

ECON5319

Political Economy of Capitalism

Course Outline

Semester 2, 2017

Course-Specific Information

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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1 STAFF CONTACT DETAILS

Lecturer-in-charge: Peter Kriesler
Location: Room 445 UNSW Business School
Phone: 02 9385 3373
Email: p.kriesler@unsw.edu.au

Tutor:
Neil Hart - n.hart@unsw.edu.au

1.1 Communications with staff

You should feel free to contact your lecturer(s) about any academic matter. However, I strongly encourage, for efficiency, all enquiries about the subject material be made at lectures or tutorials or during consultation time. Discussion of course subject material will not be entered into via lengthy emails.

Email correspondence on administrative matters (e.g. advising inability to attend tutorial) 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 [the subject of many emails].

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures start in Week 1 (to Week 13): The time and location is:
Thursday 12:00-14:00, CLB 3.

Tutorials start in Week 2 (to Week 13). Tutorial allocation is via the MyUnsw website

2.2 Units of Credit

The course is worth 6 units of credit. This course is taught in parallel to both undergraduate and postgraduate students.

2.3 Summary of Course

The economy can be understood in many different ways. The course examines alternative paradigms in economics, and considers how they analyse the economy. This enables different interpretations of recent events. We will consider various schools of thought such as the Post-Keynesians, Institutionalists and Marxist schools. Topics include how prices are determined, labour markets, money and finance with a strong emphasis on economic policy.

2.4 Aims and Relationship to Other Courses

This course examines various political economy approaches to the analysis of economics, mainly associated with Marxian, Post Keynesian and Institutional Schools of thought. These may be regarded as the main alternatives to neoclassical economic theory. As they do not represent a unified body of thought, the course will survey the main contributions, focusing especially on the positive aspects of theory with some regard to the critique of neo-classical theory. In this way the course may be seen as providing critiques and alternatives to other courses.

2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items. A key learning outcome in this course is critical thinking. This involves researching and analysing issues, using standards to assess evidence and to compare a range of perspectives and theories about how economies function.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree. You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree.

For more information on Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed

Program Learning Goals and Outcomes		Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals</i>		<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>
1	Knowledge	Compare and contrast alternative methods of economic analysis. Describe and analyse the role of the financial sector in influencing macroeconomic development. Describe and analyse the current global financial crisis.	<ul style="list-style-type: none"> • Tutorial Papers • Tutorial Participation • Final Exam
2	Critical thinking and problem solving	Demonstrate a critical understanding of the more orthodox approaches. Apply the analysis of labour markets to contemporary events in the Australian economy.	<ul style="list-style-type: none"> • Tutorial Papers • Tutorial Participation • Final Exam
3a	Written communication	Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> • Tutorial Papers
3b	Oral communication	Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> • Tutorial Participation
4	Teamwork	Work collaboratively to complete a task.	<ul style="list-style-type: none"> • Tutorial Participation
5a.	Ethical, environmental and sustainability considerations	Identify and assess environmental and sustainability considerations in problems in international macroeconomics.	<ul style="list-style-type: none"> • Final Exam
5b.	Social and cultural awareness	Not specifically addressed in this course.	<ul style="list-style-type: none"> • Tutorial Papers • Tutorial Participation • Final Exam

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. 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 will build on the material discussed in class with the lecturer.

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.
- Completing the Moodle Module on Academic Misconduct

4 ASSESSMENT

4.0 You must complete the “Working with Academic Integrity” module on your Moodle site, before you hand in any written work.

- You **MUST** complete the ‘Working with Academic Integrity’ module AND THE MODULE’S QUIZ, found on your course Moodle site, **BEFORE YOU ARE ALLOWED TO SUBMIT ANY WRITTEN ASSESSMENT**.
- If your submission is delayed because you did not complete the module and the quiz, you may be liable to late penalties as specified in your course outline.

- Failing to comply with the University rules of Academic integrity may result in serious consequences:
 - All cases of plagiarism (regardless of their severity) ARE recorded with the University Integrity Office University register.
 - Depending on the level of the plagiarism/misconduct, the penalties may include a FAIL grade for the assessment piece, a FAIL grade for the course, or being expelled for serious/repeat offences.

Any misconduct, including plagiarism, is recorded on your Conduct Record. If you have only one academic misconduct at the lowest level (level A) in your career, then the record is wiped clear when you graduate. Otherwise it remains there permanently. *Many professions, such as accounting and law, require access to the student's Conduct Record.*

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. This means attendance at 80% of tutorials (8 out of 11) and a mark of at least 40% in all assessment items; and
- achieve a satisfactory level of performance in the final exam. This means a minimum mark of 40 per cent. Any student having an overall mark of 50 or more but less than 40 per cent in the final examination will be given an UF grade (unsatisfactory fail).

4.2 Assessment Details

Assessment Task	Weighting	Length	Due Date
Tutorial Participation	10%	See 4.3 below	Ongoing
Mid-Session Test	20%	40 minutes	Week 7, September 14
Tutorial Papers	30%	2 pages See 4.5 below	Weekly
Final Exam	40%	2 hours	University Exam Period
	100%		

4.3 Tutorial Participation

0	Below 80% of attendance as required by UNSW and Business School rules. Attendance at 8 of 11 tutorials will be deemed as meeting the requirement. Students must sign on by 10 minutes from start of tutorial to qualify as 'in attendance'. Signing on for another student will be treated as misconduct.
4	Has satisfied the attendance requirement (attended at least 8 tutorials) but has not contributed to class discussion.
6-10	Has attended 8-11 tutorials and contributed to class discussion in relevant and constructive ways. Has led discussion on designated topic in a manner which was both instructive and contributed to the discussion

Students will be asked to lead discussion in one tutorial – topics will be allocated in the first tutorial. Total discussion should take no more than 20 minutes. The mark for this will be incorporated into the tutorial participation mark.

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 8 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.**

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. For information on Special Consideration please refer to the Business School's [Course Outlines Policies webpage](#).

4.3.1 Moodle Module on Academic Misconduct

Students are expected to complete the Moodle Module on 'Working with Academic Integrity' by following this link: <https://student.unsw.edu.au/aim> and completing the linked module. When the module is completed, students will need to save or screen print their proof of completion. This needs to be submitted with the first tutorial paper. No tutorial paper will be accepted without proof of completion of module.

4.4 Mid-Session test

There will be a mid-session test during lecture time in **Week 7, on 14th September**. Further details will be put on the course website.

4.5 Weekly Tutorial Papers

Students will be required to submit 6 tutorial papers on-line responding to the discussion questions. When you post a tutorial paper online, the exact time you submitted it will be recorded.

What do I need to include?

Answers to the discussion questions

How much should I aim to write?

750 words.

What makes for a good answer?

- *Make sure you answer the question being asked: a relevant answer is important;*
- 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 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 economics 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.
- Make sure that you sufficiently acknowledge any material and words that are not your own.

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 paper constitutes valuable exam preparation.

How will I be assessed?

You will be assessed on the basis of

- 1) whether you have submitted your tutorial paper entries on time (remember, Moodle records the EXACT time you posted your entry);
- 2) whether you have answered the question asked; and
- 3) the quality of your entries.

Further details, including marking guide, will be made available on the web.

Tutorial papers will commence in week 3. There will be no paper the weeks of the midsession test (week 7) or in the final week (week 13). There are a total of 9 possible papers, students are required to submit 6 which will be marked for a maximum of 5 marks each, for a total of 30 possible marks. Tutorial papers should be submitted midnight Wednesday – the day before the tutorial. No late papers will be accepted.

4.6 Final Exam Format

The purpose of the final exam is to assess knowledge of economic concepts and their appropriate use, to test the ability to use economic reasoning to make deductions. This will be held in the University examination period (November) and will be 2 hours long. The final exam will cover the entire course. The examination will require answers to two essay questions with some choice given. Further information on the content of the Final Exam will be provided towards the end of session. All material covered in the lectures and tutorial program is examinable.

4.7 Protocol for viewing final exam scripts

The UNSW Business School has set a protocol under which students may view their final exam script. Please check the protocol [here](#).

4.8 Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential and will not be related to course grades

5 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 myExperience Survey Tool is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

6 COURSE RESOURCES

The website for this course is on UNSW Moodle at: <http://moodle.telt.unsw.edu.au>

Students are expected to:

- Make sure that they are officially enrolled in the correct course
- Familiarize themselves with Moodle
- 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, 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.

There is no set textbook for this course, given the range of topics being covered. Instead, each week a number of suggested references will be listed as recommended reading for the lecture topic. Further guidance will be given during lectures.

The following provide relevant readings, and will be useful for the course:

HP: Holt, R. and Pressman, S. (eds.) (2001) *A New Guide to Post Keynesian Economics* (London: Routledge).

HK: Harcourt, G. and Kriesler, P. (eds.) , *The Oxford Handbook of Post-Keynesian Economics*. 2 Volumes (Oxford University Press, 2013)

JK: King, J. (ed.) (2003, 2012) *The Elgar Companion to Post Keynesian Economics* (Cheltenham: Edward Elgar), First and Second Editions.

JK2: King, J. (2015) *Advanced Introduction to Post Keynesian Economics* (Cheltenham, Edward Elgar)

ML: Lavoie, M. (2009) *Introduction to Post-Keynesian Economics* (Cheltenham, Edward Elgar).

ML2: Lavoie, M. (2014) *Post-Keynesian Economics* ((Cheltenham, Edward Elgar).

HHKN1 Halevi, J., Harcourt, G.C. Kriesler, P. and Nevile, J. (2016) *Post-Keynesian Essays from Down Under Volume I: Essays on Keynes, Harrod and Kalecki: Theory and Policy in an Historical Context* Palgrave Macmillan ISBN-10: 1137475374

HHKN2 Halevi, J., Harcourt, G.C. Kriesler, P. and Nevile, J. (2016) *Post-Keynesian Essays from Down Under Volume II: Essays on Policy and Applied Economics: Theory and Policy in an Historical Context* Palgrave Macmillan ISBN-10: 113747534X

HHKN3 Halevi, J., Harcourt, G.C. Kriesler, P. and Nevile, J. (2016) *Post-Keynesian Essays from Down Under Volume III: Essays on Ethics, Social Justice and Economics: Theory and Policy in an Historical Context* Palgrave Macmillan ISBN-10: 1137475315

HHKN4 Halevi, J., Harcourt, G.C. Kriesler, P. and Nevile, J. (2016) *Post-Keynesian Essays from Down Under Volume IV: Essays on Theory: Theory and Policy in an Historical Context* Palgrave Macmillan ISBN-10: 1137475285

A good introductory book is:

JS Stanford, J. (2015 2nd ad) *Economics for Everyone: A Short Guide to the Economics of Capitalism*, Pluto Press: London

Full text access for these eBooks is now available in SearchFirst (UNSW Library).

Detailed references are provided in the course outline for the semester, which follows, but students should also refer to recent issues of the following academic journals: *Cambridge Journal of Economics*; *Journal of Economic Issues*, *Journal of Post-Keynesian Economics*; *Review of Political Economy*, and *Review of Keynesian Economics*.

In addition, the *Economics and Labour Relations Review* and the *Journal of Australian Political Economy* often include articles that are related to topics and themes covered in this course which are relevant to the Australian economy.

Students should also access the World Economic Association <http://www.worldeconomicsassociation.org/index.php>, launched in 2011. This association publishes *Real-World Economics Review*, a particularly useful source of commentary on economic policy and theory debates: <http://www.paecon.net/PAERreview/>

The Marxists.org website has information on many of the major figures of Political Economy, as well as links to original sources: <http://marxists.org/>

There are also many links to original sources in the history of economic thought at <http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/>

7 COURSE SCHEDULE

7.1 Lecture Schedule

Lectures start in Week 1 and finish in Week 13.

You can access all journal articles from the library. References preceded by an asterisk

* are available from the library online. All journal articles are available from the library website.

Week 1 – 24 July: Introduction: What Is This Thing Called “Political Economy”?

Cross, R. and Strachan, D. (2001) ‘Three pillars of conventional wisdom’, *Review of Political Economy*, 13 (2), 181-200.

King, J. (2013) “A case for pluralism in economics “ *The Economic and Labour Relations Review*, 24: 17-31

Lee, F.S. (2012) ‘Heterodox economics and its critics’, *Review of Political Economy*, 24 (2) 337-51.

O’Hara, P. (1999) ‘Political economy: major contemporary themes’ in O’Hara, P. (ed.) (1999) *Encyclopaedia of Political Economy 2 Volumes* Routledge, London pp 861-7.

*Sweezy, P. (1972) ‘Towards a critique of economics’, in *Modern Capitalism and Other Essays* (New York: Monthly Review Press), 53-63.

ML2 pp. 1-30

JS Part 1

History of the student complaints about the way economics has been taught in France and Cambridge and Harvard University’s:

<http://www.paecon.net/HistoryPAE.htm>

Australian movement at la Trobe:

<http://www.ppesociety.org.au>

More recent protests:

<http://www.popularresistance.org/students-call-for-economics-to-break-from-free-market-theory/>

<http://www.post-crasheconomics.com/>

<http://www.cambridgepluralism.org/>

<http://www.rethinkeconomics.org/>

<http://www.theage.com.au/comment/the-problem-with-the-way-we-educate-economists-20140513-zrasc.html>

For a detailed historical account of the development of ‘heterodox economics’ see:

*Lee, F. S. (2009) *A History of Heterodox Economics: Challenging the Mainstream in the Twentieth Century* (New York: Routledge).

Week 2 – 31 July: Marxian Approaches to Economics

Most of Marx’s key contributions can be accessed at Epub archive of Marx and Engels:

<http://marxists.org/archive/marx/works/download/epub/index.htm>

Freedman, R. (ed.) (1962) *Marx on Economics* (New York: Penguin) (contains selections from Marx’s original writings). (in HUC)

- *Harcourt, G. C. and Kerr, P. (1996) "Karl Marx, 1818-83" reprinted in Harcourt, G. C. (2001) *50 Years a Keynesian and Other Essays*, (Houndmills, UK: Palgrave Macmillan)
- Junankar, P. N. (1982) *Marx's Economics*, (Oxford: Philip Allan Publishers Ltd.) on course website
- *Lucarelli, B. (2004) *Monopoly Capitalism in Crisis* (London: Palgrave Macmillan), chapter 1.
- Sardoni, C. (2015) "Is a Marxist explanation of the current crisis possible?", *Review of Keynesian Economics*, Vol. 3 No. 2, 143–157
<http://www.elgaronline.com/view/journals/roke/3-2/roke.2015.02.01.xml>
- *Sweezy, P. (1981) 'The contradictions of capitalism', chapter 2 in Sweezy, P. *Four Lectures on Marxism* (New York: Monthly Review Press), 26-45.
- Jeffries, S The Guardian, Thursday 5 July 2012 "Why Marxism is on the rise again"
<http://www.guardian.co.uk/world/2012/jul/04/the-return-of-marxism>
- Sperber, S The Guardian Thursday 16 May 2013 "Is Marx still relevant?"
<https://www.theguardian.com/books/2013/may/16/karl-marx-ideas-resonate-today>

Week 3 – 7 August: The Keynesian Legacy

JK: Davidson, P. 'Keynes's *General Theory*'.

- *Davidson, P. (2007) *John Maynard Keynes* (Houndmills, UK: Palgrave Macmillan), chapter 5.
- Harcourt G.C. & Kriesler, P. (2011) "The enduring importance of *The General Theory*" *Review of Political Economy*, 23, 503–519 reprinted in **HHKN1**
- Keynes, J. M. (1936) *The General Theory of Employment, Interest and Money* (London: Macmillan), especially chapters 1, 18 & 19 [available on line at:
 [available on line at:
http://www.ttu.ee/public/m/mart-murdvee/EconPsy/1/Keynes_J.M._1935_The_General_Theory_of_Employment_Interest_and_Money.pdf
<https://www.marxists.org/reference/subject/economics/keynes/general-theory/>
https://ebooks.adelaide.edu.au/k/keynes/john_maynard/k44g/
<http://ambidextrouscivicdiscourse.com/wp-content/uploads/2010/10/The-General-Theory-of-Employment-Interest-and-Money.pdf>
- Keynes, J. M. (1937) 'The General Theory of Employment', *Quarterly Journal of Economics*, 51 (2), 209-23.
 (<http://cas.umkc.edu/econ/economics/faculty/Forstater/506/506readings/general%20theory%20of%20employment.pdf>)
- *Pasinetti, L. (1974) "The economics of effective demand" in his *Growth and Income Distribution: Essays in Economic Theory*, Cambridge University Press, chapter 2
- *Skidelsky, R. (2009) *Keynes: The Return of the Master* (New York: Public Affairs), chapters 4 and 5.

Week 4 – 14 August: Kalecki's Contribution: Pricing, Distribution and Output

JK: Toporowski, J. 'Kaleckian economics'.

HK Dixon, R. and Toporowski, J. "Kaleckian Economics"

- *Kalecki, M. (1969) 'Money and real wages, part 1', in Kalecki, M., *Studies in the Theory of Business Cycles: 1933-1939* (Oxford: Oxford University Press), 40-59.
- Kalecki, M. (1971) *Selected Essays on the Dynamics of the Capitalist Economy (1933-70)*, (Cambridge: Cambridge University Press), chapters 5-9, 14.
- *King, J. E. (2002) *A History Post Keynesian Economics* (Cheltenham: Edward Elgar), chapter 3.
- Kriesler, P. (1997) 'Keynes, Kalecki and *The General Theory*', in G.C.Harcourt, and P. Riach. (eds.) *A 'Second Edition' of Keynes's General Theory* (London: Routledge), 300-322 (on course website) reprinted in **HHKN1**
- Kriesler, P. & McFarlane B. (1993) 'Michal Kalecki on capitalism', in *Cambridge Journal of Economics*, Vol. 17 (2), pp. 215-243. reprinted in **HHKN1**
- *Targetti, F. & Kinda-Hass, B. (1982) 'Kalecki's Review of Keynes' General Theory', in *Australian Economic Papers*, 21, 244-260.
- Chakraborty, A *The Guardian*, Tuesday 15 January 2013 "Austerity? Call it class war – and heed this 1944 warning from a Polish economist"
<http://www.guardian.co.uk/commentisfree/2013/jan/14/deepening-mess-words-polish-economist>

<p>Week 5 – 21 August: Critique of Mainstream Economics: Method and Methodology</p>
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- *Dow, S. C. (1996) *The Methodology of Macroeconomic Thought*, Second Edition, (Cheltenham: Edward Elgar), chapter 2.

HK Hart, N., Halevi, J. and Kriesler, P. "The traverse, equilibrium analysis, and post-Keynesian economics" Dow, S. "Methodology and post-Keynesian economics"

JK Kriesler, P. "Traverse"

JK2: Chapter 4

- *Setterfield, M. (1995) 'Historical time and economic theory', *Review of Political Economy*, 7 (1), 1-27.

Further Reading:

Dow, S.C. (1996) *The Methodology of Macroeconomic Thought*, Second Edition, (Cheltenham: Edward Elgar), chapters 3-4.

Dow, S. C. (2015) "Addressing uncertainty in economics and the economy", *Cambridge Journal of Economics*, 39 (1): 33-47.

Hart, N. (2003), 'Marshall's Dilemma: Equilibrium versus Evolution', *Journal of Economic Issues*, 38 (4), 1139-60.

Hodgson, G.M. (1999) *Evolution and Institutions* (Cheltenham: Edward Elgar), chapter 6.

*Kaldor, N. (1972) 'The irrelevance of equilibrium economics', *Economic Journal*, 82 (4), 1237-55.

*Robinson, J. (1978) 'History Versus Equilibrium', in Robinson, J. (ed.), *Contributions to Modern Economics* (Oxford: Basil Blackwell).

*Robinson, J. (1973) "A Lecture Delivered at Oxford by a Cambridge Economist" in her *Collected Economic Papers, Volume IV*,(Oxford: Blackwell)

<p>Week 6 – 28 August: Post-Keynesian Economics: Central Themes: Guest Lecture Geoffrey Harcourt</p>

HP: Holt, R. and Pressman, S. 'What is Post Keynesian Economics' (chapter 1); Dow,

ML: chapter 1.
ML2 pp. 30-71
JK Most of it
JK2 Most particularly chapter 2

Further reading:

- JK:** Dow, S.C. 'Babylonian Mode of thought; Brown, A. 'Critical Realism'.
*Harcourt, G.C. (2006) *The Structure of Post-Keynesian Economics* (Cambridge University Press). [a useful biographical sketch of pioneering Post-Keynesian economics can be found in Appendix 1].
HK Harcourt, G. C. and Kriesler, P. "Introduction", Kregel, J. "A personal view of the origins of post-Keynesian ideas in the history of economic thought", Davidson, P. "Keynesians foundations of post-Keynesian economics"
King, J.E. (2002) *A History of Post Keynesian Economics Since 1936* (Cheltenham: Edward Elgar).
*Lee, F and Lavoie, M. (2013 eds.) *In Defense of Post-Keynesian and Heterodox Economics: Response to Their Critics*, (London, Routledge)
Harcourt, G. C., Kriesler, P. and Nevile, J (2015) "Macroeconomic Policy for the Real World: A Post-Keynesian Perspective" *Economic Papers*, 34 (3), 3108–117
Hart, N.. and Kriesler, P. (2015) "Post-Keynesian Economics: A User's Guide" *Australian Economic Review*, 48 (3) pp. 321- 332
Harcourt, G. C. and Kriesler, P (2015) "Post-Keynesian Theory and Policy for Modern Capitalism" with Harcourt, G. C. *Journal of Australian Political Economy*, no 75: 27-41.
Vela Velupillai, K. (2017) "G.C. Harcourt (1931-)" in Cord, R. A. (ed). *The Palgrave Companion to Cambridge Economics Vol. 2*, (London: Palgrave Macmillan), 1003-1026
Hein, E. (2017) "Post-Keynesian macroeconomics since the mid-1990s - main developments" https://www.boeckler.de/pdf/p_fmm_imk_wp_01_2017.pdf

Week 7 – 4 September: Midsession Test During Lectures

Week 8 –11 September: Alternate Theories of Pricing

- HP:** Lavoie, M. 'Pricing' (chapter 3).
JK: Lee, F. S. 'Pricing and prices'; Shapiro, N. 'Competition'.
JK2: pp. 48-52
ML: chapter 2.
ML2: chapter 3
HK Coutts, K. and Norman, N. "Post-Keynesian approaches to industrial pricing: a survey" and Lee, F. "Post-Keynesian price theory: from pricing to market governance to the economy as a whole"
*Harcourt, G.C. (2006) *The Structure of Post-Keynesian Economics* (Cambridge: University Press), chapter 3.

Further reading

- *Eichner, A.S. (1973) 'A Theory of the Determination of the Mark-up Under Oligopoly', *Economic Journal*, 83, 1184-1200.
*Hall, R.L. and Hitch, C.J. (1939) 'Price Theory and Business Behaviour', *Oxford Economic Papers*, 2, 12-33.
Lee, F. S. (1998) *Post Keynesian Price Theory* (Cambridge: Cambridge University Press).

*Shapiro, N. and Sawyer, M. (2003), 'Post Keynesian Price Theory', *Journal of Post Keynesian Economics*, 25 (3), 355-66.

Week 9 – 18 September: Labour and Unemployment

HP: King, J. 'Labour and unemployment' (chapter 7).

JK: Forstater, M. 'Unemployment'; Seccareccia, M. 'Wages and the labour market' (only in 1st ed.).

JK2: pp. 52-56

JS Part 2

ML2: chapter 5

Further reading:

Flassbeck, H. (2013) "Labor markets and economic development" in Flassbeck, H., Davidson, P., Galbraith, J., Koo, R. and Ghosh, J. (eds.) *Economic Reform Now* (London: Palgrave Macmillan)

*Marglin, S. (1974) 'What do bosses do?', *Review of Radical Political Economy*, 6 (2), 60-112.

Seccareccia, M. (1991) "An alternative to labour-market orthodoxy: the Seccareccia, M./institutionalist policy view" *Review of Political Economy* 3, 43-61

*Thompson, P. (1989) *The Nature of Work* (2nd edition) (London: Macmillan), chapter 4, pp. 89-121.

Series of articles on industrial relations policies in Australia in the *Economics and Labour Relations Review*, 16 (2) 2006.

and also the *Economics and Labour Relations Review*, 18 (2) 2008 Beyond Work Choices: Remaking Industrial Relations'.

Week 10 – 2 October Money and Finance

HP: Wray, R. 'Money and Inflation' (chapter 8).

JK: Hewitson, G. 'Banking'; de Carvalho, F. 'Central banks', Howells, P. 'Monetary Policy'; Moore, B. 'Endogenous money', Wray, R. 'Money', and Rochon, L. 'Financial Instability Hypothesis'.

ML: chapter 3.

ML2: chapter 4

HK: Wray, R. "Money", Chick, V. and Dow, S. "Post-Keynesian theories of money and credit: conflicts and (some) resolutions" and King, J. "Hyman Minsky and the financial instability hypothesis"

JS Chaps 17-19

*Harcourt, G.C. (2006) *The Structure of Post-Keynesian Economics* (Cambridge University Press), chapter 5.

Further Reading:

*Kriesler, P. and Lavoie, M. (2005) 'A Critique of the New Consensus View of Monetary Policy', *Economic and Labour Relations Review*, 16 (1), 7-15. Reprinted in **HHKN2** (a more technical version of this paper is "The New View On Monetary Policy: The New Consensus and Its Post-Keynesian Critique", *Review of Political Economy*, 2007, 19 (3), 387-404) Reprinted in **HHKN4**

*Lavoie, M. (2003) 'A primer on endogenous credit-money', in Rochon, L. and Rossi, S. (eds.) *Modern Theories of Money* (Cheltenham: Edward Elgar), chapter 21,

- *Minsky, H. (1985) 'The Financial Instability Hypothesis: A Restatement', in Arestis, P. and T. Skouras (eds.) *Post-Keynesian Economic Theory*, (London: Wheatsheaf), 24-56.
- Wray, L. R. (2009) 'The rise and fall of money manager capitalism: a Minskian approach', *Cambridge Journal of Economics*, 33, 807–28

Week 11 – 9 October: The Political Economy of Macroeconomic Policy

- HP:** Pressman, S. 'The role of the state and the state budget' (chapter 10).
- JK:** Lopez G, J. Budget deficits; Sawyer, M. 'Economic policy'; Nevile, J.W. 'Fiscal policy'.
- JK2:** Chapter 7
- JS** Chpts 20. 21
- HK:** Holt, R. "The post-Keynesian critique of the mainstream theory of the state and the post-Keynesian approaches to economic policy", Arestis, P. and Sawyer. M. "A modern Kaleckian-Keynesian framework for economic theory and policy"
- ML2:** pp. 339-346
- Dow, S. C. (1996) *The Methodology of Macroeconomic Thought*, Second Edition, (Cheltenham: Edward Elgar), chapter 9.
- Harcourt, G. C. (2013) "The ABC of G & T", on course website
- Harcourt, G. C., Kriesler, P. and Nevile, J (2015) "Macroeconomic Policy for the Real World: A Post-Keynesian Perspective" *Economic Papers*, 34 (3),3108–117
- Hart, N. (2009) 'Discretionary Fiscal Policy and Budget Deficits: An 'Orthodox' Critique of Current Policy Debate', *Economic and Labour Relations Review*, 19 (2), 43-62.
- *Kalecki, M. (1943), 'Political Aspects of Full Employment', *Political Quarterly*, 4, 322-31, reprinted in E.K. Hunt & J. Schwartz, J. (eds.) (1972), *A Critique of Economic Theory* (Penguin), 420-30.

Further reading

- Arestis, P. and Sawyer, M. (2010) 'The Return of Fiscal Policy', *Journal of Post Keynesian Economics*, 32 (2), 327-46.
- Galbraith, J. (2008) "The fiscal facts: public and private debts and the future of the American economy" The Levy Economics Institute of Bard College, Public Policy Note No. 2 http://www.levy.org/pubs/pn_2_06.pdf
- Hart, N. (2011) 'Macroeconomic Policy and Abba Lerner's System of Functional Finance', *Economic Papers*, 30 (2), 208-217.
- Kriesler, P. and Nevile, J. (2011) 'Why Keynesian Policy was More Successful in the Fifties and Sixties than in the Last Twenty Years', *Economic and Labour Relations Review*, 22 (1), 1-16. Reprinted in **HHKN2**
- *Sawyer, M., (1995), 'Obstacles to full employment in capitalist economies', in P.Arestis and M.Marshall (eds.), *The Political Economy of Full Employment* (Cheltenham: Edward Elgar).

Week 12 -13: 16 and 23 October The Global Economic Crisis

The Global Financial Crisis

- JK:** Blankenberg, S. 'Global Financial Crisis'.
- JK2:** Chapter 8
- JS** Chapter 26
- ML:** pp. 142-55.

HK: Dymski, G. “The Neoclassical sink and the heterodox spiral: why the twin global crisis has not transformed economics” and Taylor, L. “Keynesianism and the crisis”

Bob Marks has produced a Timeline of the Global Financial Crisis (GFC) from 1720 to 2015. The most up-to-date version is available at:

<http://www.agsm.edu.au/bobm/papers/marksfinal.pdf>

Caballero, R. J. (2010) ‘Macroeconomics after the Crisis: Time to deal with the Pretence-of-Knowledge Syndrome’, *Journal of Economic Perspectives*, 24 (4), 85–102.

Harcourt, G. C. (2010) ‘The Crisis in Mainstream Economics’, *Real-World Economics Review*, 53, 47-51.

Krugman, P. (2009) ‘How did economists get it so wrong?’,
http://www.com/2009/09/06/magazine/06Enytimeseconomic-t.html?_r=1&em

Palley, T. (2009) “After the Bust: The Outlook for Macroeconomics and Macroeconomic Policy” The Levy Economics Institute of Bard College, Public Policy Brief No. 97, 2009, http://www.levy.org/pubs/ppb_97.pdf

*Skidelsky, R. (2009) *Keynes: The Return of the Master* (New York: Public Affairs), chapters 1 and 2.

Further reading:

*Bertocco, G. (2017) *Crisis and the Failure of Economic Theory: the Responsibility of Economists for the Great Recession*, Cheltenham: Edward Elgar

*Cynamon, B., Fizzer, S. and Setterfield, M. (2013) *After the Great Recession: The Struggle for Economic Recovery and Growth*, Cambridge: Cambridge University Press

Cynamon, B and Fazzari, F. (2016) “Inequality, the Great Recession and slow recovery” *Cambridge Journal of Economics* 40: 373-399

Dutt, A. K. (2015) “Uncertainty, power, institutions, and crisis: implications for economic analysis and the future of capitalism” *Review of Keynesian Economics*, Vol. 3, 9-28 <http://www.elgaronline.com/view/journals/roke/3-1/roke.2015.01.02.xml>

Foster, J.B. and Magdoff, F. (2009) *The Great Financial Crisis: Causes and Consequences* Monthly Review Press

Hart, N. (2011) ‘Mainstream Macroeconomics: A Keynesian Revival?’, *Economic and Labour Relations Review*, 22 (1), 17-40

Kregel, J. (2009) ‘It’s that “Vision” Thing: Why the Bailouts Aren’t Working, and Why a New Financial System Is Needed’ The Levy Economics Institute of Bard College, Public Policy Brief No. 100, 2009,
http://www.levy.org/pubs/ppb_100.pdf

Kriesler, P. and Nevile, J. (2014) “The collapse of neoliberal capitalism: Causes and cures: A review article” *The Economic and Labour Relations Review* 25: 518-531

Lim, M. (2008) “Old Wine in a New Bottle: Subprime Mortgage Crisis—Causes and Consequences” The Levy Economics Institute of Bard College Working Paper No. 532 http://www.levy.org/pubs/wp_532.pdf

*Lucarelli, B. (2011) *The Economics of Financial Turbulence: Alternative Theories of Money and Finance* (Cheltenham: Edward Elgar), chapters 6 and 7.

Lucas, R. E. (2009) ‘In Defence of the Dismal Science’, *The Economist* print edition, 6 Aug 2009, available:

http://www.economist.com/research/articlesBySubject/displaystory.cfm?subject_id=348918&story_id=14165405.

- Nevile, J. W. and Kriesler, P. (2014) "A bright future can be ours! Macroeconomic policy for non-eurozone Western countries" *Cambridge Journal of Economics* 38 (6): 1453-1470
- Stockhammer, E. (2015) Rising inequality as a cause of the present crisis" *Cambridge Journal of Economics* 39 (3): 935-958.
- Williams, E.E. (2011) 'In the land of blind the one-eyed are king: how financial economics contributed to the collapse of 2008-2009, *Journal of Post Keynesian Economics*, 34 (1), 3-23.

Symposium on the Global Financial Crisis, *Economics and Labour Relations Review* (2009) Vol. 19 No 2.

Special issue - Crisis, Austerity, Neoliberalism and alternatives *Economics and Labour Relations Review* (2014) Vol. 25 No. 3

Special Issue: The Global Financial Crisis *Cambridge Journal of Economics*, (2009) Vol. 33, and Special Issue: Austerity: Making the same mistakes again - Or is this time different? *Cambridge Journal of Economics* (2012) Vol. 36 [especially the paper by J. Crotty]

From 2008 onwards, there have been a number of articles on the GFC published in *Real-World Economics Review*: <http://www.paecon.net/PAEReview/>

A very useful online reading on financialisation is <https://www.tni.org/en/publication/financialisation-a-primer>

7.2 Tutorial Schedule

Tutorials start in Week 2 and finish in Week 13. Tutorials in this course will consist of critical discussions of the question set each week. The recommended readings for the relevant lecture should be regarded as the starting point for research into the questions. Students are required to submit an on-line tutorial paper for six of the tutorial questions, as well as being asked to lead the discussion of one tutorial.

Week 2 – 31 July: INTRODUCTION AND ALLOCATION OF TOPICS

Tutorial Question.

What are your views on the criticisms of conventional economics presented in the Cross paper?

There is no tutorial presentation question set for week 2; *questions will be allocated to students during this tutorial.*

Week 3 – 7 August: MARXIAN APPROACHES TO ECONOMICS

Tutorial Question

Marx's questioning of the automatic self-regulation of capitalist economies is still as relevant in the twenty-first century as it was when he analysed it. Do you agree?

Week 4 – 14 August: THE KEYNESIAN LEGACY

Tutorial Question

According to Keynes there is no mechanism within market economies that automatically guarantees full employment. Explain why this is the case, and what, according to Keynes, determines the level of employment.

Week 5 – 21 August: KALECKI'S CONTRIBUTION

Tutorial Question

Explain how, according to Kalecki the distribution of output is determined, and the role that this plays in determining the overall level of output and employment..

Week 6 – 28 August: CRITIQUE OF MAINSTREAM ECONOMICS: METHOD AND METHODOLOGY

Tutorial Question

Explain what is meant by path determinacy and the traverse. What Are the implications of these for equilibrium analysis?

Week 7 – 4 September: Mid-Session Test – No Tutorials This Week

Week 8 – 11 September: POST-KEYNESIAN ECONOMICS

Tutorial Question

Explain the major differences between Post-Keynesian and mainstream economists, paying particular attention to the role of uncertainty for both.

Week 9 – 18 September ALTERNATE THEORIES OF PRICING

Tutorial Question

“There is no general heterodox -theory of economic behaviour as economic agents will be influenced by different pasts, different institutions and by different social contexts. As a result, we would expect that the rules of thumb and habits that have evolved will differ between different economies, between different sectors of the economy and between different industries. In other words, for nonmainstream economics, we would not expect there to be a general theory of economic behaviour at any level. Rather, what we would expect to see are different rules or conventions depending on where we are looking. So, for example, when we consider theories of pricing, what we see is that there are different considerations operating at different places and at different times. The general rule of thumb of pricing for nonmainstream economics, is that prices are determined as a markup on costs. But which costs are relevant, and what determines the size of the markup will themselves vary across the economy and between different economies.” Discuss.

Week 10 – 3 October LABOUR AND UNEMPLOYMENT

Tutorial Question

According to political economists, how are wages and employment determined in capitalist economies. Compare and contrast this with the explanations offered by mainstream economists.

Week 11 – 9 October: MONEY AND FINANCE

Tutorial Question

“For political economists, monetary factors influence real factors and real factors influence monetary ones in both the short and the long period.” Explain the significance of this statement.

Week 12 – 16 October: THE POLITICAL ECONOMY OF MACROECONOMIC POLICY

Tutorial Question

Explain why neoclassical economists believe that monetary policy is more effective in influencing the economy in the short run than fiscal policy, while political economists believe that fiscal policy is more effective in both short and long run.

Week 13 – 23 October: THE GLOBAL ECONOMIC CRISIS and REVISION