

# NEW TOPICS IN ECONOMICS

**IE University**

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Academic year: 23-24

Degree course: SECOND

Semester: 1<sup>o</sup>

Category: COMPULSORY

Number of credits: 3.0

Language: English

## PREREQUISITES

This course is designed for second semester IE-BIR students (NEWE-IR.2.M.A). A minimal level of digital literacy and basic knowledge of macroeconomics is key to succeed in this course.

## SUBJECT DESCRIPTION

The main focus of the course “NEW ECONOMY: TECH, SOCIETY AND PROGRESS” will be on how the modern world has evolved and prospered by the underlying forces of technology as a byproduct of human thought processes, descriptive decision-making, invention and collaboration. It will examine how human intelligence and behavior have derived in a flux of constant innovation and exponential economic growth, bringing our species to a comprehensive, overall prosperity leveraged by technology.

This course will also analyze how the new platform economy is defining the different dynamics that are shaping the way we live. Finally, it will inquire into the role of technology in perception and policy-making, while exploring the role of humans in a digital world, one that embedded in the way we behave, consume, communicate and decide and that is permeating every single realm of Society.

Until the end of the 20th century, economic science -through its main pursue of understanding production, distribution and consumption, developed complex theories on macro and microeconomics. But this analysis has assumed rationality as the pivotal point behind individuals' decisions and collective systems. According to these traditional optics, human agents choose and design systems and policies in order to achieve efficient equilibriums and increase social wellbeing.

Due to advancements in technology, during the last two decades we have seen a growing, deeper and intricate collaboration between the different disciplines of knowledge, surged by the need of a more multidisciplinary approach to thinking. The only way to deeply understand the changing nature of the new economy's landscape and to get a real glimpse of what the future could look like, is by actively participating in the digital culture and understanding human behavior.

## OBJECTIVES AND SKILLS

This course aims to teach the key concepts that explain the complex dynamics of today's world through the influence of decision-making. After taking this class, students should be capable of:

- Understanding the transition of the modern world's social, economic and political systems from both a macro and a micro perspective, and how understanding the behavioral science is

changing and improving the ways we conceive the world.

- Analyzing, benchmarking, designing, evaluating and replicating smart models, using various policy theories in the different fields of society: finance, microeconomics, public policy, regulation, ethics, economic development, education, politics, technology and business.
- Defining the fundamental notions of behavioral policy and rationality, and their intersection with the economy.
- Challenging theories, structures and models related to Societal and economic dynamics.

**METHODOLOGY**

The melding between economics, data, policy and psychology has become of the utmost importance, resulting in not only an academic revolution, but a priority in the real sector, that obliged economists and public officials to revisit the traditional economic theories and update them. Behavioural scientists have demonstrated that the doings of economic agents reveal systematic deviations from the predictions of standard rational choice theory.

This course will teach how a deeper understanding of human behavior allows the design of better tailored policies and comprehensive systems that foster a more sophisticated approach for individuals to pursue happiness, wellbeing and progress, both at an individual and at a societal level.

Different to the typical academic setting in which theories are presented -normally one at a time, and some implications are derived, students are presented with actual data and real-life examples for them to analyze and interpret by using alternative systems. This course will bridge the gap between the deductive and inductive methods, with and 'out-of-the-box' approach.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	30.67 %	23 hours
Discussions	13.33 %	10 hours
Exercises	16.0 %	12 hours
Group work	20.0 %	15 hours
Other individual studying	20.0 %	15 hours
TOTAL	100.0 %	75 hours

**PROGRAM**

**SESSIONS 1 - 2 (LIVE IN-PERSON)**

Is Today's World Better than a Century Ago? Data > Opinion

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Rationality: Perceiving Economic Reality Through a Behavioral Lens

*Book Chapters: Chapter 1 of the book: "Abundance: The Future Is Better Than You Think" (Book) (CED)*

**SESSIONS 3 - 4 (LIVE IN-PERSON)**

Collective Intelligence and Collaborative Knowhow

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The Keys to Economic Complexity

Article: "The Missing Link in Economic Development" (Project Syndicate, Dec 29, 2020) (CED)

Article: "Mind the Mind Gap". (Project Syndicate, Aug 27, 2021) (CED)

### **SESSIONS 5 - 6 (LIVE IN-PERSON)**

Making Sense When Thinking and Creating Coherent Economic Networks in an Incoherent World

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The Crowd Economy Tackling Human Behavior

Working Paper: "Under the Hood, the Computational Engine of Economic Development".

(Medium.com)

Technical note: Managing Our Hub Economy (HBS R1705F-PDF-ENG)

### **SESSIONS 7 - 8 (LIVE IN-PERSON)**

What are Cognitive Biases and Heuristics, and how are Clouding Your Perception of Reality

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Decision Making as a Consequence of Policy and Fear

Working Paper: Typology and Unified Model of the Sharing Economy in Open Innovation Dynamics

(Journal of Open Innovation: Technology, Market, and Complexity 2019, 5(4), 102) (CED)

### **SESSION 9 (ASYNCHRONOUS)**

The Importance of the Nudge Theory, Power, Risk and the Prospect Theory

Article: "Nudging, a Very Short Guide". (Harvard, 37 J. Consumer Pol'y 583 (2014))

Article: "The Power of Nudges, for Good and Bad". (The New York Times, Oct. 31, 2015) (CED)

### **SESSIONS 10 - 11 (LIVE IN-PERSON)**

The Intellectual Rational of Fake News, Public Policy, Politics and Decision Making

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The Role of Digital Technologies, Artificial Intelligence and Social Media in the 'Post-Truth' Era

Working Paper: "Combating Fake News: Agenda for Research action". (Harvard Kennedy School)

### **SESSIONS 12 - 13 (LIVE IN-PERSON)**

From Individual Choices to Collective Trends: Digital Identities in Social Media and the Metaverse

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Behavioral Innovation and Design Thinking in AI: Ethics and Imagination as the Key to Success

Podcast: "Happiness, Crypto Stablecoins and Crypto Strategy". (YouTube)

### **SESSIONS 14 - 15 (LIVE IN-PERSON)**

Moonshot Thinking Strategies: Using Crowd Economics, AI and the Information Society

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Final Exam

Working Paper: "The Future of Minds and Machines". (nesta, March 2020)

## EVALUATION CRITERIA

Students will be timely updated on their grades throughout the semester, for them to be able to keep track of their performance.

Assigned readings are mandatory, graded and key for a successful learning experience.

Criteria	Percentage	Comments
Participation throughout the course	10 %	
Pop quizzes	12 %	
Self-grading	3 %	
Final Exam	30 %	
Group work	35 %	
Individual Work	10 %	

- (1) The quality of class participation matters for the grade.
- (2) Individual pop quizzes are devoted to performing specific tests and assessing learning and reading.
- (3) The self-grading is a comprehensive semester-long review, that will be discussed with the professor.
- (4) For the final exam: Through questions and required analysis, students will be evaluated on the depth of their knowledge acquired throughout the semester, the comprehensiveness of their analysis, clarity of the argument, viability of recommendations, quality of conclusions, format and written composition.
- (5) There will be group problem sets and projects that include analysis, evaluation and diagnostics.
- (6) Students are expected to attend class and to engaged structured discussions, and class projects. Also, if necessary, students could be engaged beyond the classroom through written or video interactions using digital platforms.

### 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.

The Bachelor's in International Relations pursues to develop the knowledge, skills and attitudes for bringing transformative and sustainable change in today's world. Therefore, all the courses follow the principles of sustainability and diversity. Firstly, this course considers the agenda 2030 and builds upon the Sustainable Development Goals:

GOAL 1: No Poverty

GOAL 2: Zero Hunger

GOAL 3: Good Health and Well-being

GOAL 4: Quality Education

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

GOAL 10: Reduced Inequality

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

Secondly, this course is committed to an inclusive learning environment and looks to be enriched and enhanced by diversity along numerous dimensions, including race, ethnicity and national origins, gender and gender identity, sexuality, class and religion.

### **ATTENDANCE**

In-person 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 to 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.biemadrid@ie.edu](mailto:bir.biemadrid@ie.edu)) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

For more information about the university attendance policy, please check; <https://www.ie.edu/student-guide/bir/policies-and-guidelines/attendance/>

### **THIRD CALL RETAKE POLICY**

Any student in their third call of a course, also known as a "Retaker", is obliged to observe the following rules:

- Third call students must contact their professors before or during the first session to ask which work and or \*sessions will be required to obtain a passing grade. The professor will determine which work will be required in their course.  
\*(e.g. when presenting group work, sitting for examinations or other work done in class).
- Retakers are exempt from failing the call due to absences; however, they are not exempt from work the professor designates as necessary to obtain a passing grade. This means some sessions may be mandatory to attend in order to complete the work within.
- Students in their third call are responsible for managing the conflicts in their schedule, should students need advice on how to manage their conflicts they should visit the program office.

### **EXTRAORDINARY EXAMINATION 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.

### **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 faulty 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. For help with your academic writing, contact the Writing Center ([writingcenter@faculty.ie.edu](mailto:writingcenter@faculty.ie.edu)). The professor will also advise the student on how to present said material. All written assignments must be submitted through Turn-it-in, 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 BIR 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 BIR 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.

### **FAILING GRADE AND REASSESSMENT**

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.

The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.

Grades for the reassessment are limited to a Low Pass and Fail.

Both, the initial Fail as well as the grade of the reassessment remain on the transcript. For the purpose of calculating the GPA however, only the grade of the reassessment is to be considered. Students receiving a failing grade in the reassessment of a course will not be able to continue in the program.

## **PROFESSOR BIO**

Professor: **ADRIANA HOYOS VEGA**

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**ADRIANA HOYOS VEGA**

**Short Bio**

Adriana is a strategy consultant, board member and professor. At IE University she teaches different courses on the dynamics between technology, economic growth, behavioral economics and policy, focusing extensively on the role of AI and digital platforms, and how they serve as a hub to connect the different realms that are shaping Society. Her work interests relate to digital economics, governance, the future of society, tech innovation, market access, public policy, behavioral economics, international development, economic complexity, PPPs, poverty alleviation and ESG.

Adriana has been a Senior Fellow at Harvard University for more than a decade and prior to that, she was the CEO of Women's World Bank (Co). She served as a diplomat, representing Colombia as Economic Attaché in Spain, head of Plan Colombia for the EU, Kyoto Protocol lead for the UN and Senior Counselor to the President of Colombia. She has worked as an independent strategy consultant since 2009, both in the private and public sectors, as well as for some large foundations and a few multilaterals. She also has experience as a political strategist, serving as senior advisor for various presidential campaigns, including three in the USA. Her consulting and academic work encompass writing a series of documents as replicable models at a global scale.

Adriana has served in different boards of directors, advisory boards and expert panels, currently including: The Millennium Project -in the USA (EP), Katerva -in the USA (EP), SciTheWorld -in Spain (AB), ANAR Foundation -in Spain (BoD), Think Value -in Spain (AB) and Women Empowered to Invest -in France (AB). Adriana is an international speaker and has participated as such in various world-class conferences, including: World Economic Forum (Davos), Clinton Global Initiative, Socap Global, Skoll World Forum, IN3, South Summit, United Nations' Economic and Social Council, among others.

## **OTHER INFORMATION**

### **CODE OF CONDUCT IN CLASS**

1. Be on time. Students arriving more than 5 minutes late will be marked as "Absent". Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).
2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.
3. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as "Absent". Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).
4. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class. If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as "Absent".
5. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as "Absent".
6. No cellular phones: IE University implements a "Phone-free Classroom" policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.

7. Escalation policy: 1/3/5. Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.

FOR PERSONAL MEETINGS (OFFICE HOURS) PLEASE CONTACT THE PROFESSOR AT:

[ahoyos@faculty.ie.edu](mailto:ahoyos@faculty.ie.edu)

