

PO133: Foundations of Political Economy

Week One – Introduction

Housekeeping:

- Seminar is based on the readings. So, do them!
- Moodle
- Handouts available on my [website](#).
- My office hours are on Wednesdays, 9-10am, D2.09 (Social Sciences)

Readings:

Taibbi, M. (2014), 'The Vampire Squid Strikes Again: The Mega Banks' Most Devious Scam Yet', Rolling Stone, 12 February. Available from: <https://www.rollingstone.com/politics/politics-news/the-vampire-squid-strikes-again-the-mega-banks-most-devious-scam-yet-101182/> [accessed 08/10/18].

Gittlitz, A. M. (2016), 'Let them drink blood', The New Inquiry, 27 December. Available from <https://thenewinquiry.com/let-them-drink-blood/> [accessed 08/10/18].

Objectives for today's class:

- To get to know each other
- To think about some ways in which Political Economy seeks to politicise the study of Economics.

Task 1: Let's talk about the lecture. How did you like the lecture? What aspects of the lecture did you find interesting? Did you disagree on issues? Did you find anything surprising, irritating or difficult to understand?

Task 2: Why do we need IPE? Thinking about the economy from an IPE perspective means foregrounding questions of power and insisting that no matter the area of economic activity, a *cui bono?*-question always lies waiting to be answered: Who benefits, why, and how might it be changed?

2.1. Who do you think is currently the most powerful actor...

(a) ...in the global economy?

(b) ...in your countries' national economies?

(c) ...in the local economy of your hometown?

Global Corporations?



The Media?



Banks?



Governments?



Great Powers?



2.2. Is the power of any of these actors a problem? Why (not)?

Task 3: Politicising economics. A powerful methodological move of IPE has been to focus attention upon how particular accounts of the economy are being normalised, how others are being silenced, and how shifting the perspective opens-up political potential. In this sense, IPE promotes a degree of reflexivity to the practice of theorising the economy that has long been dismissed by mainstream economists, but is increasingly gaining momentum in their own discipline, too (see picture on last page). Central to the reflective approach of IPE is the postulate that ‘knowing’ the economy depends upon how you approach it. On this view, the economy is not a straightforward reality, waiting ‘out there’ to be discovered and understood. Instead, different visions or ‘theories’ of the economy prevail, inviting a wide range of methods each with their own strengths and weaknesses. This course will help you to navigate a number of these theories and teach you how to bring them into conversation with each other.

Example: I, Pencil

In 1980, Milton Friedman popularised an essay written by Leonard E. Read titled ‘I,Pencil’¹ in a video for his TV Show “Free to Choose”.² He commented:



“I know of no other piece of literature that so succinctly, persuasively, and effectively illustrates the meaning of both Adam Smith’s invisible hand—the possibility of cooperation without coercion—and Friedrich Hayek’s emphasis on the importance of dispersed knowledge and the role of the price system in communicating information that will make the individuals do the desirable things without anyone having to tell them what to do.”³

3.1. Watch the video, do you agree that free markets foster prosperity, peace and harmony? Does government inhibit free markets or does it create them? Are free markets (equally) beneficial to everyone?

Now read the following quote by Cynthia Enloe:



“In recent decades, hardworking and irreverent researchers, teachers, and writers [...] have revealed that making diverse women visible exposes the actual workings of international politics. Women as Chinese businessmen’s mistresses, women sewing clothes for Tommy Hilfiger and washing pesticides off Chiquita’s bananas, [...] women working in discos around military bases, [...] women scrubbing floors in Saudi Arabia, and women lobbying delegates in the corridors of the UN—they observe, they cope, they calculate, they strategize, and sometimes they organize. Here is what I’ve learned from taking these women seriously: if we pay sustained attention to each and all of these unheadlined women, we will become smarter about this world, smarter than a lot of mainstream experts.”⁴

3.2. Do you think, ‘making diverse women visible’ would render the ‘magic of the price system’ problematic?⁵ How does feminist IPE ‘politicise’ economics?

¹ Read, L. (2018|1985) ‘I, Pencil’, in M. Henderson (Ed.), *The Cambridge Handbook of Classical Liberal Thought*, Cambridge: Cambridge University Press, 73-78.

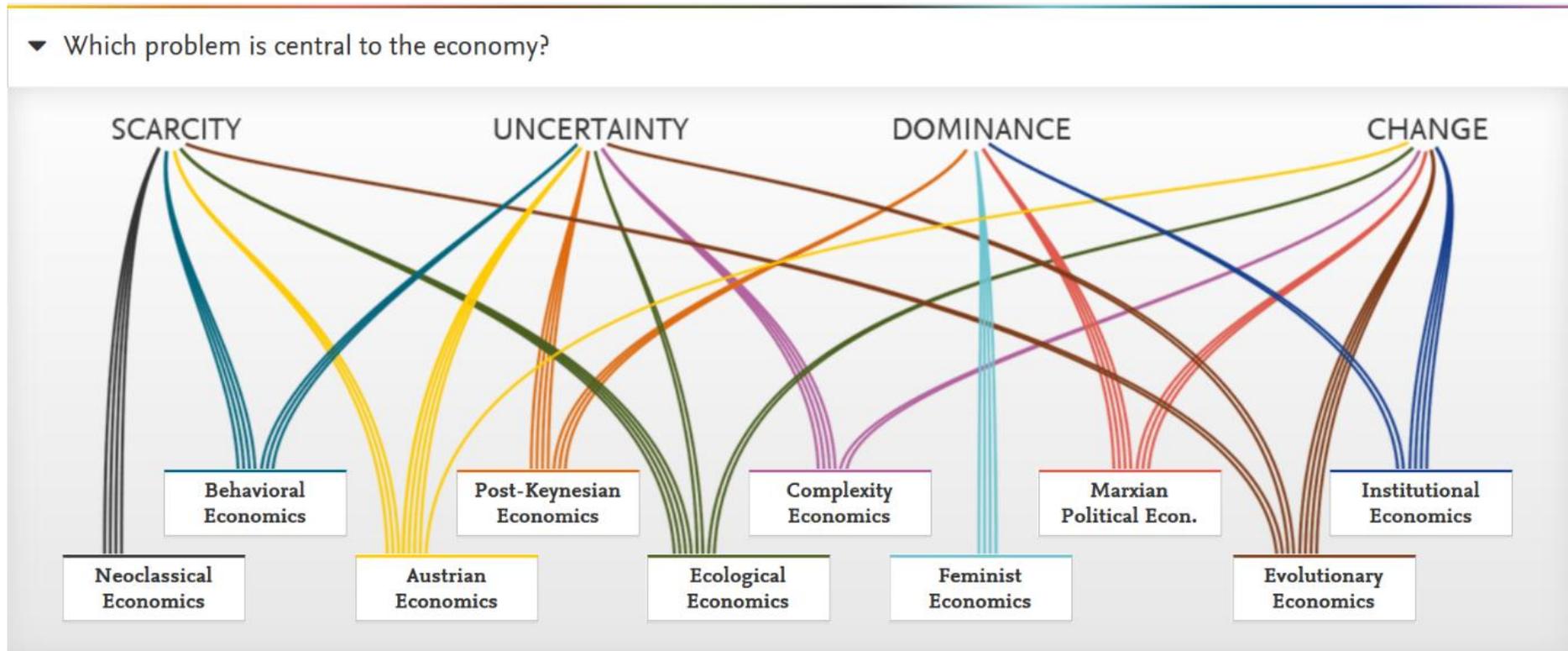
² <https://www.youtube.com/watch?v=67tHtpac5ws>, [accessed 08/10/18].

³ Friedman, M. (2018) ‘Afterword’, in M. Henderson (Ed.), *The Cambridge Handbook of Classical Liberal Thought*, Cambridge: Cambridge University Press, 79-80.

⁴ Enloe, C. (2014) *Bananas, Beaches and Bases: Making Feminist Sense of International Politics*, Berkeley and Los Angeles: University of California Press.

⁵ For instance, in 1985 a study of 600 slate pencil workers found that more than half were affected by Silicosis – a fatal lung disease caused by exposure to silica dust. See: Saiyed, H., et al. (1985) ‘Silicosis in slate pencil workers: I. An environmental and medical study’, *American Journal of Industrial Medicine*, 8(2), 127-33.

How different traditions in economics approach the economy:



Source: <https://www.exploring-economics.org/en/orientation> [accessed 08/10/18]