



UNIVERSIDADE LUSÍADA
LISBOA

Course Unit Program
ELECTIVE 2 - POLITICAL ECONOMICS

Academic Year 2026/2027

1. Organic Unit

Faculty of Business and Economic Sciences

2. Course

ECONOMICS

3. Cycle

1st

4. Course Unit

ELECTIVE 2 - POLITICAL ECONOMICS (03372)

5. Scientific Area

6. Curricular Year

3rd

7. Type of Curricular Unit / Semester

1st Semester



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8. Class type and workload (work time)

Theoretical classes:

Practical classes:

Theoretical-Practical Classes 30,00

Tutorial Guidance: 20,00

9. ECTS Credits

6,00

10. Scientific Area Coordinator

11. Regent

Prof. Doutor ALVARO ANTONIO CALADO AFONSO MATIAS

12. Assistants

Prof. Doutor LUCAS DE PAULA ANDRADE MENESCAL

13. Teaching Language

Portuguese

14. General Objectives

To understand Political Economy as the study of the reciprocal relationship between the economy, political power, institutions, social interests, ideas and collective choices. The course links the classical tradition with contemporary political economy, enabling students to critically interpret economic policymaking, distributive conflicts, political and governmental systems, state action and the challenges facing democratic, open and interdependent economies in a global context.

15. Specific Objectives

To identify the main concepts, authors and traditions of Political Economy; understand the relationship between markets, the state, institutions and political regimes; analyse public choices, distributive conflicts and economic policymaking; relate systems of government, democracy, representation and organised interests to economic outcomes; and apply these tools to the critical interpretation of current issues of growth, inequality, globalisation and sustainability.

16. Skills to be acquired

By the end of the course, students should be able to use concepts from Political Economy and Political Science; interpret the interaction between markets, the state, institutions and interests; assess economic policies and distributive conflicts; compare regimes, systems of government and models of capitalism; link theoretical arguments to historical, institutional and empirical evidence; and communicate rigorous analyses of current economic problems in national, European and global contexts.



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17. Teaching Methodology

The teaching methodology combines systematic exposition, guided analysis of classical and contemporary texts, critical discussion of cases and problems, and the application of concepts to real processes of public decision-making. Classes promote the integration of economic theory, political science, economic history and empirical evidence, encouraging student participation, informed debate, interpretation of institutional data and supervised preparation of individual or group assignments.

18. Course Unit Program



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1. Political Economy: scope, tradition and contemporary relevance

1.1. Classical political economy: production, distribution, social classes, the state, trade and social conflict.

1.2. From political economy to economics: disciplinary specialisation, formalisation and the return of the institutional dimension.

1.3. Contemporary political economy: institutions, interests, power, ideas, distributive conflicts and public decision-making.

1.4. Historical perspective: growth, structural change, inequality, development and institutions in the long run.

2. State, market and institutions

2.1. The state, sovereignty, legitimate coercion, authority, bureaucracy and state capacity.

2.2. Property rights, contracts, formal and informal rules, trust and transaction costs.

2.3. Market failures, government failures, institutional design and quality of governance.

2.4. Inclusive and extractive institutions; historical persistence, path dependence and institutional change.

2.5. The state, open markets, economic interdependence and external constraints on public decision-making.

3. Political Science concepts for economists

3.1. Political power, legitimacy, representation, citizenship, constitution and the rule of law.

3.2. Political systems and regimes: liberal democracy, authoritarianism, hybrid regimes and quality of democracy.

3.3. Systems of government: parliamentarism, presidentialism and semi-presidentialism; separation and interdependence of powers.

3.4. Electoral systems, party systems, majorities, coalitions and government formation.

3.5. Classical tradition and constitutionalism: from the polis and the republic to modern representative democracy.

4. Collective choice, interests and public decision-making

4.1. Voting, the Condorcet paradox, the impossibility theorem, the median voter and social preferences.

4.2. Collective action, interest groups, lobbying, regulatory capture and rent-seeking.

4.3. Bureaucracy, political agency, accountability and principal-agent problems.

4.4. Information, political communication, media, polarisation and the political economy of beliefs.

5. Democracy, capitalism and distribution

5.1. Capitalism, democracy and distributive conflict.

5.2. Inequality, redistribution, taxation, welfare state and political preferences.

5.3. Labour markets, trade unions, collective bargaining and social models.

5.4. Crises, austerity, institutional trust and the legitimacy of economic policies.

5.5. Globalisation, external openness and the domestic distribution of economic gains and losses.



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6. Comparative political economy and development

6.1. Varieties of capitalism: liberal, coordinated, social-democratic, Mediterranean and Asian models.

6.2. Political institutions, productive systems, innovation, education and competitiveness.

6.3. Developmental state, industrial policy and public-private coordination.

6.4. Economic development, state capacity, structural transformation and inclusive development.

6.5. Geography, colonialism, elites, clientelism, corruption and historical persistence.

6.6. Portugal and Southern Europe in comparative perspective, with an institutional rather than descriptive focus.

7. Contemporary challenges in Political Economy

7.1. Economic nationalism, geoeconomics, economic security and the reconfiguration of value chains.

7.2. Climate change, energy transition, intergenerational justice and the political economy of environmental regulation.

7.3. Digitalisation, artificial intelligence, platforms, market concentration, data and corporate power.

7.4. Populism, polarisation, institutional distrust and the future of liberal democracy.

7.5. Final synthesis: economic policies under economic, political, social, institutional and international constraints.

19. Assessment Methods

Continuous assessment will follow the General Regulations on Knowledge Assessment and the course Continuous Assessment Plan. It will consider informed class participation, reading and discussion of texts, exercises or case analysis, individual or group assignments and two written assessment moments, valuing conceptual rigour, analytical ability, theoretical and empirical grounding, and clarity in written and oral communication.

20. Didactic Resources

Teaching resources will include the main and complementary bibliography, scientific articles, excerpts from classical and contemporary works, reports by international institutions, economic and institutional databases, public policy documents, legislation and materials provided by the lecturer. News items, charts, comparative indicators, case studies and digital resources may also be used to support debate, empirical analysis and the preparation of assignments.

21. Sustainability Objectives

SDG 4 - Quality education: strengthens analytical skills and critical thinking.

SDG 8 - Decent work and economic growth: analyses institutions, public policies, productivity and development models.

SDG 10 - Reduced inequalities: studies distribution, redistribution and social conflict. SDG 13 - Climate action.

SDG 16 - Peace, justice and strong institutions: addresses governance, regulation, democratic legitimacy and institutional sustainability.



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22. Keywords

Political economy
Institutions
State
Democracy
Distribution



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23. Main Bibliography

Author(s): BUENO DE MESQUITA, Ethan
Title: Political Economy for Public Policy
Edition: 1st Year: 2016
Local: Princeton, NJ
Publisher: Princeton University Press
ISBN Code: 978-0-691-16874-6

Author(s): MERLO, Antonio
Title: Political Economy and Policy Analysis
Edition: 1st Year: 2019
Local: London
Publisher: Routledge
ISBN Code: 978-1-138-59178-3

Author(s): ACEMOGLU, Daron; ROBINSON, James A.
Title: Economic Origins of Dictatorship and Democracy
Edition: Paperback ed. Year: 2006
Local: Cambridge
Publisher: Cambridge University Press
ISBN Code: 978-0-521-67142-2

24. Complementary Bibliography

Author(s): FREIRE, André, org.
Title: O Sistema Político Português. Séculos XIX-XXI: Continuidades e Ruturas
Edition: 1.^a Year: 2012
Local: Coimbra
Publisher: Almedina
ISBN Code: 978-972-40-4926-7

Author(s): ROTHSTEIN, Bo
Title: The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective
Edition: 1st Year: 2011
Local: Chicago
Publisher: University of Chicago Press



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