

Political Economy Tutorial 1: What is PE?



Milan Babic

m.babic@uva.nl

Department of Political Science - Political Economy and Transnational Governance

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Agenda

1.) Getting to know each other and formalities

2.) Group work: Desert Island stories

Break

3.) What is PE?

4.) Classical PE and Adam Smith

Intro



Milan Babic

m.babic@uva.nl

Formalities

- 6 tutorials, each covering 2 lectures
- Dates and holidays: see syllabus
- You can miss 1 session
- Exam and assignment prep
 - BUT: no repetition of the lectures!

Formalities

Important:

- Come prepared
- Participate in class
- Ask, if sth. unclear

Formalities: General rules

- Respect
- Safety
- Fairness
- Kindness
- Patience

Agenda (broad)

- **Part I:** Ingredients (Tutorials 1 & 2)
- **Part II:** Developments in Global Capitalism (Tutorials 3&4)
- **Part III:** Real World Economics in Times of Crisis (Tutorials 5&6)

Agenda (detailed)

- Prerequisites and Classical PE (**Tutorial 1**)
- Marxist, neoclassical and institutionalist PE (**Tutorial 2**)
- (I)PE: The long run and international affairs (**Tutorial 3**)
- 20th century and Globalization (**Tutorial 4**)
- The Great Recession and Crisis of World Order. (**Tutorial 5**)
- Weaponized Interdependence and the Ecological Crisis (**Tutorial 6**)

Group work: Desert Islands

- 3 Groups: Liberals, Idealists and Realists
- Setting: Groups meet to discuss how to move on
- Tasks:
 - **Form a position** based on Strange 1988: what does it mean to be realist/idealist/liberal?
 - **Prepare 2 points**:
 - What is your one core **demand** (and why)?
 - What is your one preferred **ally** (and why)?

10 min.

Group work: Desert Islands

- In class:
 - Do you see room for compromises? Where?
 - What scenarios are likely?
 - What do you think about the model? (strengths and weaknesses)



What is PE?



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What is PE?

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 - multi-disciplinary (PolSci, Sociology, Geography, History etc.)
 - multi-perspective (Classical PE, Marxism, Keynesianism etc.)
 - multi-approaches (historical, qualitative, quantitative etc.)

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What is PE?

- Stilwell 2012: “PE is the study of **the economy** from a **social science perspective**” (p. 8)
 - “the economy”: the production, distribution and exchange of goods and services
 - “social science perspective”: Who gets what and how? (in the sense of *political econ.*)

What is PE?

- Stilwell 2012: “PE is the study of the economy from a social science perspective” (p. 8)
 - “the economy”
 - In our case: capitalist (definition: Stilwell 2012, Chapter 6)
 - However: Capitalism ≠ capitalism (VoC)
 - think about Strange: different institutional, ideological, structural arrangements

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- However: “Theory is always *for* some and *for* some purpose” (Cox 1981, 128)

What is PE?

- Stilwell 2012, Ch. 7: **Theories** are important as frameworks for thinking
- Competing econ. theories as sources of PE:
 - Classical PE
 - Marxism
 - Neoclassical econ.
 - Keynesianism
 - Institutional economist
 - Monetarism

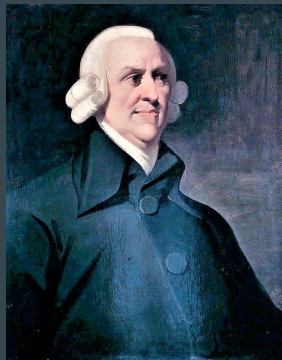
What is PE?

- Stilwell 2012, Ch. 7: **Theories** are important as frameworks for thinking
- Competing econ. theories as sources of PE:
 - **Classical PE**
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 - Neoclassical econ.
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 - Institutionalism econ.
 - Monetarism



Classical Political Economy

- In pairs: discuss the Samuels 1977-article
- Answer *two questions*:
 - What is the core argument of Samuels?
 - How would you classify Adam Smith after this article? An economist, sociologist, philosopher, anthropologist...?



Classical Political Economy

- Smith as a *social* scientist - PE as social science (“multi-...”)
- Samuels 1977: Smiths thinking much broader than “only” economy: solving the problem of **order**
 - Institutions (such as markets) as incentive structures for individual behaviour

“It is only by a static partial equilibrium-like approach to the problem of order, one which abstracts from the larger analysis, that one can reach conservative and laissez-faire doctrines and conclusions” (Samuels 1977, 204)

Takeaways from today

- There is not one take on PE - multi-...
- PE means studying the economy from a social science perspective
- There are several key intellectual sources of the discipline
- Adam Smith is no “typical” economist - rather an encompassing social scientist
- Smith’s core problematique: The question of Social Order (rather than scarcity or else)

Sources (all pictures CC license)

Image Wave Emoji: https://upload.wikimedia.org/wikipedia/commons/thumb/4/48/Emojiione_1F44B.svg/2000px-Emojiione_1F44B.svg.png

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Image Smith: https://upload.wikimedia.org/wikipedia/commons/thumb/4/43/Adam_Smith_The_Muir_portrait.jpg/466px-Adam_Smith_The_Muir_portrait.jpg

Additional literature:

Cox, R.W. 1981: Social Forces, States and World Orders: Beyond International Relations Theory. *Millennium* 10(2), 126 - 155.