

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

Code	44171
Name	Stabilisation policies
Cycle	Master's degree
ECTS Credits	3.0
Academic year	2019 - 2020

Study (s)

Degree	Center	Acad. year	Period
2203 - M.U. en Política Económica y Economía Pública	Faculty of Economics	1	First term

Subject-matter

Degree	Subject-matter	Character
2203 - M.U. en Política Económica y Economía Pública	6 - Economic policy	Optional

Coordination

Name	Department
OCHANDO CLARAMUNT, CARLOS	110 - Applied Economics

SUMMARY

The stabilization policies intended to subject persons to reach the learning in in-depth knowledge of some of the issues of the current debate concerning short-term macroeconomic policies. This instrumental, more temporary or short-term economic policy perspective is predominant in the "stabilization policies" calls. Stabilization policies are intended to correct the short-term imbalances. Specifically, the course addresses four key issues that are present in the current agenda of economic policy are discussed:

- 1) economic growth based on stimulating aggregate demand,
- 2) the new objectives of monetary policy and the role to be played by the Central Bank,
- 3) the objectives and instruments of fiscal policy, focusing the analysis on whether it should be expansive or continue with austerity and fiscal consolidation processes,
- 4) the new role playing incomes policy.



They especially focus will be on academic debates within the economics around the optimum and necessary to resolve these macroeconomic problems (unemployment, inflation, external imbalances, etc.). Economic policy. Students should know the different academic debates and different policy proposals. All this from pluralistic methodological approach.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

Previous knowledge to study the subject are acquired during a degree or degree in Economics or in other branches of the social sciences

OUTCOMES

2203 - M.U. en Política Económica y Economía Pública

- Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.
- Students should be able to integrate knowledge and address the complexity of making informed judgments based on incomplete or limited information, including reflections on the social and ethical responsibilities associated with the application of their knowledge and judgments.
- Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.
- Students should demonstrate self-directed learning skills for continued academic growth.
- Students should possess and understand foundational knowledge that enables original thinking and research in the field.
- Desarrollar la capacidad crítica, impulsar la inquietud y el interés investigador; buscar, ordenar, analizar y sintetizar la información económica, seleccionando aquella que resulta pertinente para la toma de decisiones en política económica.
- Desarrollar la capacidad de trabajo en equipo, coordinación de tareas, liderazgo y compromiso con el grupo en el desarrollo de actividades de análisis de los problemas económicos y sus soluciones.
- Tomar decisiones tanto individuales como colectivas en su labor profesional y/o investigadora relacionada con la resolución de problemas propios de la política económica y la economía pública.
- Integrar las nuevas tecnologías de la información y de la comunicación en su labor profesional y/o investigadora relacionada con el análisis de la intervención del estado en la economía.



- Aplicar los conocimientos adquiridos en la identificación de salidas profesionales y yacimientos de empleo en el ámbito de la economía privada, el sector público y el tercer sector, partiendo del reconocimiento de la importancia del dominio de las técnicas y herramientas de búsqueda de empleo para este fin y teniendo siempre presente el emprendimiento como una alternativa profesional.
- Fomentar, en contextos académicos y profesionales del ámbito de la política económica, el avance tecnológico, social o cultural dentro de una sociedad basada en el conocimiento y en el respeto a: a) los derechos fundamentales y de igualdad de oportunidades entre hombres y mujeres, b) los principios de igualdad de oportunidades y accesibilidad universal de las personas con discapacidad y c) los valores propios de una cultura de paz y valores democrático.
- Valorar diferentes problemas económicos, precisar sus causas e interpretar la toma de decisiones del Estado.
- Poder realizar una evaluación previa de las políticas económicas del Estado y el establecimiento de alternativas posibles.
- Poder evaluar el impacto de la política económica sobre la economía en su conjunto y por áreas de actividad o sectores.
- Valorar los límites institucionales a la capacidad de acción del Estado.
- Poder evaluar el papel de los grupos de presión en la definición de la agenda gubernamental.
- Contrastar las relaciones de poder presentes en los sistemas económicos y su influencia en el proceso económico.

LEARNING OUTCOMES

People who study the subject of stabilization policies will achieve the following learning outcomes: recognize major macroeconomic imbalances in western societies, its measurement and its consequences; confront the major theoretical approaches and explanations about the causes of macroeconomic imbalances and their correction; interrelate the various imbalances and "trade-offs"; know the different programs of stabilization policy carried out in recent years; know the main approaches to economic policy which determine and condition the current debates on macroeconomic policy

DESCRIPTION OF CONTENTS

1. Stabilization policies (I): economic growth based on aggregate demand.

1.1-Models of economic growth: based on indebtedness, export-oriented and focused on domestic aggregate demand

1.2-Strategy based on the growth of real wages: comparative experience

1.3-Strategy economic policy based on aggregate demand

**2. Stabilization policies (II): monetary policy and stabilization of the price level**

- 2.1- Inflation/deflation policy objective.
- 2.2- Do you have to be higher inflation?
- 2.3- Dependence and independence of the Central Bank.
- 2.4- Measures vs conventional/unconventional monetary policy measures.
- 2.5- Effectiveness and limits of monetary policy

3. Stabilization policies (III): Fiscal Policy: Fiscal stimulus vs. austerity?

- 3.1- Effects of fiscal policy on domestic and external stability.
- 3.2- Deficit and public debt Policy.
- 3.3- Stimulus-Tax vs Fiscal Consolidation
- 3.4- Limits on the effectiveness of fiscal policy

4. Stabilization policies (IV): a new role of incomes policy?

- 4.1- The traditional role of incomes policy: controlling inflation.
- 4.2- Objectives and implementation of incomes policy.
- 4.3- Income Policy, income distribution and aggregate demand.
- 4.4- A new role for Incomes Policy.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Development of group work	5,00	0
Development of individual work	5,00	0
Readings supplementary material	10,00	0
Preparation of evaluation activities	7,00	0
Preparing lectures	8,00	0
Preparation of practical classes and problem	10,00	0
TOTAL	75,00	

TEACHING METHODOLOGY

The lectures will highlight the most important contents of each issue, according to the professor, referring to the literature for those aspects whose detail are not considered necessary in the classroom. The classes encourage participation and active student learning. The teacher will propose a methodology at the beginning of the course and provide the necessary materials for students to carry it out. Within this methodological framework could be used the following teaching methods:

- 1) Lectures (participatory)



- 2) Classes aimed at the implementation of theoretical knowledge
- 3) Item Discussion (reads).
- 4) Seminars and conferences.
- 5) Discussion and guided discussion.
- 6) Collaborative work.
- 7) Search, reading and analysis of scientific literature

EVALUATION

For the final evaluation of the course three aspects will be considered:

- 1) Final exam on the main contents of the course. This test will be mixed (test and development) (40%)
- 2) Working individually or in groups on one of the themes of the course (40%)
- 3) Active participation of the student, as well as other kinds of volunteer work (20%).

REFERENCES

Basic

- HEIN, E. (2011): Redistribución, desequilibrios mundiales y crisis económica y financiera. La posibilidad de la recuperación basada en los ingresos a partir de un nuevo pacto keynesiano Boletín Internacional de Investigación Sindical vol.3 (1)
- SETTERFIELD, M. (Ed.) (2005): La economía del crecimiento dirigida por la demanda. Ed. Akal. Madrid.
- KRUGMAN, P. (2012): ¡Acabad ya con esta crisis! Ed Crítica.
- GONZÁLEZ-PÁRAMO, J. M. (2012): La gestión del Banco Central Europeo ante la crisis Revista de Economía Mundial nº 30.
- WEISBROT, M. y MONTECINO, J. (2010): Alternativas a la austeridad fiscal en España Documento de trabajo del Center for Economic and Policy Research, Washington, D.C., Julio.
- FERNÁNDEZ-ALBERTOS, J. (2012): Democracia intervenida. Políticas económicas en la Gran Recesión. Ed. Catarata/Fundación Alternativas.
- ARESTIS, Ph. y SAWYER, M. (2013): Moving from Inflation Targeting to prices and Incomes Policy Panoeconomicus 1, pp: 1-17.
- SARDONI, C. (2011): Incomes policy: two approaches European Journal of Economic and Economic Policies: Intervention vol 8 (1), pp: 147-163.



Additional

- - BHADURI, A. y MARGLIN, S. (1990): Unemployment and the Real Wage: the Economic Basis for Contesting Political Ideologies Cambridge Journal of Economics, vol 14, pp: 375-393.
- - ONARAN, Ö (2011): From wage suppression to sovereign debt crisis in Western Europe: who pays for the costs of the crisis? International Journal of Public Policy vol.7, nº 1/2/3, pp: 51-69.
- - ONARAN, Ö. (2013): Income Distribution and Aggregate Demand: A Global Post-Keynesian Model Post Keynesian Economics Group Working Paper Series nº 1304.
- - PALLEY, T. (2011): Aspectos económicos de la recuperación basada en los salarios. Análisis y recomendaciones de políticas Internacional de Investigación Sindical vol. 3(2).
- - AKERLOF, G., DICKENS, W. y PERRY, G. (1996): Low Inflation or No Inflation: Should the Federal Reserve Pursue Complete Price Stability? Challenge Sept-October, pp: 11-17.
- - ESTEVE, V. y PRATS, M. A. (2011): La utilización de medidas de política monetaria no convencional frente a la crisis financiera internacional Revista Principios nº 19, pp: 5-34.
- - GONZÁLEZ-PÁRAMO, J.M. (2011): La política monetaria del BCE durante la crisis. Disponible en: http://www.ecb.europa.eu/press/key/date/2011/html/sp111021_1.es.html.
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- - MALO DE MOLINA (2013): La respuesta del Banco Central Europeo a la crisis Boletín Económico del Banco de España Julio-Agosto.
- - MILLARUELO, A. y DEL RÍO, A. (2013): Las medidas de política no convencionales del BCE a lo largo de la crisis Boletín Económico del Banco de España, Enero, pp: 89-99.
- - HERNÁNDEZ, G. (2005): Control del déficit y endeudamiento del sector público: el Pacto de Estabilidad y Crecimiento. Información Comercial Española, nº.820, pp.111-121.
- - HERNÁNDEZ, P. (2010): El papel de la política fiscal en la crisis económica Presupuesto y Gasto Público nº 58.
- - LAPAVITSAS, C., et al. (2011): Crisis en la zona euro: perspectiva de un impago en la periferia y la salida de la moneda común Revista de Economía Crítica nº 11, pp: 131-171.
- - FERREIRO, J. y GÓMEZ, C. (2008): Is Wages Policy on the Agenda of Trade unions Again? Voluntary Wage Moderation in Spain Economic and Industrial Democracy vol. 29 (1), pp: 64-95.
- - FERREIRO, J. y GÓMEZ, C. (2014): Implementing a Voluntary Wage Policy: Lessons from the Irish and Spanish Experiences Panoeconomicus 1 Special Issue, pp: 107-127.
- - SCHULTEN, Th. (2012): A European Solidaristic Wage Policy? European Journal of Industrial Relations Vol 8 (2), pp: 173-196.
- - STOCKHAMMEER, E. (2011): Peripheral Europe's debt and German wages: the role of wage policy in the Euro area International Journal of Public Policy vol 7, nº 1/2/3, pp: 83-96.



ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

English version is not available

