

Master Programs in Economic and Social Policy



ABOUT THE SCHOOL OF ECONOMICS AND BUSINESS UNIVERSIDAD DE CHILE

The School of Economics and Business – or Facultad de Economía y Negocios (FEN) – of the Universidad de Chile combines a rigorous training in Economics and Business with a major interest in public policy. FEN offers a first-class, internationally competitive education in Economics, Business Administration, Information Systems & Management Control, and Auditing, on a bachelor and masters level, along with a highly regarded PhD in Economics.

FEN has also pioneered programs at the Masters level in applied economics and Public Policy and is running two successful Masters programs in these areas, the Masters in Public Policy and the Masters in Economic Analysis. While the first program is oriented to professionals from a wide range of backgrounds with an interest in policy issues, the second one deals mostly with macroeconomic and prudential regulatory subjects and it is targeted to people who are seeking professional careers in economic policy within either the public or private sector and international organizations.

About 2,500 students are registered in our undergraduate programs and 1,500 at the graduate level. FEN's teaching and research combines a wide spectrum of business, economics and public policy issues. The University of Chile was founded in 1842 as a non-confessional public university and is the successor to a university created during the Spanish Colony in 1722 (Universidad de San Felipe).

Our alumni are well-rounded, creative, rigorous and ethical leaders. Whether in business, government or academia, our graduates may be found in both the private and public sectors of Chile and other countries and in international organizations.

FEN is currently accredited with AMBA (Association of MBAs) and AACSB (Association for the Advancement of Collegiate Schools of Business). The School itself and all of its graduate programs are accredited by the Chilean National Accreditation Council.

MASTERS IN ECONOMIC ANALYSIS

Objectives

The overall aim of the Masters in Economic Analysis is to train economic policy experts, providing them with the tools to analyze policies and economic policy in order to make decisions on a highly technical level. The program addresses the problems and challenges facing emerging markets from an applied perspective, enabling students to develop a successful career in both the public and private sectors.

Graduates of this Masters degree go on to advise multilateral and regional organizations, governments of developing countries, as well as private companies and financial institutions, on economic policy issues.

Courses

The MEA is composed of the following courses:

First Semester (early March through late June):

1. Applied Microeconomics

The study of modern Microeconomics, focusing on its application to economic policy cases and applied economics. It covers information economics, particularly adverse selection, moral hazard and principal-agent problems. An introduction to contract theory is also offered.

2. Macroeconomics I: Macroeconomics in Open Emerging Economies

The course discusses the main characteristics of open emerging economies. It also analyzes how developments in international financial markets and policies in major advanced economies affect the scale and duration of macroeconomic crises. It also looks at how fiscal and trade imbalances at the domestic level can lead to economic instability.

3. Applied Econometrics I

The objective of the course is to introduce students to the econometric tools and methods needed to solve micro and macroeconomic problems. Microeconomic problems are tackled through binary choice models, selection models and dynamic panel data models; while macroeconomic problems are addressed through the basic elements of time series, autoregressive vectors, structured VAR, calibration and DSGE.

4. Elective I

Second Semester (mid-July through mid-November):

1. Regulation and Competition in Imperfect Markets

The course analyzes the characteristics of markets where the assumption of perfect competition does not hold and where the competitive equilibrium is not socially optimal. Policy options are discussed. Emphasis is placed on the contractual issues faced by regulators.

2. Macroeconomics II: Economic Growth and Development

This course offers an understanding of the insights of standard and recent economic growth theories. Special emphasis is given to the effects of institutions, the production structure, human capital, and the development of financial markets on the growth of developing countries. The course also explores the role of coordination problems and informational externalities as constraints to growth. The course has a strong development policy orientation.

3. Applied Econometrics II

Advanced econometric techniques for policy analysis. The use of selection and structural models to analyze a variety of social and microeconomic issues. Dynamic panels for the study of macro-financial problems and time series techniques are taught.

4. Elective II

Third Semester (early March through late June):

1. Applied Research Seminar

Guidance in the preparation of students' Masters thesis. This seminar includes periodic presentations of the progress of the students' research. It concludes with the presentation of an advanced version of the thesis.

2. Elective III

Elective courses:

Besides offering a number of electives, some in cross-registration arrangements with other Masters programs (see below courses in the Masters in Public Policy, MPP), the MEA allows students to specialize in macro financial issues and regulation, with cross registration with the Masters Program in Finance.

Students can choose from a variety of elective courses that change from year to year.

Other electives are offered in conjunction with the Masters in Public Policy and the M.S. in Economics. They include:

- [The Economics of Education](#)

Overview of the economics of education, including the theoretical and empirical aspects under current discussion. Policy issues in educational reform.

- **Innovation, Productivity and Entrepreneurship**

It is generally recognized that innovation is the main source of economic growth and that entrepreneurship is essential to innovation. The first part of this course goes over what is known about entrepreneurship both theoretically and empirically. The second part deals with innovation and the best public policies to foster it among firms and countries.

Student body

The Masters in Economic Analysis is aimed at professionals in the fields of social sciences, engineering and mathematics, who wish to acquire a high-level understanding of major economic policy issues. The program actively recruits international students, particularly from other Latin American countries.

- **Financial assistance**

Financial assistance from the World Bank is available for qualified applicants who are non-Chilean nationals; the Chilean Agency of International Cooperation (AGCI) also offers financial assistance. FEN's Graduate School may assist students in obtaining financial support.



MASTERS IN PUBLIC POLICY

Objectives

Between the late eighties and early nineties, Latin American countries designed and implemented a large number of economic reforms. Experience shows that, often, simple and good ideas require much work to be implemented successfully. Moreover, the way these ideas are implemented varies greatly from country to country and over time.

In short, evidence suggests that the successful design and implementation of public policy goes beyond imitation of developed countries or the application of theoretical models. The successful implementation of public policies requires a multidisciplinary approach, a diverse spectrum of measures, and rigorous technical analysis.

The MPP seeks to create a space for imagining, designing and implementing public policies for development. It is a unique space for the study, analysis and discussion of public policy in emerging countries, focusing on the Chilean and Latin American experience.

Courses

The MPP is composed of the following courses:

First semester (early March to late June):

1. Applied Microeconomics

The objective of this course is to develop an understanding of the basic concepts of economic theory, particularly its modern insights, and its policy applications.

2. Data Analysis

This course provides a framework for understanding the critical concepts behind data, allowing students to use empirical data to answer relevant questions in the field of public policy.

3. Introduction to STATA

This course introduces students to an intelligent use of STATA software, which is critical to statistical and econometric analyses during the Masters program.

Second Semester (mid-July to mid November):

1. Political Science and Institutional Aspects

Students will review the regulatory framework for the successful implementation of public policies. Students will also look into the exercise of public functions within the principles of honesty and transparency. They will analyze constitutional, civil, criminal and administrative responsibilities in detail.

2. Empirical Methods for Public Policy

This course aims to train students, who already know basic statistical theory, in the practical use of econometric techniques in order to deepen their mastery of intermediate econometrics topics.

3. Microeconomics for Public Policy

The role of government in a social market economy. Students will review the rationale for government intervention. They will examine the traditional forms of intervention and examine them from the perspective of efficiency and equity.

Summer term (December-January):

1. Introduction to Public Policy

The course aims to give students an introductory understanding of public policy and its wider context. Students will develop the skills to reflect on complex policy issues and how to articulate intelligent approaches to them.

2. Advanced Empirical Methods

This course aims to build on the topics and techniques learned during the second semester. It trains students in the practical use of econometric techniques and emphasizes the application of these techniques to specific economic problems.

3. Public Finance

Students will analyze the components of tax systems and examine the economic effects of taxation. They will also look at the principles that govern public expenditure and at the political economy of public finance.

SECOND YEAR

First semester:

1. Elective I

2. Elective II

3. Project and Program Evaluation

Introduction to the analytical tools used for ex-ante and ex-post evaluation of projects and

programs. The aim is to familiarize students with the fundamentals of cost benefit analyses and impact assessment, complementing theory and methodology with practical examples. Emphasis will be placed on the development of a thesis or other equivalent academic activity.

Second semester:

1. Elective III
2. Elective IV
3. Thesis

Summer term:

1. Elective V
2. Elective VI

Elective courses:

Students must choose their electives from a variety of concentrations. Graduation requires the successful completion of two concentrations.

Group 1: Regulation and Competition

- **Regulated Industries**

This course covers the economic and legal concepts that justify public intervention in industries with market imperfections. During the course of the sessions, students will combine notions of economics, law and public policy, and move into the recent history of regulation, its main trends and tensions.

- **Competition Policies**

The course objective is to deliver economic fundamentals underlying antitrust action.

Group 2: Social and Labor Policy

- **Inequality, Poverty and Social Policy**

Introduction to the study of poverty, inequality and social policies. Students will examine theoretical and methodological aspects.

- **Labor Market, Social and Labor Policies**

Tools for analyzing the complexities of public policy in relation to the labor market. Modern view of social security. Social security as income insurance and as a tool for poverty reduction. Options for social security reform.

Group 3: Finance and Public Management

- **Strategic Management in the Public Sector**

Understanding the role of the State and governance: how it is organized to create value in the public sector, “new” public management, human resource policy and the design and implementation of performance incentives for public officials. Emphasis will be placed on strategic planning, as well as assessment and management tools used to improve governance and support decision making.

- **Topics in tax policy**

The main features of tax systems from a theoretical point of view and applied to the reality of Chile.

- **Public Expenditure**

Main micro and macroeconomic features and effects of public spending.

Group 4: Public Policies in Education

- **Policies and Economic Analysis of Education**

The objective of this course is to deepen students’ knowledge of the main contemporary approaches to educational policy and delve into some of the most important aspects of these policies, with particular emphasis on the Chilean case.

- **Management of Education Institutions**

The aim of this course is for students to understand the main features of education management quality models at all levels of the school system, to comprehend the national and international experience, and to be able to analyze the main challenges facing Chile’s search for higher standards.

Group 5: Public Policies Impact Assessment

- **Public Policies Impact Assessment I**

This course is aimed at students who are keen to become familiar with the main concepts of quality measurement of surveys, with special emphasis on sampling and external errors, such as interviewers, interviewees and stages of surveys. It also covers topics on ex-ante and ex-post evaluation of public policies.

- **Public Policies Impact Assessment II**

At the end of the course students will be able to distinguish the core technical aspects that determine the quality of an assessment; to positively influence the timing and design of these assessments; and to apply this knowledge to a wide range of situations: from the design of terms of reference to the development and implementation of impact assessments.

Group 6: Innovation and Entrepreneurship Policies

- [Economic Development, Theory and Innovation Policy](#)

This course attempts to show that development outcomes are not solely the result of a set of responses to macro signals, but that they also depend on multiple institutional and technological factors affect the production structure and a country's international specialization.

- [Entrepreneurship: Conceptual and Policy Aspects](#)

This course aims to provide students with the conceptual foundations and empirical evidence necessary to understand the fundamentals of the entrepreneurial economy and its policy implications.

Group 7: Territorial, Urban and Environmental Policies

- [Public Environmental Policy](#)

Provides an understanding of environmental economics and the economics of renewable and non-renewable natural resources in order to develop a set of potential policy solutions for today's environmental problems.

- [Public Urban Policy](#)

Economic principles underlying inter- and intra urban organization of economic and real estate activities. The economic rationale and consequences of interventions in the land market, in housing and in urban areas will also be analyzed.

- [Public Transport Policy](#)

Theoretical foundations of rigorous analysis of public policies related to transportation generally and urban transport in particular.

Group 8: Strategic Budget Management

- [Strategic Management in the Public Sector](#)

This course aims to provide an understanding of the institutional framework that guides the design of health systems and ensures that the functions of financing, regulation and provision are aligned to achieve equality and efficiency.

- [Public Sector Budgeting & Regional and Local Public Management](#)

This course will discuss the main features of tax systems from a theoretical point of view and applied to the reality of Chile.

Student body

The Public Policy Masters Program is aimed at professionals interested in acting as key players in the design, implementation and management of public policies. The structure and content of the program is designed to meet the expectations of professionals who value academic rigor and excellence, curricular diversity and the flexibility to converge on well-defined areas of specialization.

- **Financial assistance**

Shared with other programs of FEN Graduate School (see above, in Masters in Economic Analysis).

Accreditation

The Masters in Public Policy is fully accredited in Chile.



Professors

Both programs are taught by full time professors of the Departments of Economics and Business in FEN, all of whom have PhDs from some of the best universities in the world and extensive publication records. These programs also make use of academics from other Faculties of the University of Chile (Social Sciences, Public Administration, International Affairs, Industrial Engineering).

Manuel Agosin, Ph.D. in Economics, Columbia University

Roberto Álvarez, Ph.D. in International Business and Economics, Anderson School of Business, UCLA

Paola Bordón, Ph.D. in Economics, University of Wisconsin–Madison

Dante Contreras, Ph.D. in Economics, University of California Los Angeles

José De Gregorio, Ph.D. in Economics, Massachusetts Institute of Technology (MIT), and former President of the Central Bank of Chile

Fabian Duarte, Ph.D. in Economics, Yale University

Eduardo Engel, Ph.D. in Economics, Massachusetts Institute of Technology and Ph.D. in Statistics, Stanford University

Ricardo Ffrench-Davis, Ph.D. in Economics, University of Chicago

Eugenio Figueroa, Ph.D. in Economics, University of Maryland

Alvaro García, Ph. D. in Management, Anderson School of Management, UCLA

Aldo González, Docteur en Sciences Économiques, Université de Toulouse

Daniel Hojman, Ph.D. in Economics, Harvard University

Jorge Katz, Ph.D. in Political Economy, Oxford University

Oscar Landerretche, Ph.D. in Economics, Massachusetts Institute of Technology (MIT)

Guillermo Larraín, Ph.D. in Economics, École des Hautes Études en Sciences Sociales (EHESS), Paris

Ramón López, Ph.D. in Economics, The University of British Columbia

Vivian Norambuena, Ph.D. in Economics, Georgetown University

Javier Núñez, Ph.D. in Economics, University of Oxford

José Olivares, Ph.D. in Finance, The University of Texas, Austin

Valentina Paredes, Ph.D. in Economics, University of California at Berkeley

Francisco Pino, Ph. D. in Economics, Boston University

Joseph Ramos, Ph.D. in Economics, Columbia University

José Luis Ruiz, Ph.D. in Finance and Insurance, Wharton Business School, University of Pennsylvania

Jorge Rivera, Ph.D. in Mathematical Economics, Université de Paris I

Luis Riveros, Ph.D. in Economics, University of California, Berkeley

Jaime Ruiz-Tagle, Ph.D. in Economics, University of Cambridge

Pablo Serra Banfi, Ph.D. in Economics, Yale University

Juan Pablo Torres-Martínez, Ph.D. in Science, IMPA, Brazil

Juan Pablo Valenzuela, Ph.D. in Economics, University of Michigan

José Yañez, M.A. in Economics, University of Minnesota



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