



MACROECONOMIC POLICY

SECS-P/02 - 9 CFU - 2° Semester

Teaching Staff

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LEARNING OBJECTIVES

1. Knowledge and understanding

The course aims to provide conceptual tools for the macroeconomic analysis of the global economic environment. The role of economic policy, in the current context of financial globalization will be studied by devoting a particular attention to understand different theoretical approaches to policy making. Thus, the emphasis will be focused in describing, from a macroeconomic point of view, the interaction between the real and financial side of economies, by focusing on expectations, markets and the determination of the equilibrium level of income. A specific reference to Monetary Unions will be done.

2. Applying knowledge and understanding

Applying knowledge and understanding: Students are required to broaden both their culture and their terminology. They should develop proactive analysis capabilities, in order to use theoretical models and verify their applicability to real cases. The degree of their ability will be monitored during the course, also by interpreting relevant facts of the critical global macroeconomic environment which are the core centre of the contemporary political debate.

3. Making judgments

It is particularly important that students develop their own critical skills and independent judgment capacity. Macroeconomic Policy is a matter of ideology, after all, and (therefore) an individual well sounded personality should be used for the analysis of actual cases. These cultural advancements are required in order to develop the attitude to identify policy objectives, policy instruments and their applicability range, both within a domestic scenario and in a supra-national setting. The course aims to strengthen students' awareness, by providing them with few basilar elements of philosophy, surrounding the different approaches, in order to stimulate the ability in understanding the complex nature of macroeconomic policy decisions.

4. Communication skills

During the course, the student will have the opportunity to improve and refine the technical language and to broaden their capability to express themselves in English. Communicative skills in the foreign language will not be tested, but it is obvious that the ability to reply to questions and discuss issues is “reasonably” necessary. Moreover, an adequate knowledge of basics of Macroeconomics and of Mathematics for Economics is needed.

5. Learning skills

The learning ability of the student will be checked by the teacher during the course, by encouraging participation and providing guidance for the most correct learning process. In this discipline, more than in others, analytical theoretical models should be carefully understood before they can be profitably referred to specific historical and institutional contexts.

DETAILED COURSE CONTENT

The Financial Crisis*; Refresh on National Accounting; Goods and Financial Markets: IS-LM*; The Labour Market*; Bargaining, Search and Matching, Efficiency Wage Theories*; The Phillips Curve*; The Macroeconomic Equilibrium: IS-LM-PC*; Again on the Macroeconomic Equilibrium: AD-AS vs. IS-LM-PC; The Expectations Theories*; Optimal Currency Area and the European Perspective*; Exchange Rate Regimes*; Restraints on Policy Makers; Sovereign Debt Dynamics*; Unconventional Monetary Policy*; The Story of Macroeconomics.

A *star*, *, indicates the topics without which the exam cannot be passed

TEXTBOOK INFORMATION

Blanchard O., Amighini A., Giavazzi F., Macroeconomics, a European Perspective, Pearson 2017.
