

Teacher(s) :	Parienté William ;
Language :	Français
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.</p> <p>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.</p> <p>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>
Aims :	<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.</p> <p>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.</p> <p>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> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Content :	<p>The first part introduces to the theory of cost-benefit analysis. It will treat the themes mentioned above on the basis of a lecture supported by transparencies. This presentation is based on referenced texts allowing the student to gain more in-depth knowledge of the material. The lecturer will illustrate the theoretical concepts on the basis of concrete examples. If possible, one lecture is devoted to an expert presentation of a cost-benefit analysis.</p> <p>The second part treats the estimation of the "causal" impact. The lectures will be based again on transparency presentations and reference texts. The course will just expose the details of one estimation method: the method of "matching". The student learns how this estimation method can be implemented in practice.</p> <p>The last part of the course is devoted to the preparation of a cost-benefit report applied to a practical exercise, based on real data, that is imposed by the lecturer. To this purpose, the lecturer prepares an outline for analysis. Following this outline, the students will implement the theoretical concepts to a concrete problem. The lecturer will be available to help the students solving the problems to which they are faced during the preparation of the report.</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.</p> <p>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.</p> <p>Certain chapters of the book of Layard R. and S. Glaister (2003), <i>Cost-Benefit Analysis</i>, 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.</p> <p>The students will be assisted in the elaboration of their practical task.</p>
Cycle and year of study :	<p>> Master [120] in Economics: General > Master [120] in Public Administration > Master [120] in Mathematical Engineering > Master [120] in Agricultural Bioengineering</p>

Faculty or entity in charge:	ECON
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