UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Political Economy and Sustainable Development

2627-2-E3304M011-E3304M011-2

Learning objectives

The course aims to deepen and broaden the knowledge acquired in the previous *Macroeconomics* module by introducing topics related to the extension of the Solow growth model to incorporate environmental sustainability, the analysis of short-run macroeconomic equilibrium in an open economy, the role of expectations in macroeconomic models, and the analysis of modern economic policies, both fiscal and monetary. Alongside the study of the theoretical framework, the course emphasizes its application to the interpretation of major macroeconomic developments in Italy and Europe, enabling students to apply the knowledge acquired to analyze the challenges faced by modern economies and to understand the concepts presented in the core literature through the recognition of theoretical models and their empirical applications.

Contents

I. Economic development and environmental sustainability;
II. Extensions to short-run analysis;
III. Fiscal policy;
IV. Monetary policy.

Detailed program

I. The extension of the Solow growth model to environmental sustainability;
II. Extensions of short-run analysis: financial markets and expectations; expectations, consumption, and investment; the IS-LM model with expectations and economic policy;
III. The open economy; the Mundell–Fleming model;
IV. Fiscal policy and public debt sustainability; Ricardian equivalence;

V. Conventional and unconventional monetary policy; the relationship between monetary policy and inflation.

Prerequisites

Principles of microeconomics and mathematics.
Knowledge of the topics covered in the first module of the course Macroeconomics.

Teaching methods

Classroom lectures. E-tivity activities assigned by the instructor.

Assessment methods

Written exam.

Textbooks and Reading Materials

Blanchard, O.; Amighini, A.; Giavazzi, F. (2023). Macroeconomics: A European Perspective, 4th Edition. Pearson Education Limited.

Lecture slides and teaching materials made available by the instructor on the e-learning platform.

Semester

Second semester.

Teaching language

English

Sustainable Development Goals

NO POVERTY | DECENT WORK AND ECONOMIC GROWTH | INDUSTRY, INNOVATION AND INFRASTRUCTURE