

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

Code	36128
Name	Economic policy I: instrumental policies
Cycle	Grade
ECTS Credits	4.5
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Faculty of Economics	3	First term

Subject-matter

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

Coordination

Name	Department
OCHANDO CLARAMUNT, CARLOS	110 - Applied Economics

SUMMARY

The subject aims that students reach a sufficient knowledge of the main macroeconomic objectives and instruments of economic policy. The main goal is to analyze the instrumental, short-term and medium-term perspective of economic policy.

PREVIOUS KNOWLEDGE**Relationship to other subjects of the same degree**

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



Other requirements

It is required to have taken the course of Introduction to Economic Policy previously. Likewise, it is desirable to have taken courses in Public Sector Economics.

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

- Explain the main macroeconomic Western societies' imbalances, their measurement and their consequences.
- Classify and compare the main theoretical explanations on the causes of macroeconomic imbalances and of their correction.
- Relate to each other the different imbalances and the most common trade-offs that occur in reality.
- Describe and exemplify the organizational and institutional framework through which public administrations seek to overcome macroeconomic imbalances.
- Select and interpret relevant and up-to-date information on economic policy's objectives and instruments.
- Use critically both terminology and policy-specific analysis techniques.

DESCRIPTION OF CONTENTS

1. Topic 1.- THE OBJETIVES OF ECONOMIC POLICY IN THE LONG RUN

- 1.1- Development, growth and distribution as economic policy objectives
- 1.2- Economic growth
- 1.3- Income distribution
- 1.4- The relationship between economic growth and income distribution

2. Unit 2.- THE OBJECTIVES OF THE ECONOMIC POLICIES IN THE SHORT AND MEDIUM TERM.

- 2.1- Business cycles
- 2.2- Price stability
- 2.2- Employment
- 2.4- Interaction of the objectives of price stability and employment

3. Topic 3. FISCAL AND BUDGETARY POLICY (I): PUBLIC INCOME AND EXPENDITURE

- 3.1- Public revenue policy
- 3.2- Public revenue, tax burden and distribution of tax burden
- 3.3- Public expenditure policy
- 3.4- Budget, management and control of public income and expenses



4. Topic 4. FISCAL AND BUDGETARY POLICY (II): PUBLIC DEFICIT AND PUBLIC DEBT

- 4.1- Fiscal policy and control of aggregate demand
- 4.2- Automatic stabilizers and discretionary measures
- 4.3- Indicators to measure the orientation of fiscal policy
- 4.4- Public deficit and dynamics of public debt.

5. Topic 5. MONETARY AND FINANCIAL POLICY (I): MONETARY POLICY

- 5.1- Objectives, instruments and mechanisms of financial transmission
- 5.2- Monetary policy in Europe. The ECB
- 5.3- Unconventional monetary policies
- 5.4- Long-term prospects for monetary policy

6. Topic 6.- MONETARY AND FINANCIAL POLICY (II): THE MACROPRUDENTIAL FINANCIAL POLICY

- 6.1- Financial policy: traditional conception and modern perspective
- 6.2- Macro-prudential and micro-prudential policies
- 6.3- Financial policy instruments with a macroprudential perspective
- 6.4- Financial policy agents

7. Topic 7.- FOREIGN STABILIZATION POLICIES: FOREIGN BALANCE, SUSTAINABILITY OF THE BALANCE OF PAYMENTS AND FOREIGN ADJUSTMENT POLICIES

- 7.1- The external balance: the difficulties for its delimitation
- 7.2- Current account balance: macroeconomic significance and different perspectives
- 7.3- Factors that affect the sustainability of a current account imbalance
- 7.4- Foreign adjustment policies

8. Topic 8.- INCOME POLICY

- 8.1- Income policy, social agreement and corporatist model of labor relations
- 8.2- The traditional implementation of income policy
- 8.3- Economic crisis, wage devaluation and income distribution
- 8.4- Income distribution, aggregate demand and economic growth
- 8.5- The new role of income policy

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	15,00	100
Development of individual work	67,50	0
TOTAL	112,50	

TEACHING METHODOLOGY**X.1- Theoretical classes.**

Theoretical classes will highlight the most important contents of each topic, according to each teacher, referring to the compulsory bibliography for those aspects whose detail is not considered necessary in the classroom. The student will have to read three types of materials:

- the corresponding chapter in Ochando, C. (Coord) (2021),
- the compulsory readings recommended (5 readings in total) and
- the file on the topic hanged in the Virtual Classroom (if the teacher makes it available for students in the Virtual Classroom).

X.2- Practical classes.

Practical classes will encourage student participation and active learning. Each teacher will propose a methodology at the beginning of the course and provide the necessary materials to the students to carry it out. Likewise, at the beginning of the course, it will state the system of continuous evaluation of the same. As another element of continuous assessment, the teacher may take into account the students' participation in class. The maximum grade obtained by the evaluation of the practices and the work done during the course will be 30% of the final mark.

Both, students and teacher, will be able to propose volunteer work, seminars, book readings, debates on current issues, etc. throughout the course. Any volunteer activity performed by the student, as long as it is coordinated with the teacher and meets in a form and time with the requirements established by him, will be taken into account in the final evaluation.

EVALUATION

The evaluation of this subject will be realized as detailed below.



1. The **continuous evaluation** that, if applicable, applies each member of the teaching team in their groups during the course represents 30% of the final note of the final mark. The active participation of the students will be considered in the final grade by continuous evaluation, according to criteria established in each case by each teacher: presentation of individual works, performance of collective tasks, participation in debates, participation in practical classes, etc. Continuous assessment is not recoverable by an exam.
2. The **exam** supposes up to 70% of the final note of the final mark. The minimum evaluation to pass is 3,5 /7.

These rules prevail irrespective of whether the qualification is in the first or second call, so that if a student has a grade of 0 in the continuous assessment, in the examinations of the course the maximum qualification that he/she will opt to will be a 7/10 .

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 orf any assignment or activity requested of the students. Academic fraud shall be understood as any deliberate behavior aimed at falsifying the results of an examn 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

- OCHANDO, C. (COORD.) (2021). POLÍTICAS ECONÓMICAS COYUNTURALES. OBJETIVOS E INSTRUMENTOS.2ª EDICION. TIRANT LO BLANCH.VALENCIA.

Additional

- CUADRADO, J.R. (DIR.)(2023)POLÍTICA ECONÓMICA. ELABORACIÓN, OBJETIVOS E INSTRUMENTOS. MCGRAW-HILL.MADRID.
- FERNANDEZ,A., PAREJO, J.A. Y RODRIGUEZ, L. (2006): POLÍTICA ECONÓMICA.MACGRAW-HILL,MADRID.
- GAMIR,L.(DIR.),CASARES,J. Y VELASCO,C.(COORDS.): POLÍTICA ECONÓMICA DE ESPAÑA.8ª ED.ALIANZA.MADRID
- BLANCHARD, O. (2023): FISCAL POLICY UNDER LOW INTEREST RATES. MIT PRESS.
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