Course Descriptions None 2018-2019

Course Title	Political Economy
Course Code	EBC4096
ECTS Credits	6,5
Assessment	None

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
2	29-10-2018	21-12-2018	X			X	

Level	Advanced
Coordinator	Kristof Bosmans For more information:k.bosmans@maastrichtuniversity.nl
Language of instruction	English
Goals	The goal of this course is to gain understanding in how economic theory can be used to study collective decision-making and the interactions between economics and politics.
Description	Taxation, expenditure and regulatory policies enacted by the government have a 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? We study these and related questions by modeling the interactions between politics and economics as a game between voters and politicians. Different political institutions are modeled by appropriately defining the 'rules' of the game. We use game theory to analyze the nature and economic implications of this strategic interaction. Furthermore, we analyze how (some of) the theoretical predictions hold up to empirical testing.
Literature	Persson T and G Tabellini, 2000. Political Economics: Explaining Economic Policy. Cambridge: MIT Press. In addition, we will use a number of articles.
Prerequisites	A microeconomics course at the master's level is a required prerequisite. The course assumes an understanding of standard game-theoretic equilibrium concepts, of multivariable calculus, and of statistics and econometrics.
Teaching methods	PBL / Presentation / Lecture / Groupwork
Assessment methods	Final Paper / 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 Economics	Spec Public Economics
Master Economics	Electives