

*Public Policy Related Topics

- Education: Levels, Returns, Motivations, Goals
- *Productive Inclusion, Shared Productivity Labor decomp, Entrepreneurship & Informality*
- *Microfinance: Savings, Credit and Insurance*
- CCTs: Upgrades & Fiscal Redistribution

. Elements:

- Policy Instruments & Proposals
- Relevant Facts and Data
- Connection with broad perspectives

Broad Perspectives

Results (equality, prosperity, sustainability, sensibility)

Channels (current budget constraint; production function; smooth fluctuations & leverage opportunities; direct well-being effects.)

Social Tensions from SWF (inequality, polarization...)

Multidimensional X Income Imputation (rents, transportation etc)

Tips:

*Matters, Formula sheet (1st part)

Look at the course syllabus and web page

4 problem sets (including A1)

Choose a policy topic (connections, originality & relevance)

***Topics: Preliminary Guide (Still to be completed)**

One of the four policy topics should be studied in depth (until at least ** level) plus individual reflections. All the other topics policy or theory just the highest priority * is enough.

A Income Policies (CCTs)

Applying a Result Based Analysis (Ends – Comparing Income Policies: income multiplier, happiness, electoral instability, fiscal sustainability)

Applying an Input Based Analysis (Means – Comparing Beneficiaries x Non Beneficiaries)

Payments Systems Upgrades Targeting (PPP and Impact on Gini (Lustig)), using reported income, using income gap to define the level of the benefit

Conditionalities Various Upgrades, Means versus Results, Alignment of Incentives, School Motivations and Links with Education Supply)

Social Federalism (connection with Social Targets and Global Social Indicators)

Political Cycles (and other CCTs Potential Adverse Effects Labor Supply and Savings)

Policy Proposals: Bolsa Família 2.0 (or Bolsa Escola 3.0)

Decomposition between Income Sources (targeting)

B. Education

Education (Primary, High School, Technical, Higher Education)

Targeting (PPP and Overall Impact on Gini (Lustig))

Coverage and Returns (By Education Levels, Attenuation Bias, Omitted Variable bias)

Intergeneration Transmission, Externality effects

Transition from childhood to adult status

School Motivations (Conditionalities Upgrades – Links with CCTs)

Labor Market Decomposition (Education Bonus x Demographic Bonus)

Immigration of Skilled Labor (Opening by University Degree) and Policies in Brazil

How Migration can help to identify the quality of education (Santos et all. (2017)

Income Shocks & Schooling (and vice-versa)

C. Productive Inclusion

Labor Market Classical Concepts (& Decomposition)

Working Class Mobility

Decomposition between Income Sources (Importance of Labor Earnings)

Education Returns (Links with Education)

Entrepreneurship (Access To Policies)

Microcredit

Policies for Access to Markets

Productivity (Shared Prosperity, Household Surveys X National Accounts, Deflators)

Shared Productivity Framework

Policies Proposals

D. Microfinance

Connection with Temporal Choice Non Linearities and Life –Cycle Savings

(Euler Equation, Liquidity Constraints, Precautionary Savings)

Connection with Land Titles (De Soto, UPPs, Housing)

Temporal Choice

Savings, Credit, Insurance;

Transitory and Permanent Changes

Shocks and Anticipations (Income Stochastic Process)

Credit Constraints, Precautionary Savings and Interactions

Habit Lags and Keep Up with the Jones

Altruism and Inheritances

Savings and Growth (Solow x Modigliani (Life-Cycle))

Housing (Rent Imputation, Distribution of Wealth)

Middle Class

Concepts of Alienation and Identification

Deriving them plus polarization from a Social Welfare Function

How to divide classes (choose income brackets)

Factual Evidence

Policies Framework (Means Approach)

Mobility

Volatility (Aggregate) and Mobility: Deriving from a Social Welfare Function

Intergeneration Transmission of Education

International Immigration Data and Policies in Brazil

Apply the frameworks:

From Social Welfare Function to Social indicators (Social Tensions: Inequality (Various), Poverty, Polarization (Alienation, Identification), Volatility (Aggregate) and Mobility.

Decompositions in Levels and Rates of Changes (Mean, Inequality, Social Welfare - Income Sources, Labor Ingredients, Deflators)

- Results (ends)

- Inputs (means)

Econometric Techniques:

Multivariate

Mincerian (continuous explained variable)

Logistic (discrete explained variable)

Diff in Diff

Cohort Effects

Principal Components

Externalities, Markovian Model

OLS, Quantile Regressions