**Economic Policy**

## Prof. Giorgio Ricchiuti

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course introduces students to the reasons and procedures of public intervention in economy from a theoretical perspective with reference to the Italian experience. At the end of the course, participants will know and will be able to use the main models currently used for the evaluation of the public policies and will able to discuss their impact on the operators and financial markets. They will also acquire an in-depth knowledge of the main problems of the Italian economic development from the post-war period to present.

At the end of the course, students will be able to:

• understand the reasons and the limits for public-sector intervention in the economy, evaluating the situations in which public-sector intervention may be, or not be, effective;

• understand policy problems related to the solution of typical market failures: supply of public goods, externalities and control of the market power;

• understand the efficiency-equity trade-off;

• understand how public choices are made within a democratic context;

• understand the basic elements of the fiscal and monetary policy in the european context;

• understand the Welfare State as a series of institutions which seek to reduce social exclusion, provide insurance and offer a mechanism for redistribution over the life cycle.

• understand the main features of the Italian economy, within the European context.

***COURSE CONTENT***

The public sector in a mixed economy. Market efficiency. Market failures. Efficiency and equity. Public goods and externalities and the environment. Public choice at micro and macro level. Fiscal policy. Monetary policy. The welfare state. Evolution and specificity of Italian economy and Italian economic policy from the second post-war period to the present day.

***READING LIST***

A detailed reading list will be distributed at the beginning of the course.

Supplemental material will be made available on the Blackboard site for the course and on the professor website: www.grarchive.net

***TEACHING METHOD***

Lectures for 35 hours.

***ASSESSMENT METHOD AND CRITERIA***

Written exam of five questions. The first three questions aim to assess students on their knowledge of fundamentals of economic policy and their ability to link those concepts. The fourth question aims to assess students on their economic reasoning on policy issues. The fifth question aims to assess students on their ability to understand if the interlocutor has used correctly economic reasoning to solve a policy issue. Students will pass the exam if they answer three out of five questions accurately.

***NOTES AND PREREQUISITES***

*Pre-requisites*

All contents of the General Math, Economics I and Economics II are preparatory to taking the Economic Policy course.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students. Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.