

Economics/Political Science. Current Spain

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Syllabus:

This course is thought as an introduction to economics and political economy under the perspective of the Spain within the European Union. It is divided into three different sections of 15 hours each with an independent examination.

The first section, **Introduction to economics**, is designed as an introduction to the field of economics. Given the significant differences in the economics background of students, this first section reviews the tools used in economics and the analysis of supply and demand, consumer theory, production theory, the different structures of markets, and introduces the asymmetries of information from the point of view of microeconomics.

The students will understand how the demand is conformed by each individual and its effect in the market demand, and in a parallel analysis, how individual and market supply functions are determined. Also, the student will follow an analysis on how different movements and shifts of demand and supply functions are driven, and the role of elasticity with an introduction to economic policy.

The second section, **Economic Growth and Evolution of the Economic Structure in Spain**, provides to the student a macroeconomic perspective of production and the theory of growth. The student will learn which are the determinants of economic growth and its importance in the different stages of the development of current markets in Spain.

After a brief analysis of the delay at which the Industrial Revolution arrived Spain, the analysis starts in 1960, right after the Plan de Estabilización of 1959 in which the Spanish economy changed to be more open than earlier. The student will also analyze the different determinants separately: employment and productivity, and how they depend on other magnitudes as the technological progress or the ratio capital labor and their evolution in Spain.

There will be a comparative analysis of the Spanish economy with other countries, specifically western European countries, and the United States.

After that analysis, the student will learn on the main structural changes in terms of the evolution in the productive structure of the country or the types of jobs in the labor market in Spain, the evolution in the degree of openness in the Spanish economy, the evolution in the development of the welfare state, or the income distribution.

Finally, the student will learn what business cycles are and when they have been present in the Spanish economy, and their effects.

The third section, **on public policies in Spain**, introduces the student the evolution of the public sector functioning in Spain towards the state of the development of welfare the system. The role of public sector, or the role of governments and the regulation in the different markets will be covered.

The justification of intervention by governments stem from the existence of market failures and the result of insufficient provision of public goods by the only private sector. Those markets failures will be explained in class as the existence of imperfect information, public goods, externalities or economies of scale.

If this result is not satisfying for the society, the public sector has to play a role to cover those services. The principle that should apply is the trade off between equity and efficiency. This section pays attention to the health sector.

I. Introduction to economics

1. Scarcity and the Production Possibilities Frontier
2. Practice with supply and demand
3. Functions and curves
4. Consumer theory: Ideas behind the demand curve
5. Individual and market demands
6. Introduction to elasticity
7. The production function
8. Cost minimization and efficiency
9. Marginal and Average Cost curves
10. Market structures: Perfect Competition
11. Market structures: Monopoly and welfare loss.
12. Market structures: Monopolistic competition

II. Economic Growth and Evolution of the Economic Structure

1. Introduction
2. Main characteristics of the economic growth
3. Determinants of economic growth in the long run
 - 3.1. Productivity in labor force
 - 3.2. Productivity, capital, and technical progress
4. Structural changes
5. Business Cycles and macroeconomics
 - 5.1. Main business cycles and causes
 - 5.2. Expansion cycles
 - 5.3. Recession cycles

III. Spain

1. Introduction
2. Public sector in Spain
3. The health sector in Spain