

ECON 490 **Political Economy**

Course Syllabus **(preliminary version)**

Credits: 3 undergraduate hours, or 4 graduate hours

Semester: Spring 2025

Meeting Times: Monday and Wednesday, 2:00-3:20 pm, 123 DKH

Instructor: Dr. Tetyana Dubovyk

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Office Hours: TBA DKH 117

Course Description

This course will introduce students to strategic behavior by different political actors— parties, candidates, voters, interest groups, and so on—and the consequences for political and economic outcomes. Topics covered will include strategic voting, majority rule, alternatives to majority rule, weighting intensity of preferences (e.g., vote buying in some form), the paradox of voting, social welfare functions, the impact of different political institutions (e.g., parliamentary vs. federal vs. dictatorships), strategic platform choice by parties and candidates including over time, political campaigning, legislative bargaining, legislative agenda design, rent seeking and lobbying, interest groups, roles of government (e.g., provide public goods, re-distribute income), voter myopia and learning, the rise of populism, and so much more. Quite generally, the goal is to try to understand why the different political agents behave as they do, and the broad-based consequences for society.

The tools of microeconomics and macroeconomics are utilized to understand behaviour of rational and goal driven political actors.

Prerequisites: Econ 302, Math 220/221. The analytic foundations of the course will require simple game theoretic and microeconomic theory-based (e.g., utility-maximization by rational agents) reasoning. ECON 202 and comfort with basic calculus and game theoretic/logical reasoning will be required.

Learning Outcomes

Analytical Skills and Problem Solving: Learn how to theoretically analyze strategic situations using the concepts and methods of political economy.

Critical Thinking: Understand when the concepts of political economy are applicable and the limits of theoretical reasoning.

Specialized Knowledge and Practical Applications: Understand how to apply economic instruments to problems in Economics and Political Science.

Learning Resources

Textbook: Kenneth A. Shepsle, "Analyzing Politics: Rationality, Behavior and Institutions", 2nd edition (2010), W.W. Norton Inc. publishers.

The textbook is very readable.

During the second part of the course, we will use macroeconomic models to analyze public policies. The additional study material on these topics will be posted on Canvas.

Presentations will be posted on Canvas before each class. The posted material will not contain everything discussed in class, i.e., should take additional units.

Problem sets and additional practice material is also available on Canvas.

Important Dates:

Midterm will take place on the 1st week of March (approximately), in class.

Final will take place on Monday, May 12, 7:00-10:00 pm, room TBA.

Course Policies

Assignment Policy: Homework is assigned on Canvas and is automatically graded. If you believe a question was graded incorrectly, please contact me. **Note that homework cannot be submitted late.** Please, check the page regularly for posted homework and verify due dates.

Class Discussion Points and Policy: Students are encouraged to ask questions and participate in the discussions during the class. Active class participation will be taken into account in a positive way in computing your final grade.

Class Quiz Policy: Surprise quizzes are possible.

Exam Policy: Exams will be in person, closed book. All calculators are allowed, except for those that can access the internet, such as TI Ensfire Models. If you have questions whether your calculator is allowed please contact me.

Graduate Students: To earn graduate credit, students have to write a paper. Please, contact me for details.

Student Assessment:

Midterm: 350 points, date TBA (during class)

Final Exam: 450 points, Monday, May 12, 7:00-10:00 pm, room TBA

Problem sets and Quizzes: 200 points

Total: 1000 points

Grading

100-95% A+	<95%-90% A	<90%-85% A-
<85-80% B+	<80-75% B	<75-70% B-
<70-65% C+	<65-60% C	<60-55% C-
<55-50% D+	<50-45% D	<45-40% D-

Academic Assistance

Students are encouraged to utilize the many resources we have throughout campus to assist with academics. We recommend that you seek them out starting early in the semester, not just in times of academic need, in order to develop good study habits and submit work which represents your full academic potential. Many resources are found on the Economics Website including details about the Economics Tutoring Center, Academic Advising, and other academic support options:

<https://economics.illinois.edu/academics/undergraduate-program/academic-student-support>

Academic Integrity

According to the Student Code, 'It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions.' Please know that it is my responsibility as an instructor to uphold the academic integrity policy of the University, which can be found here:

<https://studentcode.illinois.edu/article1/part4/1-401/>

Academic dishonesty may result in a failing grade. Every student is expected to review and abide by the Academic Integrity Policies. It is your responsibility to read this policy to avoid any misunderstanding. Do not hesitate to ask the instructor(s) if you are ever in doubt about what constitutes plagiarism, cheating, or any other breach of academic integrity. **Read the full Student Code at <https://studentcode.illinois.edu/>**

Students with Disabilities

To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@illinois.edu. DRES Website: www.disability.illinois.edu/

Community of Care

As members of the Illinois community, we each have a responsibility to express care and concern for one another. If you come across a classmate whose behavior concerns you, whether in regards to their well-being or yours, we encourage you to refer this behavior to the Student Assistance Center (217-333-0050 or <http://odos.illinois.edu/community-of-care/referral/>). Based on your report, the staff in the Student Assistance Center reaches out to students to make sure they have the support they need to be healthy and safe. Further, we understand the impact that struggles with mental health can have on your experience at Illinois. Significant stress, strained relationships, anxiety, excessive worry, alcohol/drug problems, a loss of motivation, or problems with eating and/or sleeping can all interfere with optimal academic performance. We encourage all students to reach out to talk with someone, and we want to make sure you are aware that you can access mental health support at the Counseling Center (<https://counselingcenter.illinois.edu/>) or McKinley Health Center (<https://mckinley.illinois.edu/>).

For mental health emergencies, you can call 911 or walk into the Counseling Center, no appointment

needed.

Disruptive Behavior

Behavior that persistently or grossly interferes with classroom activities is considered disruptive behavior and may be subject to disciplinary action. Such behavior inhibits other students' ability to learn and an instructor's ability to teach. A student responsible for disruptive behavior may be required to leave class pending discussion and resolution of the problem and may be reported to the Office for Student Conflict Resolution for disciplinary action.

Emergency Response Recommendations

Emergency response recommendations can be found at the following website:

<http://police.illinois.edu/emergency-preparedness/>. I encourage you to review this website and the campus building floor plans website within the first 10 days of class.

<http://police.illinois.edu/emergency-preparedness/building-emergency-actionplans/>.

Religious Observances

The Religious Observance Accommodation Request form is available at

<https://odos.illinois.edu/community-of-care/resources/students/religious-observances/>. Submit the form to the instructor and to the Office of the Dean of Students (helpdean@illinois.edu) **by the end of the second week of the course**; in the case of exams or assignments scheduled after this period, students should submit the form to the instructor and to the Office of the Dean of Students as soon as possible.

Family Educational Rights and Privacy Act (FERPA)

Any student who has suppressed their directory information pursuant to Family Educational Rights and Privacy Act (FERPA) should self-identify to the instructor to ensure protection of the privacy of their attendance in this course. See <http://registrar.illinois.edu/ferpa> for more information on FERPA. Student information and records will not be released to anyone other than the student unless the student has provided written approval or as required by law.

Sexual Misconduct Reporting Obligation

The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options. A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found here: <http://www.wecare.illinois.edu/resources/students/#confidential>. Other information about resources and reporting is available here: <http://wecare.illinois.edu/>.

Student Support

The Counseling Center is committed to providing a range of services intended to help students develop improved coping skills in order to address emotional, interpersonal, and academic concerns. Please visit their website to find valuable resources and services:

<https://counselingcenter.illinois.edu/>.

Counseling Center Information: 217-333-3704

Location: Room 206, Student Services Building (610 East John Street, Champaign IL)

McKinley Mental Health Information: 217-333-2705

Location: 3rd Floor McKinley Health Center 1109 South Lincoln, Urbana, IL

Emergency Dean: The Emergency Dean may be reached at (217) 333-0050 and supports students who are experiencing an emergency situation after 5 pm, in which an immediate University response is needed and which cannot wait until the next business day. The Emergency Dean is not a substitute for trained emergency personnel such as 911, Police or Fire. If you are experiencing a life threatening emergency, call 911. Please review the Emergency Dean procedures:

<http://odos.illinois.edu/emergency/>

Academic Dates and Deadlines

Students should make note of important academic deadlines for making changes to their courses (add, drop, credit/no-credit, grade replacement, etc.). <https://registrar.illinois.edu/academic-calendars>
Please check with your academic department regarding specific procedures and policies.

Course Topics

- Preferences
- Social Choice and Preference Aggregation
- Preference Aggregation and Arrow's Impossibility Theorem
- Social Choice and Strategic Behavior
- Voting Methods and Electoral Systems
- Spatial Models and the Median Voter Theorem
- Candidate Competition
- Campaign Spending and Finance
- Other Types of Government
- Cooperation
- Collective Action
- Theories of Voting
- Overview of Public Economics
- General Equilibrium (GE) Models: GE in endowment economy, Economy with production, Definitions for Pareto optimality, Competitive equilibrium, First and Second Welfare Theorems.
- GE model in economy with Overlapping Generations: Endowment economy, Economy with production.
- Analysis of Macroeconomic Policy using model with Overlapping Generations.