Summer Semester 2018

Economics of Governance II: Topics  
(34056/34057 – 3 SWS)  
(Governanceökonomik II: Themen)

1. Objectives
The main aim of this course is to demonstrate how fundamental and specific insights and methods from economics and related disciplines can be utilized for the design and the analysis of governance structures. Moreover, the course aims to enable students to (i) apply such insights and methods in order to independently analyse selected aspects of governance structures and to (ii) design well-founded selected parts of simple governance structures.

2. Intended Learning Outcomes
At the end of this course students should

- have some basic understanding of how fundamental and specific insights and methods from economics and related disciplines can be utilized for the design and the analysis of governance structures,
- have some basic understanding of agency, transaction cost and stewardship theory, social embeddedness, the role of identity in organizations, the theory of delegation, authority and power in organizational structures, and the theories of bureaucracy, democracy, and dictatorship,
- be able to apply insights and methods from economics and related disciplines in order to independently analyse selected aspects of governance structures, and
- be able to design well-founded selected parts of simple governance structures.

3. Pre-requisites

3.1 Required
- ‘Interaktive Einführung in das ökonomische Denken’ or
- ‘Einführung in die Volkswirtschaftslehre’ or
- an at least equivalent course to one of the above mentioned courses

3.2 Recommended
- ‘Economics of Governance I: Introduction’ (‘Governanceökonomik I: Einführung’)
- ‘Interactive Case-Study Seminar: Fundamentals of Decision Theory’ (‘Fallstudien-seminar in englischer Sprache’)
- ‘Mikroökonomik I’
4. Teaching and Learning Strategies

Formally, this is a classical lecture and tutorial course comprising 10 lectures (90 minutes) and 4 tutorials (90 minutes). At the end of the course on demand an additional ‘Question & Answer’ session will be offered on Wednesday, 04 July 2018, 15:30-16:00 (Room: RW S 68). Lecture slides and the tutorials’ material will be made available on the e-learning server.

5. Schedule

During the semester 10 lectures and 4 tutorials will be provided. These will take place as follows:

<table>
<thead>
<tr>
<th>Lecture/Tutorial</th>
<th>Day</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
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<tbody>
<tr>
<td>01 &amp; 02</td>
<td>Wednesday</td>
<td>11 Apr</td>
<td>12:15 – 15:45</td>
<td>RW S 68</td>
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<tr>
<td>03</td>
<td>Wednesday</td>
<td>18 Apr</td>
<td>12:15 – 13:45</td>
<td>RW S 68</td>
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<tr>
<td>04</td>
<td>Wednesday</td>
<td>25 Apr</td>
<td>12:15 – 13:45</td>
<td>RW S 68</td>
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<tr>
<td>05 &amp; 06</td>
<td>Wednesday</td>
<td>09 May</td>
<td>12:15 – 15:45</td>
<td>RW S 68</td>
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<tr>
<td>07</td>
<td>Wednesday</td>
<td>16 May</td>
<td>12:15 – 13:45</td>
<td>RW S 68</td>
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<tr>
<td>08</td>
<td>Wednesday</td>
<td>23 May</td>
<td>12:15 – 13:45</td>
<td>RW S 68</td>
</tr>
<tr>
<td>09 &amp; 10</td>
<td>Wednesday</td>
<td>06 Jun</td>
<td>12:15 – 15:45</td>
<td>RW S 68</td>
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<tr>
<td>11 &amp; 12</td>
<td>Wednesday</td>
<td>13 Jun</td>
<td>12:15 – 15:45</td>
<td>RW S 68</td>
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<tr>
<td>13</td>
<td>Wednesday</td>
<td>20 Jun</td>
<td>12:15 – 13:45</td>
<td>RW S 68</td>
</tr>
<tr>
<td>14</td>
<td>Wednesday</td>
<td>04 Jul</td>
<td>14:00 – 15:30</td>
<td>RW S 68</td>
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6. Assessment

- One hour unseen written examination. If the total number of participating students for the written examination is less than five, an oral examination may replace the written one. (Students will be informed about the form of examination as soon as possible.)
- The date of the examination can be found on http://www.bwl5.uni-bayreuth.de/de/studiendekan/klausurtermine/
- Students have to register for the examination via CAMPUSonline. Only if students cannot register via CAMPUSonline they can register via e-mail by sending an e-mail to Uriel Braham: uriel.braham@yahoo.com. This e-mail must only contain the title of the course, the student’s surname, first name, ID number, and degree of study as well as a brief indication why registration via e-mail is required.
- The registration deadline is one week in advance to the date of the examination. Later registrations will not be accepted.
# 7. Lecture Programme

1. Governance, Organizations, and Institutions
   
   [3]: 1-36; [15]: 1-15; [16]: 3-18; [22]: 33; [24]: 164, 171, 177 f.; [33]: 1-3; [34]: 5 f., 12 f.; [37]: 21-23; [39]: 4-7; [41]: 78-81; [47]: 3 (optional reading); [48] (optional reading); [49]: 5 f. (optional reading); [53] (optional reading).

2. Agency Theory
   
   [9]: 22-24; [10]: 109-141; [13]: 41-54 (optional reading), 55-58; [17]: 100-104; [21]: 60-62

3. Transaction Cost Theory
   
   [10]: 145-178 (optional reading); [17]: 91-100; [21]: 64

4. Stewardship Theory
   
   [9]; [13]: 55-61; [21]: 65-67; [30]: 50 f.; [40]

5. Social Embeddedness
   
   [12]: 251-253; [46] (optional reading)

6. Identity and Governance in Organizations
   
   [1]

7. Delegation and Decentralization
   
   [18], [38]

8. Power, Authority, Success and Satisfaction in Organizational Structures
   
   [4]; [5]; [6]; [7]; [11]; [22]: 63-76; [25]; [26]; [27]; [28]: 143-151; [29]: 65-82 (optional reading), 82-86; [31]: 188-191; [32]: 1-37 (optional reading), 37-41, 41-51 (optional reading), 52-54, 105-135 (optional reading); [43] (optional reading); [44] (optional reading); [45] (optional reading); [49]: 50 (optional reading); [51] (optional reading), [52] (optional reading); [54] (optional reading)

9. The Theory of Bureaucracy
   
   [19]: 359-385; [23]: 121-143 (optional reading)

10. The Theory of Democracy and Social Choice Theory
    
    [8]: 143-170, 413-455 (optional reading), 457-533, 535-602; [20]: 1-22, 233-253; [35]; [36]: 178-190; [42] (optional reading)

11. The Theory of Dictatorship
    
    [8]: 143-170 (optional reading), 349-411; [14]: 377-396; [19]: 406-426

**Note:** The numbers in brackets refer to the numbers of the sources below.
8. Literature

8.1 Core Reading


8.2 Required Supplementary Reading

In addition to the core reading students should read (selected parts of) the following sources:


8.3 Optional Supplementary Reading

In addition to the core and required supplementary reading students might find it helpful and/or informative to read (selective parts of) the following sources:


**Note:** All sources for the course will be made available on the e-learning server.

9. Accreditation

- **Economics (BA):**
  Modulbereich Spezialisierung (SPEZ): Institutionen und Governance (under the current examination regulations from WiSe 2016/2107 onwards)
  Modulbereich Spezialisierung VWL (SVWL): „Public Management und Governance“ (under the previous examination regulations until SoSe 2016)

- **IWE (BA):**
  Modulbereich I: Spezialisierung (IG): Institutionen und Governance (under the current examination regulations from WiSe 2016/2107 onwards)
  Modulbereich Spezialisierung SP B: Spezialisierungsmodulebereich IGME: Institutionen, Governance, Markt und Entwicklung (under the previous examination regulations until SoSe 2016)

- **P&E (BA):**
  Modulbereich E: Economics / Modul E6: Spezialisierung (under the current examination regulations from WiSe 2015/2016 onwards)
  Modulbereich Ö: Ökonomie / Modul Ö6: Veranstaltungen eigener Wahl (under the previous examination regulations until SoSe 2015)
  Modulbereich P: Philosophie / Modul P3: Grundlagen des Entscheidens II (Exam) (under the previous examination regulations until SoSe 2015)

10. Responsible Student Assistant for the Course

All requests regarding the course should, in the first instance, be addressed to:

- Uriel Braham:
  E-mail: uriel.braham@yahoo.com

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