



APPLIES TO ACADEMIC YEAR 2013/2014

GRA 5916 The State and the Market: Core Concepts in Political Economy

Programme

Free electives/minors

Responsible for the course

Nick Sitter

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

This is a political economy course that focuses on business and politics at the national level. It requires no previous knowledge, and has been designed for the 'Minor in Political Economy' specialization. The course covers several fundamental core concepts in political economy relating to the operation of the state and the market. The central themes include political and market institutions, the rationale for market regulation and public services, decision making and resource allocation, and the deliverance of public and private goods.

Learning outcome

This course provides students with an introduction to the concepts at the core of political economy in general, in terms of institutions, policy making, and market regulation. Students will explore problems of democratic decision making, including questions of equality and efficiency, debates about market failure, government failure and the supply of public, private and strategic goods, and the rules, organizations and policy tools involved in the operation of states and markets. Core questions include institutional design, policy making, the delegation of power, public service delivery, privatization and regulation, the changing nature of the welfare state, public choice analyses of the growth of state spending, and whether democracy causes or impedes market-driven economic growth (why are some states rich and others poor; has privatization reduced the cost of public services; do oil-rich states suffer from a 'resource curse'; are democracies richer than dictatorships?)

Prerequisites

A Bachelor's degree qualifying for admission to the MSc programme.

Compulsory reading

Books:

Lijphart, Arend. 2012. Patterns of democracy : government forms and performance in thirty-six countries. 2nd ed. Yale University Press

Shepsle, Kenneth A. 2010. Analyzing politics : rationality, behavior, and institutions. 2nd ed. W.W. Norton

Collection of articles:

Compendium of Journal Articles

Other:

A list of compulsory readings will be provided on It's learning or in class.

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Recommended reading

Books:

Barr, Nicholas. 2012. Economics of the welfare state. 5th ed. Oxford University Press

Cullis, John G. and Philip Jones. 2009. Public finance and public choice : analytical perspectives. 3rd ed. Oxford University Press

Hillman, Arye L. 2003. Public finance and public policy : responsibilities and limitations of government. 2nd ed. Cambridge University Press

Le Grand, Julian. 2006. Motivation, agency, and public policy : of knights and knaves, pawns and queens.

paperback edition. Oxford University Press

Mueller, Dennis C. 2003. Public choice III. Rev. and expanded ed. of Public choice II. Cambridge University Press. Selected chapters

Pollitt, Christopher and Geert Bouckaert. 2011. Public management reform : a comparative analysis : new public management governance, and the neo-Weberian state. 3rd ed. Oxford University Press

Weingast, Barry R. and Donald A. Wittman, eds. 2006. The Oxford handbook of political economy. Oxford University Press

Course outline

1. Introduction to political economy and the state – market relationship
2. Market failures, state failures and the supply of public, private and strategic goods
3. Political and market institutions, decision making, lobbying, and public choice analysis
4. Public services, the welfare state, privatization, liberalization and modernization
5. Macroeconomic policy, budgets and the growth and containment of state spending
- 6 The relationship between states and markets, democracy and capitalism, the rule of law and economic growth.

Computer-based tools

It's learning

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 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/It's learning or text book.

Examination

Your course grade will be based on the following activities and weights:

30% Class work (in-class midterm exam).

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.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

GRA 59161 continuous assessment accounts for 100 % of the final grade in the course GRA 5916.

Examination support materials

A bilingual dictionary.

Exam aids at written examinations are explained under exam information in the student portal @bi. Please note use of calculator and dictionary in the section on examaids

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional 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.