

Dan Bernhardt
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Economics 490
11:00am-12:20pm Tuesday, Thursday
206 David Kinley Hall
Office Hours: by appointment

Political Economy

Course Objective

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 analytic foundations of the course will require simple game theoretic and microeconomic theory-based (e.g., utility-maximization by rational agents) reasoning. ECON 203 and comfort with basic calculus and game theoretic/logical reasoning will be required.

Course Requirements

There will be a mid-term, final examination and a few homeworks.

Final grade: .2 homework + .35 midterm + .45 final.

Students are encouraged to discuss homework questions, but should note on the homework those with whom they have discussed the problems.

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

This is the first time that I’ve taught this course, and I’ve not crafted most of the lectures. Below is an informal organization of topics that (sort of) follows the organization in the textbook. The textbook is very readable. I will integrate my research to the lectures, and hence will likely deviate after the first few lectures from the organization below.

- 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
- Institutions
- Legislatures
- Bureaucracy
- Theories of Leadership
- Courts and Judges
- Information Aggregation
- Dynamic Models of Voting

I will try to schedule the mid-term to accommodate most students (i.e., not schedule in a week where most have another exam). It will not come before Voting methods and electoral systems, and I will give two week advance notice.