Rent-seeking: theory and practices  
(2 credits)

Lecturer: Attila Fölsz  folsza@ceu.hu  
Class:  
Office hours:  

Course description and objective:  
Broadly speaking rent-seeking is a behavior aimed at seeking economic benefit through non wealth-creating activity, mainly (but not exclusively!) through political means.

The course introduce students to the theory and current issues in the study of this phenomenon, discussing the most salient questions of the scholarly research: what are the typical rent-seeking patterns associated with different fields of public policy, how rent-seeking affects economic development (and vice versa), how and what institutional specificities facilitate and hamper rent-seeking behaviour, how exposure to rent-seeking transforms different political economies.

The course does not require any background in economics.

Learning outcomes:  
Students will be acquainted with the themes (and to a minor extent) th analytical apparatus of the public choice perspective of rent-seeking. The acquired knowledge will enable them to pursue individual empirical research on concrete incidents of rent-seeking and corruption.

Teaching format:  
Each topic is studied in class in a reading seminar format. Students are expected to read the assigned texts prior the classes.

Requirements  
- Students are required to attend classes regularly and to participate actively in course discussions.  
- Students are expected to formulate written comments and questions about the literature. These not more than half page long comments and questions will serve as basis for class discussions, and are to be submitted via e-mail by 8 pm be preceding the day of the seminar.  
- Students will write a short written test on the 7th class.  
- Students make in-class presentations of some literature not included in the core readings or on their final essay topic.  
- Students can choose whether to write either  
- an in-class final exam or  
- an around 1500 word essay (case-study) on a concrete problem of rent-seeking behaviour preferably in their home country and submit within a week after the 12th class. (The content of the essay is also to be presented in one of the last classes. see above)

Assessment:  
In-class participation 10 %  
Written questions and comments: 15 %  
Short mid-term test) 25 %  
In-class presentation 10 %  
Final essay or in-class exam 40 %

1: Introduction: The theory of public choice and the theory of rents and rent-seeking

2: Rent-seeking: the original approach(es)


3: Rents and development: the costs and “benefits” of rent-seeking


4: Rent-seeking and inequalities


5: Rent-seeking, regulation and public finance


6: Rent seeking and trade


7: Rent-seeking and corruption

8: Resource curse, aid curse and the rentier state

Rune Jansen Hagen (2017) Rents and the Political Economy of Development Aid

9: Rent-seeking and institutions


10: Types of rent-seeking societies and political regimes


11: Rent-seeking in post-communism

Mihaly, Péter and Ivan Szelenyi (2017): The role of rents in the transition from socialist redistributive economies to market capitalism”. Comparative Sociology vol. 16, no. 1

12: Summary, closing discussion and leftovers