

POLITICAL ECONOMY

Course code	<i>POL138</i>
Course name	<i>Political Economy</i>
Type of the course	<i>Compulsory</i>
Study Level	<i>1st</i>
Department	<i>Bachelor Studies</i>
Year of study	<i>3rd</i>
Semester	<i>Spring</i>
ECTS credits	<i>6: 24 hours of lectures, 24 hours of seminars, 112 hours of self-study, 2 hours of consultations</i>
Coordinating lecturer	<i>Dr. Vincentas Vobolevičius, vinvob@ism.lt</i>
Study form	<i>Full-time</i>
Course prerequisites	<i>None</i>
Language of Instruction:	<i>English</i>

Annotation

This course introduces students to the interplay between political institutions and economic processes and outcomes. The course consists of two parts. In part one, students will learn the key theories of economic growth (Neoclassical, Endogenous Growth, Import Substitutions Industrialization), as well as the historical background of the attempts at economic development throughout the XX century. In the second part of the course, students will learn about the consequences of key political institutions (regime type, voting rules, structure of interest group competition) for the implementation of economic policy, as well as for such economic indicators as the size of government, corruption, re-distribution and economic growth. The main goal of the course is to provide theoretical knowledge and practical tools that are required for academic research of economic policy as well as for practical policy-related decision-making.

Aim of the Course

This course unit aims to provide an understanding of theoretical and empirical issues, regarding decision-making in the matters of economic policy: redistribution, fiscal policy monetary and exchange rate policies, industrial policy and measures to prevent corruption.

Subject learning outcomes (SLO)	Study methods	Assessment methods
SLO1. Analyze literature on Economic Growth, identify its theoretical assumptions and empirical predictions;	Lectures, seminars, individual study, self-study in groups	Midterm test, seminar presentations
SLO2. Identify the effects of different policymaking institutions as agenda-setting tools of economic policy;	Lectures, seminars, individual study, self-study in groups	Midterm test, seminar presentations
SLO3. Evaluate economic and political institutions in terms of their susceptibility to corruption. Model optimal anticorruption measures;	Lectures, seminars, individual study, self-study in groups	Midterm test, seminar presentations
SLO4. Explain rationale for interpersonal and intra-personal redistribution of resources; Model the effect of political institutions on the level of redistribution;	Lectures, seminars, individual study, self-study in groups	Midterm test, seminar presentations
SLO5. Model the economic effects of fiscal policy decisions and political motivations for the choice of fiscal policy;	Lectures, seminars, individual study, self-study in groups	Final exam, seminar presentations
SLO6. Model the economic effects of monetary policy decisions and political motivations for the choice of fiscal policy.;	Lectures, seminars, individual study, self-study in groups	Final exam, seminar presentations
SLO7. Explain Exchange-rate policies of individual countries, as well as the formation and maintenance of common currency areas;	Lectures, seminars, individual study, self-study in groups	Final exam, seminar presentations



SLO8. Analyze industrial policy decisions under a variety of political institutional contexts;	Lectures, seminars, individual study, self-study in groups	Final exam, seminar presentations
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Quality issues

The lecturer assures a variety of teaching methods as well as modes of self-assessment. The feedback from students will always be highly valued and appreciated.

Cheating issues

The teaching and testing methods are chosen taking into account the purpose of the minimization of cheating opportunities. The ISM regulations on academic ethics are fully applied in the course.

Topics

Week	Topic	Contact Hours		Assignments
		Lecture	Seminar	
1	Theories of Economic Growth	2	2	TBA
2	History of Economic Growth	2	2	TBA
3	Understanding Politics	2	2	TBA
4	Corruption	2	2	TBA
5	Income Inequality	2	2	TBA
6	Redistribution I	2	2	TBA
7	Midterm	2	2	
8	Fiscal Policy I	2	2	TBA
9	Fiscal Policy II	2	2	TBA
10	Monetary Policy	2	2	TBA
11	Exchange-Rate Policy	2	2	TBA
12	Industrial/ Trade Policy	2	2	TBA
	Total	24	24	

Individual work and assessment:

TYPE	TOPICS	TOTAL HOURS	EVALUATION, %
Midterm Test	1-6	35	35
Seminar Participation	1-12	25	30
Final Exam	8-12	52	35
Total:		112	100

Course requirements:

1. Midterm test

Midterm will be held in week 8 of the term, during the lecture. It will be a closed-book test including multiple choice questions and open questions. It will count towards 35% of the final grade. The midterm test will be based on topics 1-7.



2. Seminar participation

During the seminars, students will be assigned into small groups to perform various tasks, related to the material, discussed during preceding lecture. Details of the activities will be provided during the first week of the course. Seminar participation will count towards 30% of the final grade.

3. Final exam

The final exam will count towards 35% of the final grade. It will be a closed-book test, including multiple choice questions and open questions. It will test conceptual and analytical skills acquired in the course of the semester. The exam will be based on topics 8-15.

In case of a negative final grade, students are allowed a retake exam. It will cover all course material. The weight of a retake is 70%. Seminar participation cannot be re-done but its evaluation (if positive) is not annulled.

Main readings:

In the course of the semester students will receive a packet of materials, containing both the required as well as the supplementary readings.

Additional readings:

TBA