



APPLIES TO ACADEMIC YEAR 2009/2010

GRA 5920 The Political Economy of Government: Public Policy and Reform

Programme

Advanced Specialization Course (MSc), Master of Science in Political Economy

Responsible for the course

Department

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

This is one of the School's four courses dedicated to core questions in political economy, in this case public policy and the reform of public services. It is primarily designed for students taking the MSc in Political Economy and therefore assumes some knowledge of political processes and policy making.

The central themes include public goods and service provision, comparative public policy and public sector reform.

Learning outcome

The course addresses four major issues:

1. What is the normative justification for public service provision and public regulation? We analyze the role of government for *different types of public and private goods and services*.
2. How does party competition affect public policies? We exemplify *the median voter model* by analyzing the growth of public spending.
3. To what extent do elections allow citizens to control their representatives? We illustrate *the agency model* by analyzing cross-national differences in political corruption.
3. How does bureaucracy affect public service provision? We show how *the bureaucracy model* can be used to analyze cost-efficiency in situations where agencies face monopoly and competition.
4. How does *fiscal federalism* (local government) impact on public policies? We illustrate by analyzing the role of vertical fiscal imbalances on levels of government spending.

Prerequisites

Bachelors' degree qualifying for admission to the MSc Program

Compulsory reading

Books:

Le Grand, Julian. 2003. *Motivation, agency, and public policy : of knights and knaves, pawns and queens*. Oxford : Oxford University Press. kap.1-kap.8.

Collection of articles:

Compendium of Journal Articles

Recommended reading

Other:

Individual journal articles and book chapters available in the library and/or electronically will be recommended as further reading.

Course outline

1. Public goods, common pool resources, toll goods and individual goods.
2. The collective action problem
3. The median voter model.
4. The political agency model.

5. The growth of public spending.
6. Bureaucracy
7. Use of competition in the public sector
8. Credibility and institutional design
9. Local government and fiscal federalism

Computer-based tools

None

Learning process and workload

36 hours.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book.

Examination

30% Class work (in the form of a mix of some/ all of the following: hand in of case write ups, projects, and homeworks; case presentations and class participation; in class midterm and quizzes).

Final written 3 hour exam accounts for 70% of the grade.

Both parts of the evaluation need to be passed in order to get a grade in the course.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

Exam code(s)

GRA 59201 accounts for 100 % of the final grade in the course GRA 5920.

Examination support materials

A bilingual dictionary.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.

<http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

Re-takes are only possible at the next time a course will be held. When the course evaluation has a separate exam code for each part of the evaluation it is possible to retake parts of the evaluation. Otherwise, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee

Additional information**Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.