

Political Economy

Politische Ökonomie

Module Number | 82-021-VWLECO15-H-0716

Degree | Bachelor

Semester | Winter

Course Type | Lecture and Tutorial

Participation Limit | none

Creditable for | Elective

Contact Hours | 4 hours/week

Number of Credits | 5 ECTS

Language | English

Chair | Economics, esp. Public Finance

Lecturer | Prof. Dr. Dominika Langenmayr

Learning Outcomes

- Upon completion of the course, the students understand the background of political decisions.
- The students are able to apply economic methods to the political context.
- The students know how to apply economic reasoning to different topics, including non-economic topics.

Module Content

- Politics from an Economic Perspective
 - Direct Democracy and Majority Voting
 - Arrow's Impossibility Theorem
 - Median Voter Theorem
 - Alternative Voting Systems
 - Partisan Politics
 - The Paradox of Voting
- Agents in the Political Process
 - Lobbies and Interest Groups
 - Bureaucracy
 - Rent-Seeking
- Political Agency
- Economic Policy as a Result of the Political Process
 - Redistribution as a political decision
 - Privatisation
 - Competition Policy
- Economic Theory of Federalism
 - Fiscal Competition and Fiscal Federalism
 - Fiscal Equalisation Schemes

Teaching Methods

- Lecture
- Tutorial

Grading

- Final Exam (90 minutes) 100 %

Assessment criteria in detail

- Written exam at the end of the semester

Average Workload

30 h = Time of attendance lecture

30 h = Preparation and postprocessing lecture

30 h = Time of attendance tutorial

30 h = Preparation and postprocessing tutorial

30 h = Exam preparation
150 h = Total workload

Previous Knowledge

- Microeconomics I is recommended

Readings

- Mueller, Dennis C., 2003, Public Choice III, Cambridge, New York and Melbourne: Cambridge University Press.
- Besley, Tim, 2007, Principled Agents?: The Political Economy of Good Government, Oxford, New York: Oxford University Press.
- Persson, Torsten; Tabellini, Guido, 2000, Political Economics: Explaining Economic Policy, Cambridge (MA): MIT Press.
- Further readings will be announced in the course.