

***Public Policy Related Topics:**

Income Policies: CCTs Upgrades, Targeting, Official Transfers Comparison & Fiscal Redistribution

Education: ≠ Levels, Returns, Motivations, Goals

Productive Inclusion: Shared Productivity, Entrepreneurship & Informality

Microfinance: Savings, Credit, Insurance & Temporal Choice

Elements:

- *Institutions, Policy Instruments & Proposals*
- *Relevant Facts, Data Reading & Measurement Issues*

Connections with broad perspectives, other key policies, Empirical Techniques and 1st part of the course concepts.

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...)

*Tips: less *s means it Matters More,*

Look new Formula sheet & old Schemes

Look at the course syllabus and web page

Choose a primary and a secondary policy topic to write and answer questions

Essay Criteria: Relevance, Originality, Connection with course material

Topics: More Detailed Guide

One of the four policy topics should be object of an essay plus another topic in less detail. Explore connections with other policies, evidences and concepts of the course.

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, using reported versus estimated 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)

Examples: Plano Real, Social Security Reform, Conditional Cash Transfers

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

Fiscal Redistribution and Decomposition between Income Sources (targeting)

B. Education

Education (Early Childhood, Primary, High School, Technical Courses, Higher Education)

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

Intergeneration Transmission of Education, Externality effects

Education Goals (Ideb) connection with social goals

Youth Challenges and High School Reform

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 al. (2017)

Income Shocks & Schooling (and vice-versa)

C. Productive Inclusion

Entrepreneurship, Formalization (MEI) and Policies related to Informality

Productive Microcredit and Access to Markets Policies

Productivity Measures (Household Surveys X National Accounts, Deflators), Top Incomes

Shared Productivity Framework

Education Returns and Mobility (Links)

Labor Market Classical Concepts (& Decomposition)

Decomposition between Income Sources (Importance of Labor Earnings)

Minimum Wages (Links with Income Policies)

Policy Proposals

D. Microfinance

Savings Motives

Connection with Temporal Choice and Mobility (risk)

(Euler Equation, Liquidity Constraints, Precautionary Savings)

Credit Rationing and the Role of Collateral Microcredit (Crediamigo)

Policies related to Informality (De Soto, Radical Markets, Housing, UPPs)

General Topics Given (for all):

Temporal Choice

Savings, Credit, Insurance;

Transitory and Permanent Changes

Shocks and Anticipations (Income Stochastic Process)

Life –Cycle Savings and Non Linearities

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)

Mobility

Concepts

Cohorts

Intergeneration Transmission of Education and Shocks Impacts

National and International Immigration Data and Policies in Brazil

Middle Class and Top Incomes

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)

Top Incomes Measurement Issues

Apply General frameworks:

From Social Welfare Function to Social indicators (Social Tensions: Inequality (Various), Polarization (Alienation, Identification)).

Connect with Indicators and Concepts seen in first part of the course: Ex: Decompositions in Levels and Rates of Changes (Mean, Inequality, Social Welfare) – (Income Sources, Labor Ingredients, Deflators)

- Results (ends) and Inputs (means) approaches

Econometric Techniques (Able to interpret results and write a paragraph on ½ of these topics):

Mincerian (continuous explained variable)

Logistic (discrete explained variable)

Diff in Diff (Discontinuity design)

Cohort Effects, Externalities,

Markovian Model

Stepwise procedure

Principal Components

Quantile Regressions

Measurement Issues (Omitted variable, Selectivity, Attenuation Biases...)