

Political economics

Lecturer

Gani ALDASHEV (Coordinator)

Course mnemonic

ECON-S409

ECTS credits

5 credits

Language(s) of instruction

English

Course period

Second term

Campus

Solbosch

Course content

Lecture 1. General introduction. Basic facts about development outcomes and (political) institutions. The framework for political-economic analysis.

Lecture 2. Do institutions affect long-run development?

Lecture 3. Non-democratic regimes: Why autocracies can be so bad for development? "Divide-and-Rule" and "Politics of fear" tactics.

Lecture 4. Non-democratic regimes: The essence of unchecked power. Commitment problem, the Power Paradox, and the Political Coase Theorem

Lecture 5. Accountability in non-democracies and application to Chinese economic development.

Lecture 6. Democracies: Enfranchisement and the Median Voter Theorem.

Lecture 7. Parochial politics: Electoral competition with opportunistic politicians and ideologically motivated voters. Lobbying.

Lecture 8. Identity of politicians and why it might matter: Electoral competition between policy-motivated politicians. Citizen candidates. Reservations.

Lecture 9. Political agency: Electoral competition with political rents

Lecture 10. Multi-party politics and development: Legislative bargaining

Lecture 11. Political selection and quality of politicians

Lecture 12. Democratization

Objectives (and/or specific learning outcomes)

The main objective of the course is to introduce the students to the modern analysis of institutions in developing countries, both from theoretical and empirical standpoint. The emphasis is made on political institutions (such as the protection of property rights, political regimes (autocracies and democracies), accountability mechanisms inside regimes, voting rules). An additional objective is to inspire the students to reason about economic problems of developing countries from the political-economic perspective, i.e. considering policies chosen by developing countries' governments as endogenous outcomes.

Teaching method and learning activities

Interactive lectures and group projects (presentations).

An important part of the course consists in active learning by students, which takes the form of reading and presenting the empirical papers in small groups (3 students). At the first lecture, we will assign papers (marked below by a *) to groups. Each presentation lasts 30 minutes (discussion included) and consists of presenting to the class the empirical results of the section of the paper that tests the models/theories presented at the previous lecture (more information about the exact format and planning will be provided at the first lecture).

Contribution to the teaching profile

Mastering state-of-the-art economic theory. Acquiring the latest empirical and quantitative tools. Learning how to use economic theory and build models to analyze economic issues and formulate policy recommendations.

References, bibliography and recommended reading

There is no fixed textbook. One part of the course (lectures 6-10) is based on the (relatively advanced) text by Torsten Persson and Guido Tabellini, *Political Economics: Explaining Economic Policy*, Cambridge, MA: MIT Press, 2000. In addition, we will use academic journal articles and chapters from edited volumes. All the readings (and the Powerpoint slides of the lectures) will be posted on the website of the course (Université Virtuelle).

Other information

Place(s) of teaching

Solbosch

Contact(s)

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Evaluation method(s)

written examination and Oral presentation

Evaluation method(s) (additional information)

The final exam will be a written closed-book exam (in person) and will last two hours. It will consist of four questions: two theoretical and two empirical. You can answer in English or in French.

Determination of the mark (including the weighting of partial marks)

The final exam is graded on 14-point basis.

The presentations prepared by each group are graded on 4-point basis.

High-quality comments and active participation in discussions during the lectures and presentations will result in a bonus of up to 2 points towards the final grade.

Main language(s) of evaluation

English

Other language(s) of evaluation, if applicable

French

Programmes

Programmes proposing this course at the Solvay Brussels School of Economics and Management

MA-ECON | **Master in Economics : General** | finalité Economic Governance and Public Policy in Europe/unit 1

