

Course Descriptions None 2014-2015

Course Title	Political Economy																
Course Code	EBC4096																
ECTS Credits	6,5																
Assessment	None																
Period	<table border="1"> <thead> <tr> <th>Period</th> <th>Start</th> <th>End</th> <th>Mon</th> <th>Tue</th> <th>Wed</th> <th>Thu</th> <th>Fri</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>27-10-2014</td> <td>19-12-2014</td> <td>X</td> <td></td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	Period	Start	End	Mon	Tue	Wed	Thu	Fri	2	27-10-2014	19-12-2014	X			X	
Period	Start	End	Mon	Tue	Wed	Thu	Fri										
2	27-10-2014	19-12-2014	X			X											
Level	Advanced																
Coordinator	Kaj Thomsson For more information:k.thomsson@maastrichtuniversity.nl																
Language of instruction	English																
Goals	The goal of this course is for the students to understand how economic theory can be used to better understand collective decision-making and interactions between economics and politics.																
Description	<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 politics 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>																
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	<table border="0"> <tr> <td>Master Economics</td> <td>Electives</td> </tr> <tr> <td>Master Economics</td> <td>Public Economics</td> </tr> <tr> <td>Master Fiscale Economie</td> <td>Economics Electives</td> </tr> </table>	Master Economics	Electives	Master Economics	Public Economics	Master Fiscale Economie	Economics Electives										
Master Economics	Electives																
Master Economics	Public Economics																
Master Fiscale Economie	Economics Electives																