

Code: ECON-314

Title: Political Economy

Credit Hours: 03

Objectives:

This course is designed to provide students with an introduction to the field of political economy. Political economy seeks to understand and explain policy outcomes and political behavior. The approach taken is an interdisciplinary one that utilizes tools and concepts from economics to study politics and political behavior. The course will presume that political actors are rational and goal oriented. Political outcomes are then explained by the interaction between these actors within the (institutional) constraints of their environment. This course aims to enable students to apply economic theories and concepts to the study of political action

and the formation of policy. Students will learn how economic and political forces may shape the incentives and constraints of policymakers and other political actors. Furthermore, this course will enable students to recognize the role of institutions in shaping both political action and policy outcomes.

Course Contents

Introduction to Political Economy

Course introduction, Overview, Approaches to the study of political economy, analyzing group choice, Spatial models of majority rule, Strategic behavior and majority rule, Voting and elections.

Understanding Collective Action

Cooperation, Collective action, Market failures and collective action

What Role Do Institutions Play?

Institutions and their impact, Legislatures, Bureaucracy, Delegation and principal agent theory, Courts and judges

Topics in the Political Economy of Pakistan

The economics of patronage, Seven pillars of good governance, The political economy of reforms, Pakistan - Dynamics of Elitist Model, Strategies for self-preservation, A military theocracy, Different regimes, Economic development, Ethnic conflict, The role of state, Emerging economic and political issues and their linkages, Regionalism, Poverty, Governance.

Recommended Books:

- Shepsle, K.A., & Alt, J.E. (1990). Perspectives on positive political economy (political economy of institutions and decisions). Cambridge University Press.
- Claudia Chwalisz, Thillaye, R., & Kinloch, E. (2017). New routes to social justice: empowering individuals and innovative forms of collective action. London: Policy Network.

Additional Reading:

- Stiglitz, J. (2016). The great divide. Penguin
- Stiglitz, J. (2016). Globalization and its discontents (new ed.). Penguin
- Latest Research articles on political economy