



THE UNIVERSITY OF THE WEST INDIES
ST AUGUSTINE CAMPUS
TRINIDAD AND TOBAGO

GENERAL INFORMATION

Campus and Faculty	St. Augustine Campus, Faculty of Social Science
School, Department, or Centre	Department of Economics
Course Code	Econ 3052
Course Title	Fiscal Policy and Economic Development
Academic Year	2021/2022
Semester Offered	Semester 2
Level	Undergraduate Level 3
Pre -requisites	Econ 1002 Introduction to Macroeconomics
Co-requisites	None
Anti-requisites	None
Course Type	Core Economics Special Elective Economics Major
Credits	Three (3)
Projected Start Date	January 25 th , 2022
Lecture Days and Times	Tuesdays 9am- 12 noon
Course Duration	13 weeks
Mode of Delivery	Online via Blackboard Collaborate BBC Link https://ca.bbcollab.com/guest/80d59323585c4205ad9648e8f604c5a9
Estimated Study Hours	4-6 hours per week
Total Number of Assessments	Four (4)
Course Assessment	100% coursework
Course Coordinator/ Lecturer	Name: Dr. Roxanne Brizan- St. Martin Email: Roxanne.brizan@sta.uwi.edu Office Hours (Virtual): Mondays 3-5pm and Tuesdays 12-1pm (via appointment)

COURSE OVERVIEW

COURSE DESCRIPTION

Fiscal policy can foster growth and development through a number of channels; macro and microeconomic. This course examines the role of the state and the impact of fiscal policy on economic activity with application to CARICOM/Caribbean economies. It further examines the role, links and impact of fiscal policy on the nature and implication of fiscal deficits; fiscal rules in theory and practice; and the appropriateness of orthodox stabilization policies (austerity measures). A special module examines fiscal decentralization and fiscal policy performance.

RATIONALE

This course provide students of Economics with the requisite technical tools to understand and analyse the impact of fiscal policy on the development of economies with applications to the Caribbean Region. It allows for an in dept analysis into the role of the government and the tools used to understand fiscal policy issues and challenges in developing countries.

COURSE AIMS/GOALS

Econ 3052 builds on the foundation of Econ 1002 in understanding the role of the government and the use of fiscal policy to regulate economies while promoting economic growth and development. This course aims to:

1. Describe the role of the state in managing the economy.
2. Explore the nature, impact and effectiveness of fiscal policy.
3. Develop student skills in economic analysis.
4. Prepare students for the application of these foundation principles to the environment in which they operate, particularly in Caribbean Economies.

LEARNING OUTCOMES

Upon successful completion of this course students will be able to:

1. Critically evaluate the role of the state in developing economies.
2. Evaluate the impact of fiscal deficits in macroeconomic management.
3. Analyse the impact of structural adjustment programs on fiscal policy and development objectives.
4. Evaluate the influence of fiscal federalism on fiscal policy.
5. Formulate economic policy documents using instruments of fiscal policy to stimulate long-term growth and development.

RELATIONSHIP BETWEEN ECON 3052 AND DEPARTMENT OBJECTIVES

Economics Programme Objectives At the end of the programme students will be able to:	Addressed in Econ 3052
Explain the functioning of the economic system.	√
Evaluate economic documents used for policy.	√
Create economic policy documents.	√
Integrate theoretical knowledge with evidence to explain economic events.	√
Discuss macroeconomic aggregates such as inflation and unemployment.	
Create graphs which gives representations of human behaviour in economics.	

COURSE CONTENT

Unit	Topic	Concepts
1	The Role of the State and Fiscal Policy	<ul style="list-style-type: none"> - The role of Government - Fiscal Policy (nature, impact and effectiveness) - Role of Government
2	Fiscal Policy and the Deficit Problem of Developing Countries	<ul style="list-style-type: none"> - Fiscal discipline and Fiscal Rules - Fiscal Disequilibrium in Developing Countries - Fiscal Vulnerability and Crisis
3	Fiscal Policy and Structural Adjustment	<ul style="list-style-type: none"> - Economic Stabilisation and its Application to Developing Economies - Fiscal Vulnerability and Crisis
4	Fiscal Decentralization: Current Trends and Issues	<ul style="list-style-type: none"> - Fiscal Federalism and Fiscal Policy - Issues of Fiscal Federalism and Macroeconomic Management

TEACHING METHODS

Method	Description
Online Lecture Sessions	Synchronous delivery via Blackboard Collaborate. Upon registration for the course, students are required to attend one (1) three-hour lecture session per week. Available session is Tuesdays 9am- 12 noon.
Online Tutorial Sessions	There will be no tutorial sessions for this course.
Online Assignments	Asynchronous delivery via my eLearning: Online Quizzes, Discussions, Group Assignments.

CONTACT AND CREDIT HOURS

Type	Duration (Number of Weeks)	Contact Hours	Credit Hours
Lecture		3	3
Tutorial		0	0
Total		3	3

Note: There will be no tutorials for the course.

ASSESSMENTS METHODS, WEIGHTING AND DESCRIPTIONS

This course will be assessed by 100% coursework and as such there will be no written final examinations. Students are required to complete various activities and assignments throughout the semester. These assignments will be submitted/completed via the myeLearning platform. Feedback for the assignments will be given via myeLearning within 10-15 days of submission with the exception of the online quizzes. Students are required to complete ALL course assessments. Below is a general description of the required submissions for the semester. The details of each assessment, description, submission instructions, rubrics and due date can be found on myeLearning.

COURSE ASSESSMENT WEIGHING

Assessment #	Assessment Topic	Required Assignment	Weighting	Type of Assessment
1	Unit 1: The Role of the State and Fiscal Policy			
2	Unit 2: Fiscal Policy and the Deficit Problem of Developing Countries	eJournal Entry (Units 1 and 2)	20%	Individual Assessment In-course
3	Unit 3: Fiscal Policy and Structural Adjustment	Brain Teaser Country Activity	10%	Group Assessment In-course
4	Unit 4: Fiscal Decentralization-Current Trends and Issues			
5	All Units	Online Quiz	30%	Individual Assessment In-course
6		Group Project and Presentation	40%	Group Assessment In-course

Assessment Descriptions

E-journal Entries x1 (20%)- During the course, students are asked to write their thoughts on the material covered during the week via readings and lectures. These journal entries should be grounded in the readings and class discussions. They are not meant to be summaries of the topics or readings but rather the relevance and application of the material covered to economies/economics.

Brain Teaser Country Activity x1 (10%)- In this activity, students will work in groups of 5-6 to examine the estimates of revenue and expenditure for a given Caribbean country. The aim is to become familiar with documents of fiscal policy and fiscal activity to identify main trends in expenditure and revenues, their objectives and uses.

Online quizzes x1 (30%)- Students will be given one online quiz- in the form of multiple-choice questions, true and false and fill the blanks questions. The quiz will consist of 30 questions from all units of the course to be completed in 30 minutes.

Group Project and Presentation (40%)- Students will be assigned a topic relevant to the course and will be required to complete this as a group assignment. Students will be allowed to present their findings and incorporate comments for their final submission. Presentations will be conducted during class time virtually for 20 mins per group.

GRADING SYSTEM

The authorized marking scheme (2020/2021):

Grade	% Range	Quality Points
A+	90-100	4.3
A	80-89	4
A-	75-79	3.7
B+	70-74	3.3
B	65-69	3.0
B-	60-64	2.7
C+	55-59	2.3
C	50-54	2.0
F1	40-49	1.7
F2	30-40	1.3
F3	0-29	0.0

COURSE CALENDAR (Tentative)

Week	Date	Topic	Assessments Due
1	January 25 th , 2022	Introductory Session Review of Course Outline, Assessments and Expectations	
2	February 1 st , 2022	Unit 1 The Role of the State and Fiscal Policy	
3	February 8 th , 2022	Unit 1 continued	
4	February 15 th , 2022	Unit 2 Fiscal Policy and the Deficit Problem of Developing Countries	
5	February 22 nd , 2022	Unit 2 continued	E-Journal Entry #1 – Units 1 & 2 Due March 2nd, 2022 @11.59 pm (20%)
6	March 1 st , 2022	No Lecture- Work Week	
7	March 8 th , 2022	Unit 3 Fiscal Policy and Structural Adjustment	
8	March 15 th , 2022	Unit 3 continued	Brain Teaser Country Activity Due March 23rd, 2021 @11.59 pm (10%)
9	March 22 nd , 2022	Unit 4 Fiscal Decentralization-Current Trends and Issues	
10	March 29 th , 2022	Unit 4 continued	
11	April 5 th , 2022	No Lecture- Work Week	Quiz 1 April 5th, 2022 @ 11.59pm (20%)
12	April 12 th , 2022	Course Project Presentations and Feedback	Presentations (10): April 12th, 2022 Final Project (30%) Due April 22nd, 2021 @11.59pm

READING/LEARNING RESOURCES

Unit	Readings
<p>Unit 1 - The Role of the State and Fiscal Policy</p>	<p>Tanzi, Vito, “Fiscal Policy for Growth and Stability in Developing Countries: Selected Issues” pp.15-27 in A. Premchand (ed) Government Financial Management: Issues and Country Studies, IMF, 1990</p> <p>Tanzi, Vito, “The Changing Role of the State in the Economy: An Historical Perspective” pp 17-36 in Fiscal Decentralization in Emerging Economies, K. Fukasaku and L.R. de Mello Jr. (eds), OECD 1999</p> <p>Tanzi, Vito and Ludger Schuknocht, “Reconsidering the Fiscal Role of Government: The International Perspective”, AER Papers and Proceedings May 1997 pp. 164-168</p> <p>Matthias, Rudolph and Anthony Birchwood, “Government Spending and Economic Growth in Latin America and the Caribbean”, CCMF Collection, The Fiscal Experience in the Caribbean 2004 pp. 407-450</p> <p>Musgrave, Richard A., “Reconsidering the Fiscal Role of Government”, AER Papers and Proceedings, May 1997 pp.156-159</p> <p>Tanzi, Vito, “The Role of the State and the Quality of the Public Sector”, IMF Working Paper WP/00/36</p> <p>Auerbach, Alan, “Implementing New Fiscal Policy Activism”, AER Papers and Proceedings, May 2009 pp.543-549</p> <p>Feldstein, Martin S., “Rethinking the Role of Fiscal Policy”, AER Papers and Proceedings, May 2009 pp.556-559</p> <p>Additional Reading (Optional)</p> <p>World Bank, World Development Report 1997, The State in a Changing World and later issues.</p>
<p>Unit 2 - Fiscal Policy and the Deficit Problem of Developing Countries</p>	<p>Blejer, Mario J. and Adrienne Cheasty, “How to Measure the Fiscal Deficit” in Finance and Development, September 1992 pp.40-42</p> <p>Afxentiou, P.C., “Fiscal Policy and Economic Development” Developing Economies Vol.XIV No.2 1976 pp. 164-178</p> <p>Morrison, T.K., “Structural Determinants of Government Budget Deficits in Developing Countries”, World Development, June 1982 pp.467-473</p> <p>Khan, Sarosh R. and Inder Jit Ruprah. 2014. To Bind or Not to Bind: A Fiscal Policy Dilemma in the Caribbean. Inter-American Development Bank (IDB) Policy Brief No. 236.</p> <p>Kopits G. and S. Symansky, (1998) Fiscal Policy Rules, IMF Occasional Papers 162</p>

	<p>Trinidad and Tobago IMF Article IV Consultation Reports (latest issue)</p> <p>Hemming R. et al, (2003) Fiscal Vulnerability and Financial Crises in Emerging Market Economies, IMF Occasional Paper 218</p> <p>Additional Reading (Optional)</p> <p>M. Eslava, The Political Economy of Fiscal Deficits: A Survey, Journal of Economic Surveys, Vol.25 No.4 2011 pp. 645-673</p> <p>Budget Deficits: A Symposium, Journal of Economic Perspectives Vol.3 No.2 Spring 1989 pp.23-93</p> <p>Evan Tanner, Fiscal Rules and Countercyclical Policy: Frank Ramsey Meets Gramm-Rudman Hollings, IMF Working Paper 03/120</p>
<p>Unit 3 - Fiscal Policy and Structural Adjustment</p>	<p>Fischer, Stanley, “Applied Economics in Action”, AER Papers and Proceedings May 1997, Vol.87 No.2 pp.23-27</p> <p>Theodore, Karl, “Fiscal Policy in the Caribbean: Where Do We Go from Here” in J. La Guerre (ed) Structural Adjustment</p> <p>Tanzi, Vito, “Fiscal Disequilibrium in Developing Countries” World Development Vol.10 No.12 pp.1069-1082, 1982</p> <p>Hilaire, Alvin, “Caribbean Approaches to Economic Stabilization” IMF Working Paper WP/00/73</p> <p>Fiscal Adjustment for Stability and Growth, 2006, IMF Pamphlet Series No.55</p> <p>IMF Letters of Intent (For Selected Countries)</p> <p>Additional Reading (Optional)</p> <p>C. Blackman, A Heterodox Approach to the Adjustment Problem. First Adlith Brown Memorial Lecture, ISER 1986</p> <p>Farrell, Terrence. 2015. The Imperative of Adjustment. Trinidad Express. January 4.</p>
<p>Unit 4 - Fiscal Decentralization: Current Trends and Issues</p>	<p>Oates, Wallace, “Federalism and Government Finance” pp.10-23 in W. Oates (ed) The Economics of Fiscal Federalism and Local Finance, Elgar 1998</p> <p>Oates, Wallace, “Introduction” pp. xiii-xix in W. Oates (ed) The Economics of Fiscal Federalism and Local Finance, Elgar 1998</p> <p>Tanzi, Vito, “Fiscal Federalism and Decentralization: A Review of Some Efficiency and Macroeconomic Aspects” pp.295-316 in Michael Bruno and Boris Pelskovic (eds) Annual World Bank Conference on Development Economics, World Bank, Washington, D.C. 1995</p>

	<p>Ter-Minassian, Teresa, “Decentralization and Macroeconomic Management” pp.55-66 in K. Fukasaku and L. de Mello (eds) Fiscal Decentralization in Emerging Economies, OECD, 1999</p> <p>Additional Reading</p> <p>“Fiscal Decentralization: The Search for Equity and Efficiency” pp.175 et seq. in IADB Economic and Social Progress in Latin America, 1994.</p> <p>Duc Hong Vo, The Economics of Fiscal Decentralization, Journal of Economic Surveys, Vol.24 No.4, 2010 pp.657-679</p>
Other resources	<p>Bain, Laurel. 2019. The Tax Structure of the Member Countries of the Eastern Caribbean Central Bank. (excerpts will be provided when necessary)</p> <p>Bain, Laurel. 2019. Fiscal Policy The Economy. (excerpts will be provided when necessary)</p> <p>Howard, Michael, Althea La Foucade and Ewan Scott. 2009. Public Sector Economics for Developing Countries. Kingston, Jamaica: UWI Press.</p> <p>Levitt, Kari. 2005. Reclaiming Development: Independent Thought and Caribbean Community. Kingston, Jamaica: Ian Randle Publishers. Chapters 5-11.</p> <p>Ramsaran, Ramesh, ed. 2004. The Fiscal Experience in the Caribbean – Emerging Issues and Problems. Caribbean Centre for Monetary Studies (CCMS), the University of the West Indies (UWI), St. Augustine. Chapters 1-8 and Chapter 10.</p>

UNIVERSITY POLICIES TO NOTE

1. Students are reminded of UWI Examination regulation no. 78 which states, inter alia,

- 78. (i) *Cheating shall constitute a major offence under these regulations.*
- (ii) *Cheating is any attempt to benefit one’s self or another by deceit or fraud.*
- (iii) *Plagiarism is a form of cheating.*
- (iv) *Plagiarism is the unauthorised and/or unacknowledged use of another person’s intellectual efforts and creations howsoever recorded, including whether formally published or in manuscript or in typescript or other printed or electronically presented form and includes taking passages, ideas or structures from another work or author without proper and unequivocal attribution of such source(s), using the conventions for attributions or citing used in this University.*

In addition to the above, Students are reminded that deliberate collaborations during the completion of any University Examination inclusive of online quizzes regardless of location will also constitute cheating and will be penalized accordingly.

2. UWI Examination Regulation No. 19 “Any candidate who has been absent from the University for a prolonged period during the teaching of a particular course for any reason other than illness or whose attendance at prescribed lectures, classes, ... tutorials, ... has been unsatisfactory or who has failed to submit essays or other exercises set by his/her teachers, may be debarred by the relevant Academic Board, on the recommendation of the relevant Faculty Board, from taking any University examinations. The procedures to be used shall be prescribed in Faculty Regulations.”

Students who are absent from tutorial sessions MUST inform the tutor and course coordinator via email and may attempt to sit in to a make-up session during the SAME week of absence. In addition, documentation of illnesses or otherwise must be submitted to the Department of Economics for excuses of absence to be considered.

Accommodations for students with disabilities

Students should refer to the University of the West Indies St Augustine Campus, Student Disability policy https://sta.uwi.edu/resources/policies/Student_Disability.pdf