

Overview

How healthy is an economy? How can economic policy help support or restore health to the economy? These questions are at the heart of the economic diagnostics course. The course aims to analyze the current economic situation in the economy, forecast where the economy is headed, and identify fiscal and monetary economic policies that can change the course of the economy. During the course, students will learn the basic skills required to conduct macroeconomic analysis.

During the course, students will answer questions on the concepts explained, work on some short numerical exercises, discuss on economic developments in their own countries, and work with data to answer specific questions.

Learning Outcomes

Knowledge and understanding

- Deep knowledge of economic patterns
- Identification of the main economic sectors and understand the key linkages

Applying knowledge

- Ability to evaluate country's economic development indicators
- Ability to evaluate economic policies and stance in the international development context

Making judgments

- Ability to analyse internal and external sustainability and make sound judgments
- Ability to evaluate and give their own interpretation to the paper on economic issues
- Ability to justify their own ideas and conclusions through the economic linkages

Communication skills

- Ability to prepare a simple written report on ideas, current problems and to communicate information orally to specialists and non-specialists
- Ability to use modern information and communication technologies

Teaching Methods

- **Verbal Method** – Narrative about the new subject verbally, through using combination of various methods
- **Interactive lectures** with active involvement of the students in the discussion of the lecture topics, as well as joint solution of the practical works
- **Group/ Collaborative Work** -This method implies dividing students into groups and giving them various types of numerical exercises. Group members work on the exercises and share their results with the rest of the groups

Company Visits:

- Ministry of Finance of Georgia
- Ministry of Economy and Sustainable Development of Georgia

Program Outline

Day 1

Interrelations among Macroeconomic Accounts

- Current account balance
- Real sector accounts
- Policy implications
- Workshop on real accounts

Day 2

Interrelations among Macroeconomic Accounts

- Fiscal accounts
- Monetary accounts
- Linkages between fiscal and monetary policies
- Workshop on fiscal and monetary accounts

Day 3

Economic Reforms in Georgia

- Fiscal reforms and effects on the economy
- Monetary policy design in Georgia
- Workshop on monetary accounts

Day 4

Forecasting tools

- Approaches to Forecasting for Policy Analysis
- Modeling and forecasting core economic indicators
- Overview Georgia's economic outlook
- Workshop on forecasting tax revenues

Day 5

Macroeconomic outlook

- Regional economic outlook
- Georgia's economic outlook