

Italian code: SECS-P/01 (old) – ECON-01/A (new)

Credits: 9

Course: Political Economy

Main language of instruction: Italian

Other language of instruction: English

Head instructor

Professor Santiago José Gahn – santiago.gahn@unicusano.it

Objectives

The **Political Economy** course aims to provide an analysis of the main issues in political economy. It addresses contemporary problems of political economy through the marginalist theory. Some critical texts of classical-Keynesian theory are incorporated (i.e. Kalecki, 1943). Additionally, the course delves into fundamental aspects of statistics, such as historical data analysis for the United States and Italy. It examines the factors determining income distribution (relative prices, real wages, etc.) and production (GDP, industrial activity, aggregate demand levels, etc.). The course equips students with the essential tools to understand economic phenomena in a closed economy.

Course structure

The Political Economy course has the following learning objectives:

1. Explain the marginalist theory concerning income distribution and production.
2. Illustrate modern short-term marginalist macroeconomics using the IS-LM model.
3. Illustrate modern medium-term marginalist macroeconomics using the IS-LM-PC model.
4. Provide a wide range of statistical tools to understand data construction and sources for the Italian case.

Competencies

- **Knowledge and Understanding**

By the end of the course, students will demonstrate a solid understanding of Political Economy fundamentals. They will grasp the determinants of income distribution and production levels through two contrasting theories, laying a foundation for further studies in International Economics and Economic Policy.

- **Applying Knowledge and Understanding**

Students will use acquired knowledge to analyze key economic problems.

- **Ability to Draw Conclusions**

Students will identify the most appropriate theory, among those presented, to describe phenomena characterizing the economic system.

- **Communication Skills**

Students will effectively discuss and articulate issues in Political Economy.

- **Learning Skills**

By the end of the course, students will possess the necessary knowledge to analyze national and international economic phenomena and interpret market fundamentals, enabling them to pursue advanced studies in economic and financial fields.

Syllabus

Module 1: Introduction (23 hours)

Module 2: Fundamental Concepts (23 hours)

Module 3: The goods market (23 hours)

Module 4: Financial markets (23 hours)

Module 5: Short-Term Marginalist Macroeconomics: IS-LM Model (23 hours)

Module 6: Short-Term Marginalist Macroeconomics: IS-LM Model open economy (23 hours)

Module 7: Short-Term Marginalist Labour Market (23 hours)

Module 8: Phillips Curve (23 hours)

Module 9: IS-LM-PC (23 hours)

Module 10: Political Aspects of Full Employment. (16 hours)

Evaluation system and criteria

The oral exam consists of an interview aimed at assessing the student's level of preparation. This typically involves five questions (theoretical and/or applied) covering the entire course syllabus. Each question carries equal weight, with a maximum score of 6 points per question.

Special attention is given to the student's ability to analyze, apply, and present the material available on the platform with appropriate language.

During the final evaluation, consideration will also be given to active participation in forums (virtual classrooms).

Bibliography and resources

Mandatory texts:

- Blanchard, O., Amighini, A., & Giavazzi, F. (2010). Macroeconomics. A European Perspective. Pearson. (Chapters: 1, 2, 3, 4, 5, 7, 9, 10).
- Kalecki, M. (2021). Political aspects of full employment. In The Political Economy: Readings in the Politics and Economics of American Public Policy (pp. 27-31). Routledge.