



**Master PMP – IDHEAP – SA 2021
 Orientation “Public Finance & Economics (PFE)”**

Objectives

The main objective of the PFE Program is to offer students a consistent program providing them with the conceptual understanding and technical competences to deliver the necessary normative solutions to the main challenges the public sector is currently facing. A more specific objective is also to train them to use quantitative methods that are essential to that aim. It moreover equips students with the skills and knowledge required to pursue doctoral studies.

Teaching language: English.

Time of the year: Autumn

Obligatory courses

	Course Name	ECTS	Instructor	Teaching Language	Semester
Obligatory courses (18 Credits)	Introduction to applied econometrics	3.0	Christopher Grigoriou	E	SA
	Contract Economics and Organization of Public Services	3.0	Laure Athias	E	SA
	Economics of Sport	3.0	Mickael Terrien	E	SA
	Fiscal Federalism and Equalization	3.0	Marko Köthenbürger	E	SA
	Fiscal Policy	3.0	Nils Soguel	E	SA
	Empirical analysis of public policies	3.0	Christopher Grigoriou	E	SA

Sous réserve de modifications.

Version 12.04.2021

Introduction to applied econometrics - SA 2021

Teaching Staff: Christopher Grigoriou,

Senior Lecturer at IDHEAP, Professeur remplaçant HEC-Lausanne

E-mail: christopher.grigoriou@unil.ch

Year: × 2. Year

Type: × Course

Semester: Autumn

ECTS: 3

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Quantitative analysis and introduction to econometrics

Objective

This course is an introduction to applied econometrics. At the end of this lecture, students will be comfortable with basic quantitative analysis and will be able to read, interpret and comment studies relying on econometric analysis as well as performing by themselves simple but consistent empirical work.

Content

The course relies on theoretical presentations, empirical applications from the literature and practical exercises to be performed in class.

A large part of the lecture is dedicated to learn how to read and interpret the output of econometric applications as well as to the questions of identification and causality which are central to applied econometrics and in particular to any impact analysis. Practical exercises give the opportunity to the student to test by themselves the theoretical content from one of the most commonly used econometrics software (STATA).

Literature

- Bourbonnais R. (2005) Econométrie, Paris : Dunod.
- Cadoret I., Benjamin C., Martin F., Herrard N. & Tanguy S. (2004), Econométrie appliquée, Paris & Bruxelles : De Boeck.
- Wooldridge J.M. (2002) Econometric Analysis of Cross Section and Panel Data, Cambridge: MIT Press.

Evaluation

First try: 50% will rely on a study-case and 50% on an examination.

- X Document à rendre (Deg)
- X Ecrit de 2h avec documentation

Retake exam:

- X Written 2h00 with documentation

Exam Language:

- X English

Contract Economics and Organization of Public Services - SA 2021

Teaching Staff : Laure Athias, Université de Lausanne

E-mail: laure.athias@unil.ch

Year: x 2. Year

Type: x Course

Semester: Autumn

ECTS: 3

Subject

Contract Economics and Organization of Public Services

Objective

This course is a one-semester course covering several prominent theories of contracting, but this is not a standard course in contract theory. Instead, the theories are chosen because of their existing and potential applications - as applied theory in the field of public economics. More precisely, the aim of this course is to present recent developments in the economics of contract and to show how this theoretical framework can be applied to the question of the organization of public services provision.

There are no prerequisites for this course. Although not required, it is expected that most students take the companion course in econometrics "Introduction to applied econometrics" (as econometric issues will be tackled in order to test theoretical hypotheses).

Content

The course consists of the following topics:

1. The make-or-buy tradeoff: A Transaction Cost Economics perspective
 - a. Theoretical framework: The transaction cost theory
 - b. Specificities of public goods and services on the make-or-buy tradeoff
2. Regulation of network industries: A theory of incentives perspective
3. Public services and importance of the historical and cultural context

Literature

Slides and research articles tba in class.

Books or book chapters:

Athias L., 2013, La contractualisation de service public, in Andreas Ladner et al. (éds.) Manuel d'administration publique suisse, Presses Polytechniques et Universitaires Romandes, pp. 679-697

Athias L., M. Macina and P. Wicht, 2019, Public Private Partnerships: A Swiss Perspective, in Andreas Ladner et al. (éds.) Swiss Public Administration: Making the State Work Successfully, Springer International Publishing, pp. 187-204.

Laffont J.J. and Tirole J., 1993, A Theory of Incentives in Procurement and Regulation, MIT Press.

Laffont J.J. and Tirole J., 2012, Théorie des incitations et réglementation, Economica, Paris.

Saussier S. and Yvrande-Billon A., 2007, Economie des coûts de transaction, Ed. Repères.

Williamson O.E., 1985, The Economic Institutions of Capitalism, The Free Press/Macmillan, New York.

Williamson O., 1994, Les Institutions de l'économie, InterEditions, Paris.

Evaluation

Exam Language

× English

First try

× Document à rendre (Deg) and

× Contrôle continu avec inscription

Re try

× Travail personnel à rendre hors session (R)

Fiscal Policy (FP) - SA 2021

Politique fiscale

Teaching Staff : Nils Soguel, Université de Lausanne
E-Mail : nils.soguel@unil.ch

Year: 2. Year

Type: x Course

Semester: x Autumn

ECTS: 3

Subject

How do fiscal instruments influence the macro performance of the economy?

Aim of the course

In this course, as a participant, you will ...

- ... Learn how to analyse a fiscal policy?
- ... Understand how to take relevant actions and how to respond to questions such as:
 - Should the State increase spending to stimulate employment and growth?
 - What must be considered in terms of the sustainability of the State's finances?
 - What are the dominant variables which influence the financial situation of a government?
 - Does a State's debt level influence the macroeconomic performance of a country?

Content

Fiscal policy is, along with monetary policy, one of the main levers of a government's political economy. Fiscal policy involves using particular fiscal measures, including tax policy, expenditure policy and debt policy, to influence the business cycle. The impact of these various measures on different activity sectors of the State is therefore significant. They also greatly effect households and businesses.

These policies are subject to intense theoretical debates. And the practical repercussions of these debates are monumental. Up until the end of the 1930s, the main goal of public sector financial management was to ensure the financing of public services. Government spending was not then considered a variable able to influence the level of economic activity.

John Maynard Keynes, the famous English economist, modified this idea by highlighting the impact of fiscal policy on the level of economic activity. As a result, since the 1930s, most developed countries have had fiscal stimulus policies during periods of recession or slower growth.

However, beginning with the crisis that followed the oil crisis of 1973, neoclassical theoreticians demonstrated the limits of fiscal policy and, in particular, the harmful effects of recurring deficits and government debt. The current crisis gives us a practical demonstration of this. It confirms the usefulness of having efficient brakes to spending and debt. It is indeed when the State debt level leaves wide room for maneuvering that governments are able to combat macroeconomic fluctuations and promote growth.

References

- Administration fédérale des finances (2019). Principes applicables à la gestion des finances. Berne : AFF [téléchargeable].
- Landais, B. (1998). Leçons de politique budgétaire. Paris: De Boeck.
- Langdana, F.K. (2002). Macroeconomic Policy: Demystifying Monetary and Fiscal Policy. New York: Springer.
- Makin, A.J. (2018). The Limits of Fiscal Policy. New-York: Springer Nature, Palgrave Macmillan.
- Shaw, G.K. (1972). Fiscal Policy. London: Macmillan.
- Soguel, N. (2020). Comprendre et gérer les finances de ma collectivité. Lausanne : PPUR. Open access.

Evaluation

Type of Exam first try

x Document à rendre (Deg)

Description:

Short written dissertation

Second try:

x ROral individuel

Oral exam lasting about 20 minutes with an equal preparation time (20 minutes)

Exam Language:

X English

Fiscal Federalism and Equalization - SA 2021

Teaching Staff: **Marko Köthenbürger**, Professor of Economics, KOF Swiss Economic Institute and ETH Zurich.

E-Mail : koethenbuerger@kof.ethz.ch

Year: x 2. Year

Type: x Course

Semester: Autumn

ECTS : 3

Prerequisites: Principles of Microeconomics (Master PMP 1st year)

Objective

The course provides a basic understanding of the positive and normative implications of fiscal federalism and the associated fiscal flows between governments. The course starts out with a review of the rationale for why a decentralized government structure is needed and how fiscal flows should be organized in order to guarantee an efficient functioning of the public sector. Following the normative analysis, the course discusses (i) the redistributive and incentive effects of actual transfer systems that are used to allocate funds to different governments within federations and (ii) the political economy of reforming fiscal flows.

Content

The course consists of the following topics:

- Fiscal Decentralization: Rationale
- Fiscal Transfers in Federations: Normative Analysis
- Redistributive and Incentive Effects of Fiscal Transfers
- Practice of Fiscal Equalization
- Political Economy of Reform

Literature

Avenir Suisse (2013), Irrgarten Finanzausgleich, Kantonsmonitoring 5, Zürich.

Boadway, R. (2004), The Theory and Practice of Equalization, CESifo Economic Studies, 50, 211-254.

Boadway, R. and A. Shah (2009), Intergovernmental Fiscal Transfers - Principles and Practice, World Bank, Washington D.C.

Bundesrat (2014), Wirksamkeitsbericht 2012–2015 des Finanzausgleichs zwischen Bund und Kantonen (Rapport sur l'évaluation de l'efficacité 2012–2015 de la péréquation financière entre la Confédération et les cantons), Bern.

Gruber, J. (2019), Public Finance and Public Policy, 6th ed., Worth Publisher, New York.

Evaluation

First try

Exam: oral in-class presentation (50%) and written 2 Hours (50%)

Documentation: No

Calculator: No

Retake Exam

X (E) R written
Documentation: No
Calculator: No

Exam Language

X English

Economics of sport - SA 2021

Economie du sport

Teaching Staff: Mickael Terrien

E-Mail: mickael.terrien@univ-lille.fr

Year: x 2. Year

Type: x Course

Semester: x Autumn

ECTS: 3

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Introduction of economics of sport.

This course introduces the key concepts and theories employed in the study of economics of sport.

Objective

The course has two main goals.

The primary purpose of the course is to shed light on an industry with several peculiarities. Seven seminars will address roles and objectives of different keys actors involved in sport business:

- Local and regional authorities involved in the organisation of major sporting events;
- National or international federations in charge of the promotion and regulation of a sport in a given territory;
- Professional sport leagues responsible for promoting a sporting competition and developing its attractiveness;
- Professional sport clubs looking for an optimization of their recruitment process to achieve the highest sporting results;
- Investors concerned with the takeover of a professional sport clubs;
- Television channel responding to a call for proposals to broadcast sporting competitions.

Special attention will be paid during those seminars to the role of the regulation mechanisms to improve the functioning of sport industry. Students should be able to identify solutions to put an end, or at the very least, to limit market failures enlighten since many years in sport business.

To do so, graduate students will have access to research papers which will provide them empirical evidence on various subjects: hosting a major sporting event; organizing an auction to sell sports broadcasting acts; defining the design of sporting contest... Indeed, the secondary purpose of the course is to develop students' ability to appropriate relevant findings of scientific research. It should help students to analyse a situation and be an asset for their decision-making process.

The definition of new regulation mechanisms to control the economic behaviour of the actors identified above will be based on the understanding of quantitative empirical studies. Therefore, graduate students shall possess an understanding of econometrics. Attending the course of *Introduction to applied econometrics* seems important. Similarly, it is strongly recommended to attend the course of *Econometrics of panel data*.

Content

The course consists of seven seminars. The seminars are based on active learning pedagogy. First part of the seminars enables students to present their personal work: presentation of a research paper or of a deliverable, related to the topic of the seminar. Then a collective discussion should allow collective knowledge to emerge, before going into more details thanks to a lecture course. Details about the lecture courses in each seminar are provided below.

- *Seminar 1: Assessing the economic impact of the major sporting events*

The course will present different valuation economic methods of impact assessment of sporting events. Their strengths and weaknesses will be discussed. This first methodological part will enable to analyze the current funding system of major sporting events (e.g. Olympic and Paralympic Games) and challenge its legitimacy. This seminar should help future policy makers to question relevance and reliability of the numerous impact assessments provided by organizational committees of sporting events.

At the end of the seminar, students should be able to question whether hosting a major sporting event with public funding is a blessing or a curse. Students should also have the capacity to think about the current modalities pertaining to the organisation of sporting events and to propose alternatives.

- *Seminar 2: Attractiveness of professional sport leagues*

The course should introduce theory of professional sport leagues. The peculiar economics of professional sports (e.g. conjoint product) will be described. A descriptive comparison between European and North American models of professional sport leagues will shed light on the various options to define the economic design of sporting contests.

At the end of the seminar, students should understand the strengths and weaknesses of the different possibilities which allow to improve the attractiveness of professional sport leagues. Students should be able to answer questions such as: Should the football Swiss Super League decide to implement playoffs after the regular season? Should the hockey National League set up a recruitment process of players based on the draft system?

- *Seminar 3: The financial regulation of professional sporting contests*

The course will deal with the financial distress for the professional sport industry. It will explain why European sports clubs operate chronically on the edge of financial collapse whereas North-American sports franchises are assumed to be profitable. The course will also focus on the insolvency process of professional sport clubs. Finally, special attention will be paid during this seminar to the effects of the regulatory tools used to improve the financial situation of this industry.

At the end of the seminar, students should be able to question the effectiveness of the regulation mechanisms used to ensure financial stability of professional sporting contests. Students should be able to answer questions such as: Has the UEFA's financial fair play regulation increased football clubs' profitability? Does a salary cap impact the profitability of professional sport clubs? Is it possible for regulatory body to predict when a sport club will go bankrupt, and then to avoid it?

- *Seminar 4: The paradoxical attractiveness of professional sport clubs*

Professional sport clubs have shown themselves to be operating at a loss for years and recent tendencies are far from reassuring. Nevertheless, owning a professional sport club is increasingly attractive. This course will provide economic and strategic keys to decipher this paradox (Porter's fives-forces model, resource-based view, economics of crime).

At the end of the seminar, students should be able to develop a classification of club owners. They should also be able to define solutions to regulate this industry to avoid investors which want to purchase a club for illegal motives and to ensure financial stability of professional sport leagues.

- *Seminar 5: The broadcasting rights of professional sport contests*

The course will describe the stakes of the bidding process for broadcasting rights in sport industry. Auction theory will allow to understand why so many broadcasters are cursed after winning the bid. The course will also shed light on factors that drives sports broadcasting rights and explain the importance of this source of income which depends on the club's economic models involved in the sporting competitions.

At the end of the seminar, students should have an overview of the stakes of the broadcasting rights of professional sport contests. They should be able to define different bidding process based on their objective: maximization of social well-being, short-term maximization of profits for the seller, or ensuring an oligopolistic situation for the next bidding process.

- *Seminar 6: The professional sportsmen's labor market*

Sports business will be used as a labor market laboratory to assess several economic theories of unemployment (e.g. efficiency wages). The economics of superstars will also provide understanding of why small numbers of sportsmen earn enormous amounts of money. The use of player performance analysis to develop a competitive advantage for a professional sport club will also be discussed.

At the end of the seminar, students should have an overview of the stakes of the sportsmen's labor market. They should be able to identify market failures to implement strategies to outsmart it, or to consider alternatives to address them.

- *Seminar 7: An economic overview of the dark side of sport*

The course will provide a comprehensive overview of economic aspects to criminal behaviour in sport. It will address sports manipulations (e.g. breaching sport rules for gaining advantage), corruption in sport (e.g. match-fixing) and economic crime in sport (e.g. doping). This seminar is a unique opportunity in a school career to deal with sumo wrestling.

At the end of the seminar, students should be able to challenge the governance of this important industry. They should also be aware of the role that economic and statistical methods can be useful to identify criminal behaviour in sport.

References

- *Seminar 1:*

Baade, R. A., & Matheson, V. A. (2016). Going for the gold: The economics of the Olympics. *Journal of Economic Perspectives*, 30(2), 201-18.

- *Seminar 2:*

Richau, L., Follert, F., Frenger, M., & Emrich, E. (2020). The sky is the limit? Evaluating the existence of a speculative bubble in European football. *Journal of Business Economics*, 1-32.

- *Seminar 3:*

Szymanski, S. (2003). The economic design of sporting contests. *Journal of Economic Literature*, 41(4), 1137-1187.

- *Seminar 4:*

Szymanski, S. (2017). Entry into exit: insolvency in English professional football. *Scottish Journal of Political Economy*, 64(4), 419-444.

- *Seminar 5:*

Feuillet, A., Scelles, N., & Durand, C. (2019). A winner's curse in the bidding process for broadcasting rights in football? The cases of the French and UK markets. *Sport in Society*, 22(7), 1198-1224.

- *Seminar 6:*

Frick, B. (2007). The football players' labor market: Empirical evidence from the major European Leagues. *Scottish Journal of Political Economy*, 54(3), 422-446.

- *Seminar 7:*

Duggan, M., & Levitt, S. D. (2002). Winning isn't everything: Corruption in sumo wrestling. *American Economic Review*, 92(5), 1594-1605.

Evaluation Outline

Type of Exam First try

X Contrôle continu avec inscription

Initial exam: 100% coursework

The seminars are based on the principle of active pedagogy. First part of the seminars enables students to present their personal work which will be assessed.

Retake Exam

X E R Written, 3h without documents.

100% examination

An essay (3 hours) related to the key concepts and theories employed in the study of economics of sport.

Exam Language

X English

Empirical analysis of public policies - SA 2021

Analyse empirique des politiques publiques

Teaching Staff: Christopher Grigoriou, Senior Lecturer at IDHEAP,
Professeur remplaçant HEC-Lausanne
E-mail: christopher.grigoriou@unil.ch

Year: x 2. Year

Type: x Course

Semester: x Autumn

ECTS : 3

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Empiric analysis of public policies

Objective

This is a course on empirical analysis of public policies. The purpose of the course is to be able to use applied econometrics dealing with 'panel' data sets to realize proper impact analysis of public policies. We will apply it to panel data settings involving 'fixed' and 'random' effects. We will perform applications from public economic empirical literature. At the end of the course, students are able to use quantitative techniques, including econometrics of panel data, with a focus on impact analysis.

Content

The course relies on panel data econometrics presentation; specific issues, methodology, advantages of such estimates, interpretations, tests. Technical topics to be studied include specification, estimation, and inference in the context of models that include individual (firm, person, etc.) and/or time effects.

The practical part will cover data analysis with Stata, including (1) how to manage large databases, (2) study cases taken from public economics literature, and (3) a short paper to be prepared and presented from an impact analysis relying on quantitative analysis.

References

Econometric Analysis of Cross Section and Panel Data, Jeffrey M. Wooldridge, the MIT press, 2nd edition, November 2010.

Evaluation Outline

First try

There will be a continuous examination, based on a short paper presenting an impact analysis relying on quantitative analysis.

x Document à rendre (Deg)

Retake exam

x Travail individuel à rendre hors session (DEi R)
A short paper presenting an impact analysis relying on quantitative analysis.

Exam Language

x English