

Course Descriptions Master 2013-2014

Course Title	Political Economy							
Course Code	EBC4096							
ECTS Credits	6,5							
Assessment	None							
Period	Period	Start	End	Mon	Tue	Wed	Thu	Fri
	2	28-10-2013	20-12-2013	X			X	
Level	Advanced							
Coordinator	Kaj Thomsson For more information:k.thomsson@maastrichtuniversity.nl							
Language of instruction	English							
Goals	<p>Taxation, expenditure and regulatory policies enacted by the government have significant impact on economic outcomes. Do these policies reflect the preferences of the people of the country? Democratic governments are formed by politicians chosen through an electoral process. How do the motivations of the politicians affect their choice between providing efficient levels of public goods and retaining rents for themselves? Do elections check the rent-seeking activities of the politicians and result in a more competent government? Which electoral rules are more successful in achieving this goal? Different constitutions lay out different procedures for political decision making. What are the effects of different constitutions on policy? Some policies can have a large impact on a small group of people resulting in the formation of special-interest groups who lobby to affect policy in their favor. How does lobbying influence policy?</p> <p>We study these questions by modeling the political institution as a game between voters and politicians. Different political institutions are modeled by appropriately defining the rules of the game. Finally, we use game-theoretic equilibrium concepts to analyze the nature and economic implications of this strategic interaction.</p>							
Description	See Learning Outcomes and Competences							
Literature	Persson, T. and Tabellini (2000). Political economics: Explaining economic policy. Mit press, selected articles.							
Prerequisites	Compulsory: Knowledge of microeconomics at level of Wetzstein "Microeconomic Theory", Varian "Intermediate Microeconomics" or higher; (consumers, producers, welfare economics, equilibrium in games). Knowledge of public economics at level of Mosen "Public Finance" or higher; (Public goods, externalities, taxation, social insurance). GAME THEORY (Nash, Bayesian-Nash, Subgame Perfect Equilibria), CALCULUS.							
Teaching methods	PBL / Presentation / Lecture / Groupwork							
Assessment methods	Participation / Written Exam							
Evaluation in previous academic year	For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM							
This course belongs to the following programme / specialisation	Master Economic Studies				Electives			
	Master Economic Studies				Public Economics			
	Master Fiscale Economie				Economics Electives			