**Political economy**

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| Course code  Compulsory in programs  Level of studies  Number of credits  Course coordinator  Prerequisites  Language of instruction | *ECO106*  *Economics*  *Undergraduate*  *6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)*  ***Dr. Vincentas Vobolevičius,*** [*vinvob@ism.lt*](mailto:vinvob@ism.lt)  *None*  *English* |

**AIM OF THE COURSE**

At the end of the course students will have learned two things: 1) key theories of economic growth and their track record in the policy world; 2) effects that political institutions have on politicians’ implementation of economists’ recommendations. A combination of these perspectives will endow students with a more sophisticated understanding of the reason why economic growth has been elusive outside a handful of countries (to borrow a phrase from the course textbook) and of the challenges as well opportunities that lie ahead.

**MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING**

**OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS**

|  |  |  |  |
| --- | --- | --- | --- |
| Course level learning outcomes (objectives) | Degree level learning objectives (Number of LO) | Assessment methods | Teaching methods |
| CLO1. Analyze key theories on Economic Growth, list their assumptions, empirical predictions and real-world effects; | ELO 1.1.  ELO 1.2.  ELO 2.1. | Midterm exam & seminar grade | Lecture, independent reading & seminar debate |
| CLO2. Model consequences of political institutions (electoral systems and governing rules) as agendasetting tools of economic policy | ELO 1.1.  ELO 1.2. | Midterm exam & seminar grade | Lecture, independent reading & seminar debate |
| CLO3. Identify consequences of social conditions (corruption, income inequality, demographic transition) for economic growth. | ELO 1.1.  ELO 1.2. | Final exam & seminar grade | Lecture, independent reading & seminar debate |
| CLO4. Identify patterns and consequences of economic policies (foreign aid, domestic aid to industries, anti-corruption measures, income redistribution, etc.) | ELO 1.1.  ELO 1.2.  ELO 2.1. | Final exam & seminar grade | Lecture, independent reading & seminar debate |
| CLO5. Work in groups, facing time constraints. | ELO 4.1. | Seminar grade | Seminar debate |
| CLO6. Present and defend discussion results in a seminar setting. | ELO 4.1.  ELO 4.2. | Seminar grade | Seminar debate |

**ACADEMIC HONESTY AND INTEGRITY**

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM reminds students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

**COURSE OUTLINE**

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| --- | --- | --- | --- |
| **Week** | **Topic** | **In-class Hours** | **Sample assignments** |
| 1 | Capital Accumulation / modernization – based theories of growth & evidence | 4 | Easterly (2001). Pages 25 - 45  (Chapter 2) |
| 2 | Structural theories of growth & evidence | 4 | Candler, G.G. 1996. Cardoso, Dependency Theory and Brazil |
| 3 | Technology – based theories of growth & evidence | 4 | Easterly W. (2001). Pages 47 - 70. Chapter 3. |
| 4 | Political regimes & growth: a focus on foreign aid | 4 | Econtalk: Bruce Bueno de Mesquita on Democracies and Dictatorships |
| 5 | Democratic institutions & growth: a focus on industrial policy | 4 | McGillivray, F. 2004. Privileging Industry. Ch. 1, pp. 1 - 7 and 17 - 22. |
| 6 | **Midterm examination** | 2 |  |
| 7 | Corruption: concepts and economic consequences | 4 | Easterly W. (2001). Pages 241 - 253. Chapter 12. |
| 8 | Corruption: political & policy predictors | 4 | Rose-Ackerman S. & J. Kunicova. 2006. ...Constraints on Corruption |
| 9 | Income inequality: concepts and economic consequences | 4 | Ehrhart, Ch. 2009. The Effects of Inequality on Growth |
| 10 | Income redistribution: economic consequences | 4 | Easterly W. (2001). Pages 241 - 253. Chapter 11. |
| 11 | Income redistribution: political predictors | 4 | Iversen T. & D. Soskice 2009. Distribution and Redistribution ... (Section 2.2, p.p. 14 - 19) |
| 12 | Demography and future challenges: innovation v. robotization | 4 | Basso H. & J. Jimeno. 2019. Demographics, Technology ... Secular StagnationFile |
|  | **Total hours** | 48 |  |
|  | **Consultations** | 6 |  |
|  | **Final exam** | 2 |  |

**FINAL GRADE COMPOSITION**

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| --- | --- |
| **Type of assessment** | **Weight** |
| Seminar discussions and presentations | 20% |
| Midterm examination | 40% |
| Final examination | 40% |
| **Total** | **100%** |

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

Midterm exam will consist of open short-answer questions. It will take place during the lecture and will comprise 40% of the

final grade. The midterm will be based on topics 1-5.

Final exam will consist of open short-answer questions. It will take place during the lecture and will comprise 40% of the final

grade. The midterm will be based on topics 6-12.

Seminar discussions and presentations will address all topics covered in class. These activities will take place during the

lecture and will comprise 20% of the final grade.

RETAKE POLICY

In case of a negative final grade, students can sit foe a retake exam. Such an exam will cover all course material. The weight of a retake is 80%. Seminar participation grade is not subject to retake but its evaluation (if positive) will count towards the final grade with the retake exam.

REQUIRED READINGS

William Easterly, 2002. "The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics," MIT Press Books, The MIT Press

ADDITIONAL READINGS

TBA

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for the Bachelor of Business Management**

*Programs:*

*International Business and Communication,*

*Business Management and Marketing, Finance,*

*Industrial Technology Management*

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| --- | --- |
| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | BLO1.1. Students will be able to understand core concepts and methods in the business disciplines |
| BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions |
| Students will be socially responsible in their related discipline | BLO2.1. Students will be knowledgeable about ethics and social responsibility |
| Students will be technology agile | BLO3.1. Students will demonstrate proficiency in common business software packages |
| BLO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| BLO4.2. Students will be able to convey their ideas effectively through an oral presentation |
| BLO4.3. Students will be able to convey their ideas effectively in a written paper |

**Learning objectives for the Bachelor of Social Science**

*Programs:*

*Economics and Data Analytics,*

*Economics and Politics*

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| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines |
| ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements |
| Students will have skills to employ economic thought for the common good | ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving |
| Students will be technology agile | ELO3.1. Students will demonstrate proficiency in common business software packages |
| ELO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| ELO4.2.Students will be able to convey their ideas effectively through an oral presentation |
| ELO4.3. Students will be able to convey their ideas effectively in a written paper |