

ECONOMICS OF WELLBEING

IE University

Professor: **SANTIAGO BUDRÍA RODRÍGUEZ**

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Academic year: 23-24

Degree course: THIRD

Semester: 1º

Category: **COMPULSORY**

Number of credits: 3.0

Language: English

PREREQUISITES

None

SUBJECT DESCRIPTION

This subject examines the determinants of human well-being from an economic perspective. It provides students an overview of how and to what extent life events such as income gains, unemployment, marriage and parenthood, among other factors, impact people's wellbeing. The course also describes the role of other individual and aggregate conditioners, including personality, inequality and the quality of institutions, and analyzes different techniques used to appraise people's well-being. The course addresses the open debate in society about what should be the most important economic indicators to monitor a society's development and progress. To that purpose, the limitations of conventional indicators (GDP, GDP growth, Gini coefficient, education achievement, etc.) are discussed and alternative metrics that have gained popularity are proposed. The course also offers students recent international trends in well-being indicators and company-based analyses of well-being programs.

OBJECTIVES AND SKILLS

At the end of this course, the student will be able to:

- Identify the most important individual and aggregate determinants of well-being
- Understand what are the most relevant limitations of conventional measures of economic development and propose alternative metrics.
- Describe recent developments in international trends of well-being
- Discuss the advantages and limitations of company-based well-being programs
- Analyze and discuss research articles on the subject

METHODOLOGY

The course will be taught employing IE's Liquid Learning methodology. Liquid learning is a transformational and interactive educational experience that transcends single methodologies and platforms to blend physical, digital and natural environments so that students obtain a world-class education no matter their location or situation. Students will learn alongside one other and work together in teams. Hybrid brings together the human, digital and natural worlds into a seamless whole and enables IE University to be a truly global campus. The Liquid Learning methodology 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. For example, attending classes (lectures, discussions) in-person or virtually, working with classmates on team projects in a work-room or video-conference platform, or getting help and feedback from professors in-person or online.

Asynchronous Interaction and Individual Inquiry and Discovery are learning experiences that happen interactively and asynchronously using collaboration tools and digital platforms. For example, debating topics in a digital forum, critiquing the work of classmates posted in a digital gallery, working on a proposal or project using a collaborative document-sharing platform, or getting help and learning support in messaging-based system.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	40.0 %	30 hours
Discussions	0.0 %	0 hours
Exercises	40.0 %	30 hours
Group work	20.0 %	15 hours
Other individual studying	0.0 %	0 hours
TOTAL	100.0 %	75 hours

PROGRAM

SESSION 1 (LIVE IN-PERSON)

Why well-being matters: well-being and health, productivity and human development.

SESSION 2 (LIVE IN-PERSON)

What is well-being: well-being, utility, social welfare, affect and emotions.

SESSION 3 (LIVE IN-PERSON)

The measurement of well-being: objective vs. subjective well-being, large-scale surveys, the Experience sampling method, the Day Reconstruction Method. Measurement issues: social norms, measurement error, cultural differences and interpersonal comparisons.

SESSION 4 (LIVE IN-PERSON)

What influences well-being? the role of income, unemployment, marriage, parenthood, institutions, inequality and other relevant factors.

SESSION 5 (LIVE IN-PERSON)

What influences well-being? the role of income, unemployment, marriage, parenthood, institutions and inequality and other relevant factors.

SESSION 6 (LIVE IN-PERSON)

What influences well-being? the role of income, unemployment, marriage, parenthood, institutions and inequality and other relevant factors.

SESSION 7 (LIVE IN-PERSON)

What influences well-being? Expectations, personality and set point theory. Group experiment.

SESSION 8 (LIVE IN-PERSON)

Happiness policies: towards more comprehensive macroeconomic indicators, the Fitoussi report, national happiness.

SESSION 9 (LIVE IN-PERSON)

Happiness policies: towards more comprehensive macroeconomic indicators, the Fitoussi report, national happiness.

SESSION 10 (LIVE IN-PERSON)

A primer on quantitative methods: econometric regression and its applications. The equivalent income method. Public policies. Lags and leads in the determinants of well-being. Causality against correlation.

SESSION 11 (LIVE IN-PERSON)

A primer on quantitative methods: econometric regression and its applications. The equivalent income method. Public policies. Lags and leads in the determinants of well-being. Causality against correlation.

SESSION 12 (LIVE IN-PERSON)

A primer on quantitative methods: econometric regression and its applications. The equivalent income method. Public policies. Lags and leads in the determinants of well-being. Causality against correlation.

SESSION 13 (LIVE IN-PERSON)

Workplace well-being: well-being at the job, the ASSET model, employee engagement, positive attitudes, resilience and social relations.

SESSION 14 (LIVE IN-PERSON)

Workplace well-being: well-being at the job, the ASSET model, employee engagement, positive attitudes, resilience and social relations.

SESSION 15 (LIVE IN-PERSON)

Final Exam

BIBLIOGRAPHY

Compulsory

- Bruno S. Frey. *Happiness - A Revolution in Economics*. The MIT Press. ISBN 0262514958 (Printed)

Recommended

- Daniel Kahneman, Edward Diener, Norbert Schwarz. *Well-Being: Foundations of Hedonic Psychology*. Russell Sage Foundation. ISBN 0871544237 (Printed)

- Joachim Weimann, Andreas Knabe, Ronnie Schob. *Measuring Happiness: The Economics of Well-Being*. The MIT Press. ISBN 0262529769 (Digital)

- Ivan Robertson, Cary Cooper. *Well-being: Productivity and Happiness at Work*. Palgrave Macmillan. ISBN 1349321036 (Printed)

EVALUATION CRITERIA

Regular attendance to lectures and classes is required. The final grade will be based on the following criteria:

- **CLASS PARTICIPATION AND PRACTICAL ASSIGNMENTS:** The instructor will incentivize and reward questions and comments from students during lectures and practical classes. Participation in class debates around real topics will be specially valued. Two main criteria will be used in reaching judgment about your class participation:

- **Frequency:** The instructor will require a minimum threshold of contributions. Once the threshold quantity has been achieved, simply increasing the number of contributions will not necessarily improve the evaluation.

- **Moving Your Peers' Understanding Forward:** The relevance and timing of comments and the flow and content of the ensuing class discussion will be considered when evaluating class participation.

- **PRACTICAL ASSIGNMENTS:** Instructions about practical assignments are handed out in class.

- **GROUP CASE WRITE-UPS:** Students, organized in teams, will be invited to participate in a final project.

- **FINAL EXAM:** The final exam will include all the chapters. A minimum grade of 4 over 10 in the final exam is required to pass the course.

GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course.

For every BIR Program mandatory class aside from the IR Unplugged and BIR Electives, students are required to obtain the minimum grade of 5 required to pass the course. Students whose grade in the Final Exam (or the largest assignment) is below 5 will fail the course. The rule applies to whichever assignment carries the greatest weight to the final grade.

Dates and location of the final exam will be posted in advance and will not be changed. Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt must contact the professor during the first two weeks of the course.

ATTENDANCE

Attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students. With that in mind, each student may miss up to 30% of the sessions within a given course and still maintain the possibility of passing that given course. This 30% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 30% buffer. If a student is absent for more than the allowed 30% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

Please pay close attention to your attendance. The program strongly encourages attending 100% of the sessions as it will improve your learning outcomes, it will increase the class performance and it will benefit your participation grade. Noncompliance with deadlines for Non-Classroom Learning activities or assignments will result in an absence for the session.

Extreme cases involving emergencies such as: extended hospitalizations, accidents, serious illnesses and other cases of force majeure, are to be consulted with the Program Management (bir.madridoffice@ie.edu) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

RETAKE POLICY

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The retakes will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

Criteria	Percentage	Comments
Class Participation	15 %	
Individual Work	25 %	
Workgroups	20 %	
Final Exam	40 %	

PROFESSOR BIO

Professor: **SANTIAGO BUDRÍA RODRÍGUEZ**

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SANTIAGO BUDRÍA RODRÍGUEZ

Academic background

I have a BA degree in Economics by Universidad Pompeu Fabra (1996) and a PhD in Quantitative Economics by the University of Alicante (2003) under the QED doctoral program of the Department of Economic Analysis.

Academic experience

I am a microeconometrician mostly interested in labour, education, inequality and well-being. At the present time I am pursuing work investigating the role of personality traits, economic status and economic insecurity in determining well-being levels in modern societies. I have published more than 25 JCR papers and 4 book chapters. I have two certified sexenios (2007-2012, 2013-2018) by the Spanish Comisión Nacional Evaluadora de la Actividad Investigadora.

Participation in projects: Member of long-duration competitive projects financed under the 7th Framework Programme of the European Commission (HPSE-CT-2002-00108), the National I+D+i Plans (PID2019-111765GB-I00, ECO2015-63734, ECO2012-36480, ECO2012-33993, ECO2008-04321), the Regional Government of Andalucía (P07.SEJ.03261 and P07.SEJ.0487), Ramón Areces and the Spanish Institute of Fiscal Studies. Co-editor (2019-) of Cuadernos de Economía - Spanish Journal of Economics and Finance.

Experience in evaluation: Regular external evaluator (> 20 times) of research teams and National I+D+i Plans for the Agencia Estatal de Investigación, Subdivisión de Coordinación y Evaluación. More than 40 referee reports for internationally renowned journals including International Economic Review, JEBO, Economics of Education Review, Journal of Economic Inequality and Labour Economics, among others.

Organization: Local organizer of the 3rd scientific meeting among partners involved in the HPSECT- 2002-00108 European Commission project. Held in 2004, it involved the participation of more than 30 international researchers; Organizer of the 5th CEEApIA Meeting at U. of Madeira (2008).

1 thesis supervision (La estructura de capital-factores explicativos del nivel de endeudamiento y de los diversos proveedores de deuda, by Rafael Rodríguez García), to be presented in March 2019. Three chapters of the thesis have been sent to two JCR journals for possible publication. I have supervised 10 TFM and more than 25 TFGs.

Scientific Coordinator of the CEEApIA (2004-2013), a Portuguese research centre that comprises more than 15 scholars, regarded as "Excellent" and financed by the Portuguese FCT; IZA Research fellow; Lead Researcher at the Faculty of Social Sciences at U. Nebrija.

Corporate Experience

Santiago has combined his work in the academia with consultant roles for several private firms (Madeira Electricity Company, RAM Business Innovation Centre, ANACOM) providing them with economic advice and technical evaluations of different aspects related to forecasting, technological innovation and ICT. He is currently involved and has participated in several research networks and long-duration projects financed by the European Commission, the Spanish Ministry of Science and Innovation, the IEF and the Regional Government of Andalucía.

OTHER INFORMATION

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PLAGIARISM/ACADEMIC HONESTY

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense:

- providing faculty sources;
- copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission;
- copy-pasting material from external sources even while citing them;
- using verbatim translations from sources in other languages without citing them;
- copy-pasting material from external sources without citing them;
- and buying or commissioning essays from other parties.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. The professor will advise the student on how to present said material. All written assignments have to be submitted through Turnitin, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. Students using external tutorial support should report it to the professor and the BIE Program from the moment they began receiving this support. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIE Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel.

Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

