

University of Paris I - Panthéon - Sorbonne

U.F.R. 02

University year 2009/2010

Director:

Pierre Kopp

Master in Public Economics

Orientation

***"Public Decisions,
Institutions and Organizations"***

Research teams: ATOM, LAEP, MATISSE.

***Contact: pkopp@univ-paris1.fr
<http://publiceconomics.univ-paris1.fr/>***

OBJECTIVES

The Master's program "Public Decisions, Institutions and Organizations" focuses on the study of choices made by institutions and organizations where collective, public, but also private decisions are taken. Public decisions are framed by an institutional environment where they interact deeply with the different modes of organization of economic activity. These dimensions are the subject of study of our Master program's courses.

Upstream, the institutional environment is the framework for public decisions since it limits and orients them at the same time. The economic analysis of institutions has known a lot of progress in these last years, for example with regards to the interaction between law and economics or between political and economic modes of organization. Therefore, a certain number of courses deal with these questions (Economics of Institutions, Economics of Law, Economic Analysis of Politics, etc.).

Downstream, public decisions deeply act on the modes of organizations, on the trade-off between markets, firms and network organizations, on the contractual relations between partners. These dimensions are also considered in numerous courses (Economics and Politics of Competition, Economics of Contracts, Public Policy Appraisal, etc.).

The purpose of the Master's program "Public Decisions, Institutions and Organizations" is to prepare the students for **applied research in economics**. The analytical perspective is at the same time normative (economic calculus, administrative rules, optimal policies...) and positive (analysis of public and social policies, study of behavioral shifts as a reaction to institutional changes...); we also borrow tools from the new institutional analysis (transaction costs and institutional arrangements).

This Research Master's educational program aims at forming **professional economists**. We stress the theoretical developments but always insist on the modalities of their practical transcription with regard to operational decision taking.

The courses use theoretical as well as empirical economic tools. That is why a good knowledge in basic economic analysis is required. This knowledge will be checked on during the personal interview organized for the selection of the students. Before the beginning of the courses, a refresher seminar in econometrics is proposed.

The students benefit from a large access to the Centre of Documentation shared by the different research institutes of University of Paris I as well as from research facilities belonging to MATISSE.

The students have the possibility to assist to the "**Seminar on Public Economics**" which gathers different researchers and PhD students from the Master's program "Public Decisions, Institutions and Organizations" every two weeks, with the objective of discussing their actual work.

For the second time, we plan a research project in order to reinforce our **European contacts** with research teams working in the field of Public Services and Utilities. We are planning a workshop jointly with the Federal Technical University of Lausanne (Switzerland) and the Delft University of Technology (the Netherlands). Last year, we sent a team to Lausanne where the debates focused on the de- and re-regulation of public services. This year, Paris I will welcome research teams from the two universities.

Finally, this Master's program is open to **students from abroad**. About the half of the courses is in English and the Master's thesis can also be written in this language.

PROFESSIONAL PERSPECTIVES

This Master's program permits students to occupy positions as researchers and analysts in economic study services of public bodies, administrations and firms in the public and semi-public sector.

When continuing as a PhD, the students can also get access to a career in higher education and research or as an economic consultant in the private sector. The normal period for a PhD thesis takes three or four years.

In order to finance a PhD thesis, we offer every year several research grants and the possibility to prepare a thesis whilst working in a company (CIFRE contract).

GENERAL ORGANIZATION OF TEACHING AND EXAMS

The students have to participate in ***five obligatory courses*** and to choose ***five optional courses***.

Every course is followed by a written exam. The sum (out of 100) of the final grades in each subject decides the ***admissibility*** (50). A second session of exams is organized in July for the non-admissible students.

The ***admission*** exams are made of the writing of a Master's thesis (oral exam in September, grade out of 100).

The definite validation is given after the result of these two major exams (sum of courses and Master's thesis) if the student has achieved a general average of at least 10 out of 20. Distinction titles are attributed as defined by the official scale of University of Paris 1.

Each student is under the supervision of a professor or researcher of the Master's program who supervises his Master's thesis, guides him in the choice of the optional courses and meets him regularly to discuss the progress of his work.

Students already working have the possibility to prepare the Master's diploma within two years. The conditions are firstly, that the student formally asks for the permission not later than in December of the first year of his inscription and secondly, that the Master's director gives his consent.

COURSES

(each course takes 21 hours)

COURSE	SEMESTER	LANGUAGE	PROFESSOR
REFRESHER SEMINARS <i>20 hours during three days</i> <i>Obligatory</i>			
Statistics and Econometrics (Introduction to Stata)		French	Sébastien Cochard
OBLIGATORY <i>Choose five out of six courses</i>			
Political Economy and Structural Reforms in Europe	2	English	Bruno Amable
Law and Economics	2	English	Bruno Deffains
Rational Choices and Public Decisions	1	French	François Facchini
Foundations of Public Management	1	French	Xavier Greffe
Research and Methods	2	French	Jean Dominique Lafay
Institutional Foundations of Public Policies	1	Bilingual	Claude Ménard
OPTIONAL <i>Choose five courses</i>			
Economic Analysis of Cultural and Media Policies	2	English	Françoise Benhamou
Economic analysis of Politics	2	French	Jean Dominique Lafay
Urban Public Policies	1	French	Pierre Kopp
Public Policy Appraisal: Applications	2	French	Pierre Kopp
Organizations and Institutional Environment	2	English	Claude Ménard
Regulation: Theory and Practice	1	English	Carine Staropoli
PPPs and the Organization of Public Services	1	English	Eshien Chong
Economics of Pressure Groups	2	French	Patricia Vornetti

TEACHING PROGRAM

- **Statistics and Econometrics (in French)**

Sebastien Cochinard (U. of Paris I)

This course is designed for students who need to refresh some basic knowledge in statistics and econometrics. It combines theoretical teaching with an introduction to the statistical software Stata.

Obligatory courses

"Fundamental"

Choose 5 courses

- **Political Economy and Structural Reforms in Europe (in English)**

Bruno Amable (U. of Paris I)

The topic of structural reforms is a key issue in economic debates throughout Europe: should we introduce more flexible labor markets, deregulate commodity markets, modify the architecture of financial systems... The purpose of the course is to analyze these reforms using a theory of the diversity of economic and social regulation models, or capitalism models. The characteristic institutions of each model will be regarded as compromises between socio-political groups with divergent interests. Under these conditions, the question of structural reforms is a question of political economy. The course will review the theories of the diversity of capitalism, the models of the political economy of institutions and will study the contemporary transformations of European Union countries, especially the implementation of the Lisbon strategy, which aimed at making Europe the most competitive knowledge-based economy in the world.

- **Law and Economics (in English)**

Bruno Deffains (U. of Nancy II)

The course offers a thorough analysis of recent developments in the economic analysis of law. The economic analysis of law can be defined as the application of economists' analysis tools and judgment criteria to the explanation and evaluation of legal rules. The course attempts to answer the following questions: how to guide the creation and implementation of legal rules? Are the existing rules really effective? Do the decisions of courts have to seek effectiveness and/or justice? The fields of law addressed by the economic analysis of law are numerous: property rights, contracts, civil liability and accident law, criminal law, delinquency and offence, administrative law and control of public entities, legal conflicts and functioning of the judicial system.

- **Rational Choices and Public Decisions (in French)**

François Facchini (U. of Reims)

This course examines the new public economics, which is a positive approach of public economics developed by the public choice school (Tullock, Buchanan, Stiglitz). It shows how the rationality hypothesis of standard microeconomics can be used to explain, on the one hand, the behavior of

elected people, voters, bureaucrats and pressure groups and, on the other hand, the evolution of public spending, fiscal pressure and regulation. The rent-seeking theory structures this explanation which leads the main economists of this school to support the strengthening of constitutional constraints (constitutional political economics) so as to avoid the negative impacts of partisan actions led by pressure groups, bureaucracy and elected people on economic development.

- **Foundations of Public Management (in French)**

Xavier Greffe (U. of Paris I)

Are the techniques of analysis, monitoring and evaluation of public institutions different from the ones used by private management? If yes, to what extent? The existent paradigms (contingent analysis, information and property rights) specialize, each in its own way, management problems in public organizations. After analyzing them, we will study how they help understanding the main issues faced by public management: human resources policy, public marketing, financial management, etc. The main reforms of public management will then be reviewed.

- **Public Policy Appraisal (in English)**

Pierre Kopp (U. of Paris I)

The object of this course is to train the students with the evaluation of the public policies. The course is centered on the various methods of evaluation (cost-benefit, cost-effectiveness, multicriterion analysis, contingent evaluation, impact analysis...). The objective is to make possible to the students to adapt these techniques and to develop their capacity to judge relevance of these instruments. Starting with an intermediate level in public economy, we will elaborate on the latest theoretical controversies in the field of evaluation. Special interest is dedicated to public policies conditions of implementation and political sustainability.

- **Institutional Foundations of Public Policies (Bilingual)**

Claude Ménéard (U. of Paris I)

The economic analysis of institutions is experiencing major advancements. Institutions are interpreted here as a set of rules which impose itself to actors and frame the economic choices in the long term. This course offers a thorough study of the main theories developed around this theme and of their contributions. It is organized in two parts. The first one introduces the most striking contemporary approaches. We emphasize central concepts and methods used to analyze rigorously the institutions in an economic perspective. The second part aims at showing how these approaches are made operational through some key examples. We pay a particular attention to the transmission mechanisms of the rules and to the way by which they affect the strategies of organizations and actors. The course is bilingual, i.e. it is pronounced in French, but the slides and texts are in English.

Optional courses

Choose five courses

• Economic Analysis of Cultural and Media Policies (in English)

Françoise Benhamou (U. of Rouen)

After describing the special features of cultural goods, arguments for subsidizing culture are discussed. We especially study the case of heritage, performing arts, cultural industries and media industries. E-technologies change the context and the very nature of cultural goods. We study the way government intervention deals with them. If local and national governments spend substantial resources on culture, or indirectly subsidize culture through regulations and tax cuts, different models may be adopted, leading to very different cultural landscapes. International cultural policies will also be discussed (and especially the question of trade protectionism and the different policies in order to preserve diversity).

• Public Policy Appraisal: Applications (in French)

Pierre Kopp (U. of Paris I)

This course is the continuation of the theoretical course. Through several examples derived from the following fields (health economics, transport economics, drugs policies, urbanization and social diversity), the students will learn how to conduct, concretely, a public policy appraisal. The aim is to present the most used methods, teach the students how to use them and underline their limits. The course is structured around case studies. Teamwork is favored. This course gives the opportunity to review the theoretical debates mentioned in the theoretical course by showing how they determine the appraisal method choices and the results.

• Organizations and Institutional Environment (in English)

Claude Ménard (U. of Paris I)

The acute debates about the respective advantages of public and private organizations often focus on the allocation of property rights. Without neglecting this aspect, the theory of organizations reveals that these arrangements share numerous common structural characteristics. This course will examine some of these characteristics with a special attention to the problem of the decision rights allocation and to the way by which these rights are articulated with the property rights. More precisely, we address this issue through the question of supply and infrastructures management and through the way by which technological changes in these sectors interact with the institutional dimension. These questions are examined through recent or ongoing studies in traditional sectors (water, public transport, energy), but also in the "new economy" (NICT, WI-FI...).

• Regulation: Theory and Practice (in English)

Carine Staropoli (U. of Paris I)

The organization of network industries (telecommunications, energy, transport) has experienced deep upheavals since two decades. One of the major changes encouraged by public authorities is the creation of regulation agencies responsible for the introduction of competition in these sectors and for the control of the practices of the operators taking part in the supply of public utilities. The aim of this course is to confront the theories with the regulation practices. We will present the theoretical

foundations of regulation and the concrete assignments of regulators. We will also study the mode of organization of the regulation agencies in a practical way. Finally, we will analyze the practical modalities of their intervention, whether it is bidding mechanisms, incentives means or control and sanction modes.

- **Economics of Pressure Groups (in French)**

Patricia Vornetti (U. of Paris I)

The spread of consulting agencies in the field of lobbying is a tangible indication of the influence that pressure groups are capable of having upon public decisions. The fact that their role is more and more often integrated into theoretical models of public policies analysis is another sign. These remarks justify the study of the "pressure group" fact and its constitution as an object of analysis requires the understanding of the stakes and conditions of collective action (the reference to Olson's work [1965] is here incontrovertible but insufficient). The next step consists in identifying and analyzing the influence strategies developed by pressure groups. These strategies notably rely on an electoral pressure – especially through contributions (not only financial ones) to political campaigns and parties – and on strategic communication (pressure groups seek to "inform" the decision-maker about the dangers of not responding to their expectations). However, as emphasized by the rent-seeking theory, the economic consequences of the pressure groups action go beyond the specific orientations it gives to public policies. The object of this course is to provide keys to understanding the economic influence of pressure groups. We will propose some analysis tools, explain their content and scope and mobilize them during 2-3 classes to study in detail some recent key articles in the field of public policy analysis.

Application forms

**only by download on the website of Paris I,
from the beginning of May until June 4. 2009**

*Join a stamped (2,13 Euros) self-adhesive envelope (23x32 cm),
with your name and address.*

For any administrative information:

☎ 01.44.07.88.50 or 88.76

Fax: 01.44.07.88.50

E-mail: eco3cycl@univ-paris1.fr