

INFORMATION, TRUST, MARKETS

WHY ECONOMICS AND FINANCE, LIKE PHILOSOPHY, IS MORE ABOUT IMMATERIAL THINGS
THAN MONEY

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abstract

Usually, handbooks and lectures of economics and finance are full of words like demand/supply equilibrium, price elasticity, Slutsky equation, discount and utility...and this is probably why economics has culpably suffered many commonplaces such as “dismal science”, “not a science at all”, “too complicate for me”. Furthermore, leafing through textbooks it takes pages and pages, chapters and chapters to eventually meet, if ever, words like information, trust, trustworthiness and transaction costs... still these words represent the most important factors in economic choices of firms, organizations and individuals. The asymmetry is not easy to explain, indeed some handbooks are trying to fix this issue, in particular after the financial crisis started in 2007.

The seminar assumes that economics could be an entertaining way to look at everyday life issues, and proposes a short trip into economics using information, trust and transaction costs as a road map.

Some pictures will be presented:

- 1) Is food a commodity or a dream? What explains the high price of Pasta di Gragnano, declining relative price of corn in respect to chestnuts and loggers disappearance?
- 2) Finance: why a fish-stall in open market is more useful than finance handbooks to understand Lehman Brothers collapse and why parental relations can be dangerous
- 3) How to obtain that others do what you want (sometimes without knowing it)
- 4) Houses, mortgages and financial literacy: is it really a wonderful life?
- 5) Student's class participation as a common: why not always raising hands to pose questions or suggest answers is a winning strategy for a motivated student.□