

IE HUMANITIES

IE University

Professor: **PAULINA ELISA ETXEBERRIA GARAIGORTA**

E-mail: peetxeberria@faculty.ie.edu

Academic year: 22-23

Degree course: FIRST

Semester: 2^o

Category: COMPULSORY

Number of credits: 6.0

Language: English

PREREQUISITES

none.

SUBJECT DESCRIPTION

HISTORY OF ECONOMIC THOUGHT: BACK TO THE FUTURE

The course introduces the history of economic thought. It will follow a chronological order, analyzing key economic thinkers.

Prolonged disagreements and controversies have frequently characterized the history of economic thought. Throughout history philosophers, political scientists, and economists have often differed over what is to be regarded as the “CORRECT” ECONOMIC THEORY of the economy. A fundamental question underlies disagreements on matters of policy: Can Markets regulate by themselves or is there a need of Government intervention in the Economy? If so, how much? Which Models explain the behavior of the economy better?

One of the main driving forces behind the evolution of new ideas is the march of EVENTS. We will relate different social and economic events to schools of thought and economic models. Therefore, we will review main economic concepts in its historical context: money, markets, trade, natural resources, or the role of governments in the economy will be analyzed. Importantly, the course will also link all these fabulous economic thinkers and concepts with current economic issues, such as climate change, regulation, or tech- based startups.

The course will challenge the students' pre-assumptions on economic concepts and guide them towards deep and agile critical and creative thinking.

IE IMPACT- HUMANITIES is the first Pillar course in the IE Impact Learning Journey.

IE IMPACT is a multi-bachelor, multi-school mandatory academic program for all IEU students whose mission is to foster the skills, mindsets, and knowledge we at IE University believe our future graduates need to develop into leaders of positive change.

IE IMPACT includes three “pillar courses”: the Humanities, Technology and Entrepreneurship. It culminates in a fourth, hands-on course called the IE Challenge, whose design embodies IE’s value of Diversity and its commitment to Sustainability.

The IE Impact Learning Journey aims to help IEU students transform into leaders of positive change by developing:

- humanistic approaches to interpersonal relations, decision-making and critical thinking;
- familiarity with the technologies that are applied to solve some of the world's greatest challenges, as well as understanding the implications of applying such technologies;
- entrepreneurial mindsets, know-how, and skills to identify and solve problems worth solving, and to create validated business models that enable solutions to be enduring and scalable;
- a curiosity and an awareness about how sustainability-driven enterprises are sources of positive change; and
- adaptive leadership skills, as well as personal and team-based skills to foster innovation through diversity.

OBJECTIVES AND SKILLS

At the end of this course, participants will acquire:

- Development of analytical, critical, and creative thinking.
- Comprehensive reading of complex texts.
- Writing and argumentation.
- Research and information competence.
- Sensitivity to other cultures and human experiences.

METHODOLOGY

The course will be taught employing IE's Liquid Learning methodology, which combines three essential elements for a complete and dynamic learning experience: synchronous interactions, asynchronous interactions and individual inquiry and discovery. Synchronous Interaction is learning that happens in live, in real-time. Asynchronous interaction and individual inquiry and discovery are learning experiences that happen interactively and asynchronously using collaboration tools and digital platforms.

The live session will include a discussion of the readings. Each session has an attached text or resource (film, documentary, podcast) that each student should comprehend individually. The real-time interaction implies the key concepts. The historical context and repercussions of the text/resource analyzed will be discussed with the class. During the session, students will reflect on the relevance of each of these topics and will argue on their importance in current economic global, regional and local matters.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	20.0 %	30 hours
Discussions	20.0 %	30 hours
Exercises	16.67 %	25 hours
Group work	16.67 %	25 hours
Other individual studying	26.67 %	40 hours
TOTAL	100.0 %	150 hours

PROGRAM

SESSION 1 (LIVE IN-PERSON)

Introduction, Course Guidelines, Motivation of the Course

SESSION 2 (LIVE IN-PERSON)

I. BACKGROUND OF ECONOMIC THINKING: From the Agricultural Revolution to Trade and the Market System.

The Origin of the World, the Agricultural Revolution, the Greco-Roman World and the late Middle Ages.

Book chapter:

- Plato, Politics-Book 1, 1256-1259a

SESSION 3 (LIVE IN-PERSON)

Market Development and the great geographical expansion. The early Middle Age (500 to 1500 AD).

The School of Salamanca

SESSION 4 (LIVE IN-PERSON)

Colonialism and Pre-capitalism. The Scottish Enlightenment.

Physiocrats and Mercantilists

Book chapter:

-Roncaglia, A. The Wealth of Ideas: A History of Economic Thought- Chapters 2.6 & 4.6

SESSION 5 (ASYNCHRONOUS)

TBD

SESSION 6 (LIVE IN-PERSON)

II. THE ORIGINS OF THE CAPITALIST & LIBERAL THOUGHT. CLASSICAL AND NEOCLASSICAL (XVIII & XIX. century)

The beginning of the history of modern Economics: ADAM SMITH (1723-1790)

-Smith, A., An Inquiry into the Nature and Causes of the Wealth of Nations- Book 4, part 1 & 2

SESSION 7 (LIVE IN-PERSON)

The difficult road towards prosperity and the distribution of wealth

Thomas R. Malthus (1766-1834); David Ricardo (1772-1823); John Stuart Mill (1806-73)

Book chapter:

-Ricardo, D. On the Principles of Political Economy and Taxation- Chapter 7

SESSION 8 (LIVE IN-PERSON)

From Political Economy to Scientific Economics.

The Marginalist

SESSION 9 (LIVE IN-PERSON)

The role of Money, interest rates, credit bubbles and debt-deflation.

The first celebrity economist: Irving Fisher (1867-1947)

Book chapter:

- Dimand, Robert W., Geanakoplos, John (2005); Celebrating Irvin Fisher: the legacy of a great economist. Malden, MA : Blackwell, 2005

SESSION 10 (ASYNCHRONOUS)

TBD

SESSION 11 (LIVE IN-PERSON)

III. A DEBATE ABOUT THE FOUNDATIONS OF CAPITALISM

Criticisms to the meaning of Capitalism.

Thorstein Veblen (1857-1929) rejects Adam Smith.

Max Weber (1864-1920) about the spirit of capitalism.

Marx and Marxism: What is up in the 21st Century. Proletarians revolution will destroy capitalism.

Book Chapter:

-Marx, K. The Capital- Chapter 32

SESSION 12 (LIVE IN-PERSON)

The Limits of Capitalism. Innovation, Entrepreneurship and Creative Destruction.

Joseph Schumpeter (1883-1950).

Book chapter:

-Schumpeter, J., Capitalism, Socialism, and Democracy- Chapters 7 & 11

SESSION 13 (LIVE IN-PERSON)

Debate: Marx vs Classics. Capitalism vs Communism

SESSION 14 (LIVE IN-PERSON)

Overview

SESSION 15 (LIVE IN-PERSON)

MIDTERM EVALUATION: debate and Individual essay

SESSION 16 (LIVE IN-PERSON)

IV. TESTING THE KEYNESIAN ECONOMIC THOUGHT

The Great Depression (1929): JOHN MAYNARD KEYNES (1883-1946).

Book chapter:

-Keynes, J.M., The General Theory of Employment, Interest and Money- Chapters 3 & 10

SESSION 17 (LIVE IN-PERSON)

Austrian Economics vs Keynesianism

Hayek and Von Mises. The debate Hayek-Keynes.

Book chapter:

- Hayek, Road to Serfdom- Condensed version

SESSION 18 (LIVE IN-PERSON)

Monetarism vs Keynesianism

Milton Friedman: The Chicago School.

Book chapter:

-Friedman, M., Friedman, R. (1979), Free to Choose- Chapter 1

SESSION 19 (LIVE IN-PERSON)

Debate: Keynes vs Hayek & Friedman

SESSION 20 (ASYNCHRONOUS)

TBD

SESSION 21 (LIVE IN-PERSON)

V. NEW THEORIES THAT GO BACK TO THE PAST

The Oil crisis of the 70s. Stagflation. Was Keynes right?

Mathematical sophistication and New Models in Economics.

Book chapters:

- Robert E. Lucas Jr. – Biographical. NobelPrize.org. Nobel Prize Outreach AB 2022. Sat. 5 Nov 2022.

<https://www.nobelprize.org/prizes/economic-sciences/1995/lucas/biographical/>

SESSION 22 (LIVE IN-PERSON)

Covid 19 crisis and the actual situation

SESSION 23 (LIVE IN-PERSON)

Back to Adam Smith. Growth theories.

Solow-Swan, Endogenous growth theory, Unified growth theory

Book chapter:

- Galor, Oded (2022), The Journey of Humanity- Chapters 3 & 6

SESSION 24 (LIVE IN-PERSON)

Back to Adam Smith. New Growth Theory

The role of culture and institutions

Book chapter:

- Acemoglu, D., Robinson, A. (2012) Why Nations Fail: the origins of power, prosperity and poverty- Chapter 1

SESSION 25 (ASYNCHRONOUS)

TBD

SESSION 26 (LIVE IN-PERSON)

VI. CURRENT PROBLEMS

How to solve social dilemmas? War conflicts and climate change

Game theory. Nash equilibrium.

SESSION 27 (LIVE IN-PERSON)

New Technologies, Monopolies and Market Power. Are big tech companies too powerful?

Book Chapter:

- Eeckhout, J. (2021), The Profit Paradox- Introduction

SESSION 28 (LIVE IN-PERSON)

Criticism to Homo Economicus. Behavioral and Experimental economics.

Book Chapters:

- Kahneman, D. (2011). Thinking Fast and Slow- Introduction & Conclusions
- Banerjee, A., Duflo, E., (2012). Poor economics : a radical rethinking of the way to fight global poverty- Chapter 1

SESSION 29 (LIVE IN-PERSON)

Debate. What have we learned from the past?

SESSION 30 (LIVE IN-PERSON)

FINAL EVALUATION: debate and Individual essay

BIBLIOGRAPHY

Recommended

- Mark Skousen. *The Making of Modern Economics: the lives and ideas of great thinkers*. ISBN 978076564544 (Digital)
- Robert. L. Heilbroner. *The Worldly Philosophers: the lives, times and ideas of the great economic thinkers*. ISBN 978068486214 (Digital)

EVALUATION CRITERIA

A. Preparation and participation	20%
B. Midterm evaluation	20%
C. Final evaluation	30%
D. Continuous assessment	30%

A. Active class participation

B and C. The midterm and final evaluation will consist of a group debate followed by an individual written reflection on the key learning outcomes.

D. The continuous evaluation includes short essays, questions, short quizzes, and in-class debates.

Students will be writing 200-word essays to demonstrate their own understanding of the readings provided to prepare the live sessions.

Late work will be penalized and not allowed after a grace period to be detailed in the first session.

Criteria	Percentage	Comments
Final Exam	30 %	
Intermediate Tests	30 %	
Class Participation	20 %	
Other	20 %	

PROFESSOR BIO

Professor: **PAULINA ELISA ETXEBERRIA GARAIGORTA**

E-mail: peetxeberria@faculty.ie.edu

PAULINA ELISA ETXEBERRIA GARAIGORTA

Academic background:

- PhD in Economics, European Doctor, UPV/EHU (Bilbao).
- MPhil. Quantitative Finance, UCM (Madrid), UV (Valencia), UPV/EHU (Bilbao). - M.A. Business and Economics, University Pompeu Fabra (Barcelona).
- Degree in Economics, UPV/EHU (Bilbao).
- Higher Education Teaching Certificate (Harvard Univ.), 2021

Research experience:

- Researcher at Boston College (Boston), 2017.
- Researcher at University of Pennsylvania (Philadelphia), 2007, 2011- 2013.
- Researcher at European University Institute (Florence), 2009.
- Researcher at UPV/EHU, 2005-2008, 2010-2011, 2013-2014.
- She has addressed seminars and conferences at several institutions such as Symposium of Economic Analysis, Encuentros de Economía Aplicada, ASSET Annual Meeting, Symposium of Economic Theory and Applications, DEGIT Dynamics, Economic Growth and International Trade, All China (ACE) International Conference.
- Her research has been published in scientific journals and books. She has participated in several research networks and long-duration projects financed by the European Commission and the Spanish Ministry of Science and Innovation.

Teaching experience:

- IE University, 2014-2022: Introduction to Economics, Microeconomics, Macroeconomics, Global Economic Environment, Economics, Policy and Technology, Economic Growth and Inequality.
- Brown University, summer 2020; summer 2022: Principles in Economics.
- UPV/EHU 2005-2011, 2013-2014: Macroeconomic Theory, Political Economy II, Finance, Asset Pricing, Introduction to Matlab.
- She has been awarded a diploma in teaching excellence for the years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022.
- She coordinates the Microeconomics course for BBA since 2020.
- She has also been Final Project Advisor at IE University (2017-2021) and she is an Academic Advisor since 2019.

Consulting experience:

- She has combined her work in academia with research and international consulting services on innovation and urban growth and development in cities and regions.

OTHER INFORMATION

a) ATTENDANCE POLICY

Attendance to this Humanities course is mandatory. Just like any other IEU academic course, all students must follow IEU's Attendance Policy.

As per IE University policy, every student must attend at least 70% of sessions. IEU attendance policy applies to any type of session: live in-person and asynchronous sessions. Students attending less than 70% of sessions will be graded with a FAIL for the course. This FAIL will apply to the ordinary and the extraordinary calls of the current academic year.

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For live in-person sessions, students will be marked absent if:

- they do not attend the session in-person or in any mode;
- they attend an in-person session via Zoom, or any remote format;
- they attend virtually a live in-person session, for which they received an authorized attendance waiver to attend the session online, but they do not have their camera turned on, they are not engaged, and they are not seated without distraction during the entire class session.

For asynchronous sessions, students will be marked absent if:

- they do not engage and complete the work expected of them in the asynchronous sessions.

Students are advised to take into account that the great majority of the Humanities sessions are double sessions; therefore, if a student is absent on a day there are 2 sessions scheduled, the student will be marked absent for the 2 corresponding sessions.

Attendance waivers

Please remember that professors are not allowed to grant exceptions to the attendance policy. You may inform them of the reasons of any planned or past absence out of courtesy, but any waiver must be granted by the IE Impact Program Management.

Under exceptional circumstances (serious health problems, visa delays, and travel restrictions), a student can ask for a temporary attendance waiver and may be allowed to attend online (or not in any format) and not have his/her 70% attendance affected. For this to be possible, a written and documented request must be made in advance to the IE Impact/Humanities Program Management Team. Students must email ieimpacthumanities@ie.edu with the request and any related documentation. Last minute changes in attendance or verbal request will not be considered. If the request is approved, an attendance waiver will be granted over one or more sessions and the allowed 30% will only be applied to other absences (without an authorized waiver).

Rules for online attendance (when authorized)

Any student who receives (or expects to receive) authorization for an attendance waiver to attend a live in-person session online (via Zoom) must meet the following criteria to be marked present: must have his/her camera on at ALL times, must be actively engaged during the entire class session and with any and all team-work, and must be located in an appropriate learning environment (e.g. student must be seated and free of distractions for the entire session).

Use of the 30% absences

No sessions or activities may be "skipped". If a student is under the impression that s/he can skip up to 30% of sessions, this is a mistake. The 30% "rule" is reserved for those circumstances that are out of a student's control. Personal trips, interviews, appointments, mild illnesses, family celebrations or ceremonies, or other personal matters will not be treated as exceptional cases and should be considered part of the 30% of allowed absences.

Attending online but still absent

Students who do not have an authorized attendance waiver are allowed to attend a class session online; however they must understand that they will be marked absent, and their participation grade may be influenced negatively by a high percentage of absences during the semester.

Role of Professors in Attendance

Professors are responsible for recording attendance; however, they have no authority to grant any student permission to have an excused absence of any kind (or to change the format of how a student will attend a session).

Any inquiries or requests must be made by the student to the IE Impact Program Team via email ieimpacthumanities@ie.edu

Professors are instructed to mark as ABSENT:

- students who do not attend a session in its previously scheduled format
- students who attend a session in a different format (online) than what was previously scheduled (i.e. they attend online instead of in-person).
- students who attend a session they were previously authorized to attend online but do not have their cameras on, engage actively or stay seated in an environment free of distractions for the entire session.
- students who do not complete the work adequately assigned for an asynchronous session.

If a student receives authorization for an attendance waiver and the student was already marked absent, the professor will be informed and the attendance record will be modified from absent to whatever is authorized (present, excused, etc).

Authorization for Attendance Waiver from a Student's Bachelor Program

If a student has received authorization for an attendance waiver from his/her bachelor degree's program to be absent (from any format of class) or to attend a live in-person session online (via Zoom), then the student must forward the email authorization to the IE Impact Team (ieimpacthumanities@ie.edu) and it will be verified. Upon verification, the professor will be informed to either not record a student as absent or to change a previous attendance record from absent to present, excused, etc.

b) GRADING SYSTEM:

Grade description and equivalents:

- Excellent/Sobresaliente: 9.0-10.0 (A- to A+)

Consistently produces work of the highest quality and craft; exhibits notable progress and development over the course of the semester; meets all course objectives at highest level; attendance is near-perfect, and contributions to course discussions are extremely valuable.

- Very Good/Notable: 7.0-8.9 (B- to B+)

Completes all assignments with work of above-average quality and craft; exhibits significant progress and development; meets most course objectives; attendance and participation are very good.

- Good/Aprobado: 6.0-7.0 (C- to C+)

Completes all assignments with work of acceptable quality and craft; exhibits some progress and development; meets a majority of course objectives. Attendance and participation are acceptable.

- Pass/Aprobado: 5.0-6.0 (D)

Assignments are delivered but are incomplete and/or of low quality and craft; exhibits little progress and development; meets few course objectives. Attendance and participation are poor, but absences do not total more than 30%.

- Fail/Suspenso: 0-4.9 (F)

Work is incomplete, missing, or does not meet course objectives. Attendance and participation are poor.

- Automatic Failure/Suspenso: 0 (F)

Please note that a student who misses 30% or more of the scheduled sessions receives an automatic 0.0, and loses his or her right to the second chance or call (convocatoria.)

c) RETAKE POLICY

Retake Policies: Students have four opportunities to pass a course distributed in two consecutive academic years. It is mandatory to attend 100% of the classes, but if justified, students can miss up to 30% of the classes. If they miss over 30%, they will have to enroll again in the course the following year.

- Students who do not comply with the 70% attendance rule will lose their 1st and 2nd chance, and go directly to the 3rd one (they will need to enroll again in this course the next academic year).

- Students who fail the subject in the first regular period, will have to retake it in July. The dates and locations will be posted in advance by the university informing both professors and students.

- The maximum grade a student can obtain in the second exam session is 8 out of 10.

Please add the information about what your retake will consist on. A common practice is to ask the students to submit all the work they did not turn in or failed during the course, but feel free to do something different if preferred.

d) CODE OF ETHICS/HONOR

Cheating and plagiarism are very serious offenses governed by the IE student code of conduct. Any student found cheating or plagiarizing on any assignment or component of this course will at a minimum receive a "0" on the affected assignment. Moreover, the student will also be referred to the University Judicial System for further action. Additional penalties could include a note on your transcript, failing the class, or expulsion from the university.

What is academic integrity? One component of a definition is when one does the right thing even though no one is watching. The core values of integrity, both academic and otherwise include: honesty, fairness, respect, responsibility, and trust. Academic integrity requires that all students within Instituto de Empresa (IE) act in accordance with these values in the conduct of their academic work, and that they follow the rules and regulations concerning the accepted conduct, practices and procedures of academic research and writing. Academic integrity violations are defined as cheating, plagiarism or other violations of academic ethics.

Cheating includes:

- a) An act or attempt to give, receive, share, or utilize unauthorized information or unauthorized assistance at any time for assignments, papers, projects, presentations, tests or examinations. Students are permitted to mentor and/or assist other students with assignments by providing insight and/or advice. However, students must not allow other students to copy their work, nor will students be permitted to copy the work of other students. Students must acknowledge when they have received assistance from others.
- b) Failure to follow rules on assignments, papers, projects, presentations, tests or examinations as provided by the course professor and/or as stipulated by IE.
- c) co-operation or collaboration.
- d) with official documents, including electronic records.
- e) The impersonation of a student on presentations, exercises, tests or an examination. This includes logging onto any electronic course management tool or program (e.g. Black Board, etc.) using someone else's login and password.

Plagiarism includes:

- a) Using the work of others and attempting to present it as your own. For example, using phrases or passages from books, articles, newspapers, or the internet and not referencing them properly in your document is a form of plagiarism. This includes using information from others without citing it, misrepresentation of cited work, and misuse of quotation marks.
- b) Submitting an assignment or paper that is highly similar to what someone else has written (i.e., minimal changes in wording, or where the sentences are similar, but in a different order).
- c) Plagiarizing is not committing "word for word" copying. "Thought for thought" is also a form of plagiarism.

Other violations of academic ethics include:

- a) Not acknowledging that the students' work or any part thereof has been submitted for credit elsewhere.
- b) Misleading or false statements regarding work completed.
- c) Knowingly aiding or abetting anyone in committing any form of an academic integrity violation.

Academic Misconduct Procedure for Humanities Courses

1. If a Humanities instructor suspects a student has committed academic misconduct (as defined in the student's Code of Ethics) in a Humanities course, he or she must refer the case to the Humanities program director with all the necessary supporting evidence.
2. The Humanities program director will meet with the student and write a brief summary of the instructor and the student's views and pass them on to the Bachelor's program director. The Humanities program director may also suggest what type of sanction would be appropriate for the student.
3. If there is enough objective evidence to sanction the student, the program director will check if this is the first time the student has committed academic misconduct.
4. If this is a first breach of conduct, the program director will decide the scope of the sanction on the basis of all the above information. (Bachelor or Ethics Committee).
5. If this is a second offense or if, according to the Humanities director's report, the case is serious enough, the case will be redirected to the university's Ethics Committee.

(Approved by the Vice-Rector of Academic Affairs in June 2020)

