




5.00 credits

30.0 h

Q2

Teacher(s)	Czajka Léo (compensates Parienté William) ;Parienté William ;
Language :	French
Place of the course	Louvain-la-Neuve
Main themes	<p>The first part introduces to methods of cost-benefit analysis. It covers (i) the basic notions: the "costs" and "benefits" of a policy ; (ii) the social discount factor; (iii) the cost of public funding; (iv) the incorporation of equity (income distribution); (v) the evaluation of non-market goods; (vi) editing a cost-benefit report. The second part is devoted to learning estimation methods of causal policy impacts on the variable of interest. It will discuss (i) the fundamental problem of evaluation: the impossibility of observing the "counterfactual" (= what would have been realised in the absence of the policy); (ii) the statistics of interest (average treatment effect, distribution of the treatment effect,) and the identification problem; (iii) estimation methods. The lecturer takes care that the theoretical notions are implemented in practical exercises applied to a variety of public policies: public works, health care, education, labour market, etc. The students apply the methods of analysis to concrete examples. If possible, one or two experts are invited to expose the realisation of cost-benefit analysis within the framework of their professional experience.</p>
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <p>Should one subsidise the expansion of the airport of Bierset ?Should one reimburse a particular medical treatment to a patient? Is the scheme following-up the job search effort of the unemployed effective? This course aims at introducing the student to methods for the evaluation of public policies. The first part of the course (the most important one) introduces to (social) cost-benefit analysis of public policies. It consists in evaluating whether the impacts caused by some policy induce more benefits than costs (assuming that one can measure the impacts for society in monetary terms). The course demonstrates how the analysis can not only take efficiency criteria into account, but also equity. At the end of the lectures, the student should be capable to realise a cost-benefit analysis on real cases. A cost-benefit analysis can only be realised to the extent that one has access to a reliable estimation of the policy impact. If time permits, the second part of the course introduces the student to estimation methods of the "causal" policy impact. This part will build on the methods treated in the micro-econometrics course of the "tronc commun". By the end of the course the student will be able to implement the estimation methods on real data.</p>
Other infos	<p>ECGE1222 Microeconomics : compulsory course of the bachelor in economics and management or an equivalent course Microeconometrics : course of the core ("tronc commun") of the general orientation of the master 120 in economics. A written exam with oral defence. The exam consists partly in a practical task prepared in small groups during the last part of the course. The remaining part contains questions on theory and applications. The oral exam is personal and aims at obtaining a complementary judgement on the ability of fulfilling the practical task and on the responses given to the written exam. Certain chapters of the book of Layard R. and S. Glaister (2003), Cost-Benefit Analysis, Cambridge University Press and certain parts of the article of Treich, N. (2005), "L'Analyse Coût-Bénéfice de la Prévention de Risques", mimeo, Université de Toulouse, complemented by transparencies and texts written by the lecturer. The students will be assisted in the elaboration of their practical task.</p>
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Advanced Master in Quantitative Methods in the Social Sciences	LMQS2MC	5		
Master [120] in Public Administration	ADPU2M	5		
Master [120] in Economics: General	ECON2M	5		
Master [120] in Agriculture and Bio-industries	SAIV2M	5		