

Faculty of Economic, Social and Political Sciences



ESPO1111A Political Economics (Part 1)

[40h+10h exercises] 4 credits

Teacher(s): Philippe De Villé, Xavier Wauthy
Language: French
Level: First cycle

Aims

Economists have their own way of studying economic and social reality which can be depicted adequately, without immediately going into details of the sometimes too abstract micro-economic consumer, producer and general equilibrium theory and theoretical models of macro-economics (i.e. IS-LM).

This introductory course in Political Economics gives an outline of economic principles and of what it is really important to know when embarking on an Economics course. The course adopts an inductive approach, in the sense that the starting point lies in putting questions which challenge the students directly, in order to introduce important concepts in Economics and illustrate its specific characteristics. Thus the course aims to answer the following questions: What are market forces? Why, in certain circumstances, is the market an effective way of organizing economic activity? What are the advantages and limitations of free trade? How does tax influence market mechanisms? What is the role of currency? How can the different standards of living in the world be explained? What is the role of the state in a market economy? The course also discusses the role of economists in economic policy. This inductive approach contrasts radically with the deductive approach of the Micro and Macro-Economics courses. The two different approaches are highly complementary and beneficial for those wishing to continue with the ECGE degree, and the inductive approach will enable the others, less inclined to formalisation, to understand the major principles of Economics and economists' particular way of thinking.

Main themes

Part 1: Core component (4 ECTS)

1) introduction [TC]

" Overview of global, European and Belgian Economics.

" The ten principles of Economics (advisability cost, marginal reasoning, incentives, free trade, resource allocation, public intervention, etc.)

" Thinking like an economist (understanding how economists apply scientific methods, discovering how economic models illuminate the world, distinguishing between micro and macro-economics, distinguishing between normative and positive statements, distinguishing between value judgements and scientific judgements, understanding disagreements between economists#)

" Interdependence and exchange rates

2) how markets function [TC]

" Supply and demand: the strengths of the market

" The elasticity concept and its applications

" Efficiency of the markets: the invisible hand

" Applications: The effect of taxes and international trade

3) the role of the state and strategic behaviour [TC]

" external effects and its applications

" Public assets and free riders

" Common resources and the Tragedy of the Commons

" Redistribution, inequality and poverty alleviation

" collective choices and the vote.

4) the labour market [TC]

" The phenomenon of unemployment: voluntary or involuntary?

" minimum wage or subsidy to employment and discrimination.

5) national accounting [TC]

" Macroeconomic data: income and national product

" National product and economic prosperity

6) open economics [TC]

" Basic concepts: comparative advantages, equal investment and exports, real and nominal exchange rates #

" protectionism and North-South exchange.

Other information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

ESPO1111 (A+B) and DROI 1007 (DROI11BA) full equivalence: approved by the Faculty on 30 June 2004

Other credits in programs

COMU11BA	Première année de bachelier en information et communication	(4 credits)	Mandatory
ESP1PM	Année d'études préparatoires au master en sciences de la santé publique	(4 credits)	Mandatory
MATH11BA	Première année de bachelier en sciences mathématiques	(4 credits)	
PHYS11BA	Première année de bachelier en sciences physiques	(4 credits)	
SCOM21	Première licence en sciences de la santé publique (Promotion de la santé, programmes et services de santé communautaire)	(4 credits)	
SOCA11BA	Première année de bachelier en sociologie et anthropologie	(4 credits)	Mandatory
SPOL11BA	Première année de bachelier en sciences politiques	(4 credits)	Mandatory