THE UNIVERSITY OF
NEW SOUTH WALES

School of Economics

# ECON 3119

# PECO 3000

# POLITICAL ECONOMY

**COURSE OUTLINE**
**SESSION 2 2007**

**COURSE WEBSITE**

http://vista.elearning.unsw.edu.au/

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# 1. Teaching Staff

The ***Lecturer-in-charge*** is Neil Hart John Goodsell Room 201; Ph. 9385 3351; mobile. 0402 883 500, email: n.hart@unsw.edu.au .The Lecturer-in-charge is responsible for the overall direction and content of the course.

You should feel free to approach your *lecturer* about any academic matter, his consultation hours will be posted on the course website.

# 2. Information about the course

## *2.1 Units of Credit and Class Hours*

This course is worth 6 units of credit.
There is 1 x 2 hour lecture per week and 1 x 1 hour tutorial class

## *2.2 Lecture Times And Locations*

Lectures are on:

| | | |
|---|---|---|
| Thursday | 13.00-15.00 | CLB 2 |

## *2.3 Tutorial Group Allocations*

Tutorials will commence in the second week of session. Tutorial times will be allocated during the first lecture.

As tutorial discussions form an integral part of this course, attendance at tutorials is compulsory. Attendance also implies that you will be fully prepared to enter into any discussion and answer any question raised, so students are advised to prepare answers in advance. It is imperative that you attend the group to which you are allocated.

## *2.4 Relationship of this course to other courses*

This course provides an introduction to the analysis of political economy at an advanced level.

## *2.5 Approach to Learning and Teaching*

The philosophy underpinning this course and its Teaching and Learning Strategies (see 3.3 below ) are based on "Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at : www.guidelinesonlearning.unsw.edu.au.

# 3. Course Aims and Outcomes

## *3.1 Course Aims*

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.

## *3.2 Student Learning Outcomes*

In addition to acquiring a deeper and more meaningful understanding of growth analysis this course assists in providing an environment that fosters in our students the following graduate attributes:

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

## *3.3 Teaching and learning Strategies*

The examinable content of the course is defined by the content of the content of Lectures, the relevant sections of the textbook 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 emphasise the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

### Tutorials

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. A Tutorial Program of Review Questions is provided below for tutorial meetings.

### 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) may include:

*Reading of the relevant chapter(s) of the text and of any additional references and accessing the lecture overheads from the course website **before the lecture.**
This will give you a general idea of the topic area.

*Attendance at lecture.
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
Tutorials reinforce the contents of the lecture by applying the general principles to different issues, as well as reinforcing critical thinking and presentations skills.

# 4. Student responsibilities and conduct

## *4.1 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 prepare for a Tutorial Presentation or an examination, 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.

## *4.2 Attendance*

Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment. Only those students maintaining a passing grade prior to the final examination **and** who have attended at least seven (7) tutorials will be considered for a supplementary examination at the end of the session.

## *4.3 General Conduct and Behaviour*

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class, and/or refused final assessment. More information on student conduct is available at: www.my.unsw.edu.au

## *4.4 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.

### 4.5 General Responsibilities

***It is your responsibility to ensure that:***

1. You are recorded by the University as being correctly enrolled in all your courses. **Monday 23 July** is the first day of session, **Friday 3 August** is the last day you can enrol in Semester 2 courses. The last day for students to discontinue without financial penalty is **Friday 31 August** and the last day to discontinue without academic penalty is **Friday 14 September.**
2. Note that **Friday 7 September** is a special public holiday this year due to the disruption caused by the APEC summit in Sydney.
3. You have successfully completed all prerequisite courses. Any work done in courses for which prerequisites have not been fulfilled will (unless an exemption has been granted) be disregarded, and no credit given nor grade awarded.
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 session's examination period. The scheduling of examinations is controlled by the University administration. No early examinations are possible. The examination period for Session 2, 2007 falls between **9 and 27 November**.
5. When the provisional examination timetable is released (**2 October**), ensure that you have no clashes or unreasonable difficulty in attending the scheduled examinations. The final examination timetable is released on **Tuesday 23 October**.
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.
7. You keep the University informed of all changes to your contact details.
8. You make a copy of all work submitted for assessment, and keep returned marked assignments and essays.

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

## 5. Assessment

### 5.1 Formal Requirements

In order to pass this course, you must:

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

### 5.2 Assessment Details

Assessment will consist of:

| | |
|---|---|
| *Tutorial Journals* | *20%* |
| *Tutorial Assignment* | *20%* |
| *Comprehensive final examination* | *60%* |

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

For tutorials students will be required to lead a tutorial discussion as well as keeping an online journal to critically analyse discussion questions.

## Tutorial assignment

Each student will be allocated a tutorial topic at the first tutorial. This will form the basis of a tutorial presentation and tutorial paper. The tutorial topics will correspond to an '**Article for Discussion'** listed in the tutorial program. The tutorial paper should examine the relevant article, considering the author's purpose in writing it, its central themes and so on. It should be no more than 1,000 words. In addition, the student(s) should introduce discussion about the article, presenting its major themes to the tutorial, and leading discussion. The written paper is due in the tutorial in the week after it is presented. More details will be given in the first tutorial. The grade for tutorial papers will also assess overall tutorial performance, and the presentation of the paper.

## Tutorial Journals

Students will be required to keep a record of their tutorial preparations for the '**Tutorial Question'** set each week, 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 weekly, and is due on the Tuesday before the tutorial. 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 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 (i.e. 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 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 you 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, WebCT records the EXACT time you posted your journal entry); and
2) the quality of your entries.
Further details will be made available on the web.

### Final Examination:

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 three essay questions with some choice given.

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 economic concepts and their appropriate use, to test the ability to use economic reasoning to make deductions.

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

## *5.3 Special Consideration and Supplementary examinations*

A supplementary final examination *may* be offered to students who failed to attend the final examination for medical reasons, or whose performance during the final examination has been severely affected by illness, or other extraordinary circumstances that can be documented by the student. Supplementary examinations are not offered as a matter of course. The following conditions *must* be fulfilled before such an application to sit for a supplementary final examination will be considered:
(i) the student's performance during the session (based on the student's tutorial attendance [students must attend at least seven tutorials in the tutorial they are formally enrolled for], their assignment marks) must be deemed to be at a satisfactory level by the lecturer-in-charge, and
(ii) the student has applied for special consideration which is made through NewsouthQ within 3 days of the final examination, and the application is supported with full documentation.
Notes:
*If* a supplementary examination is granted, the format of that examination will be similar to that of the final examination.
Students who are granted a supplementary examination will be advised of the date of the supplementary exam as soon as possible, and students have the responsibility to make themselves available to sit for the supplementary exam on the date specified.

Information and policy about special consideration and supplementary examinations – it is recommended that there is a standard School policy, which is available on the School website and referred to in the course outline.

# 6. Academic Honesty and Plagiarism

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see: www.my.unsw.edu.au/student/atoz/Plagiarism

Plagiarism is the presentation of the thoughts or work of another as one's own.* Examples include:

- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, web site, Internet, other electronic resource, or another person's assignment without appropriate acknowledgement;
- paraphrasing another person's work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,
- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.†

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does *not* amount to plagiarism.

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

www.lc.unsw.edu.au/plagiarism

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle
† Adapted with kind permission from the University of Melbourne.

# 7. Student Resources

## *7.1 Course Website*

The ECON 3119 PECO 3000 Political Economy website may be found, among others of your courses at:
http://vista.elearning.unsw.edu.au/
To log in, you will need to click on the blue UNSW, link on the middle of the page. Enter your student number prefixed with a lower case z and your unipass password and then click "Log in". Then click on the subject name or number.

Students are expected to:

- Make sure that they are officially enrolled in the correct course
- Familiarise themselves with WebCT
- 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. VistaWebCT information and support services can be found at:
http://support.vista.elearning.unsw.edu.au/

## *7.2 Textbook and Readings*

There is a course packet, in two volumes, available from the bookshop, which collects the major readings for the course (referred to as CP in the readings). In addition, some useful starting points are:

Dow, S. (1996) *The Methodology of Macroeconomic Though* Edward Elgar, Cheltenham. (Cited as SD)
Holt, R. and Pressman, S. (eds) (2001) *A New Guide to Post Keynesian Economics* Routledge, London (Cited as HP)
King, J. (ed.) (2003) *The Elgar Companion to Post Keynesian Economics* Edward Elgar, Cheltenham. (Cited as JK)
Mair, D. & Miller, A. (eds) *A Modern Guide to Economic Thought* [Edward Elgar] (Cited as MM)
O'Hara, P. (ed) (1999) *Encyclopaedia of Political Economy* 2 Volumes Routledge, London

Detailed references are provided in the course outline for the semester, which follows, but students should also refer to recent issues of the *Cambridge Journal of Economics, Journal of Post-Keynesian Economics, The Journal of Economic Issues* and the *Review of Political Economy*. Useful readings on most topics can be found in *The New Palgrave: A Dictionary of Economics* (ed.), Eatwell J., Milgate M. & Newman P. (Macmillan, 1987).

In addition, students should access the The Post-Autistic Economics Network which has been set up by students dissatisfied with the teaching of conventional economics.

There are also many related websites which contain useful information. Two of particular interest are:

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

The New School website which has information of different schools of thought, as well as a series of essays and surveys: http://cepa.newschool.edu/het/

## *7.3 Other Resources, Support and Information*

The University and the Faculty provide a wide range of support services for students, including:

- Learning and study support;
- Counselling support;
- Library training and support services;
- Disability support services;

### Educational Development Unit

Additional learning support, tailored to the needs of FCE students, is available from the Education Development Unit (EDU) in the Faculty. The EDU offers a range of services for FCE students including:
academic skills workshops run throughout the session;
printed and on-line study skills resources e.g. referencing guide, report writing and exam preparation;
a drop-in resource centre containing books and audio visual material that may be borrowed;
a limited consultation service for students with individual or small group learning needs.

More information about the EDU services including on-line resources, workshop details and consultation request forms are available from the EDU website.
Contacts and location:
EDU Web: http://education.fce.unsw.edu.au
EDU Location: Room 2039, Level 2 Quadrangle Building
EDU services are free and confidential and are available to students of the Faculty of Commerce and Economics.

### Other UNSW Support

In addition to the EDU services, the UNSW Learning Centre provides academic skills support services for students. The Learning Centre is located on Level 2 of the Library and can be contacted by Phone: 9385 3890 or through their website: www.lc.unsw.edu.au .

Students experiencing problems of an academic or personal nature are encouraged to contact the Counselling Service at UNSW. This service is free and confidential and run by professional counsellors. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contact on 9385 5418.

Those students who have a disability that requires some adjustment in their teaching and learning environment are encouraged to discuss their study needs with the Lecturer in Charge or with the Equity Officer (Disability) prior to, or at the commencement of, their course The Equity and Diversity Unit can be contacted through 93854734 or www.equity.unsw.edu.au/disabil.html .

Students should be aware of Faculty Occupational Health and Safety policies and expectations. See www2.fce.unsw.edu.au/nps/servlet/portalservice?GI_ID=SystemLoggedOutInheritableArea&maxWnd=_Staff_Info_OHS

## 8. Continual Course Improvement

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 (http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm) is one of the ways in which student evaluative feedback is gathered.

# LECTURE AND TUTORIAL TOPICS

### 1. Introduction: What Is This Thing Called "Political Economy"?.

SD Chapter 4

O'Hara, P. (1999) "Political economy: major contemporary themes" in O'Hara (ed) *Encyclopaedia of Political Economy Vol. 2*, Routledge **CP**

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

Documentation of student complaints about the way economics has been taught in France http://www.btinternet.com/%7Epae_news/texts/a-e-petition.htm, Cambridge UK http://www.btinternet.com/%7Epae_news/Camproposal.htm, and Harvard http://www.btinternet.com/%7Epae_news/Harvard2.htm

### 2. The Method of Political Economy

SD Chapter 2 & 3
Dow, S. "Post Keynesian Methodology" HP Chapter 2
Torrance, T, "The philosophy and methodology of economics": MM, Chpt 2. **CP**
Dow, S. "Babylonian Thought" in JK

Caldwell, B. (1994, 2nd ed.) *Beyond Positivism* [Routledge] Part 1

Dow, S. (1990) "Beyond dualism" *Cambridge Journal of Economics* **CP**

Hausman, D.M. (1989) "Economic methodology in a nutshell" *The Journal of Economic Perspectives* Vol. 3

Keen, S. (2001) "There is madness in their method", in *Debunking Economics* [Pluto Press]

Cross, R. and Strachan, D. (2001) "Three pillars of conventional wisdom" *Review of Political Economy*, Vol. 13 **CP**

## 3. Marxian Influences - Theories of Reproduction and Accumulation

SD pp. 81-83

Desai, Meghnad (1987) "Simple and extended reproduction", in Eatwell, John, Murray Milgate and Peter Newman (eds.) *The New Palgrave - Marxian Economics*. Macmillan: London pp. 338-342.

Kalecki, M. (1984) "The Marxian equations of reproduction and modern economics", in Foster, John Bellamy and Henry Szaifer (eds.) *The Faltering Economy*. Monthly Review Press: New York, pp. 157-167. **CP**

O'Hara, P, (2000) "Marx's Capital and the institutional reproduction of capitalism" in his *Marx, Veblen and Contemporary Institutional Political Economy*, Edward Elgar, Cheltenham

Sweezy, P;. (1968) "Accumulation and the reserve army" in his *The Theory of Capitalist Development*, Monthly Review press, New York

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

Lucarelli, B. (2004) "Accumulation and crisis: Marxian controversies" in his *Monopoly Capitalism in Crisis* Palgrave Macmillan, Houndmills **CP**

## 4. The Keynesian Legacy

Davidson, P. "Keynes's *General Theory*" in JK
SD pp. 61-66

Keynes, J.M., *The General Theory of Employment, Interest and Money*, (Macmillan), Chpts 18 & 19. [available on line at: http://www.marxists.org/reference/subject/economics/keynes/general-theory/ or http://etext.library.adelaide.edu.au/k/keynes/john_maynard/k44g/ ]

Keynes, J.M. (1973), "The General Theory of Employment", *Quarterly Journal of Economics*. Vol. 51, reprinted in *Collected Writings*, Vol.XIV **CP**

Robinson, J.V., (2nd ed. 1969) *Introduction to the Theory of Employment,* (Macmillan).

Targetti, F. & Kinda-Hass, B. (1982) "Kalecki's Review of Keynes' General Theory", *Australian Economic Papers*, Vol.21. **CP**

Dequech, D. (2003) "Keynes's General Theory: valid only for modern capitalism?" *Journal of Post Keynesian Economics Vol. 25* . pp. 471-492 **CP**

Harcourt, G. C. (2004) "The economics of Keynes and its theoretical and political importance: Or, what would Marx and Keynes have made of the happenings of the past 30 years and more?" *Post-Autistic Economics Review* Issue no. 27, 9 September 2004 at http://www.paecon.net/PAEReview/issue27/Harcourt27.htm

## 5. Kalecki's Contribution: Pricing, Distribution And Output

Toporowski, J. "Kaleckian economics" in JK

Kalecki, M. (1971), Selected Essays on the Dynamics of the Capitalist Economy **(1933-70)**, (C.U.P.), Chpts 5-9, 14.

Kalecki, M. (1969), "Money and real wages, part 1" in Studies in the Theory of Business Cycles: 1933-1939, (Oxford). **CP**

Kriesler, P. & McFarlane B. (1993) "Michal Kalecki on capitalism" *Cambridge Journal of Economics* **CP**

Sawyer, M.C. (1985), *The Economics of Michal Kalecki*, (Macmillan), Chpts 2, 4, 6.

Kriesler, Peter (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 **CP**

## 6. The Role Of Equilibrium

Katzner, D. "Equilibrium and Non-equilibrium" and Howard, M. "Walrasian economics" in JK SD Chpt. 6

Kaldor, N. (1978) *Further Essays on Economic Theory* Chpts. 7 & 8 "The irrelevance of equilibrium economics" [1972 *The Economic Journal*, **82**(4), December, pp. 1237-1255]. & "What is wrong with economic theory?" [*Quarterly Journal of Economics*, August 1975, *89* (3), 347-357}

Kriesler, P. (1999) "Harcourt, Hicks and Lowe; incompatible bedfellows?" in Sardoni, C. & Kriesler, P. (eds) *Themes in Political Economy: Essays in Honour of Geoff Harcourt* [Routledge:] **CP**

Kriesler, P. (2003) "Traverse" mimeo **CP**

Robinson, J. (1973) *Collected Economic Papers Vol. IV* Basil Blackwell] reading 27 "A lecture delivered at Oxford by a Cambridge economist" **CP**

Setterfield, M. (1995) 'Historical time and economic theory' *Review of Political Economy*, Vo. 7 No. 1 **CP**

Sraffa, P. (1926) `The Laws of Returns Under Competitive Conditions', *Economic Journal* Vol. 36, pp.535-550. http://cepa.newschool.edu/het/texts/sraffa/sraffa26.htm

## 7. Institutional and Evolutionary Economics

Fagerberg, J. (2003), 'Schumpeter and the Revival of Evolutionary Economics: An Appraisal of the Literature', *Journal of Evolutionary Economics,* Vol.13, Spring, 125-159. **CP**

Hart, N. (2003), 'Marshall's Dilemma: Equilibrium versus Evolution', *Journal of Economic Issues*, Vol. 38, (4), December 1139-1160.

Hodgson, G.M. (1999), *Evolution and Institutions*, Edgar Elgar.

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**

## 8. Post Keynesian Economics

Dow, S., The Post-Keynesian School: MM, Chpt. 7.
SD pp. 76-81
Dow, S. Chapter 2 in HP

Arestis, P. (1992), *The Post-Keynesian Approach to Economics*, Edward Elgar [chapter 4].

Arestis, P. (1996) "Post-Keynesian economics: towards coherence" " *Cambridge Journal of Economics* **CP**

King, J.E. (2002), *A History of Post Keynesian Economics Since 1936*, Edward Elgar.

Harcourt, G.C.. (2001), "Post-Keynesianism thought" in his *50 Years a Keynesian and Other Essays*, Palgrave **CP**

## 9. Alternative Theories Of Pricing

Lavoie, M. "Pricing" in HP chapter 3 **CP**
Lee, F. "Pricing and prices" and Shapiro, N. "Competition" in JK

Arestis, P. (1992), *The Post-Keynesian Approach to Economics*, Edward Elgar [chapter 6].

Capoglu, G. (1991) "A critical review of the Post-Keynesian theory on pricing and investment behavior" in his *Prices, Profits and Financial Structures* Edward Elgar, Cheltenham **CP**

Downward, P. (2001), 'Price Stickiness: A Post Keynesian Microeconomic Perspective', *Eastern Economic Journal,* Vol 27 (2), Spring, 165-182.

Eichner, A.S. (1973) `A Theory of the Determination of the Mark-up Under Oligopoly', *Economic Journal.* Vol. 83, pp. 1184-1200.

Hall, R.L. and Hitch, C.J. (1939) `Price Theory and Business Behaviour', *Oxford Economic Papers*. Vol.2, pp.12-33

Harcourt, G.C. and Kenyon, P. "Pricing and the Investment Decisions," Kyklos (1976): 449 - 477. available at: http://cas.umkc.edu/econ/economics/faculty/Lee/courses/602/readings/investment4.pdf

Reynolds, P. (1990) "Kaleckian and Post-Keynesian theories of pricing: some extensions and implications" in Arestis, P. & Kitromilides, Y. (eds) *Theory and Policy in Political Economy* Edward Elgar, Cheltenham **CP**

Shapiro, N. and Mott, T. (1995) "Firm-determined prices: the Post-Keynesian conception" in Wells, P. (ed) *Post-Keynesian Economic Theory* Kluwer Academic Publishers **CP**

Shapiro, N. and Sawyer, M. (2003) "Post Keynesian price theory" *Journal of Post Keynesian Economics* Vol. 25 . pp. 355-366 **CP**

Downward, P. (2000). "A realist appraisal of Post Keynesian pricing theory", *Cambridge Journal of Economics*, Vol. 24(2), March, pp. 211-224 **CP**

## 10. The Labour Market and Labour Processes

King, J. "Labour and unemployment" HP chapter 7
Hudson, J. "Employment", Mitchell, W. and Watts, M. "Full employment", Forstater, M. "Unemployment" and Seccareccia, M. "Wages and the labour market"(**CP**) in JK

Gordon, D. (1976) "Capitalist efficiency and socialist efficiency" *Monthly Review*

Rebitzer, J.B. (1993) "Radical political economy and the economics of labour markets" *Journal of Economic Literature* **CP**

Seccareccia, M. (1991) `An Alternative to Labour-Market Orthodoxy: The Post-Keynesian/Institutionalist Policy View', *Review of Political Economy*. Vol.3(1), pp.43-61 **CP**

Thompson, P. (1989) *The Nature of Work* (2nd edition) The Macmillan Press chapters 3-5 **CP**

Marglin, S. (1974) "What do bosses do?" *Review of Radical Political Economy* **CP**

Mitchell, W.F. and Mosler, W. (2001), 'Fiscal Policy and the Job Guarantee', *Australian Journal of Labour* Economics, Vol.5, No.2, June 2002

OECD (2006) *Employment Outlook 2006*. A useful summary can be found in 'Policy Lessons from Reassessing the OECD Job Strategy' which can be downloaded from: http://www.oecd.org/document/56/0,2340,en_2649_201185_36998072_1_1_1_1,00.html#how

Serious of articles on new industrial relations policies in Australia in:
http://www2.orgmanagement.unsw.edu.au/nps/servlet/portalservice?GI_ID=System.LoggedOutInheritableArea&maxWnd=_ELRR_Vol16No2May2006

## 11. Money - Where It Comes From, Where It Goes

SD Chpt. 8
Wray, R. "Money and Inflation" HP chapter 8
Hewiston, G. "Banking", de Carvalho, F. "Central banks", Moore, B. "Endogenous money" and Wray, R. "Money" in JK

Arestis, P. (1988) `Post-Keynesian Theory of Money, Credit and Finance', in Arestis, P. (ed.) *Post-Keynesian Monetary Economics.* Edward Elgar, Cheltenham **CP**

Chick, V. and Dow, S. (2002) "Monetary policy with endogenous money and liquidity preference: a nondualistic treatment" *Journal of Post Keynesian Economics* Vol. 24 **CP**

Keen, S. (2002), *Debunking Economics*, Pluto Press (chapters 10 & 11).

King, J. (2002) "Money and the monetarists" [chapter 8] in his *A History of Post Keynesian Economics Since 1936*, Edward Elgar, Cheltenham **CP**

Piegay, P.(1999-2000) 'The New and Post Keynesian Analysis of Bank Behaviour: Consensus and Disagreement', *Journal of Post Keynesian Economics,* Vol 22(2), 265-284.

Goodhart, C. (2002) "The endogeneity of money" in Arestis, P. , Desai, M. and Dow, S. (eds) *Money, Macroeconomics and Keynes: Essays in Honour of Victoria Chick Volume 1*, Routledge, London

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

## 12. Credit, Finance, And The Interest Rate

Wolfson, M. "Credit rationing", Rochon, L. "Financial Instability Hypothesis" and Pivetti, M. "Rate of interest" in JK

Davidson, P. (1988) `A Post-Keynesian View of Theories and Causes for High Real Interest Rates', in Arestis, P. (ed.) *Post-Keynesian Monetary Economics.* Edward Elgar: Aldershot, pp.152-183.

de Paula, L.; and Alves, A., (2000) "External Financial Fragility and the 1998-1999 Brazilian Currency Crisis" *Journal of Post Keynesian Economics*, vol. 22, no. 4 pp. 589-617

Minsky, H. (1985) `The Financial Instability Hypothesis: A Restatement', in Arestis, P. and T. Skouras (eds.) *Post-Keynesian Economic Theory.* Wheatsheaf: Brighton pp.24-56. **CP**

Papadimitriou, D. and Wray, L. (1998) "The economic contributions of Hyman Minsky: varieties of capitalism and institutional reform" *Review of Political Economy* Vol 10

Arestis, P (2001) "Recent banking and financial crises: Minsky versus the financial liberalizationists" in Bellofiore, R. & Ferri, P. (eds) *Financial Keynesianism and Market Instability: The Economic Legacy of Hyman Minsky Vol. 1* Edward Elgar, Cheltenham **CP**

## 13. The Political Economy of Macroeconomic Policy

Pressman, S. "The role of the state and the state budget" HP chapter 10
SD Chapter 9 "Methodology and Macroeconomic Policy" **CP**
Lopez G, J. "Budget deficits", Sawyer, M. "Economic policy", Nevile, J. "Fiscal policy" and Howells, P. "Monetary policy" in JK

Kalecki, M. (1943), 'Political Aspects of Full Employment', *Political Quarterly* Vol 14, 322-331, reprinted in E.K.Hunt & J.Schwartz, J. (eds) (1972), *A Critique of Economic Theory,* Penguin, 420-430. **CP**

Sawyer, M., (1995), 'Obstacles to full employment in capitalist economies', in P.Arestis and M.Marshall (eds), *The Political Economy of Full Employment,* Edward Elgar. **CP**

Hart, N. . (2005) "The role and effectiveness of fiscal policy" *Economic and Labour Relations Review* Vol. 16 No. 1 pp. 17-41 July ISSN 1035-3046 **CP**

Kriesler, P. and Lavoie, M. (2005) "A Critique of the New Consensus View of Monetary Policy " *Economic and Labour Relations Review* Vol. 16 No. 1 pp. 7-15 July ISSN 1035-3046 **CP**

Galbraith, J. & Darity, W. (1994) "The Post-Keynesian Vision: in *Macroeconomics*: Houghton Mifflin Company, Boston, pp. 389-44 **CP**

**14. Review**

# TUTORIAL PROGRAM

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. 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, as well as being asked to lead the discussion of one tutorial. The *journal entries* will cover the '**Tutorial Question'** set each week. The *tutorial presentation* by the allocated students will cover the '**Article for Discussion**' set each week

## TUTORIALS:

### WEEK 2

Introduction and allocation of topics

### WEEK 3 METHOD OF POLITICAL ECONOMY

**Tutorial Question**

Explain what is meant by a theory of knowledge which is 'non-dualistic' (see S.C.Dow (1990) article in **CP**). How would this methodological approach interpret the status of the 'three pillars of conventional wisdom' outlined in the Cross and Strachan (2001) article in **CP**.

**Article for Discussion**

Torrance, T, "The philosophy and methodology of economics": MM, Chpt 2. **CP**

## WEEK 4 MARXIAN ECONOMICS

**Tutorial Question**

'Marxian Economics views capitalist crises as inherent and necessary characteristics of the market economy' (Lucarelli 2004, 13, in **CP**). Discuss.

**Article for Discussion**

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

## WEEK 5 THE ECONOMICS OF KEYNES

**Tutorial Question**

Explain why, according to Keynes, it is the level of effective demand and not the wage rate which is the main influence on the level of employment

**Article for Discussion**

Keynes, J.M., *The General Theory of Employment, Interest and Money*, (Macmillan), Chpt 19. [available on line at: http://www.marxists.org/reference/subject/economics/keynes/general-theory/ or http://etext.library.adelaide.edu.au/k/keynes/john_maynard/k44g/ ]

## WEEK 6 KALECKI'S CONTRIBUTION

**Tutorial Question**

Outline the essential characteristics of Kalecki's theory of effective demand. In what way does his treatment of investment differ from that found in Keynes' *General Theory*?

**Article for Discussion**

Kriesler, Peter (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 **CP**

## WEEK 7 WHAT IS THIS THING CALLED "EQUILIBRIUM"?

**Tutorial Question**

Distinguish between 'historical' and 'logical' time. How are these concepts related to equilibrium analysis and by what means may historical time be incorporated into economic theory.

**Article for Discussion**

Robinson, J. (1973) *Collected Economic Papers Vol. IV* Basil Blackwell] reading 27 "A lecture delivered at Oxford by a Cambridge economist" **CP**

## WEEK 8 TO EVOLVE, OR NOT TO EVOLVE

**Tutorial Question**

Is there a 'common core' of analysis that unites and defines evolutionary economics?

**Article for Discussion**

Veblen, T. (1898), 'Why is economics not an Evolutionary Science?' *Quarterly Journal of Economics,* Vol. 12, 373-397. **CP**

## WEEK 9 POST KEYNESIAN ECONOMICS

**Tutorial Questions**

'For all the differences that exist between them, they [Post Keynesians] hold strongly to the view that neoclassical economics is unhelpful as a basis for analysis' (Arrests 1996, 111-2 in **CP**). Discuss.

**Article for Discussion**

Dow, S. chapter 2 in Holt, R.F. and Pressman, S. (eds.) (2001) *A New Guide to Post Keynesian Economics*, Routledge.

## WEEK 10 HOW ARE PRICES DETERMINED?

**Tutorial Question**

Outline how, in Post Keynesian theory, pricing and investment decisions are related.

**Article for Discussion**

Downward, P. (2000). "A realist appraisal of Post Keynesian pricing theory", *Cambridge Journal of Economics*, Vol. 24(2), March, pp. 211-224 **CP**

## WEEK 11 LABOUR PROCESSES AND THE NEW INDUSTRIAL RELATIONS LAWS

**Tutorial Question**

Briefly analyse recent industrial relations policy in Australia from a Post Keynesian perspective.

**Article for Discussion**

Thompson, P. (1989) *The Nature of Work* (2nd edition) The Macmillan Press chapter 4, in **CP**

## WEEK 12 THE IMPORTANCE OF MONEY

**Tutorial Question**

'…money is primarily credit money, created by the banking system in response to the demand for loans' (Arestis 1988, 66, **CP**). Discuss this view and compare this conclusion with that associated with the traditional textbook representation of exogenous money.

**Article for Discussion**

King, J. (2002) "Money and the monetarists" [chapter 8] in his *A History of Post Keynesian Economics Since 1936*, Edward Elgar, Cheltenham **CP**

## WEEK 13 FINANCIAL INSTABILITY

**Tutorial Question**

'Within this theory, which I call the *financial* instability hypothesis, the recent behavior of the capitalist economies is not an anomaly : these economies have been behaving the way capitalist economies with sophisticated financial institutions are supposed to behave once economic intervention prevents fragile financial relations from leading to debt deflation and deep depressions (Minsky 1985, 24, **CP**).' Discuss

**Article for Discussion**

Arestis, P (2001) "Recent banking and financial crises: Minsky versus the financial liberalizationists" in Bellofiore, R. & Ferri, P. (eds) *Financial Keynesianism and Market Instability: The Economic Legacy of Hyman Minsky Vol. 1* Edward Elgar, Cheltenham. **CP**

## WEEK 14 POLITICAL ECONOMY OF ECONOMIC POLICY

**Tutorial Question**

Evaluate the arguments by political economists for fiscal policy being a useful tool of macroeconomic management. Why does orthodox (textbook) macroeconomic theory tend to reach a different conclusion?

**Article for Discussion**

Sawyer, M., (1995), 'Obstacles to full employment in capitalist economies', in P.Arestis and M.Marshall (eds), *The Political Economy of Full Employment,* Edward Elgar. **CP**