

 UNIVERSIDAD SERGIO ARBOLEDA	SERGIO ARBOLEDA UNIVERSITY
	ECONOMICS

SUBJECT	:	ECONOMICS
SEMESTER	:	EIGHT
PRE-REQUISITE	:	MICROECONOMICS I MACROECONOMICS I
No. OF CREDITS	:	2
WEEKLY HOURS	:	4
CODE	:	ECON5002

1. COURSE RATIONALE

In this study unit, we will review the basic, conceptual and mathematical foundations of the different types of economic policy and apply the theoretical analysis to current and recent global and national economic scenarios including, economic planning, monetary policy, fiscal policy, tax policy, labor policy, international trade and investment policy, social policy, and regional development and competitiveness policy. We will start the course by examining briefly the theory of economic growth and economic growth models, with a particular focus on development economics. The course will develop abilities in conceptual, mathematical and logical analysis, and the rigorous application of the principles and findings of economic theory through empirical work. This is the fundamental training economic policy-makers must complete in order to ensure the formulation of economic policy constantly achieves the most plausible solution in terms of efficiency, effectiveness and equity, in any of the economic and social problems of our society.

Economic policy and planning constitute specific tools with which decision makers intervene in the functioning of markets and influence the behavior of consumers, businesses, the external sector – in the case of large economies - the government and in general, the performance of the economy and social welfare. In that sense, throughout the course, students will practically and comprehensively analyze the design, development and implementation of economic policy at the national level and their equivalents in Latin America and worldwide, regarding its incidence with respect to the country's main macroeconomic and social aggregates. In this study unit, students will use the basic knowledge they have acquired and apply the thought processes of an economist. They will also acquire skills in comparative analysis, and the interpretation and formalization of economic phenomena. The approach requires the rigorous and precise preparation of the different conceptual and interpretative models of reality and along the way students will understand the policy actions of the economic authorities in Colombia.

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2. SKILLS AND COMPETENCES TO BE DEVELOPED IN THE COURSE

GENERAL OBJECTIVES:

Upon finishing the course, students will be able to identify and analyze the role economic policy plays in an economic science setting, and its impact on the behavior of the country's principal economic and social variables.

SPECIFIC OBJECTIVES:

- Evaluate the principal theoretical aspects associated with economic policy in Colombia
- Evaluate the close relationship between theory and economic events so that students can interpret the findings of the hypothesis suggested about economic events
- Understand the research method of economic science
- Arouse interest in knowledge of the Colombian reality in the light of theoretical revelations
- Encourage reflection among students based on the analysis of theoretical texts, writing of essays and workshops related to the subject

SKILLS AND COMPETENCES TO BE DEVELOPED IN THIS STUDY UNIT

- The ability to read, understand and write about economic events both in English and Spanish
- The ability to interpret graphs and translate concepts to charts, as an instrument to approach the study of the Colombian economy
- Skills for formal thought which will allow students to apply the theoretical principles studied in their academic work as a first step of the scientific methodology in the solution of problems associated with market economies
- Argumentative skills

3. METHODOLOGY

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Students must read the required readings prior to the scheduled lecture. This to ensure the class time is optimized developing the basic models and concepts, answering specific questions and applying the appropriate analysis to current economic scenarios and case studies. The instructor presents all units and case studies, complemented by group discussions and jointly developed analyses. In addition, students will count with the opportunity to conduct research and one individual presentation about an economist's contribution to the science, of his/her choice (must

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be an author in the course reading list), as well as one group presentation on a current global or national reality, case study applicable to any unit of their choice. In both cases, the presentation must effectively connect with the content covered in class. Last, as an opportunity to earn extra credit and to improve their English level as well as conceptual mastery in both languages, students have the option to present short essays or articles (700-1000 words max.) about the reading(s) covered in class, written in English (a guide to an effective, user-friendly format will be shared the first day of class); these optional written assignments will count as extra credit (percentage and scale will be explained as well the first day of class).

4. CONTENT AND REQUIRED READINGS

Date	Content and required readings
25-01-2016 ¹	INTRODUCTION TO THE COURSE - Syllabus - A Brief Look Into the Current Global Economy and Colombia's Current Economic Affairs
27-01-2016	UNIT I. ECONOMIC GROWTH AND DEVELOPMENT MODELS - Sen, Amartya. Development as Freedom. 1999 (Introduction, pages 3-12); Chapter 1-2 (pages 13-53) - Case Study
02-02-2016	- Solow, Robert. A Contribution to the Theory of Economic Growth. <i>Quarterly Journal of Economics</i>, Vol. 70, No. 1 (Feb., 1956), pp. 65-94 - Application

¹ This date has been re-scheduled to begin one week after, on 02-02-2016. All course content is therefore moved one week forward.

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04-02-2016	- Solow, Robert. Technical Change and the Aggregate Production Function. <i>The Review of Economics and Statistics</i>, Vol. 39, No. 3 (Aug., 1957), pp. 312-320 - Application
09-02-2016	- Mankiw, Romer et al. A Contribution to the Empirics of Economic Growth. <i>The Quarterly Journal of Economics</i>, Vol. 107, No. 2. (May, 1992), pp. 407-437. - Application
11-02-2016	- Lucas, Robert. On the Mechanics of Economic Development. <i>Journal of Monetary Economics</i>, Vol. 22, 1988 pp 3-42. - Application
16-02-2016	- Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 1, 2) - Application / Case study
18-02-2016	UNIT II. DEVELOPMENT ECONOMICS - Acemoglu, Daren. Why Nations Fail? 2012 (Chapter 13) - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 3, 4) - Kalmanovitz, Salomon. <i>Las Insituciones Colombianas en el siglo XX</i>. Cátedra Manuel Ancízar de la Universidad Nacional de Colombia, 2010. -Case study

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23-02-2016	- Ocampo, José Antonio. Seis Décadas de Debates Latinoamericanos. Columbia University Press, 2015. - Sen, Amartya. Development as Freedom. 1999 (Introduction, pages 3-12); Chapter 3-4 (pages 54-110) - Case study
25-02-2016	- Sachs, The True Drivers of Economic Development. <i>Foreign Affairs</i>, Vol. 91, No. 5, September/October 2012, pp 142-150. - Application - Sen, Amartya. Development as Freedom. 1999 (Chapters 5-7, pages 111-159)
01-03-2016	→ FIRST ASSESMENT **CLASS REVIEW **
03-03-2016	First Assessment
08-03-2016	First Assessment Correction
10-03-2016	UNIT III. ECONOMIC POLICY AND PLANNING - Arango Londoño, Gilberto. Estructura Económica Colombiana. Editorial Norma. Bogotá: 1985. (Chapter 25, pages 585-596) - Constitución Política de Colombia, 1991 (art. relevantes) - Echeverry, Juan Carlos; Ibañez, Ana María, et. al. The Economics of Transmilenio: A Mass Transit System for Bogota. <i>Working papers</i>. Universidad de los Andes, CEDE 2004-28, 2004. - Junta Directiva, Banco de la República. Informe de la Junta Al Banco de la República. Colombia: Julio 2015 - Institutional framework, application and review: - Departamento Nacional de Planeación DNP - CONFIS - CONPES

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	- Actos Legislativos, Leyes y otros instrumentos normativos - Índice Multi-Dimensional de Pobreza - Tablero de Control DNP - Índice de Necesidades Básicas - Human Development Index - World Development Report (World Bank) - Other
15-03-2016	UNIT IV. DEVELOPMENT PLANS - Plan Nacional de Desarrollo 2014-2018 “Todos Hacia un Nuevo País”. - Kalmanovitz, Salomón. El Impacto Económico del Conflicto Interno y un Escenario de Paz. (Comentario), Universidad Jorge Tadeo Lozano. 2015 - Ocampo, Jose Antonio. <i>A Post-2015 Monitoring and Accountability Framework</i>. United Nations, Department of Economic and Social Affairs. CDP Background Paper No. 27 ST/ESA/2015/CDP/27 August 2015 - Case study: Análisis de la política y plan de desarrollo de la presente Administración
17-03-2016	UNIT V. FISCAL POLICY AND TAX POLICY - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 6) - Cuadrado, Juan R. Política Económica: Elaboración, Objetivos e Instrumentos. Madrid, McGraw-Hill, 1995. (Chapter 16, pages 563-590) - Case study: Análisis de la política fiscal de la presente Administración
21-03-2016 – 27-03-2016	EASTER WEEK – TERM BREAK
29-03-2016	UNIT VI. MONETARY POLICY - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 7, 8)

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31-03-2016	- Cuadrado, Juan R. Política Económica: Elaboración, Objetivos e Instrumentos. Madrid, McGraw-Hill, 1995. (Chapter 15, pages 527-562) i. Case study: Análisis de la política monetaria del presente periodo del Banco de la República en coordinación con la presente Administración -ii. Case study: Colombia's exchange rate recent economic history; from fixed rates to "crawling-peg", from "hybrid" bands to floating, from TRM US\$ 3,300~ (and counting) to: Where next?
05-04-2016	UNIT VII. INTERNATIONAL TRADE POLICY - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 5) - Posada, Miguel. "Colombia's Inward Foreign Direct Investment and it's Policy Context" in <i>Columbia FDI Profiles</i> series, Columbia Center on Sustainable International Investment. New York: 2011 - Poveda-Garcés, Ana-María. "Outward Foreign Direct Investment from Colombia and it's Policy Context" in <i>Columbia FDI Profiles</i> series, Columbia Center on Sustainable International Investment. New York: 2011 - Case studies in international trade and investment: one least-developed-country (LDC); one emerging market; one developed economy
07-04-2016	→ SECOND ASSESMENT **CLASS REVIEW **
12-04-2016	Second Assessment
14-04-2016	Second Assessment Correction
19-04-2016	UNIT VIII. LABOR POLICY - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 9) - Echeverry, Juan Carlos; Santamaría, Mauricio et al. The Political Economy of Labor Reform in Colombia. <i>Working papers</i>, Universidad de los Andes. 2004

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	- Stiglitz, Joseph. The Price of Inequality. 2015 (Chapters 3, 4, 5, 10) - Case study: Colombia's recent and current labor policy
21-04-2016	UNIT IX. SOCIAL POLICY - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 10, 11)
26-04-2016	
	- Sen, Amartya. Development as Freedom. 1999 (Chapters 8-10, pages 189-248) - Case study: to be discussed (TBD)
28-04-2016	UNIT X. REGIONAL DEVELOPMENT AND COMPETITIVENESS POLICY - Cárdenas, Mauricio. Introducción a la Economía Colombiana. Bogotá, Alfaomega, 3ra Edición: 2013. (Capítulos 11) - Ocampo, José Antonio. Misión para la Transformación del Campo. Documento Marco-Misión. Bogotá, Octubre 2014.
03-05-2016	
	- Sen, Amartya. Development as Freedom. 1999 (Chapters 11-12, pages 249-298) - Case study: TBD
05-05-2016	XI. THE COLOMBIAN ECONOMY IN GLOBAL ECONOMIC GOVERNANCE - CO21. Adoption of The Paris Agreement. Paris: December 2015. - World Economic Forum, (Various discussions -TBD). Davos. January: 2016.

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10-05-2016	- Presidencia de la República de Colombia. Informe –TBD.
	- Sachs, Jeffrey D. The End of Poverty. 2005 (Chapters 13-18)
12-05-2016	- Lederer, Kate. “The End of GDP?” in <i>The New Yorker</i> , New York: 9 September 2015.
	- United Nations. Sustainable Development Goals (SDGs) 2015.
17-05-2016	➔ UNITS VIII TO XI **CLASS REVIEW **
19-05-2016	➔ FINAL EXAM ***CLASS REVIEW***
23-05-2016	Final Assessment
25-05-2016	Final Assessment Correction
30-05-2016	Extra Credit & Final Presentations
01-06-2016	Extra Credit & Final Presentations Course Evaluation

5. EVALUATION SYSTEM

Class participation, individual and group presentations, quizzes and extra credit	10%
First Assessment	30%*
Second Assessment	20%*
Final exam	40%

* All extra credit a student earns for his/her optional writing in English may count up to 10% of the grade in the first and/or second assessment, depending on the content of the written piece and the quality of submission. That is, a whole 20% of the course grade can be secured above average, with dedicated English composition –guided by the instructor. This scale and guidelines for effective writing will be explained in detail the first day of class.