

I) Presentation and Objectives

The course begins with a fundamental paradox: **financial crises permeate the entire history of capitalism, yet remain almost invisible in conventional economics teaching.** Mainstream textbooks emphasize equilibrium, self-correcting markets, and crises as external shocks. The result is a serious educational gap: economists are trained to explain a system without its crises.

This course seeks to **address that absence**, and introduce an innovation: to show that **each crisis has its own political economy.** Crises are not merely economic or statistical phenomena but arenas of contestation between groups and interests: bankers vs. entrepreneurs, creditors vs. debtors, innovators vs. incumbents, profits vs. losses, bankruptcies vs. acquisitions. To understand a crisis, therefore, is to understand who wins, who loses, and how these conflicts shape political and regulatory responses.

The approach will be **analytical but anchored in historical and institutional contexts.** Classical and contemporary authors — from Marx to Minsky, from Schumpeter to Kindleberger, from Keynes and Kalecki to Tooze — will be mobilized as instruments for analyzing problems. The focus is not the canon itself, but contemporary dilemmas.

Three main objectives structure the course:

1. **Build a conceptual framework** to understand financial crises as endogenous phenomena of capitalism.
2. **Explore the political economy of crises**, highlighting how coalitions of interest define policies, regulations, and outcomes.
3. **Apply this comparative lens** to a sample of historical and contemporary crises: from the Great Depression of 1929 to the COVID-19 crisis, including Japan, Asia, China, and the “Atlantic” crisis of 2007–2008.

In short, the course aims to show that **without crises, capitalism cannot be understood — and without political economy, crises cannot be understood.**

II) Evaluation

Class participation, one exam, and a paper (2,000–2,500 words) on a topic agreed upon with the professor and related to the course. A final exam will be required only when necessary.

III) Notes

Cell phones must remain silenced during class. Readings and lectures are complementary (not substitutes). At the end of each class, time will be reserved for discussion (assigned texts, questions, comments, critiques, etc.).

IV) Program

Unit 1 – Conceptual Frameworks: Capitalism, Cycles and the Political Economy of Crises

1.1 Credit, innovation and cycles: *the political economy of creative destruction*.

1.2 Uncertainty, expectations, money and institutions: *the political economy of unemployment and rentism*.

1.3 Investment, public spending and unions: *the political economy of full employment*.

1.4 Credit, debt and instability: *the political economy of financial dominance*.

1.5 From market fundamentalism to the search for social protection: *the political economies of public versus private interests*.

Unit 2 – Financial Crises and their Political Economies

2.1 The Great Depression of 1929–33 and the New Deal.

2.2 Japan 1991: from financial bubble to secular stagnation.

2.3 The Asian crisis of 1997–98: impacts and lessons.

2.4 China 1999–2005: banking reform and financial fragility without financial instability.

2.5 The global (or Atlantic) financial crisis of 2007–2008: comparing U.S., European and Chinese responses.

2.6 The COVID-19 crisis and its political economy.

2.7 New frontiers of destabilization: digital finance, climate transition and geopolitical rivalries.

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