

Academic Year/course: 2021/22

## 61346 - Economic Evaluation of Public Policies and Services

### Syllabus Information

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**Academic Year:** 2021/22

**Subject:** 61346 - Evaluación económica de políticas y servicios públicos

**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

### 1.1. Aims of the course

This course aims to strengthen and complete the training obtained in undergraduate studies in relation to the processes of public intervention in the economy. To this end, the course will address the standard topics of public sector activity evaluation, such as cost-benefit analysis, cost-effectiveness analysis, cost-utility analysis, parametric and non-parametric techniques for evaluating public organizations, and models for evaluating the impact of specific interventions.

In particular, the course of Economic Evaluation of Public Policies and Services is one of the elective courses of the Master in Economics that takes place in the second semester of the course and is equivalent to 3 ECTS credits. Its objective is to reinforce the basic notions related to the evaluation of public management that are usually studied in the courses 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 of evaluation of the programs with which the management of public resources is materialized.

### 1.2. Context and importance of this course in the degree

Given the scope of the topics covered, this course lays the conceptual foundations for the student to be able to opt, if necessary, for a later specialization in this field of economics.

### 1.3. Recommendations to take this course

In order to adequately follow this course, it is essential that the student has a solid knowledge (at undergraduate level) of the fundamentals of public intervention in the economy, Microeconomic Theory and, in particular, Statistics and Econometrics.

It is a subject designed especially for graduates in Economics and Business Administration, although it can also be taken without difficulty by graduates in Engineering, Statistics and Mathematics or by those who have taken degrees related to technical subjects.

## 2. Learning goals

### 2.1. Competences

Upon passing the course, the student will be more competent to:

- 1.- Understand the importance of economic evaluation in the scope of the activities performed by the public sector 2.
- 2.- Rigorously define the basic concepts and the different dimensions of economic evaluation.

To know the most innovative techniques currently available to evaluate public intervention policies (cost-benefit analysis, cost-effectiveness analysis, cost-utility analysis, productive efficiency evaluation and impact evaluation).

- 4.- Choose the appropriate approach and technique to evaluate the efficiency of public spending and economic regulation.

To clearly explain the characteristics of the different evaluation methodologies and to select the most appropriate one for each specific case.

- 6.- To initiate an applied research work in the field of public management evaluation.

## 2.2. Learning goals

The student, in order to pass this course, must demonstrate the following results:

- 1.- To be able to understand the importance of economic evaluation in the field of public sector activities.
- 2.- To 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 to evaluate public intervention policies (cost-benefit analysis, cost-effectiveness analysis, cost-utility analysis, productive efficiency evaluation and ex-post impact evaluation, etc.).
- 4.- To know how to choose the appropriate approach and technique to evaluate the efficiency of public expenditure.
- 5.- To be able to clearly explain the characteristics of the different evaluation methodologies and to select the most appropriate one for each specific case.

## 2.3. Importance of learning goals

The learning that takes place in this subject allows the student to know and analyze key theoretical and applied issues on the evaluation of public policies and services. This learning 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 and in the exercise of the professional activity of public managers.

## 3. Assessment (1st and 2nd call)

### 3.1. Assessment tasks (description of tasks, marking system and assessment criteria)

The student must demonstrate that he/she has achieved the expected learning outcomes by means of the following evaluation activities  
Activities type 1: Elaboration and presentation of individual or group work, commentary of readings and/or delivery and presentation/discussion in class of the theoretical-practical questions proposed by the professor.

Activities type 2: Final exam at the end of the course. This exam will be compulsory for students who have obtained an average grade lower than 8 points in the previous works and for those who opt for Honors.

Activities type 1 will be weighted 60% of the final grade and the exam 40%.

## 4. Methodology, learning tasks, syllabus and resources

### 4.1. Methodological overview

The methodology followed in this course is oriented towards achievement of the learning objectives. A wide range of teaching and learning tasks are implemented, such as lectures, student participation, autonomous work, and individual effort.

Students must study, previously to every session, the suggested bibliography.

Some topics might require IT resources.

All lectures and seminars will be imparted on site. In the case of a new health emergency caused by the current pandemic all teaching will be moved online.

### 4.2. Learning tasks

The course includes the following learning tasks:

- 1.- Lectures.
- 2.- Autonomous work: resolution of questions, preparation of papers, reading reviews and test preparation.
- 3.- Tutorials.
- 4.- Exams.

### 4.3. Syllabus

Session I: Theoretical concepts in the economic evaluation of health care. Methods of economic evaluation: costminimization

analysis, cost-benefit analysis, cost-effectiveness analysis and cost-utility analysis

Session II: Identifying and measuring resource use

Session III: Output measurement and valuation in health

Session IV: Discounting in economic evaluation and handling uncertainty in economic analysis

Session V: Presenting results, decision rules and transferability of economic results into decision-making

Session VI: Critical analysis of an economic evaluation published in a scientific journal

Session VII: Checklist for the evaluation of the quality of a Health Programme

Session VIII: Economic evaluation of education policies; the key role of the educational production function

Session IX: The measurement of productive efficiency: technical vs price efficiency

Session X: The measurement of productive efficiency: parametric versus non-parametric methods

Session XI: Case of study: Efficiency evaluation of secondary schools

Session XII: Impact evaluation: methodological issues

Session XIII: **Taxonomy** of methods to evaluate the impact of a public policy (I): Randomized experiments, and propensity score matching

Session XIV: Taxonomy of methods to evaluate the impact of a public policy (II): Regression Discontinuity Design (RDD), Differences in Differences (Dif in Dif) and Instrumental Variables (IV)

Session XV: Case of study: Impact evaluation of Financial Literacy on Financial Behavior

#### 4.4. Course planning and calendar

The calendar with the specific dates of the face-to-face sessions and the presentation of papers and other activities will be communicated by the professors of the course at the beginning of the second semester. In any case, the order foreseen for the fifteen work sessions is the same as the one proposed in the syllabus of the course (although it could be altered):

As a guideline, the scheduled activities will include:

- Theoretical, practical and theoretical-practical classes: 2 hours per week until completing the 30 classroom hours.
- Activities for the evaluation of the students throughout the course: resolution and presentation/discussion in class of theoretical-practical questions, elaboration and presentation of works and/or commentary of readings. These activities are mandatory for students who opt for the continuous evaluation system.
- Global test carried out in the examination period of each of the two calls of the course, aimed at evaluating the acquisition of knowledge and skills of the subject (must be performed by students who have not opted for the continuous assessment system and by those who want to improve the grade obtained in the continuous assessment system).

#### 4.5. Bibliography and recommended resources

- Murnane, Richard J. *Methods matter :improving causal inference in educational and social science research / Richard J. Murnane, John B. Willett Oxford [etc.]* : Oxford University Press, 2011
- Gertler P.. at al. (2017): *La evaluación del impacto en la práctica. Segunda edición. Banco Internacional para la Reconstrucción y el Desarrollo/Banco Mundial. Washington. USA*
- Khanker, S.R., Koolwal, G. y Samad, H.(2010): *Handbook on Impact Evaluation. Quantitative Methods and Practice/The International Bank for Reconstruction and Development / The World Bank*
- Angrist, J. and Pischke, J. (2015): *Mastering metrics: The path from cause to effect. Princeton University Press*
- *Análisis coste-beneficio en la salud : métodos de valoración y aplicaciones / José Luis Pinto, María Xosé Vázquez, Angelina Lázaro, Jorge Eduardo Martínez Barcelona, etc. : Masson, D.L. 2003*
- Pinto-Prades, J.L. y Sánchez-Martínez, F.I., *Métodos para la evaluación económica de nuevas prestaciones. Universitat Pompeu Fabra ? Centre de Recerca en Economia i Salut, CRES, Ministerio de Sanidad y Consumo, Barcelona. [http://www.msrebs.gob.es/estadEstudios/estadisticas/docs/metodos\\_evaluacion.pdf](http://www.msrebs.gob.es/estadEstudios/estadisticas/docs/metodos_evaluacion.pdf)*
- Neumann, P.J., Ganiats, T.G. *et al. (2017). Cost-Effectiveness in Health and Medicine, Second Edition, Oxford University Press.*