

## 61346 - Economic Evaluation of Public Policies and Services

### Syllabus Information

**Academic year:** 2023/24

**Subject:** 61346 - Economic Evaluation of Public Policies and Services

**Faculty / School:** 109 - Facultad de Economía y Empresa

**Degree:** 525 - Master's in Economics

**ECTS:** 3.0

**Year:** 1

**Semester:** Second semester

**Subject type:** Optional

**Module:**

### 1. General information

This subject aims to strengthen and complete the training of the undergraduate studies in relation to the processes of public intervention in the economy. In this regard, the subject will cover standard issues of the evaluation of the public sector activity such as cost-benefit, cost-effectiveness, cost-utility analysis, parametric and non-parametric techniques of evaluation of public organizations and models of impact evaluation of specific public interventions. The case studies focus on the healthcare and education sectors.

In particular, the subject of Economic Evaluation of Public Policies and Services is one of the elective subjects of the master's program. It is taught in the second part of the academic year and is equivalent to 3 ECTS. It aims to reinforce the basic notions related to the evaluation of public management that are usually studied in the subjects of a degree in economics and to complete them with some topics that are not normally included in this type of studies, such as the assessment of the benefits and costs of intervention, the measurement of public output or the instruments for the evaluation of the programs with which the management of public resources is materialized.

These approaches and objectives are aligned with the following Sustainable Development Goals (SDGs) of the United Nations Agenda 2030; Health and Well-being (Goal 3) and Quality Education (Goal 4)

In such a way that the acquisition of the learning results of the subject provides training and competence to contribute to some extent to their achievement.

In order to make the most of this subject, it is necessary that the student has previous knowledge of statistics and econometrics and that they are fluent in both Spanish and English.

### 2. Learning results

Upon completion of this subject, the student will be able to:

- 1.- Understand the importance of economic evaluation in the field of activities carried out by the public sector.
- 2.- Be able to rigorously define the basic concepts and the different dimensions of economic evaluation
- 3.- Be familiar with the most innovative techniques currently available for evaluating public intervention policies (cost-benefit, cost-effectiveness and cost-utility analysis, techniques for evaluating the productive efficiency of public organizations and the impact of public policies).
- 4.- Know how to choose the appropriate approach and technique to evaluate the efficiency of public expenditure
- 5.- Clearly explain the characteristics of the different valuation assessment methodologies and select the most appropriate one for each specific case.

The learning promoted in this subject is essential for any graduate in economics or other related areas, since evaluation is currently a fundamental aspect both in the research field of Public Economics, as well as in the exercise of the professional activity of public managers.

### 3. Syllabus

The proposed program is organized in two parts. The first is devoted to the study of economic evaluation in the field of Health Economics. The second is the study of the economic evaluation of educational organizations and policies. The program will be delivered in 15 sessions, each of which will be devoted to one topic. The last of these will be devoted to the presentation of a specific evaluation by an external professional from a public evaluation agency.

#### PART ONE: ECONOMIC EVALUATION IN THE FIELD OF HEALTH ECONOMICS

Topic 1: Introduction to the economic evaluation of health technologies in the context of Health Economics.

Topic 2: Economic evaluation techniques: cost minimization analysis, cost-benefit analysis, cost-effectiveness analysis and cost-utility analysis.

Topic 3: The importance of alternatives in economic evaluation. Identification and measurement of resource use.

Topic 4: Measuring the benefits of health programs. QALYs.

Topic 5: Time and uncertainty adjustments in economic evaluation.

Topic 6: Presentation of results and decision rules in the economic evaluation of health technologies. When is a technology efficient?

Topic 7: Checklist for decision making. Critical analysis of an applied economic evaluation paper published in a scientific journal.

#### PART 2: ECONOMIC EVALUATION IN THE FIELD OF ECONOMICS OF EDUCATION

Topic 8: Economic evaluation of educational policies: the educational production function

Topic 9: Measuring productive efficiency: technical efficiency vs price efficiency

Topic 10: Measuring productive efficiency: parametric vs non-parametric methods

Topic 11: Case study and commentary of an empirical study on evaluation of the productive efficiency of educational organizations

Topic 12: Impact evaluation: methodological issues

Topic 13: Taxonomy of methods to evaluate the impact of a public intervention: randomized experiments, Propensity Score Matching, Regression Discontinuity Design (RDD), Differences in Differences (Dif in Dif) and Instrumental Variables (IV)

Topic 14: Case study: analysis and commentary of an empirical study on the evaluation of the impact of an intervention in the educational setting.

#### **4. Academic activities**

The planned academic activities are as follows:

- 1.- Theoretical and practical classes by the teacher.
- 2.- Personal work of the student in order to solve questions, prepare works, comment readings and prepare exams.
- 3.- Personalized tutorials
- 4.- Examinations.

#### **5. Assessment system**

The student must demonstrate achievement of the intended learning results through the following assessment activities:

1: In each session, the teacher provides students with bibliographical references and discussion questions to prepare for the next session. The student must study the suggested bibliography and, based on it, answer in writing to the questions formulated by the teacher. In the corresponding session, students discuss, with the teacher's assistance, the references consulted and the issues raised. The teacher will guide the discussion and summarize the most relevant conclusions of the topic covered in the session. The grade for this activity represents 50 percent of the final grade of the subject.

The assessment criteria and levels of demand are as follows:

- Ability to give reasoned answers to the questions formulated by the teacher and to discuss them in a reasoned manner (30%).
- Ability to present and discuss in a reasoned manner the content of the bibliography studied, beyond the specific questions posed to be solved in writing (30%).
- Ability to correctly link the problems addressed in each session with those examined in other sessions (20%).
- Rigor in the use of economic language and of the concepts and methodological tools covered, both in the written text and in the discussion with other students (20%).

2. At the end of the subject, there is an individual written exam in which the student must demonstrate that they have retained the basic concepts studied throughout the term by answering ten short questions. The grade for this activity represents 50 percent of the final grade of the subject.

In any case, students may choose to take the global assessment test of the subject.