate to request help from the instructors.

**Set up and requirements:**

1. **Choice of the topics:** a list of suggested topics is sent to the students, you ordinate all the topics according to your preferences (from the topic you are the most interested in to the topic you are the less interested in) and you send this list of preferences to the teaching assistants that will assign the topics forming teams of two students.

2. **First meeting (half an hour) with Pauline Charnoz/Mathilde Gaini:** You present the paper/topic you have been assigned to. For the mid of November, you send a short description (max. 5 pages) of the topic (question; draft of literature review; description of the data you plan to use).

3. **Second meeting (half an hour) with Pauline Charnoz/Mathilde Gaini:** Before this meeting, you write a report of about 10 pages which will be a part of your final report and send it to Pauline Charnoz and Mathilde Gaini. You will have to write an introduction, to present descriptive statistics, the methodology, the reproduction of the main results of the article and discuss the extensions you plan to do.

4. **Third Meeting (an hour):** You send a first draft of your report to Pauline Charnoz and Mathilde Gaini. The first 15 mns of the meeting will be devoted to a « fake exam ».

5. **Validation:** The evaluation of your work is based on a short report (10 to 20 pages, including result tables), common to the team, and an oral presentation, where each student must present part of the joint work. You must also include an appendix with the statistical codes you have used (from the original dataset to the results); this is not counted within the 10 to 20 pages.

In the presentation, you are encouraged to use slides. The presentation lasts 15 minutes, followed by questions. The jury is made of Pauline Charnoz /Mathilde Gaini and one of the instructors.

**Timeline:**

- **October:** Assignment of topics  
- **Mid-October:** 1st meeting to validate the topic and organize the work.  
- **Mid November:** Send a short note to Pauline Charnoz/Mathilde Gaini  
- **Mid January:** Send draft of the first part to Pauline Charnoz/Mathilde Gaini  
- **Late January:** 2nd meeting with Pauline Charnoz/Mathilde Gaini  
- **Mid March:** Send draft of the report to Pauline Charnoz/Mathilde Gaini  
- **March:** 3rd meeting with Pauline Charnoz/Mathilde Gaini  
- **Mid April:** Reports due by email to master-ppd@ens.fr  
- **End of April:** Oral presentation

The final grade is based on the written report and on the oral presentation. A minimum mark of 10/20 is required. There is no catch-up exam (« session de rattrapage »).
This course aims to discuss the quantitative measurement of the main socioeconomic variables used in the evaluation of public policy, in both developed and developing countries. These include GDP, poverty and inequality, employment and unemployment, health and education, segregation, environmental indicators. First, the course surveys the conceptual debates around definitions of variables: wealth and growth, poverty and inequality, labor productivity, education, health etc. Second, it develops the axiomatic arguments (with their varying degrees of mathematical reasoning) that may lead one to choose an indicator over another. Special attention is given to the issues raised by agent heterogeneity and multidimensional welfare. Then, the course will analyze how those theoretical indicators are materialized and calculated on actual data, such as can be obtained from national accounts, administrative sources or sample surveys. A central goal of the course is to enable students to better understand several controversial issues, in which measurement problems play a major role: is poverty declining or rising? What about unemployment? How do different countries compare, in terms of development, living conditions or education?

**Measurement of policy outcomes: socioeconomic variables and well-being**

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**Social Policies**

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This short course will provide an introduction to the economics of social protection. It will focus on four themes: (i) designing sustainable social programs, (ii) assessing the performance of social protection, (iii) private versus social insurance and (iv) the social desirability of tagging, workfare and in-kind transfers.

**Mathematics and Statistics for Economic Analysis**

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This course aims at providing students with both an understanding and some practice of the core techniques of Statistics and Mathematics for economists, the command of which proves necessary.

and intellectual property rights, and finally global externalities, emphasizing global warming. A final chapter will be devoted to the issue of global governance.
for subsequent courses in Econometrics and economic analysis. The course has two parts: the three
first lectures are devoted to Statistics and the five following to Mathematics. The Statistics part begins
with the properties of random samples (including normal samples and convergence concepts), before
turning to point estimation and hypothesis testing (using the maximum likelihood approach primarily).
The Mathematical part covers the core methods for static (including the resolution of the Lagrange and
nonlinear programming problems) and dynamic optimization methods (using the maximum principle
primarily) and includes a chapter on the resolution of differential equations. The course is taught
primarily for students who do not have a strong background in quantitative methods.

CEPREMAP Conferences

Location: CIUP/JOURDAN  Year: M1/M2  Semester: S1&S2
Lectures: 24h  ECTS: 3

Presentation: The CEPREMAP conferences are single-conferences or mini-courses performed
by senior economists from national or international administrations or institutions. They will present
a policy question and how their institution manages it and proposes prescriptions. For a given
conference, you have to prepare it by groups including:
- before the conference: a short text on the orator, her/his work and a survey on the theme of the
conference.
- during the conference: questions for launching the discussion
The size of the group is proportional to the length of the conference.
There is no exam but a validation taking into account the collective job of each group and the individual
presence at the complete cycle of conferences.
Full program is available beginning of October.

Elective EHESS Seminar

Location: EHESS  Year: M1  Semester: S1&S2
Lectures: 24h  ECTS: 3

Presentation: Students are asked to choose 1 seminar among the courses list of the EHESS. The
3-credit seminar must be taken in another field than Economics (Sociology, History, Anthropology,
etc.) within the wide set of courses offered in other EHESS Masters programmes.
EHESS seminars list: http://www.ehess.fr/fr/enseignement/enseignements/

Internship

Year: M1  Semester: S2  ECTS: 9

Teacher: Flore GUBERT

Presentation: Each year, an information email on internships is sent in October to the freshmen.

Master PPD

Internship has to be of at least two months, not more than four, between May and the end of August.
The M1 internship is carried out under the supervision of Pr Flore Gubert.
Students are encouraged to contact directly the institution where they are planning to make their
internship as early as they have discussed their project with Prof. Gubert.
Students have then until the end of March to submit to the PPD administration the name of their host
institution.
For those who will be making their internship abroad, PSE can contribute financially to cover some of
the expenses that would not be covered by the host institution.
The students will be marked only based on the internship report. An informal interview with Prof.
Gubert will take place in October of the following year to discuss some of the points that would not
have been mentioned in the report.
Regarding the « rapport de stage » in itself. The contents of the report depend on the internship.
Here are a few examples: If you are a research assistant and are involved in a research project, your
report should describe the project (research questions, data, methodological issues, etc.) and tell us
how you were involved, the difficulties you faced if ever, the results you obtained, what you learnt,
and so on.
If you are in charge of writing short notes on various subjects, then your report may be a compilation
of some of them, with a short introduction describing how the internship went, the difficulties you faced
if ever, and so on.
If you are member of team evaluating many projects and are not involved in one of them in particular,
then your report should first describe the main tasks of the team, the type of projects they evaluate,
the methodology they use, and then tell us how you were involved, what you learnt, etc.
In any case, do not be too long (20 pages or so). Be precise on the tasks you performed, what you
learnt, the difficulties you faced if ever, what could be improved, etc.
The report is aimed at giving us a clear idea of what you did during your internship and at evaluating
whether the internship was appropriate or not.
M2 courses

Common core - semester 1 & 2

Evaluating public policies

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<td>Lectures: 24h</td>
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<td>Teachers: Martin RAVALLION, Julien GRENET</td>
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Presentation:

Part 1: The role of economics in the formulation, adoption, and implementation of public policy (Julien GRENET)
This course is intended to examine the role that economics plays in the formulation, adoption, and implementation of public policy, with strong emphasis on combining theoretical models with empirical evidence. Although the concepts and tools of public policy evaluation that will be covered in class are of wider applicability, the institutional context will be mostly European and North American.

The first lecture will develop the framework of social welfare analysis, by discussing the economic rationale for government intervention and the use of microeconomic tools to evaluate the relative merits of alternative policies. The next lectures will apply this framework to three broad public policy questions: externalities, public goods and social insurance.

Note that the course will not address topics related to government taxation (tax incidence, transfer policies, income and capital taxes, etc.), which have been covered in the « Public Economics: Tax & Transfer Policies » compulsory M1 course.


Empirical methods for Policy Evaluation

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<td>Lectures: 24h</td>
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<tr>
<td>Teachers: Roland RATHELOT, William PARIENTE, Son Thierry LY</td>
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Presentation: This course will provide an in-depth presentation of the theory and practice of empirical policy evaluation. It will distinguish between two approaches: First, methods based on ‘natural’ experiments, whereby some reform or outside event has features such as exogeneity or discontinuity, that allows to form otherwise comparable groups, that are respectively affected and unaffected by the policy to evaluate. Second, methods based on ‘controlled’ field experiments, in which the population submitted to the policy is randomly determined, so that it is strictly comparable to a controlled group.

These methods will be presented by practitioners who will get into the details of implementation and provide a number of applications.

Empirical Political Economy

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<td>Teacher: Ekaterina ZHURAVSKAYA</td>
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Presentation: The course introduces students to the central concepts and research questions in the contemporary field of Political Economy with a special focus on empirical applications.

The course evaluation consists of class participation (30%), one three-page double-interval essay (40%), take-home exam (30%).

Recommended background reading:

Masters Thesis

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The M2 master’s thesis is carried out under the supervision of a research supervisor. Students are encouraged to contact an instructor working on topics of interest to the student and to discuss possible dissertation topics. Every year, instructors also propose topics that students may wish to write on.

The final choice of a master’s dissertation supervisor must take place, at the latest, in January of the M2 year. A master’s dissertation proposal (3 pages maximum), approved and signed by a research supervisor, must be submitted to the programme administration at the latest on January, 31st, 2014.

All PPD instructors and PSE members can serve as research supervisors for the master’s dissertation. If your subject justifies it and with the approval of the director of the programme, you may choose a supervisor from outside the programme. In this case the rapporteur (referee) that you will chose for the defense must be a teacher from the PPD course.

The master’s dissertation counts for 40% of the final grade (24 ECTS).

IMPORTANT! The master’s dissertation is graded on a scale of 0 to 20. The defense lasts roughly 45-60 minutes before a jury composed of the master’s dissertation and a rapporteur.
After the defense, the defense jury proposes a grade for the dissertation that is transmitted to the master’s office. However, the final grade is attributed and validated ONLY by the end of the year jury on the basis of the grade proposed by the defense jury, the dissertation, and, for grades of 16 and higher, the jury report. The jury report for grades equal or higher than 16 is compulsory.

**Elective advanced courses to choose for 27 credits**

### Social Policies

**Economics of education**

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<th>Location</th>
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**Lectures:** 24h

**Teachers:** Marc GURGAND, Luc BEHAGHEL

**Presentation:** This course provides an introduction to the economic analysis (both theoretical and empirical) of the investment in and provision of education. The theoretical background that explains individual and public investment in education is reviewed and linked to empirical evidence. One important application is the analysis of the returns to education both at the micro and macro level. Finally, the course will analyze the production and provision of education. Examples are the importance of inputs such as teachers and class size, the role of incentives and the analysis of peer effects. Each course will consist of a general introduction by the instructors, followed by presentation of papers by students.

**Economics of inequality**

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**Lectures:** 24h

**Teacher:** Thomas PIKETTY

**Presentation:** The main objective of this course is to present recent research in the area of income and wealth distribution and to suggest research topics to students wishing to work in this domain. The issue of inequality will be treated both from an historical perspective (how did income and wealth distributions evolve since the 19th century, and how can we account for these changes?) and from a theoretical perspective (positive models of income and wealth distribution dynamics, normative models of optimal taxation and redistribution, etc.). The course will also address the most recent evolutions and implications for economic and social policies (what will be the impact of the current crisis on the structure of income and wealth distributions? what are the prospects for redistribution in the early 21st century?). An active participation of students is required. Students looking for a topic

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**Economics of labour and social policies**

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**Lectures:** 24h

**Teacher:** Eric MAURIN

**Presentation:** Ce cours avancé de 24 heures, dispensé en français, traite des problèmes posés par l'identification empirique des effets de contexte ainsi que des difficultés à évaluer les politiques publiques en présence d'effets de contexte. Le cours s'appuie sur la présentation de nombreux travaux récents en économie de l'éducation et en économie du travail (voir le document des lectures conseillées).

**Practices of Care and Dependence Policies in France / Handicap et Dépendance**

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**Lectures:** 24h

**Teacher:** Florence WEBER, Agnes GRAMAIN


Après avoir compris le fonctionnement des politiques publiques du handicap et de la dépendance à différentes échelles (sélection des bénéficiaires, régulation des producteurs, orientation des populations), les étudiants mèneront des enquêtes sur les différentes étapes de l’orientation des bénéficiaires de l’action publique dans le maquis des offres institutionnelles (formation, emploi, services d’aide, institutions d’hébergement). Ils réfléchiront avec l’équipe de recherche sur les outils nécessaires pour analyser les trajectoires des usagers du secteur médico-social en fonction de leur carrière de malade et des événements biographiques qui les touchent.

L’atelier est ouvert à des étudiants de L3, M1 & M2 et doctorat, en sociologie, science politique, anthropologie et sciences économiques. Il suppose une participation active à la recherche. Sa
validation dépend des établissements d’inscription (ENS, EHESS, Dauphine, Paris 1).


Les deux séances de janvier sont consacrées à la soutenance des travaux des étudiants.

### Health Economics

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1  
**Lectures:** 24h  
**ECTS:** 3  
**Teachers:** Pierre-Yves GEOFFARD, Bénédicte APOUEY  
**Presentation:** This course is an introduction to theoretical and empirical research on Health Economics and related topics.

**Course outline:**
1. Overall Introduction, Pierre-Yves Geoffard
2. Health insurance, competitive markets and social insurance: Pierre-Yves Geoffard
3. Long term care, Pierre-Yves Geoffard
4. Health Inequalities I & II, Bénédicte Apouey
5. Health Inequalities III + Malaria, Bénédicte Apouey

### Risk, incomplete contingency markets and microfinance policy

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Flore GUBERT  
**Presentation:** This course provides an overview of the microfinance industry: its origins, evolution, theoretical underpinnings, and empirical evidence. Through lectures and case studies, it focuses on both the practices of existing microfinance institutions and on the basic issues and policy debates in microfinance, such as impact assessment, poverty targeting and measurement, and sustainability.

### Demography and Ageing

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1&S2  
**Lectures:** 24h  
**ECTS:** 3  
**Teachers:** Didier BLANCHET, Gilles SPIELVOGEL  
**Presentation:**
Part I: Ageing and pension policy (Blanchet)
The first part of the course is devoted to economic consequences of ageing for developed countries, with a specific focus on pensions. Basic facts about ageing will first be recalled, along with a basic presentation of tools used by demographers to model changes in age structure. General economic consequences of demographic change will then be reviewed: implications for growth, for labour market equilibrium and for global public expenditures.

The rest of the course will exclusively focus on pensions. Consequences of ageing for pension systems under no-reform scenarios will be discussed. We shall then review the main types of policies suggested to adapt pension schemes to the new demographic context: adjustment of contributions rates or benefit levels within existing PAYG schemes, increasing the share of funded pensions, rising the retirement age. On this last question, a specific attention will be devoted to examining both the supply and demand side of senior employment.

Part II: Fertility and Population Policies in Low Income Countries (Spielvogel)
In this part of the course, we discuss population issues in low income countries. We start by examining theoretically and empirically the macroeconomic linkages between population and development. Then we discuss unified growth models that link the demographic transition to the process of industrialisation. The course shifts then to the microeconomic foundations of population growth. We discuss different models of fertility along with their empirical tests, in particular demand side models and models of social interaction. Drawing on the insights from these models, we finally debate about the pro and cons of family planning programs. The last section is devoted to the analysis of the role of mortality in the demographic transition, and the challenges raised by ageing.

### Labour Market Policies

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Philippe ASKENAZY  
**Presentation:** During the past decades, the struggle against unemployment remained at the top of the agenda of policy makers. The historical and institutional perspective focuses on the key connections between new facts, new theories or paradigms of the labor market, and ultimately implemented micro and macro policies, in France and other countries (US, UK, Germany... UK), including developing countries.

There is no final exam but students have to prepare a presentation on specific topics (in case of affluence, small groups are constituted).

### Public Finance

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1&S2  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Sandrine DUCHÊNE  
**Presentation:** Public finance has arisen as a key issue in Europe, as far as reaching a sound budgetary position is a major requirement of the Stability and Growth Pact. This question is not some kind of “bureaucratic” concern: the current debt burden, implying massive transfers to future generations,
seems to be now a popular question in the public opinion. But when the necessity of monitoring public finance is not in debate, the analytic framework is not quite clear. And there is no agreement on the instruments to meet the objective. The main questions are: what are the pertinent targets? What is the proper term for action (short, medium, long term)? What is the most successful, cutting expenditure or raising taxes? How can we deal with the trade-off between efficiency and equity when implementing reforms? The purpose of this course is to give some theoretical, empirical and practical material to these questions, in line with recent developments of economic analysis in the field of public finance.

**Income level, Income Distribution and Subjective Well-Being**

- **Location:** JOURDAN
- **Year:** M2
- **Semester:** S1
- **Lectures:** 12h
- **ECTS:** 1.5
- **Teacher:** Claudia SENIK

**Presentation:** The research field of subjective well-being (SWB) has recently experienced remarkable growth, largely centred on the statistical analysis of large-scale representative surveys (often panel data) including subjective evaluations such as self-reported life or job satisfaction, or other measures of mental well-being. Further, SWB is one of the perhaps rare subjects that have inspired research across a variety of social science disciplines, with key contributions in Economics, Psychology, Political Science and Sociology.

Using subjective variables can help address various policy questions for which standard methods of analysis have not sufficed to provide unambiguous results. Income distribution, income comparisons and other types of social interactions and preferences interdependence clearly enter the field of phenomena for which the usual method of action-revealed preferences cannot be implemented, and for which the recourse to subjective data can be helpful.

The main motivation of the subjective well-being literature is the famous « Easterlin paradox » that the average self-declared happiness does not increase during periods of sustained income growth (in post-war Japan for instance). Hence, « raising the incomes of all will not increase the happiness of all » (Easterlin, 1974). The reasons for this paradox are usually taken to be income comparisons and adaptation, both phenomena which destroy the welfare benefit of growth.

This course presents this new literature and how it has shed light on the issue of income inequality, income comparisons and the need for a public intervention aimed at correcting these gaps. The main questions addressed by this literature are: what degree and which type of correction of income inequality are desired by the population, and for which motives.

This question has endorsed a new actuality, with the rise in income inequality, including wage inequality, in the countries of the OECD, starting in the 1980’s (Atkinson and Piketty, 2007). On the other hand, the weight of government transfers for income redistribution has doubled in developed countries since the 1960’s (Alesina and La Ferrara, 2005). Given the importance of income inequality and of policies aimed at reducing it, it is important that for economic research to provide some information about the subjective perception of these phenomena.

**Course outline:**
- Income growth and subjective well-being
- Income comparisons and subjective well-being
- Adaptation, aspirations, expectations and subjective well-being
- Political preferences and the demand for redistribution.

**Global Policies**

- **Development economics**
  - **Location:** ENSAE
  - **Year:** M2
  - **Semester:** S1
  - **Lectures:** 24h
  - **ECTS:** 3
  - **Teachers:** Sylvie LAMBERT, Akiko SUWA-EISENMANN

  **Presentation:** This course analyses theoretical and empirical aspects of economic development, both from the micro and macro point of view.

  This course aims at giving a set of general knowledge in development economics and at surveying the foundation of current research in the field. At the end of this course, students will have acquired factual knowledge of development issues, mastering of analytical tools and understanding of specific empirical challenges.

  Students are required to master the main notions of micro and macro economics.

  This course is delivered at ENSAE therefore a registration through the online resources website does not apply to it. Students will receive an email from the Masters secretariat with the instructions to follow the appropriate registration procedure.

- **Trade**
  - **Location:** JOURDAN
  - **Year:** M2
  - **Semester:** S1&S2
  - **Lectures:** 24h
  - **ECTS:** 3
  - **Teacher:** Anne-Celia DISDIER

  **Presentation:** The course focuses on the empirical analysis of trade and trade policy. It will provide students with a standard toolkit in the field: gravity equations derived from theoretical models; protection, transfers and the effects of partial liberalization; direct and indirect measurement of protection with a focus on non-tariff measures; access to trade and protection data; CGE modeling; Aid for trade; financial development and trade.
Aid, Debt and International Finance

Location: JOURDAN  
Year: M2  
Semester: S1 & S2  
Lectures: 24h  
ECTS: 3  
Teachers: Lisa CHAUVEJT, Julia CAGE  
Presentation: This course introduces to the analysis of international capital flows and of the sustainability of developing countries’ debt. It also provides an analysis of the debate over aid effectiveness. The relative effectiveness of alternative sources of development financing will also be analyzed. The first four sessions will be devoted to international aid while the four remaining courses will deal with international finance and debt.

Economic Geography, Spatial Inequality & Regional Development

Location: ENSAE  
Year: M2  
Semester: S1 & S2  
Lectures: 24h  
ECTS: 3  
Teachers: Miren LAFOURCADE, Sandrine MESPLE-SOMPS  
Presentation: Economic Geography is concerned with fundamental questions about the location of economic activity: what causes economic activity to be unequally distributed across space? Is regional integration a force triggering spatial disparities? Can location patterns be explained by general rules? What location specificities explain the exceptions to these rules? What are the policy implications to be drawn?

The course will start with several insights drawn from comparing different indices of spatial inequalities computed both at the worldwide level (so as to make the North-South dichotomy salient) and at the European scale, with a particular historical focus on France regional disparities. Then, it will move to the presentation of the models and empirical studies expanded to understand the key economic foundations of location patterns, and to show that the decline of trade costs raises a difficult trade-off by climate change and lack the resources to adapt?

International Migration

Location: JOURDAN  
Year: M2  
Semester: S2  
Lectures: 12h  
ECTS: 1.5  
Teacher: Hillel RAPOPORT  
Presentation: International migration affects the growth and development prospects of developing countries in a number of ways. A first impact is due to the non-random selection of individuals into migration. The fact that migrants are typically younger and more educated that the average worker in the country of origin, and that migrants self-select according to political views, ethnicity, etc., can affect the sending economy through compositional changes in the workforce and the general population that can in turn affect wages, the supply of skills (including through additional incentives to invest in education in a context of migration), inequality, and other socio-economic outcomes. Second, once abroad, migrants continue to affect the sending economy through a series of feedback effects such as in the sending economy through compositional changes in the workforce and the general population that can in turn affect wages, the supply of skills (including through additional incentives to invest in education in a context of migration), inequality, and other socio-economic outcomes.
as monetary remittances, the role of migration and diasporas networks in fostering trade, financial investments and knowledge flows between home and host countries, return migration, and the transfer of social norms and values.

The course will focus on the following channels: the self-selection of migrants, remittances, brain drain and globalization, and political remittances. At a theoretical level we will aim at conveying the intuition of the mechanisms at work using simple economic models. At the empirical level we will discuss the results from selected studies. The course is organized in four 3-hour sessions, each on a specific topic. For each session there is a list of required and suggested readings. Students must prepare for the class by reading the required articles ahead of the class.

Grading scheme: 20% class participation, 80% written final exam.

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**National Governance**

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<th>Location: JOURDAN</th>
<th>Year: M2</th>
<th>Semester: S2</th>
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<tr>
<td>Lectures: 12h</td>
<td>ECTS: 1.5</td>
<td>Teacher: Carlos WINOGRAD</td>
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**Presentation:** Deindustrialization is a major issue for all industrialized countries, in Europe and in America. This is also the case for Japan and Korea, two countries that have experienced an economic development based on the growth of manufacturing industries and that are particularly concerned by the rise of China in the international division of labor.

The aim of this seminar is to provide various tools of analysis (economic history, international economics, labor economics, industrial economics, innovation economics…) to study industrial dynamics in Japan and Korea, with a focus on public policies.

This year, at the occasion of the publication of a special issue of the “Review of International Economics” that we have edited, three sessions will be dedicated to the international side of deindustrialization, in an attempt to connect the evolution of inequalities to industrial dynamics.

**Class schedule:**

- **Session 1:** Deindustrialization and industrial dynamics: an introduction
- **Session 2:** Industrial development in Japan since the late 19th century: A brief introduction and a focus on industrial policies
- **Session 3:** Growth, structural changes, and evolving industrial policy in Korea
- **Session 4:** Industrial dynamics in Japan at the sectoral, and micro levels. Innovation and emergence of new industries
- **Session 5:** The international side of de-industrialization and its consequences on labor market dynamics. Generalities
- **Session 6:** The international side of de-industrialization and its consequences on labor market dynamics. The Japanese case
- **Session 7:** The international side of de-industrialization and its consequences on labor market dynamics. The Korean case
- **Session 8:** Students’ presentation

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**Applied Macroeconomics**

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<th>Location: JOURDAN</th>
<th>Year: M2</th>
<th>Semester: S1</th>
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<tr>
<td>Lectures: 24h</td>
<td>ECTS: 3</td>
<td>Teacher: Eleni ILIOPULOS, Christian GIANELLA</td>
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**Presentation:**

Part I, Eleni ILIOPULOS

In light of the extensive use of RBC models both in central banking and international organizations, this part of the course aims at introducing the basic framework as well as providing students with the tools for applied work. The lecturer will introduce benchmark models (both in a closed and open economy) and discuss the empirical implications. The debate will then shift to the comparison between models predictions and empirical evidence. Students will then learn to create their own codes and simulate models using standard stochastic methods on Dynare and MATLAB.

Part II, Christian Gianella

The second part of the course will address one of the most pressing issues discussed on the G20 agenda: exchange rate policy, global economic imbalances and the reform of the international monetary system. The course will aim at providing theoretical and empirical tools to analyze the link between currency misalignment and economic crisis and to assess appropriate levels of the exchange rate in different time horizon. A focus will be made on current macroeconomic problems such as the euro crisis and the best way to accommodate positive terms of trade shock for resource rich economies.
### Economics of Corruption

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1  
**Lectures:** 12h  
**ECTS:** 1.5  
**Teacher:** Ariane LAMBERT-MOGILIANSKY  
**Presentation:** The objective is to introduce the students to formal and empirical analyses of corruption in central issues of public and development economics.

**Session 1: Introduction**
- Definitions of corruption and overview of corruption in the world.
- Corruption and Public economics

**Session 2: Corruption in Regulation 1**
- Corruption in Regulation 1 - General

**Session 2: Corruption in Regulation 2**
- Corruption and collusion in Public-Private Partnerships
- Corruption in extractive industry: the resource curse

**Session 3: Corruption and Development 1**
- The efficient corruption argument
- Corruption and Growth
- Corruption in licensing
- Inefficient investment: white elephants
- Extortion of foreign firms in weak governance country

**Séance 4: Corruption and Development 2**
- Decentralization versus decentralization and government accountability.
- Privatization and corruption
- A theory of misgovernance
- Empirical analysis of corruption

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### Economics of Regulation in Developing Countries

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S1&S2  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Liam WREN-LEWIS  
**Presentation:** How should developing countries regulate their economies?  
Why should they do any differently from developed countries?  
Is regulation important, or should we focus instead on removing regulations?  
This course will seek answers to these questions, and along the way will consider topics including infrastructure, privatization, competition and the informal economy. The course will make use of the latest empirical and theoretical work, as well as drawing on case studies and examples from student's own countries.

See website for further details: [https://sites.google.com/site/liamwrenlewis/teaching](https://sites.google.com/site/liamwrenlewis/teaching)

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### Conflict and Development

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S2  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Olivier VANDEN EYNDE  
**Presentation:** This course introduces second year APE and PPD students to the recent literature on conflict and economic development. The course discusses a limited set of academic articles in depth. Students are expected to read these articles before each lectures. Certain readings will be presented and discussed by small groups.  
This course includes subjects such as: rationalising civil war; the empirical consequences of civil war; ethnicity, inequality and polarization; opportunity costs; natural resources and civil war; information; war with proxies; political institutions and civil war; terrorism & public opinion.

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### Citizenship, Immigration Policies and Development

**Location:** JOURDAN  
**Year:** M2  
**Semester:** S2  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Patrick WEIL  
**Presentation:** This seminar will examine immigration, citizenship, secularization, integration and anti-discrimination laws and policies in comparative perspective, including mainly European (especially French, British and German) and North American cases but also Asian and African ones. In these domains in particular, National laws and policies have been and continue to be influenced (or counter influence) by foreign experiences. Each session will consider the analysis and the interpretation of key policy reforms across national boundaries (for example the quota system in Immigration policies, dual citizenship, denaturalisation, adaptation to religious diversity or legal treatment of ethnic discriminations). The seminar will have a strong multidisciplinary dimension.

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### Theory of Political Economy

**Location:** JOURDAN/CIUP  
**Year:** M2  
**Semester:** S1  
**Lectures:** 24h  
**ECTS:** 3  
**Teacher:** Allan DRAZEN  
**Presentation:** This course introduces concepts in political economy and treats specific topics. It should also give you a good basis for Professor Zhuravskaya’s course on Empirical Political Economics.  
This course includes subjects such as: elections, politicians and legislatures, distributive politics and signalling political models.
Quantitative Methods

Micro-simulations and Public Policies

Location: JOURDAN  Year: M2  Semester: S2
Lectures: 24h  ECTS: 3
Teachers: Anne-Sophie ROBILLIARD

Presentation: The past decade has seen the rapid development of micro-simulation models (MsM) and techniques for the evaluation of public policies. MsM are models that start with large-scale representative surveys of households or individuals to which are added several kinds of information: data from other surveys and databases, imputations and statistical matches, program rules, and behavioural assumptions. The purpose of this course is to present micro-simulation models and techniques that have been implemented and used both in developed and developing countries.

Short-term Economic analysis

Location: JOURDAN  Year: M2  Semester: S2
Lectures: 24h  ECTS: 3
Teacher: Delphine IRAC

Presentation: This course studies tools for short term economic analysis. The goal is to help students build a critical analysis of the current economic situation. This course starts with a significant review of time series models and other quantitative aspects of short-term economic analysis. A general overview of the existing hard and soft data is provided. Different aspects of economic activity will be covered: GDP and its components; inflation; labour market variables; international environment; medium-term analysis of public debt dynamics. Students will then gain understanding of the different techniques of analyzing business cycles and forecasting: extracting information in a data rich environment, filtering, dating turning points. They will see the role of large scale macro-econometric models in developing a robust analysis of medium term economic developments. We will cover the concepts of potential output, NAIRU, output gap, volatility.

The course is designed to prepare students who are interested in a job of economic analyst but also very well tailored for students who wish to get familiar with the basic methodological and practical tools of short term economic analysis. The course will include six computer lab sessions in Eviews. The course will be taught in English.

Textbooks:
- « Economic Forecasting », Carnot, Koen, Tissot
- « Elements of forecasting » Diebold
- « Time series analysis » Hamilton

Economic History

Topics in Economic History

Location: JOURDAN  Year: M2  Semester: S2
Lectures: 24h  ECTS: 3
Teachers: Eric MONNET, Philip HOFFMAN

Presentation: The course provides an overview of some general issues in economic history. Each session aims to stimulate a critical discussion on an important economic topic from an historical perspective and encourage students to develop historical literacy skills.

Sessions start with a 90mn lecture (introduction to the topic). There will be 75min to discuss required readings.

The course evaluation consists of class participation (1/3) and one final essay (2/3).

The first five sessions are taught by Eric Monnet
The last three sessions are taught by Phil Hoffman

Historical Demography

Location: JOURDAN  Year: M2  Semester: S1
Lectures: 12h  ECTS: 1.5
Teacher: Lionel KESZTENBAUM

Presentation: his course deals with the relationship between population and economic development. It will present the basic concepts of demography and illustrate them by the most recent works in historical demography and economic history. The aim is to give a broad perspective on the industrial revolution and the subsequent emergence of the modern economy but also to discuss how this historical analysis may help to understand present issues in population studies. We will tackle two sets of problems. First, the industrial revolution occurred simultaneously with huge population changes, in both quantitative and qualitative ways. We will explore how these changes–reduction in mortality, changes in the size and shape of the body, lower birth rate, population aging, and so on–contributed, or not, to economic growth. Second, changes in the economic environment–not only increases in income or wealth but also changes of institutions, urbanization, inequality–have themselves important consequences on population living conditions. Looking at both ways of the relationship, we will address the larger question of the role of different actors–markets, the state, individuals, and families–on economic development in the long run.
Teacher: Philippe ASKENAZY (coordinator)

Presentation: M2 students have to register on the registration tool. Students who have already validated this course last year cannot validate it again, though they are welcome to attend the conferences.

The CEPREMAP conferences are single-conferences or mini-courses performed by economists from French or international administrations or institutions. They will present a policy question and how their institutions manage it and propose prescriptions.