# Political and public economics

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***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

This course aims to offer students an introduction to the main theoretical tools, and some of the most interesting empirical results emerging from the modern literature on public economics and political economics (or political economy, as is also known).

*Students’ expected achievements*

1. (Knowledge and understanding) At the end of the course students will have a working knowledge of the main theoretical models used in this literature and of their empirical applications.
2. (Ability to apply knowledge and understanding) Specifically, they will be able to work analytically with theoretical models and apply these models to data. Many students indeed choose to write their master dissertation in the field covered by the course.
3. (Autonomy) Both the contents of the course and the evaluation methods will have positive effects on the ability of students to work autonomously. In particular, while some references are provided to students for the final Debate, they are encouraged to seek on their own in the relevant literature and organize their presentation as they wish.
4. (Communicative skills) As explained below, an important part of the evaluation of students is based on the result of a “Debate” between groups of students on pre-assigned theses. This will force students to invest on their communicative skills.
5. (Learning ability) Preparation for the exam involves reading materials coming from different sources: textbook, lecture notes, scientific papers, policy papers. This should have a beneficial effect on the learning ability of the students.

***COURSE CONTENT***

In political economics the emphasis shifts from normative to positive analysis. Rather than asking how economic policy should be organized to meet some given efficiency or equity objectives, this literature asks how the different political institutions (the voting mechanism, the form of the state, the functioning of the legislature, the degree of electoral competition, etc.) determine which policies will in fact be adopted by governments. The normative perspective re-emerges, in case, in the choice of optimal political institutions. The literature also asks how individuals form their policy preferences, how policy-makers are selected and respond to incentives that institutions provide them, and how mass and social media influence the political-economic environment.

***READING LIST***

The course is based on lecture notes from the professor and readings from the most recent scientific literature that will be suggested during the course. However, a good reference textbook for the course is:

T. Persson-G. Tabellini, *Political Economics: Explaining Economic Policy,* MIT Press, 2000.

***TEACHING METHOD***

The course is based on lectures provided by the professors. A public debate among students concludes the course. For the aims of the debate students will be divided in different opposing teams and each team will be assigned a specific position on an issue of interest in the field to be defended against the opposite position assigned to a different team. Students will be evaluated both with reference of the team work and with respect to their individual contribution.

***ASSESSMENT METHOD AND CRITERIA***

The exam is written. There is no intermediate test.

The evaluation and marking of the students will be based on:

1. Written examination at the end of the course (from 0-27 points);

2. A public debate among students (from 0 to 4 points) on relevant issues in the field, based on the most recent literature.

For a final potential maximum score of 31 (trenta e lode).

The written examination is made up of 6 questions, among which students need to choose 4 in a two hour time span. Each question carries the same weight in the final marking. One question is an analytic exercise, usually a slight development of the economic models covered by the lecturer during the course. A part of the course is devoted to classes that explain students how to solve the different economic models presented and discussed during the main lectures.

***NOTES AND PREREQUISITES***

*Office hours*

Contact the instructors via e-mail to schedule an appointment.