



**INTRODUCTION TO POLITICAL ECONOMY PECO1000  
GLOBAL POLITICAL ECONOMY GLST1000**

**SESSION 1, 2010**

**COURSE INFORMATION AND LECTURE SCHEDULE**

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**COURSE WEBSITE**

<http://lms-blackboard.telt.unsw.edu.au/webapps/portal/frameset.jsp>

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## **1 STAFF CONTACT DETAILS**

Lecturer-in-charge: Peter Kriesler  
Room ABS441  
Phone No: 9385 3373  
Email : [p.kriesler@unsw.edu.au](mailto:p.kriesler@unsw.edu.au)

The Lecturer-in-charge is responsible for the overall direction and content of the course.

The Course Administrator/tutor for the course is Roni Demirbag  
[roni.demirbag@usyd.edu.au](mailto:roni.demirbag@usyd.edu.au)

### **1.1 Communications with staff**

You should feel free to contact your lecturer(s) about any academic matter.

Lecturers and the Course Administrator may be contacted by e-mail, however, e-mail is not an appropriate medium for resolving technical questions regarding course material. These should be asked of your tutor or lecturer in consultation hours

Email correspondence on administrative matters (e.g. advising inability to attend tute) will be responded to within 48 hours, but not over weekends. Please note that the lecturer has no advance notice of the date and time of the exam.

## **2 COURSE DETAILS**

### **2.1 Teaching Times and Locations**

There are 1 x 2 hour lectures per week and 1 x 1 hour tutorial class

Lectures start in Week 1(to Week 12): The Time and Location are:  
Thursday 1.00 pm – 3.00 pm ElecEngG25

Tutorials start in Week 2 (to Week 13). A full list of tutorials, times and tutors will be on the Course Website.

### **2.2 Units of Credit**

The course is worth 6 units of credit.

There is no parallel teaching in this course.

## 2.3 Summary of Course

The study of Political Economy introduces students to the competing approaches to understanding the operation of a modern market economy. Unlike traditional economics programs, which are mathematically orientated, Political Economy takes a historical perspective and focusses on the application of principles to the 'real' world. Political Economy also exposes students to a diverse range of ideas that compete for support, rather than a set of uncontroversial principles. As such, the study of Political Economy draws on many of the other social sciences, while providing students with critical skills sought by employers.

Students engage with a range of theories from the Classical tradition of Smith and Ricardo, to the radical ideas of Marx and his followers, to the orthodox principles of neoclassical micro and macroeconomics, and to the heterodox theories of Keynes and the Post Keynesians. Students will apply these ideas to major policy issues, such as the environment, unemployment, inequality, and international trade.

## 2.4 Aims and Relationship to Other Courses

The aim of this course is to provide an introductory course in Political Economy, with an emphasis on global issues. Political Economy is the original name for economics, and the course aims to provide an introduction to the main school of thought, focusing on their treatment of the role of the state, globalisation and the issues relating to development.

This is a first year course at UNSW. It is also a foundation course for students completing a major in Political Economy as part of a Bachelor of Social Science, or a major in Globalisation as part of the Bachelor of International Studies. Its aim is to provide an introduction to global political economy.

## 2.5 Student Learning Outcomes

At the end of this course you should be able to:

- identify the major intellectual traditions in political economy;
- understand the key concepts used by political economists;
- understand the basic workings of the capitalist economy;
- understand and critically appraise current economic debates; research the economic literature.

This course assists in providing an environment that fosters in our students the following graduate attributes:

- the skills involved in scholarly enquiry;
- an in-depth engagement with the relevant disciplinary knowledge in its interdisciplinary context;
- the capacity for analytical and critical thinking and for creative problem solving;
- the ability to engage in independent and reflective learning;
- Information Literacy – the skills to locate, evaluate and use relevant information;
- the capacity for enterprise, initiative and creativity;
- a respect for ethical practice and social responsibility;
- the skills of effective communication.

## 3 LEARNING AND TEACHING ACTIVITIES

### 3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: [www.guidelinesonlearning.unsw.edu.au](http://www.guidelinesonlearning.unsw.edu.au). Specifically, the lectures, tutorials and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcome.

### 3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the Lecture Schedule, the content of Lectures, and the content of the Tutorial Program.

#### *Lectures*

The purpose of Lectures is to provide a logical structure for the topics that make up the course; to emphasize the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

#### *Tutorials*

Tutorials are an integral part of the subject. Tutorial presentations/debates and questions/problems will build on the material discussed in class with the lecturer. The purpose of tutorial meetings is primarily to provide an opportunity for small group discussion of issues to which economic concepts and methods can be applied and to provide opportunities for students to develop their presentation skills.

#### *Out-of-Class Study*

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the relevant chapter(s) of the text and any readings **before the lecture**. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.
- Attending tutorials and attempting the tutorial questions.

The examinable content of the course is defined by the Text references given in the Lecture Schedule, the content of Lectures, the readings in the Course Notes and the content of the Tutorial Program.

## 4 ASSESSMENT

### 4.1 Formal Requirements

In order to pass this course, you must:

- achieve a composite mark of at least 50 out of 100; and
- make a satisfactory attempt at ALL assessment tasks (see below).

### 4.2 Assessment Details

Assessment will consist of :

<i>Tutorial Journals (6 journals., 5 marks each)</i>	<i>30%</i>
<i>Debate</i>	<i>30%</i>
<i>Tutorial Participation</i>	<i>10%</i>
<i>Comprehensive final examination</i>	<i>30%</i>

**SATISFACTORY PERFORMANCE IS REQUIRED IN ALL PARTS OF THIS COURSE**

### 4.3 Tutorial Participation

For tutorials students will be required to present a debate, as well as to critically analyse discussion questions, with a record to be kept in on-line journals

#### 4.3.1 Debates

Some tutorials in this course will be presented in the form of a debate, with students presenting each side of an argument about question in political economy. These presentations will be assessed according to guidelines which will be distributed during classes. In addition, in the week after their debate, students will submit a 2 page report outlining their main arguments. The report should be properly referenced.

#### 4.3.2 Tutorial Participation

##### Marks Guide for Tutorial Participation

0	Below 80% of attendance as required by UNSW rules. Attendance at 9 of 12 tutorials will be deemed as meeting the requirement. Tutors will mark attendance in tutorials. Attendance will not be granted to any student who arrives at a tutorial more than 10 minutes late.
5	Has satisfied the attendance requirement (attended at least 9 tutorials) but has not contributed to class discussion.
6-10	Has attended 10-12 tutorials and contributed to class discussion in relevant and constructive ways.

If, owing to illness or other exceptional circumstances, you are unable to attend your usual tutorial, you may try to attend another tutorial in the same week. However, you are required to attend your usual tutorial class at least 9 times during the session. This allows for occasional absence due to minor illness and other reasons, hence special consideration applications will not reduce this requirement.

As this component of assessment is worth less than 20%, special consideration does not apply to any of the components of tutorial assessment.

Students should also note that, in certain circumstances, such as where a request for special consideration is made in relation to assessment items, tutorial attendance will be taken into account in determining your final assessment or whether special consideration is granted.

#### 4.3.3 Tutorial Journals

Students will be required to keep a record of their tutorial preparations for those tutorials involving discussion questions, in the form of an on-line tutorial journal. This is not a diary; rather we are asking you to keep a record of your learning throughout the course by thinking about and answering questions on your tutorial material. The hallmark of a journal is that there are multiple entries made over a period of time. In your case, it is to be done fortnightly. When you post a journal entry online, the exact time you submitted it will be recorded.

*What do I need to include?*

Answers to the fortnightly discussion questions

*How much should I aim to write?*

Between 1-2 typewritten pages.

*What makes for a good answer?*

- Try to apply the concepts, theories and frameworks you have learnt in the lecture and the readings to help you develop an answer (ie. don't just guess or use commonsense);
- Show that you understand the key concepts that you are using (DON'T use a term you don't know the meaning of – look it up first!)
- Make sure you answer the question being asked: a relevant answer is important;
- Make your point of view clear (ie. the reader needs to understand what it is you are arguing)
- Explain your point of view: don't make assertions without justifying and providing evidence for them;
- If you wish, use examples to help illustrate your point;
- Try to be comprehensive in your answer and think about the different dimensions relating to the question;
- However, quality not quantity: don't just try to fill up space for the sake of it and don't just write down everything you know;
- Yes, you may use point form – however, if you use bullet points, make sure you still explain each point;
- Keep in mind that usually in Political Economy there is no single right answer;
- Try to express yourself clearly, although you will not be marked down for spelling errors and grammatical mistakes;
- In your answers to discussion questions, you must refer to the textbook and readings, although you can use additional material (eg. from lectures, library ) to expand your argument.

Following these guidelines will help you develop your critical and analytical thinking.

These are also the principles behind a good exam answer so the tutorial journal constitutes valuable exam preparation.

*How will I be assessed?*

You will be assessed on the basis of 1) whether you have submitted your journal entries on time (remember, Blackboard records the EXACT time you posted your journal entry); and 2) the quality of your entries.

Students are required to submit an electronic copy of the journal on Blackboard. Instructions for the return of assignments submitted electronically will be communicated to students by the course coordinator. Students will be notified by email that their assignments have been received if they tick this option on Blackboard.

It is the student's responsibility to keep a copy of their work in case of loss.

All assignments must be submitted by the due date unless an extension of time has been granted. The penalty for late submission without permission is 1 mark per day late, including weekends.

Further details will be made available on the web.

#### **4.4 Final Exam Format**

This will be held in the University examination period (June) and will be 2 hours long. The final exam will cover the entire course.

Further information on the content of the Final Exam will be provided towards the end of session.

The purpose of the final exam is to assess knowledge of the concepts Political Economy and their appropriate use, to test the ability to use reasoning to make deductions.

*It is important to note that a satisfactory performance in the Final Examination is required to pass this course.*

## **5 ACADEMIC HONESTY AND PLAGIARISM**

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW's policies, penalties, and information to help you avoid plagiarism see: <http://www.lc.unsw.edu.au/plagiarism/index.html> as well as the guidelines in the online ELISE tutorial for all new UNSW students: <http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm>.

To see if you understand plagiarism, do this short quiz: <http://www.lc.unsw.edu.au/plagiarism/plagquiz.html>

For information on how to acknowledge your sources and reference correctly, see: <http://www.lc.unsw.edu.au/onlib/ref.html>

For the ASB Harvard Referencing Guide, see: [http://www.docs.fce.unsw.edu.au/fce/EDU/harvard\\_ref\\_guide.pdf](http://www.docs.fce.unsw.edu.au/fce/EDU/harvard_ref_guide.pdf)

In the School of Economics all cases of substantial plagiarism are reported to the Associate Head of School. The following penalties will apply:

- Reduction in marks for the assessment item, including zero;
- Failure in the course [00FL] in extreme cases;
- Other additional penalties in accordance with the UNSW Procedures for Dealing with Student Plagiarism, may be considered in extreme cases;
- All cases will be recorded on the UNSW Plagiarism Central Register

## **6 COURSE EVALUATION AND DEVELOPMENT**

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

## **7 STUDENT RESPONSIBILITIES AND CONDUCT**

Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

Information and policies on these topics can be found in the 'A-Z Student Guide': <https://my.unsw.edu.au/student/atoz/ABC.html>. See, especially, information on 'Attendance and Absence', 'Academic Misconduct', 'Assessment Information', 'Examinations', 'Special Consideration', 'Student Responsibilities', 'Workload' and policies such as 'Occupational Health and Safety'.

## 7.1 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater.

Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

## 7.2 Attendance

Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than 80% of scheduled classes they may be refused final assessment.

## 7.3 Keeping Informed

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

## 7.4 SPECIAL CONSIDERATION AND SUPPLEMENTARY EXAMINATIONS

You must submit all assignments and attend all examinations scheduled for your course. You should seek assistance early if you suffer illness or misadventure which affects your course progress. For advice on UNSW policies and procedures for granting special consideration and supplementary exams, see:

'UNSW Policy and Process for Special Consideration': <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>

### Policy and Process for Special Consideration

1. Applications for special consideration (including supplementary examinations) must go through UNSW Central administration within 3 working days of the assessment to which it refers – applications will **not** be accepted by teaching staff;
2. Applying for special consideration **does not** automatically mean that you will be granted a supplementary exam.
3. Special consideration requests **do not allow** lecturers-in charge to award students additional marks;
4. If you are making an application for special consideration (through UNSW Central Administration) please notify your Lecturer in Charge

### Policy re requests for Special Consideration

The policy of the School of Economics is that the Lecturer-in-charge will need to be satisfied on each of the following before agreeing to or supporting a request for special consideration:

1. For a medical certificate to be accepted, the degree of illness must be stated by the medical practitioner (severe, moderate, mild). A certificate without this will not be valid;
2. Has the student performed satisfactorily in the other assessment items? Satisfactory performance would require at least 40% in each assessment item specified in the Course Outline and meeting the obligation to have attended 80% of tutorials;
3. History of previous applications for special consideration. Previous applications may preclude a student from being granted special consideration;

### Special Consideration and Assessments other the Final Exam

For the application of special consideration to assessment items other than the final exam, refer to the specific policies outlined. The School of Economics does not provide supplementary assessment items other than for the final exam.

### Special Consideration and the Final Exam

If you are too ill to perform reasonably on the final exam, do not attend the final and apply for a supplementary instead.

Requests for special consideration in relation to the final exam are determined by an ASB Faculty panel to which Lecturers-in-charge provide their recommendations for each request. If the Faculty panel grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

1. Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester;
2. Where a student is granted a supplementary examination as a result of a request for special consideration, the student's original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade. To be clear, failure to attend the supplementary exam will not entitle the student to have the original exam paper marked and will result in a zero mark for the final exam.

The 'ASB Policy and Process for Special Consideration and Supplementary Exams in Undergraduate Courses' is available at: <http://www.docs.fce.unsw.edu.au/fce/current/StudentSuppExamProcedure.pdf>.

## 8 STUDENT RESOURCES AND SUPPORT

The University provides a wide range of support services for students, including:

**UNSW Learning Centre** ([www.lc.unsw.edu.au](http://www.lc.unsw.edu.au))

Academic skills support services, including workshops and resources, for all UNSW students. See website for details.

**Library training and search support services:** <http://info.library.unsw.edu.au>

**UNSW IT Service Desk:** Technical support for problems logging in to websites, downloading documents etc. Library, Level 2; Ph: 9385 1333.

Website: [www.its.unsw.edu.au/support/support\\_home.html](http://www.its.unsw.edu.au/support/support_home.html)

**UNSW Counselling Service** (<http://www.counselling.unsw.edu.au>)

Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as 'Coping with Stress' and 'Procrastination'.

Office: Level 2,

Quadr

angle East Wing; Ph: 9385 5418

**Student Equity & Disabilities Unit** <http://www.studentequity.unsw.edu.au>

Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning.

Office: Ground Floor, John Goodsell Building; Ph: 9385 4734

**Occupational health and safety** <https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>

UNSW has an Occupational Health and Safety Policy that staff and students must COMPLY WITH.

**Blackboard eLearning support:**

To access the Blackboard online support site for students, follow the links from [www.elearning.unsw.edu.au](http://www.elearning.unsw.edu.au) to *UNSW Blackboard Support / Support for Students*.

Additional technical support: Email: [itservicecentre@unsw.edu.au](mailto:itservicecentre@unsw.edu.au); Ph: 9385 1333

## KEY DATES AND STUDENT RESPONSIBILITIES

*It is your responsibility to ensure that:*

1. You are recorded by the University as being correctly enrolled in all your courses.
2. You have successfully completed all prerequisite courses. Any work done in courses for which prerequisites have not been fulfilled will be disregarded (unless an exemption has been granted), and no credit given or grade awarded.
3. You abide by key dates:  
**Monday 1 March** is the first day of Semester 1 lectures. **Sunday 7 March** is the last day you can enrol in Semester 1 courses.  
**Sunday 7 March** is the due date for Semester 1 fees.  
**Wednesday 31 March (Week 5)** is the last day for students to discontinue without financial penalty (and the last date to finalise arrangements for HECS-HELP and FEE-HELP).  
**Sunday 25 April (end Week 7)** is the last day to discontinue without academic penalty.
4. You organise your affairs to take account of examination and other assessment dates where these are known. Be aware that your final examination may fall at any time during the semester's examination period. The scheduling of examinations is controlled by the University administration. No early examinations are possible. The examination period for Semester 1, 2010, falls between **Friday 11 June** and **Monday 28 June (provisional dates subject to change)**.
5. When the provisional examination timetable is released, ensure that you have no clashes or unreasonable difficulty in attending the scheduled examinations. The final examination timetable for Semester 1 is released in May (date TBA).
6. Note that some Schools schedule a common date for any **supplementary exams** that may be required – it is your responsibility to check the School websites and ensure that you are available to take the exam on the scheduled date.

A full list of UNSW Key Dates is located at: <https://my.unsw.edu.au/student/resources/KeyDates2.html>

## 9 COURSE RESOURCES

The website for this course is on UNSW Blackboard at:

<http://lms-blackboard.telt.unsw.edu.au/webapps/portal/frameset.jsp>

Students are expected to:

- Make sure that they are officially enrolled in PECO1000 or GLST1000
- Familiarise themselves with Blackboard
- Access this site at least weekly as the site will contain important announcements about the course, as well as lecture notes and tutorial solutions. In addition, it will carry most of the subject information, midsession exam results and tutorial allocations as well as a discussion forum where students will be able to discuss course related materials, as well as trial exam questions.

It will be assumed that all students have seen any notice posted on the course website.

The textbook(s) for this course is:

Stilwell, F. 2006 2<sup>nd</sup> Edition. *Political Economy: The Contest of Economic Ideas*. Oxford University Press, Oxford, ISBN 0-19-555127-3.

Recommend book:

Argyrous, G. and Stilwell, F. (eds). 2003. *Economics as a Social Science, second edition*, pp. 87-100.

## 10 COURSE SCHEDULE

### 10.1 Lecture Schedule

Lectures start in Week 1 and finish in Week 12.

LECTURE SCHEDULE		
Week	Topic	Reference (Stilwell)
Week 1 1-5 March	What is Political Economy	Part I
Week 2 8-12 March	Capitalism as an economic system	Part II
Week 3 15-19 March	Classical Political Economy	Part III
Week 4 22-26 March	Marx	Part IV
Week 5 29 March-1 April	Marx	Part IV
<b>Mid-Session Break: 2-11 April</b>		
Week 6 12-16 April	Neoclassical Microeconomics	Part V
Week 7 19-23 April	Neoclassical Microeconomics and Macroeconomics	Part V and VII
Week 8 26-30 April	Neoclassical Macroeconomics	Part VII
Week 9 3-7 May	Keynes and the Post Keynesians	Part VII
Week 10 10-14 May	Keynes and the Post Keynesians	Part V11
Week 11 17- 21 May	Institutions	Part VII
Week 12: 24-28 May	Overview	Part IX

## LECTURE READINGS

### 1 4 March What is Political Economy

This topic discusses the nature of Political Economy, and the extent that it can be defined as a field of study. It will focus on the way in which a study of Political Economy is different to the way in which the economy is studied in a 'traditional' course in economics.

#### Required reading

Stillwell Part I

#### Other material

Gittins, R. 2004. *An Economics Fit for Humans*, The Ronald Henderson Oration, Melbourne, Thursday, August 5, 2004

O'Hara, P. 1999. "Political Economy: Major contemporary themes". In O'Hara, P. (ed.) *Encyclopedia of Political Economy*, vol. 2, Routledge, London, pp. 861-7.

Sweezy, P. (1972) "Towards a critique of economics" in his *Modern Capitalism and Other Essays* [Monthly Review Press]

Documentation of student complaints about the way economics has been taught in:

France [http://www.btinternet.com/%7Epaee\\_news/texts/a-e-petition.htm](http://www.btinternet.com/%7Epaee_news/texts/a-e-petition.htm)

Cambridge UK [http://www.brinternet.com/%7Epaie\\_news/Camproposal.htm](http://www.brinternet.com/%7Epaie_news/Camproposal.htm), and  
Harvard [http://www.brinternet.com/%7Epaie\\_news/Harvard2.htm](http://www.brinternet.com/%7Epaie_news/Harvard2.htm)

## 2 11 March Capitalism as an economic system

This topic looks at the origins, emergence and establishment of Capitalism as a social, economic and political system. It traces the development of the application of the ideas of science and society stemming from the enlightenment to agriculture, industry and human relationships. It looks at the development of economic and political institutions that was to culminate in the Industrial Revolution. It traces the emergence of ideas to explain the sources of wealth and productivity generated by the new system through the ideas of the Mercantilists, such as Petty and the French Physiocrats. Work that developed, through the work of Adam Smith and Locke into the foundations of our current ideas about Capitalism. The importance of the development of the modern state in facilitating Capitalism is outlined. Key questions addressed include:

Why did Capitalism emerge when it did?

What were the key components and drivers of change and how were they understood?

Who were the winners and losers in the process?

### Required reading

Stillwell, Part II.

### Other reading

Dobb, M. 1975. *Studies in the Development of Capitalism*, Routledge and Kegan Paul, London, 'Capitalism' pp. 1-33.

Heilbroner, R.L. 1999. *The Worldly Philosophers*, Penguin, Harmondsworth, 'The Economic Revolution' pp. 18-41.

## 3 18 March Classical Political Economy

Classical political economy raised issues that are still of central concern to current policy-making. These issues include the sources of growth and stagnation in Capitalism; The conflict over the distribution of economic production; the sources of technological change, the impact of technology on employment and unemployment; the environmental limits to growth; and the relative importance of the state and the market in coordinating the economic system. These were issues with which the great Classical economists such as Smith and Ricardo grappled in their political economy. The results of their thinking were fundamental insights into the sources and creation of value in production; the distribution of the benefits of the system (including the moral questions this produced) and the importance of economic growth for sustaining the system.

### Required reading

Stilwell, Part III.

Argyrous, G. and Stilwell, F. (eds). 2003. *Economics as a Social Science, second edition*, pp. 87-100.

### Other material

Barber, W.J. 1967. *A History of Economic Thought*, Penguin, Harmondsworth, pp 94-115. 330.15/112E

Heilbroner, R.L. 1999. *The Worldly Philosophers*, Penguin, Harmondsworth, pp.42-104.

Ricardo, D. 1821. *The Principles of Political Economy and Taxation, 3rd ed., Vol.1 of The Works and Correspondence of David Ricardo*, edited by P. Sraffa, Cambridge University Press, chapters IV, V, XXXI. S330.15/3

Smith, A. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Campbell, R.H. and Skinner, A.S., Liberty Classics, Indianapolis, S330.153/101 General Introduction and chapters I-III, VII.

Most of the original texts are available from a number of sources, including the Archive for the History of Economic Thought, for which one address is: <http://melbecon.unimelb.edu.au/het/>

## 4 25 March Marx 5 1 April Marx

Since the fall of most nominally 'Marxist' governments, it is sometimes argued that Marxism is no longer a relevant theory; history has proven it wrong. Yet Marxism is principally an analysis of capitalism, and as such it still has contemporary relevance. As an analysis of the way in which a market-based system operates, Marxism focuses on issues of conflict, economic growth and periodic recession, technological change, unemployment, and the limits to state intervention to 'correct' for these problems.

### Required reading

Stilwell, Part IV.

Argyrous, G. and Stilwell, F. 2003. *Economics as a Social Science*, pp. 101-118.

### Other material

Most of the works of Marx, as well as extensive discussion of his works are available on the Marx Internet Archive at: <http://www.marx.org/>

Heilbroner, R.L. 1999. *The Worldly Philosophers*, Penguin, Harmondsworth, ch.VI, pp.136-170.

Marx, K. 1849. *Wage Labour and Capital*.

Marx, K. 1867. *Capital, vol.1*, reprinted in abridged form in McLellan (ed). 1977. *Karl Marx: Essential Writings*, Oxford University Press S320.532/46.

Sweezy, P. 1942. *The Theory of Capitalist Development: Principles of Marxian Political Economy*, Monthly Review Press, New York. S330.15/45C

Sweezy, P. (1981) "The contradictions of capitalism" in his *Four Lectures on Marxism* [Monthly Review Press]

## MIDSESSION BREAK 2 – 11 APRIL

### 6 15 April Neoclassical Microeconomics 7 22 April Neoclassical Microeconomics

From around the 1870s the focus of economic analysis began to shift to the concerns of neoclassical microeconomics about what determines the relative prices of commodities and an examination of the conditions under which markets operate efficiently. While neoclassical economics

generally argues that perfectly competitive markets will produce a socially optimum outcome, it does allow for specific circumstances where perfect competition does not necessarily lead to the most efficient results, where there is “market failure”.

#### Required reading

Stilwell Part V

Argyrous, G. and Stilwell, F. 2003. *Economics as a Social Science*, pp. 119-46.

#### Other material

The New School History of Economic Thought Website, Phases of the Marginalist Revolution

<http://cepa.newschool.edu/het/essays/margrev/phases.htm>

7 Cont                      22 April                      Neoclassical Macroeconomics  
8                                      29 April                      Neoclassical Macroeconomics

This topic investigates the neoclassical analysis of the 'macroeconomy'; the way in which the economy as a whole operates, rather than just individual markets within it. It focuses on the conclusion that neoclassical economics reaches regarding full employment and inflation, and the role of the government in managing the macroeconomy.

#### Required reading

Stilwell, Part VII

#### Other material

An excellent introduction to Macroeconomics, both neoclassical and Keynesian is Stegman, T. and Junor, B. 1993. *Introductory Macroeconomics*, Harcourt Brace, Sydney, S339/212

Eatwell, J. "Theories of value, output and employment". In Eatwell, J. and Milgate, M. (eds). *Keynes's Economics and the Theory of Value and Distribution*, Duckworth, London, pp. 111-118. S339.3/47

Kriesler, P. 1992. "The role of the state: developments in economic theory since Keynes" in *Economics'92, Conference Proceedings, Macro and Micro Policy in the '90s* Tim Riley (ed) pp. 154-163

Kriesler, P. 1997. "Keynes, Kalecki and The General Theory". In Harcourt, G. and Riach, P. (eds) *A 'Second Edition' of Keynes's General Theory*, Routledge: London, pp. 300-322, S330.156/120 [Also useful for next topic]

9                                      6 May                                      Keynes and the Post Keynesians  
10                                      13 May                                      Keynes and the Post Keynesians

This topics looks at the ideas of John Maynard Keynes, arguably the most influential economist of the twentieth century. It covers the reasons why he rejected the neoclassical theory of full employment and the Quantity Theory of Money. It then looks at his own theory of effective demand, which he regarded as a more appropriate macroeconomic theory than the neoclassical theory.

The topic then looks at the development of Keynes' ideas by the Post Keynesian school of political economy.

#### Required reading

Argyrous, G. and Stilwell, F. 2003. *Economics as a Social Science*, pp. 167-206.

#### Other material

Heilbroner, R.L. 1999. *The Worldly Philosophers*, Penguin, Harmondsworth, pp.249-287.

Kalecki, M. 1969. Money and real wages, part 1. In *Studies in the Theory of Business Cycles: 1933-1939*, Oxford University Press. S338.54/93

Keynes, J.M. 1936. *The General Theory of Employment, Interest, and Money*, Macmillan, London, Preface to the French Edition, ch.s 18, 19.

S330.15/25, or, on line: <http://www.marxists.org/reference/subject/economics/keynes/general-theory/>

[http://etext.library.adelaide.edu.au/k/keynes/john\\_maynard/k44g/](http://etext.library.adelaide.edu.au/k/keynes/john_maynard/k44g/) (although some chapters in Keynes are difficult to read, these chapters should be ok. If some things go over your head, DON'T PANIC! Just concentrate on the central arguments).

Kriesler, P. 1997. Keynes, Kalecki and The General Theory. In Harcourt, G. & Riach, P. (eds) *A 'Second Edition' of Keynes's General Theory*, [Routledge:] pp. 300-322 S 330.156/120 [available as PDF]

Public Broadcasting Service, Commanding Heights, Videos on John Maynard Keynes.

[http://www.pbs.org/wgbh/commandingheights/shared/minitextlo/vid\\_johnmaynardkeynes.html](http://www.pbs.org/wgbh/commandingheights/shared/minitextlo/vid_johnmaynardkeynes.html)

Robinson, J.V., 2nd ed. 1969, *Introduction to the Theory of Employment*, Macmillan, London. (This was written to explain the General Theory to a wider audience, and is very readable) S 331.1/1

11                                      20 May                                      The Role of Institutions

This topic looks at the development of Evolutionary and Institutional economics. The issue will be addressed through the insights of economists who see Political Economy as the study of the historical development of the economic system, a system where industries and economic organisations change in form and structure over time.

The economic system is a world of institutions, both private and public undergoing adaption and growth. The creation and growth of the modern corporation is a key element in this process and had a major effect on patterns of consumption, accumulation and growth.

Linking economic inequality, evolutionary thinking, an understanding of the nature and role of institutions and the clustering of economic activities is central to an understanding of the economic growth process.

#### Required reading

Stilwell, Part VI

Argyrous, G. and Stilwell, F. 2003. *Economics as a Social Science*, pp. 147-166.

#### Other material

Boulding, K. E. 1991. "What is evolutionary economics?" *Journal of Evolutionary Economics*, vol. 1, pp. 9-17.

- Hodgson, G.M. (1998), "The Approach of Institutional Economics", *Journal of Economic Literature*, Vol. 36, March, pp.166-92
- Hodgson, G.M. (1999), *Evolution and Institutions*, Edgar Elgar.
- Langlois, R.N. (1989), "What was wrong with the 'Old' Institutional Economics? (And What is Still Wrong with the 'New?')", *Review of Political Economy*, Vol. 1, pp.272-300
- Laurent, J. and Nightingale, J. (eds) (2001), *Darwinism and Evolutionary Economics*, Edward Elgar [Preface & Chapter 1]. CP
- Veblen, T. (1898), "Why is economics not an Evolutionary Science?", *Quarterly Journal of Economics*, Vol. 12, 373-397. CP

12      27 May      Overview

## 11.2 TUTORIAL PROGRAM

Tutorials start in Week 2 and finish in Week 13.

Tutorials in this course will alternate between two different types. The first is a critical discussion of the question set each fortnight. The recommended readings for the relevant lecture should be regarded as the starting point for research into the question. In order to prepare for these sessions, students will be required to keep a record of their tutorial preparations for these tutorials in the form of an on-line tutorial journal. The second type of tutorial will be presented in the form of a debate, with students presenting each side of an argument about the development process. For many of the debates,

### TUTORIALS:

#### WEEK 2

##### INTRODUCTION AND ALLOCATION OF DEBATE TOPICS

What is the difference between studying 'economics' and studying 'political economy'?

What have been the main student complaints about the way economics has been taught in [France](#), [Cambridge UK](#), and [Harvard](#)?

#### WEEK 3

##### CAPITALISM AS AN ECONOMIC SYSTEM

Why did Capitalism emerge when it did? What were the key components and drivers of change and how were they understood? Who were the winners and losers in the process? How was the process of change understood by its interpreters?

What is the contemporary relevance of studying the emergence of Capitalism?

#### WEEK 4

##### CLASSICAL POLITICAL ECONOMY

What is the role of the market system and the conditions under which it best works in the view of Smith and Ricardo? What are the major policy implications of their views, and the function of the state?

Outline their views on international trade?

#### WEEK 5

##### MARX

What are the main features of class under a capitalist society? What does Marx identify as the forces driving capitalist economies?

#### WEEK 6

##### MARX DEBATE

Crisis and conflict are inevitable in capitalist economies.

#### WEEK 7

##### NEOCLASSICAL MICROECONOMICS

What is the social and economic role of the individual in the market according to neoclassical economics?

Does the market provide the key organizing principle of society?

What role do relative prices play in the allocation of scarce resources between alternate uses?

#### WEEK 8

##### NEOCLASSICAL MICROECONOMICS DEBATE)

Markets are the best allocators of resources. Interference by the state in the working of markets causes more problems than it cures.

#### WEEK 9

##### NEOCLASSICAL MACROECONOMICS

"What is the role for macroeconomic policy in neoclassical economics? What are the key economic policy levers?

Why are interest rates important?

What role does government expenditure play? Are budget surplus's a necessity for budget settings?

#### WEEK 10

##### MACROECONOMICS DEBATE

Government macroeconomic policy can have no long run impact on the level of unemployment. Unemployment is the result of either wages being too high and government corrective policy simply leads to inflation..

**WEEK 11**  
**POSTKEYNESIAN ECONOMICS**

What are the main formulations of Keynes theory of effective demand? How influential have these theories been on policy making? In what ways has Post Keynesianism extended the work of Keynes? What are the key features of Post Keynesianism?

**WEEK 12**  
**INSTITUTIONS DEBATE**

Economic systems constantly change. The development of economic systems is steered by the state.

**WEEK 13**  
**OVERVIEW**



**The End!**