

**COURSE DATA****Data Subject**

Code	36127
Name	Introduction to economic policy
Cycle	Grade
ECTS Credits	6.0
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Faculty of Economics	2	Second term

Subject-matter

Degree	Subject-matter	Character
1316 - Degree in Economics	16 - Instrumental and sectorial economic policies	Obligatory

Coordination

Name	Department
TOBOSO LOPEZ, FERNANDO	110 - Applied Economics

SUMMARY

The course "**Introduction to Economic Policy**" is located in the second year of the Bachelor of Economics and is the first of three compulsory subjects involved in the study of economic policymaking and economic policies which are included in the Economics degree. They all form part of the subject called "instrumental and sectorial economic policies" in the Applied Economics Module.

As is indicated in the approved curriculum, this course aims to facilitate students to create an analytical framework for studying public actions with impact upon the economy with special attention to the policy making processes and bargaining strategies that exist in democratic countries, to the governance aspects that characterize democratic policy making at the different levels of government (supranational, central, sub-central), as well as to the major long-term policy goals and the instruments often used by governments with one political orientation or another.



This will create the basis allowing students to deep into some other more instrumental policies and the short term policy goals that are debated, negotiated and finally passed elsewhere in executives and parliaments or some other autonomous agencies such central banks (**Economic Policy I**). So as to leave for a next subject (**Economic Policy II**) the study of those other sectorial and structural policies that are also implemented by all governments in democratic countries, even though differences often exist from country to country, government to government etc, depending on which one is the winning coalition.

In "**Introduction to Economic Policy**" we focus therefore both on doctrinal aspects of the discipline and the several analytical approaches than can be used and on all other aspects related to the above mentioned processes of preparation and negotiation of economic policies in democratic western countries. For so doing, besides paying attention to issues related to the *logical design* of a policy action program and the main political actors directly involved in these collective decisions, the subject allows to focus on the influence economic groups, trade unions and business associations, specific groups of voters, staff of public administration, etc. may also exert to greater or lesser extent on the policies adopted, their implementation and evaluation.

A key methodological characteristic of the analyses, reflections and discussions to be dealt with in the current subject is that in all those reasoning special attention is paid to the institutional-organizational aspects of policymaking as well as to the political and bargaining factors involved when conflict exist among participants with divergent interests or purposes as they always are influential in collective decisions, particularly in the public sector. All this no doubt requires an additional effort on the part of the student.

Similarly, it is necessary to emphasize the above formative or educational goals regarding those economic policy subjects represent only a first step that students will be able to complement in some other optional related subjects such as "**Economic Policy of European Union**" (fourth year), "**Territory and regional and local development policies**" (fourth year), "**Economic development and development and cooperation policies**" (four years), "**Competitiveness, innovation and R & D policies**" (4th year), or "**Social Economy**" (4th year), among others.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

No additional requirements.

OUTCOMES



1316 - Degree in Economics

- Show critical thinking skills.
- Show ethical commitment and social responsibility at work, respect the environment and human rights and promote equality between men and women and the culture of peace.
- Be able to collect and analyse information.
- Have oral and written communication skills in the native language.
- Have decision-making skills and be able to apply knowledge to practice.
- Be able to work in a team (including interdisciplinary teams).
- Be able to learn autonomously.
- Be able to use ICTs.
- Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.
- Understand and apply the scientific method, which involves formulating hypotheses, deducing verifiable results and contrasting them with empirical and experimental evidence.
- Be able to prepare and defend an economic report.
- Be able to design and manage economic projects.
- Understand the effects of different market structures on efficiency and equity and the influence of regulatory policies.
- Know and understand the main market failures (public goods and externalities), their private and public solutions and their influence on the environment and natural resources.
- Understand the functioning of the economy at the aggregate level and the effect of different economic policies.
- Understand the possible causes of economic cycles and the effects of stabilisation policies.
- Know and understand the different instrumental, sectorial and structural economic policies, as well as their formulation process.
- Understand the actions and functions of the public sector in the economy and the detailed development of the different public income policies and public expenditure programmes.
- Know the causes of gender and race discrimination in labour markets and in economic and political organisations and the economic corrective measures.
- Know the economic measures to reduce income inequality and poverty.

LEARNING OUTCOMES

This subject should contribute to the achievement of the several learning outcomes the curriculum jointly attributes to the various subjects that conform the module "Instrumental and sectorial economic policies," which are reproduced below. And especially those that mainly refer to the processes of policy making and the economic agents involved at one or another level of government.



List of joint learning outcomes assigned to the module "Instrumental and sectorial economic policies":

- A. Analytical abilities for reasoning, understanding and interpreting the various economic public actions that take place at the existing three levels of government: international, central, sub-central.
- B. Knowledge and interpreting capacities regarding basic concepts regarding economic policies: objectives, instruments, political process, evaluation of economic policies, macroeconomic policies, sectorial and instrumental policies, R & D policy, regional and local policy, cooperation for development policy, social economy and social responsibility of companies.
- C. know how to interpret the functioning of the state, to assess the role of government in the management of macroeconomic policy and recognize the problems of implementation of fiscal and monetary policies.
- D. Ability to understand the challenges facing the European project and to adopt a personal and reasoned position regarding them.
- E. Ability to understand the economic dynamics, technological change and the role of R & D policy.
- F. Ability to understand the development processes that are territorially located and the role of public policy.
- G. Ability to understand the processes of development in the least developed countries and the role of political cooperation.
- H. Ability to understand the growing commitment of private companies with sustainable social development, particularly in the corporate sector and social economy organizations.

Accordingly to the abovementioned general requirements, the formative goals of the current subject can be detailed by stating that the current subject:

- At an introductory level, attempts to achieve that the students may improve their ability to access, process and interpret information, statistics and reports on economic policies that are provided through various electronic sources.
- At an introductory level, attempts to achieve that the students may improve their ability to discern the efficiency versus the distributional or equity effects that may result from the application of economic and other policies.
- At an introductory level, attempts to achieve that the students may improve their abilities to differentiate its analysis of economic policies that produce or some other economists according to their training discipline or analytical approach.
- At an introductory level, attempts to achieve that the students may improve their skills of argument to justify the personal support or opposition to the adoption of one or the other economic policies of the studied subject.



- At an introductory level, attempts to achieve that the students may improve their ability to dissect the different elements that appear in reports and other proposals for political-economic action covered in the course.
- At an introductory level, attempts to achieve that the students may improve their ability to evaluate different information and / or contradictory on the same topic politico-economic contribute in mass media.
- At an introductory level, attempts to achieve that the students may improve their abilities to propose alternative economic policy actions that benefit some groups more than others and vice versa, especially in relation to the policies addressed in the course.
- At an introductory level, attempts to achieve that the students may improve their ability to provide arguments against a specific intervention by adopting themselves the position of a group of people negatively affected by the measure.
- At an introductory level, attempts to achieve that the students improve their ability to provide arguments in favour of an intervention by adopting themselves the position of a group of people positively affected by the measure.
- At an introductory level, attempts to achieve that the students improve their ability to analyse the impact of economic policy actions that influence on economic growth and income distribution.
- At an introductory level, attempts to achieve that the students improve their ability to detect the ideological orientation/political orientation of the reports published by different think tanks, agencies or schools of thought.
- At an introductory level, attempts to achieve that the students improve their skills of analysis, synthesis and critical evaluation.

DESCRIPTION OF CONTENTS

1. Economy, markets and economic policies.

- 1.- Economy and markets.
- 2.- The failures of markets and the role of public authorities.
- 3.- Concept and typology of economic policies.
- 4.- The magnitude of economic policy interventions.

2. Structure and fases of economic policy actions.

- 1.- The scheme goals/instruments in the logical process of designing economic policies.
- 2.- The limitations of the scheme goals/instruments.
- 3.- The definition of social problems and the setting the political agenda.
- 4.- The implementation and evaluation of economic policies.



3. Institutions and constraints in the making of economic policies.

- 1 .- Formal and informal institutions and economic policy decisions.
- 2 .- Democracy, electoral rules and political competition.
- 3 .- External and internal constraints economic policy making.
- 4 .- Institutions, economic policies and governance aspects.

4. Political agents in the making of economic policies.

- 1 .- Voters, political parties and the programs offered.
- 2 .- Parliaments, parliamentary coalitions and institutional reforms.
- 3 .- The role of governments or executives and political-economic cycle.
- 4 .- Consultants, activists and supporters: information and political persuasion.

5. Economic policies and economic and social agents.

- 1 .- The logic of collective action and political participation.
- 2 .- The stakeholders and the mechanisms of political pressure.
- 3 .- Bureaucracy and economic policies.
- 4 .- The risks of corruption and the limits of economic policy intervention.

6. Levels of government and coordination of economic policies.

- 1 .- Territorial decentralization, integration and supranational economic policy.
- 2 .- The effective distribution of economic policy responsibilities between levels of government and their implications.
- 3 .- Financing and economic policies of the sub-central governments.
- 4 .- Governance and coordination of economic policies at national and supranational.

7. Growth, development and economic policies.

- 1 .- Economic growth versus development: quality of life and environmental limits.
- 2 .- The booms, bubbles and crises of capitalism.
- 3 .- Political growth, globalization and offshoring.
- 4 .- Sustainable development and environmental policies.

8. Income and wealth redistribution and economic policies.

- 1 .- The principles of justice and the justification for redistributive policies.
- 2 .- Origin and evolution of the welfare state.
- 3 .- indicators on poverty and inequality.
- 4 .- Main actions redistributive impact of economic policy.

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Development of group work	6,00	0
Development of individual work	6,00	0
Study and independent work	6,00	0
Readings supplementary material	12,00	0
Preparation of evaluation activities	22,00	0
Preparing lectures	8,00	0
Preparation of practical classes and problem	30,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

The course "Introduction to Political Economy" consists of a theoretical part and a practical one.

Theoretical Lectures:

They are based on the teacher's introductory explanation of the main concepts, ideas and analysis to be dealt

with in each unit, but they will require and encourage the students to actively participate by the procedure established by each teacher. These activities may be complemented with the presentation and discussion at the classroom of some other complementary bibliographic references duly indicated previously. At the end of each unit potential theoretical questions for the final exam may be posed.

Practical classes:

These are intended to put into practice the theoretical classes and, therefore, follow the thematic structure presented in this teaching guide. Normally they will stimulate both individual and team work and oral presentations and discussions of the results achieved by attendants so as the teacher be able, if necessary, to refocus students' efforts to profit the course better. The oral presentation of short works and reports by members of teams will be assessed individually in the frame of the continuous assessment process. This evaluation will be based on the degree of knowledge and capacities shown by each regarding the skill mentioned in this guide concerning the specific materials each teacher makes available to students through the normal channels. These materials usually consist of short texts and reports on specific policy actions already undertaken, or programs with proposals for economic policy, statistical tables on measures or results, short videos about political negotiations or institutional reforms, related newspaper material for discussion, material available in related websites, etc. Here also some practical question for the exam may be raised. Class discussion of the problems posed in the said material based on the practical works and short reports elaborated is a crucial vehicle for learning and assessment in these



classes. Before the practical classes start, all students must have prepared, read or watched the practice materials that the teacher recommends, which usually are not identical for each practical group or subgroup. The preparation of a final report may also be part of this assessment if the teacher requires it to be done at the beginning of the course.

EVALUATION

As stipulated in the approved curriculum, the assessment of the subjects that form the module called - instrumental and sectorial policies- of the Applied Economics must take into account, in that order of importance, the following aspects:

1. Written exams that assess the level of achievement each student obtains regarding the learning goals already mentioned, and especially those focusing on specific skills pursued in the current subject.
2. Continuous evaluation of the student, based on their participation and involvement in the teaching-learning process. Continuous assessment will be done through individual works and reports, presented in writing and orally. This must measure the achievement in all the learning outcomes.

Under these guidelines, the assessment of this course is based on the both the theoretical and practical classes scheduled. This evaluation will consist of a written exam plus a final score obtained, if enough attendance is ensured, by the method of continuous assessment.

The final exam of the subject, or the sum of the several assessed exercises if any, will contribute 60% of the grade (from 0 to 6 points out of 10). This examination can be made, if the teacher considers it appropriate, by one or more test exercises, among others, and will have to be passed with a score greater than or equal to 3 points (out of the 6 points of the theoretical part) in order for the practical classes punctuation to be added. If the student fails to pass the theoretical part, his final grade will be that one obtained in such a theoretical part. In all multiple choice exams and/or exercises, whether they are partials or final, incorrect answers will subtract 0.33 points.

As said, the evaluation of the practical part will be done by the method of continuous assessment. This will be based on the degree of knowledge and skills demonstrated by each student, as assessed by the teacher, through the practical works, short reports and presentations and discussions carried out in practical classes and/or the use of controls or practical examinations conducted throughout the course, in case. Texts, audios, videos or other materials provided by the teacher through the usual channels will have to be prepared by each group before the class start to allow enough discussion during the session. The mark of the practical part of the course will consist of a score added to the theory mark and may reach for those who demonstrate a high level of knowledge and skills, up to 4 points (0 to 4 out of 10). The distribution of these four points between activities and/or assessed exercises will be determined by each teacher based on their own organization of activities and announced at the beginning of the course.

Attendance is compulsory in the current curriculum for the continuous assessment method to be applied. Therefore, attendance less than 70 percent of the theoretical sessions and 70 per cent of practices makes it impossible to apply the option of continuous assessment of the practical part. In this case the grade will just be formed by the result obtained in the final exam of the theoretical part. Continuous assessment activities are not recoverable unless otherwise indicated by the teacher at the beginning of the course or in the complementary information provided to students in his virtual classroom or web. Only those who have unattended in excess due to a recognized and certified cause may opt, if the teacher so establishes it, to a final examination of practices or to overcome this lack by other procedures indicated at the beginning



of the course, thus not losing their right to opt for the 4 points of the practical part and obtain the maximum score of 10. Depending on his/her own organization of activities and assessed exercises, the teacher may also consider the possibility that those students who get less than 2 points in the practical score (or those who want to improve it if they renounce to the points obtained by the exercises or activities through the continuous assessment method) may also take part in the final practical exam, in case, or in any other activity required.

According to article 11.g of Law 3/2022, of February 24th, on university coexistence, regarding ChatGPT, it shall be considered a very serious offense to fully or partially plagiarize a work, or engage in academic fraud in the preparation of any assignment or activity requested of the students. Academic fraud shall be understood as any deliberate behavior aimed at falsifying the results of an exam or assignment, whether it is one's own or someone else's (including the improper use of artificial intelligence such as ChatGPT), carried out as a requirement to pass a subject or demonstrate academic performance.

REFERENCES

Basic

- Entre los diversos manuales que cabe utilizar como textos básicos globales para apoyar las explicaciones y debates que se realizarán en el aula cabe destacar los que se indican a continuación. El profesor detallará en clase qué capítulos son los más adecuados como bibliografía básica para cada tema concreto, pues en dichos libros se abordan también asuntos que no están incluidos en la presente guía. Es recomendable consultar la última edición disponible.

- EN CASTELLANO CABE MENCIONAR AQUI:

Sánchez, A. , Introducción a la Política Económica. Concepto, estructura y formación. Tirant lo Blanch, Valencia.

Antuñano, I. y Sanchez, A. , Política Económica. Elaboración y políticas coyunturales. Tirant Lo Blanch, Valencia.

Toboso, F. y Caballero, G., Democracia y políticas económicas: elaboración, negociación y opciones. Ed. Síntesis, Madrid.

Cuadrado Roura, J.R., Política Económica: elaboración, objetivos e instrumentos. Civitas, Madrid.

Fernández Abastos, J., Democracia, Instituciones y Política Económica. Civitas, Madrid.

Ayala, J., Mercado, Instituciones y elecciones públicas. UNAM, Mexico.

Tomás, J.A. y Sánchez, A., Conflictos de mercado y de estado en la política económica. Tirant lo Blanch, Valencia.

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EN LENGUA INGLESA CABE DESTACAR AQUÍ:

Scartascini, C., Stein, E. y Tommasi, M., How democracy works : political institutions, actors, and arenas in Latin America policy-making. Interamerican Bank.

Rausser, G.C., Swinnen, J., Zusman, P., Political power and economic policy. Theory, analysis and empirical applications, Cambridge University Press, Cambridge.



Acocella, N., Non-market failures: elements of a positive theory of economic policy, In: The foundations of economic policy. Values and techniques, Cambridge University Press, Cambridge.

Additional

- Para la preparación de la asignatura también podrán ser recomendados otros materiales complementarios útiles como apoyo de lo tratado en cada tema, de más reciente publicación, conteniendo análisis diferenciados, etc. Algunos de ellos podrán ser considerados también de lectura obligatoria, indicándose en ese caso al inicio del tema correspondiente. Por otra parte, para las sesiones de prácticas se requerirá consultar otros textos y materiales específicos, breves informes sobre políticas económicas, cuadros estadísticos y gráficos, videos, etc que en cada caso se podrán a disposición de los alumnos por las vías habituales. Además de artículos de revistas de investigación con un nivel de dificultad adecuado para la asignatura, cabe citar como ejemplos los que a continuación se indican.

- EN CASTELLANO CABE MENCIONAR AQUI:

Aguilar Villanueva, L.F., Gobernanza y gestión pública. FCE, Mexico.

Antuñano, I., Jordán, J.M. y Tomás, J.A., Crisis y transformación. Ensayos de política económica en homenaje al prof. Emerit Bono. PUV, Valencia.

Stiglitz, J., Caída libre. Taurus, Madrid.

Sachs, J., El precio de la civilización. Galaxia Gutenberg, Barcelona.

Bernanke, B., Mis años en la Reserva Federal. Deusto, Pamplona.

Boix, C., Partidos políticos, crecimiento e igualdad, Alianza Editorial, Madrid.

Toboso, F. y Arias, X.C., Organización de gobiernos y mercados. PUV y U. Vigo, Valencia.

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Esteban, M. y Serrano, F., La política económica en tiempos de incertidumbre. Netbiblo, La Coruña.
García Pérez, J.I., Metodología y diseño de estudios para la evaluación de políticas públicas. Antoni Bosch Editor, S.A., Barcelona.
Held, D., Modelos de democracia. Alianza, Madrid.
Rose-Ackerman, S., La corrupción y los gobiernos. Siglo XXI, Madrid.
Arbós, X., La cooperación intergubernamental en estados compuestos. IEA, Barcelona.
Fernández, A., Parejo, J.A. y Rodríguez, L., Política Económica. McGraw-Hill, Madrid.
Vallés, Josep M., Ciencia Política. Una introducción. Ariel, Barcelona.
Frey, B., Para una política económica democrática. Alianza, Madrid.
Sebastian, M., La falsa bonanza. Ed. Península, Barcelona.
Sebastian, C., España estancada. Galaxia Gutenberg, Madrid.

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EN LENGUA INGLESA CABE MENCIONAR AQUI:

Persson, T. and Tabellini, T., Political economics. Explaining economic policy, MIT Press.

Drazen, A., Political economy in macroeconomics, Princeton University Press.

Caporaso, J. and Levine, D., Theories of political economy, Cambridge University Press.