



COURSE DATA

DATA SUBJECT

Code: 36128
Name: Economic policy I: instrumental policies
Cycle: Undergraduate Studies
ECTS Credits: 4.5
Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Facultat d'Economia	3	First quarter

SUBJECT-MATTER

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

COORDINATION

OCHANDO CLARAMUNT CARLOS

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.

COMPETENCES / LEARNING OUTCOMES

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- Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.
 - Be able to collect and analyse information.
 - Be able to design and manage economic projects.
 - Be able to learn autonomously.
 - Be able to prepare and defend an economic report.
 - Be able to use ICTs.
 - Be able to work in a team (including interdisciplinary teams).
 - Have decision-making skills and be able to apply knowledge to practice.
 - Have oral and written communication skills in the native language.
 - Know and understand the different instrumental, sectorial and structural economic policies, as well as their formulation process.
 - 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.
 - 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.
 - 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.
 - Understand and apply the scientific method, which involves formulating hypotheses, deducing verifiable results and contrasting them with empirical and experimental evidence.
 - 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.
 - Understand the effects of different market structures on efficiency and equity and the influence of regulatory policies.
 - 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.



DESCRIPTION OF CONTENTS

Topic 1: Economic Policy and Economic Cycles

- 1.1 Objectives and instruments of economic policy
- 1.2 Economic cycles: classification, measurement, and main approaches
- 1.3 Growth and cycles from a heterodox perspective
- 1.4 Limitations and challenges of economic policy

Topic 2: Objectives of Economic Policies (I): Price Stability

- 2.1 The objective of price stability
- 2.2 Measuring inflation
- 2.3 Causes of inflation
- 2.4 Policies to ensure price stability

Topic 3: Objectives of Economic Policies (II): Employment

- 3.1 The structural approach to the labor market
- 3.2 Labor issues and economic policy objectives
- 3.3 Economic policy and its impact on employment
- 3.4 Labor market policies

Topic 4: Incomes Policy

- 4.1 Conceptual aspects of incomes policy
- 4.2 Incomes policy in an inflationary context
- 4.3 Incomes policy in a deflationary context
- 4.4 Incomes policy in Spain

Topic 5: Fiscal Policy

- 5.1 A basic macroeconomic model of fiscal policy
- 5.2 Direction and effects of fiscal policy
- 5.3 The value of the fiscal multiplier
- 5.4 Public deficit and debt dynamics
- 5.5 Limitations of fiscal policy

Topic 6. Monetary Policy

- 6.1 Money and the process of money creation.



- 6.2 Instruments of monetary policy
- 6.3 The mechanisms for transmitting monetary policy.
- 6.4 The monetary policy of the European Central Bank.
- 6.5 Macroprudential policy.
- 6.6 Future challenges of monetary policy.

Topic 7. External stabilization policies: external balance, sustainability of the balance of payments, and external adjustment policies

- 7.1 The balance of payments and international economic globalization.
- 7.2 Macroeconomic significance of the current account balance.
- 7.3 External imbalance of the Spanish economy.
- 7.4 Determinants, sustainability of the current account balance.
- 7.5 External adjustment policies.
- 7.6 Present and future of economic globalization.

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	15,00
Total hours	45,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	67,50
Independent study and work	0,00
Preparation of lessons	0,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
Total hours	67,50

TEACHING METHODOLOGY

Theoretical classes will highlight the most important content of each topic, at the professor’s discretion, referring students to the bibliography for those aspects that are not considered essential to cover in class. Students are required to read the corresponding chapter of the textbook Ochando, C. (Coord.) (2025). Attendance at in-person classes is mandatory to pass the continuous assessment. Working groups of a maximum of 3 students will be formed. Group work will be based on the ‘Pro et Contra’ section of the electronic journal Noticias de Política Económica, which will be available to students on the Virtual Campus. Each group must prepare a paper on a given topic and present it publicly, debating against another group



defending the opposite position. The starting point for the work will be the brief articles included in the ¿Pro et Contra¿ section, but each group can (and should) conduct an in-depth study of the chosen topic using other bibliographic references.

EVALUATION

Continuous assessment accounts for 30% of the final grade (3 out of 10 points). Approximately, the breakdown is as follows: 15% for the ¿Pro et Contra¿ debate presentation and 15% for participation in class debates. Active student participation will be considered in the final grade through continuous assessment, if applicable, according to the professor's criteria: submission of individual papers, completion of group tasks, participation in debates, practical class engagement, etc. Continuous assessment cannot be recovered through a final exam.

The exam accounts for up to 70% of the final grade. A minimum score of 3.5 out of 7 is required in this part in order to add the continuous assessment score.

These rules apply regardless of whether the grade is for the first or second exam session. Therefore, if a student scores 0 in continuous assessment, the maximum final grade possible in any exam session for the course will be 7 out of 10.

REFERENCES

Ochando, C. (Coord.) (2025): Políticas económicas coyunturales: Objetivos e instrumentos, 3rd Edición. Tirant LoBlanch, Valencia.