# Economic Policy

## Gr. A-Cl: Prof. Jacopo Staccioli; Gr. Co-La: Prof. Raul Caruso; Prof. Marco Grazzi; Gr. Le-Po: Prof. Maurizio Motolese; Gr. Pr-Z: Prof. Giuseppina Malerba

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

The aim of the course is to complete students' basic economics preparation by deepening the knowledge acquired in the Microeconomics and Macroeconomics courses through the acquisition of methodological, theoretical and empirical tools for meeting the economic policy aims of efficiency, equity, stability and growth.

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

1. possess a good knowledge of the main models for meeting the economic policy objectives covered in the course;

2. use the methodological and theoretical tools acquired to interpret the role of Italian, European and international economic policy institutions;

3. use and interpret economic processes and data autonomously in order to develop critical skills in economic policy debates;

4. communicate their acquired knowledge rigorously, clearly and effectively;

5. possess good knowledge of the institutional processes, so allowing them to undertake subsequent studies in the economic, business and professional fields with greater autonomy.

***COURSE CONTENT***

1. Institutions: state, enterprise and market.

2. Market coordination: public goods and common goods, externalities and environment, expectations and strategic complementarity.

3. The economic role of information: information and knowledge, the principal-agent relationship, moral hazard and adverse selection, Pooling and separating equilibria.

4. Risk, uncertainty and financial markets: theory of expected utility and recent developments, risk aversion, risk and uncertainty.

5. Equity and social choices: (Im)possibility of social choice, private and social costs and benefits, voting models and selection criteria, social justice theories.

6. Distribution of income and employment policies: distribution of income: Lorenz curve and Gini index, welfare state, pension systems and demographic dynamics, the issue of poverty.

7. Inflation and labour productivity: inflation theories, labour productivity and total factor productivity, unit labour costs, productivity differentials and comparative advantages.

8. Monetary policy; ECB monetary policy and FED monetary policy, instruments and channels for transmission of monetary policy, rules, discretionary power and inconsistency of timing.

9. Budget policies and public debt: policies for reducing and managing public debt; economic effects of public debt.

10. Growth and endogenous growth: growth accounting, the Solow model, the AK model, learning-by-doing, human capital/education, innovation, research and development, institutions for growth.

***READING LIST***

The reference textbooks for the course are:

L. Campiglio, *“Mercato,* prezzi e politica economica”, 1999, Il Mulino, Bologna.

M. Motolese-C. K. Nielsen, *Lezioni di Politica Economica. Mercato, Politiche e Regolamentazione,* 2020, G. Giappichelli Editore, Torino.

E. Marelli-M. Signorelli, *“Politica Economica. Le politiche nel nuovo scenario europeo e globale”,* II edizione, 2019, G. Giapichelli Editore, Torino.

A. Bénassy-Quéré - B. Coeuré - P. Jacquet, J. Pisani-Ferry (a cura di A. Petretto e F. F. Russo), *Politica economica: Teoria e pratica*, II edizione, 2019, Il Mulino, Bologna.

Any support material will be made available on Blackboard.

***TEACHING METHOD***

Lectures.

***ASSESSMENT METHOD AND CRITERIA***

A written exam on the entire course programme, including open-ended questions and simple exercises.

The written exam can be replaced by two partial tests, open to all students, which contribute equally to the determination of the final mark: an interim test during the week in which the second semester lectures are suspended, and a completion test in the June-July 2023 exam session. Detailed indications regarding the methods of the above tests will be made available on Blackboard.

***NOTES AND PREREQUISITES***

Regular class attendance is recommended, particularly for students planning to take both tests, since the testing will be based on the contents of lectures and class discussions.

In order to follow the course efficiently, basic tools of Microeconomics, Macroeconomics, Mathematics and Statistics are needed.

Further information can be found on the lecturer's webpage athttp://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.