



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

**GENERAL INFORMATION**

<b>Campus and Faculty</b>	St. Augustine Campus, Faculty of Social Science
<b>School, Department, or Centre</b>	Department of Economics
<b>Course Code</b>	Econ 3052
<b>Course Title</b>	Fiscal Policy and Economic Development
<b>Academic Year</b>	2020/2021
<b>Semester Offered</b>	Semester 2
<b>Level</b>	Undergraduate Level 3
<b>Pre -requisites</b>	Econ 1002 Introduction to Macroeconomics
<b>Co-requisites</b>	None
<b>Anti-requisites</b>	None
<b>Course Type</b>	Core Economics Special Elective Economics Major
<b>Credits</b>	Three (3)
<b>Projected Start Date</b>	January 26 <sup>th</sup> , 2021
<b>Lecture Days and Times</b>	Tuesdays 9am- 12 noon
<b>Course Duration</b>	12 weeks
<b>Mode of Delivery</b>	Online via Blackboard Collaborate BBC Link <a href="https://ca.bbcollab.com/guest/0da0ca65c9ee4eb6a84665db2c607781">https://ca.bbcollab.com/guest/0da0ca65c9ee4eb6a84665db2c607781</a>
<b>Estimated Study Hours</b>	4-6 hours per week
<b>Total Number of Assessments</b>	Seven (7)
<b>Course Assessment</b>	100% coursework
<b>Course Coordinator/ Lecturer</b>	Name: Dr. Roxanne Brizan- St. Martin Location: Room 216, Department of Economics, Faculty of Social Science Phone: 662-2002 ext. 82322 Email: <a href="mailto:Roxanne.brizan@sta.uwi.edu">Roxanne.brizan@sta.uwi.edu</a> Office Hours (Virtual): Wednesdays 10 am – 12 noon (via appointment)

## COURSE OVERVIEW

### *COURSE DESCRIPTION*

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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*

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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*

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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*

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

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
<b>Lecture</b>		3	3
<b>Tutorial</b>		0	0
<b>Total</b>		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*

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Assessment #	Assessment Topic	Required Assignment	Weighting	Type of Assessment
1	The Role of the State and Fiscal Policy Unit 1	eJournal Entry	5%	Individual Assessment In-course
2	The Role of the State and Fiscal Policy Unit 1	Online Quiz	10%	Individual Assessment In-course
3	Fiscal Policy and the Deficit Problem of Developing Countries Unit 2	eJournal Entry	5%	Individual Assessment In-course
4	Fiscal Policy and the Deficit Problem of Developing Countries Unit 2	Peer Discussion and Feedback	10%	Group Assessment In-course
5	Fiscal Policy and Structural Adjustment	eJournal Entry	5%	Individual Assessment In-course
6	Fiscal Decentralization-Current Trends and Issues	eJournal Entry	5%	Individual Assessment In-course
7	All Units	Online Quiz	20%	Individual Assessment In-course
8		Group Project and Presentation	40%	Group Assessment In-course

## Assessment Descriptions

**E-journal Entries x4 (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.

**Online quizzes x2 (30%)**- Students will be given two online quizzes- in the form of multiple-choice questions. Quiz 1 will cover material from Unit 1 including the guest lecture and will consist of 10 multiple choice questions. Quiz 2 will cover all units and will consist of 20 multiple choice questions.

**Peer Discussion and Feedback (10%)**- Students will be given a question/prompt for a discussion based on Unit 2. In the assigned groups, each person is to upload their contribution to the discussion board. Students are to read over submissions by colleagues and provide feedback on one of their responses.

**Group Project and Presentation (40%)**- In the assigned groups, students will be asked to critique a country stimulus package for a Caribbean Country in response to the COVID-19 pandemic. Using the information gathered in the course and tools for designing stimulus packages, students are asked to revise the stimulus package including elements from the findings of their analysis. Implications for economic development should be highlighted. Students will be allowed to present their findings before a panel and incorporate comments for their final submission.

## GRADING SYSTEM

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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

Week	Date	Topic	Assessments Due
1	January 26 <sup>th</sup> , 2020	Unit 1	
2	February 2 <sup>nd</sup> , 2020	Unit 1	<b>E-Journal Entry #1- Unit 1 Due February 8<sup>th</sup>, 2021 @11.59 pm (5%)</b>
3	February 9 <sup>th</sup> , 2020	Guest Lecture	<b>Online quiz Unit 1 including guest lecture Due February 16<sup>th</sup>, 2021 @ 11.59pm (10%)</b>
4	February 16 <sup>th</sup> , 2020	Unit 2	
5	February 23 <sup>rd</sup> , 2020	Unit 2	<b>E-Journal Entry #2 – Unit 2 Due March 1, 2021 @11.59 pm (5%)</b>
6	March 2 <sup>nd</sup> , 2020	No Lecture- Work Week	<b>Peer Discussion and Feedback Due March 8<sup>th</sup>, 2021 @ 11.59pm (10%)</b>
7	March 9 <sup>th</sup> , 2020	Unit 3	
8	March 16 <sup>th</sup> , 2020	Unit 3	<b>E-Journal Entry #3- Unit 3 Due March 22<sup>nd</sup>, 2021 @11.59 pm (5%)</b>
9	March 23 <sup>rd</sup> , 2020	Unit 4	
10	March 30 <sup>th</sup> , 2020	Unit 4	<b>E-Journal Entry #3- Unit 4 Due April 5<sup>th</sup>, 2021 @11.59 pm (5%)</b>
11	April 6 <sup>th</sup> , 2020	No Lecture- Work Week	<b>Quiz 2 Due April 9<sup>th</sup>, 2021 @ 11.59pm (20%)</b>
12	April 13 <sup>th</sup> , 2020	Course Project Presentations and Feedback	<b>Final Project Due April 20<sup>th</sup>, 2021 @11.59pm Presentation (10%) Project (30%)</b>

## READING/LEARNING RESOURCES

Unit	Readings
<p><b>Unit 1 - The Role of the State and Fiscal Policy</b></p>	<p>Tanzi, Vito, “Fiscal Policy for Growth and Stability in Developing Countries: Selected Issues” pp.15-27 in A. Premchand (ed) <b>Government Financial Management: Issues and Country Studies</b>, IMF, 1990</p> <p>Tanzi, Vito, “The Changing Role of the State in the Economy: An Historical Perspective” pp 17-36 in <b>Fiscal Decentralization in Emerging Economies</b>, 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”, <b>AER Papers and Proceedings</b> May 1997 pp. 164-168</p> <p>Matthias, Rudolph and Anthony Birchwood, “Government Spending and Economic Growth in Latin America and the Caribbean”, <b>CCMF Collection, The Fiscal Experience in the Caribbean</b> 2004 pp. 407-450</p> <p>Musgrave, Richard A., “Reconsidering the Fiscal Role of Government”, <b>AER Papers and Proceedings</b>, May 1997 pp.156-159</p> <p>Tanzi, Vito, “The Role of the State and the Quality of the Public Sector”, <b>IMF Working Paper</b> WP/00/36</p> <p>Auerbach, Alan, “Implementing New Fiscal Policy Activism”, <b>AER Papers and Proceedings</b>, May 2009 pp.543-549</p> <p>Feldstein, Martin S., “Rethinking the Role of Fiscal Policy”, <b>AER Papers and Proceedings</b>, May 2009 pp.556-559</p> <p><b>Additional Reading (Optional)</b></p> <p>World Bank, <b>World Development Report</b> 1997, <b>The State in a Changing World</b> and later issues.</p>
<p><b>Unit 2 - Fiscal Policy and the Deficit Problem of Developing Countries</b></p>	<p>Blejer, Mario J. and Adrienne Cheasty, “How to Measure the Fiscal Deficit” in <b>Finance and Development</b>, September 1992 pp.40-42</p> <p>Afxentiou, P.C., “Fiscal Policy and Economic Development” <b>Developing Economies</b> Vol.XIV No.2 1976 pp. 164-178</p> <p>Morrison, T.K., “Structural Determinants of Government Budget Deficits in Developing Countries”, <b>World Development</b>, 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. <b>Inter-American Development Bank (IDB) Policy Brief</b> No. 236.</p> <p>Kopits G. and S. Symansky, (1998) <b>Fiscal Policy Rules</b>, IMF Occasional Papers 162</p>

	<p>Trinidad and Tobago IMF Article IV Consultation Reports (latest issue)</p> <p>Hemming R. et al, (2003) <b>Fiscal Vulnerability and Financial Crises in Emerging Market Economies</b>, IMF Occasional Paper 218</p> <p><b>Additional Reading (Optional)</b></p> <p>M. Eslava, The Political Economy of Fiscal Deficits: A Survey, <b>Journal of Economic Surveys</b>, Vol.25 No.4 2011 pp. 645-673</p> <p>Budget Deficits: A Symposium, <b>Journal of Economic Perspectives</b> Vol.3 No.2 Spring 1989 pp.23-93</p> <p>Evan Tanner, <b>Fiscal Rules and Countercyclical Policy: Frank Ramsey Meets Gramm-Rudman Hollings</b>, IMF Working Paper 03/120</p>
<p><b>Unit 3 - Fiscal Policy and Structural Adjustment</b></p>	<p>Fischer, Stanley, “Applied Economics in Action”, <b>AER Papers and Proceedings</b> 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) <b>Structural Adjustment</b></p> <p>Tanzi, Vito, “Fiscal Disequilibrium in Developing Countries” <b>World Development</b> Vol.10 No.12 pp.1069-1082, 1982</p> <p>Hilaire, Alvin, “Caribbean Approaches to Economic Stabilization” <b>IMF Working Paper</b> WP/00/73</p> <p><b>Fiscal Adjustment for Stability and Growth</b>, 2006, IMF Pamphlet Series No.55</p> <p>IMF Letters of Intent (For Selected Countries)</p> <p><b>Additional Reading (Optional)</b></p> <p>C. Blackman, <b>A Heterodox Approach to the Adjustment Problem</b>. First Adlith Brown Memorial Lecture, ISER 1986</p> <p>Farrell, Terrence. 2015. The Imperative of Adjustment. <b>Trinidad Express</b>. January 4.</p>
<p><b>Unit 4 - Fiscal Decentralization: Current Trends and Issues</b></p>	<p>Oates, Wallace, “Federalism and Government Finance” pp.10-23 in W. Oates (ed) <b>The Economics of Fiscal Federalism and Local Finance</b>, Elgar 1998</p> <p>Oates, Wallace, “Introduction” pp. xiii-xix in W. Oates (ed) <b>The Economics of Fiscal Federalism and Local Finance</b>, 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) <b>Annual World Bank Conference on Development Economics</b>, 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) <b>Fiscal Decentralization in Emerging Economies</b>, OECD, 1999</p> <p><b>Additional Reading</b></p> <p>“Fiscal Decentralization: The Search for Equity and Efficiency” pp.175 et seq. in IADB <b>Economic and Social Progress in Latin America</b>, 1994.</p> <p>Duc Hong Vo, The Economics of Fiscal Decentralization, <b>Journal of Economic Surveys</b>, Vol.24 No.4, 2010 pp.657-679</p>
<b>Other resources</b>	<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

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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](https://sta.uwi.edu/resources/policies/Student_Disability.pdf)