

European Political Economy

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- How to contact me: crutzen@ese.eur.nl (local office: R42.6.223)
- Lectures: 10.30 to 12.00?
- Final grade: 40% based on homework; 60% oral exam (2 questions, one of your choice)

Course goal and structure

- Goal: bring you to results of research frontier on political economy (at least part I like most);
- Structure: start from received wisdom (Persson and Tabellini 2003) and build on it;
- No formalism, no algebra, just ideas, intuitions and data analysis

- How should Belgian political institutions be reformed to stabilize Belgium for the 21st Century?
- Work in groups of 3-5;
- Paper to be handed 2 weeks before end of course;
- All groups must read all papers and prepare a 5-minute presentation of their paper and a discussion of the other groups' three ideas they find most interesting to discuss (last lecture)
- Grade based on paper and presentation/discussion in last lecture.
- Make intense use of material published on www.rethinking-belgium.eu

Table 2.1

Constitutions and economic policy: Theoretical predictions and open questions

<i>Policy outcome</i>	<i>Electoral rules</i> Majoritarian vs. proportional	<i>Form of government</i> Presidential vs. parliamentary
Overall size of government	-/?	-
Composition: Broad versus narrow programs	-	-
Rent extraction	+/-	-
Government deficits	-/?	?
Structural policies/Economic performance	?	?
Adjustment to shocks	?	?
Electoral cycles	+/?	?

Note: A plus (minus) sign in a column indicates that the constitutional feature on the left at the top of the column will induce a greater (smaller) degree or a higher (lower) level of the policy outcome for that row than the constitutional feature on the right. A question mark indicates no strong prior regarding the sign of the constitutional effect. See the discussion of this table in section 2.6 for more specific interpretations of the symbols.