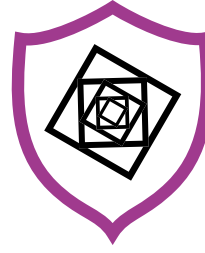




UNIVERSITÀ
DEGLI STUDI
DELL'AQUILA



DIIE
Dipartimento di Ingegneria
Industriale e dell'Informazione
e di Economia

SEMINARI ECONOMIA

Polo Acquasanta - Economia

Data: **14/11/2024 – h. 18:00-19:00**

Aula: **1**

Link Teams: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ODdmOWZlOGItZTY4ZS00MzVlTkyMzltZDFiMjVmYzVmNjRi%40thread.v2/0?context=%7b%22id%22%3a%229df08a7c-31d7-4024-9ba6-5ed5efac1a01%22%2c%22oid%22%3a%226c7ba6e6-1135-40e6-a84f-52332b11396e%22%7d

Titolo seminario:

Mr. Keynes and the 'Classics' a Century Later: Reviewing the IS-LM model

Speaker:

Prof. Marco Veronese Passarella

Abstract:

The IS-LM model, formulated by Hicks in 1937, has been a cornerstone in macroeconomic pedagogy and policy analysis. Influential economists and textbooks—including Blanchard (2021), Mankiw (2016), and Samuelson and Nordhaus (1998)—have extensively relied on its stylised but clear representation of the key macroeconomic relations of a capitalist economy. Despite its popularity, the IS-LM model faces criticism for its static nature and incomplete accounting structure. This paper aims to address fundamental questions about the continued relevance of the IS-LM model. Specifically, it explores whether the model, when enriched with dynamics and stock-flow completeness, still exhibits the same qualitative behaviour. Our findings suggest that the answer is negative. When assessing the implications of economic policy shocks, the original formulation of the IS-LM model is likely to lead to misleading conclusions, mainly due to flow leakages and missing stock-flow links.

The seminar will be in English unless all attendees are Italian.
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