ECON 7003-01: POLITICAL ECONOMY I

The class starts with a discussion of institutions and economics of collective action. New developments that often go under the heading post-Walrasian (and new institutional economics) are used to discuss themes from the old Political Economy, and most notably from Marx, Polanyi and Veblen that focus specifically on the institutional foundations of capitalism. Using modern tools of analysis as needed the class develops this older non-Walrasian tradition in economics with a focus on its relevance for contemporary economic problems and theoretical discussions.

Readings indicated with an asterisk are recommended, and all others required. Class evaluation will be based on class participation (10%), two mid-term exams (30% each) and a final examination (30%).

COURSE OUTLINE

Part I: Political Economy – Old and New

i. Markets, Institutions and Economic Analysis


ii. Economics of Collective Action and Institutions


iii. **Emergence and Change of Institutions**


iii. **Property Rights and Enforcement**


iv. **Political Economy of Enforcement**


**Part II: Capitalism – New Property Rights and Self-Regulating Markets**

i. **Commodification of Labor Power and Dual Freedom of Labor**

Marx, *Capital*, Vol. I: Chp. 1 (section 4); Chp. 2

ii. **The Labor Theory of Value – Source of Profits**


iv. **Regulation of Collective Costs, Fictitious Commodities and the Double Movement**

Polanyi, K. (1944). *The Great Transformation*, Chp. 6,9,10, 14-16


v. **Organization of Production and Transformation of the Labor Process**

Marx, *Capital*, Vol. I: Chps. 13, 14, (Sections 1, 3, 4, 6) and 15

vi. **Accumulation of Capital and Technological Change**