



**Debate Chamber**  
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# Economics Summer School 2010

23<sup>rd</sup> – 27<sup>th</sup> August • University of London Union

## Day 1 – 23<sup>rd</sup> August

10.30- 10.45 **Introduction and welcome**

10.45 – 11.15 **The Classical heritage**

- Attitudes to wealth, work, profit and money in the ancient world
- Adam Smith and the 18th-century transformation of political economy
- The enduring influence of the classical school

11.15 – 12.45 **Marxism in theory and practice**

- Dialectical materialism and Marx's theory of history
- Models of exploitation and alienation
- The example of the Soviet Union
- Lenin's critique of imperialism
- The rise of the middle class
- Marxism today

12.45 – 13.30 **Lunch**

13.30 - 14.15 **J. M. Keynes**

- Key features of the Keynesian model
- The importance of unemployment
- Fiscal stimulus in a recession
- Are we all Keynesians now?

14.15 – 15.15 **Milton Friedman and the Chicago School**

- The return of Ricardo
- Monetarism and Friedman's critique of Keynes
- Libertarianism: property and human freedom

15.15 – 15.30 **Break**

15.30 - 16.15 **John Rawls and his disciplines**

- The idea of a just society
- What do we deserve?
- Rawls' theory: the veil of ignorance and the difference principle
- Realising Rawls

16.25 -16.30 **Review and concluding discussion**



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## Day 2 – 24<sup>th</sup> August

**10.30 – 10.45 What is the financial system?**

**10.45 – 12.00 Stocks and the stock market**

- Reasons for investment
- The rights of stockholders; types of investors
- Stock market basics: exchanges and indices
- Factors influencing the movement of the market
- Derivatives

**12.00 – 12.45 Bonds**

- Bond basics: par value, coupons, strips etc.
- Risk and reward on the bond market
- Competing theories of investment

**12.45 – 13.15 Foreign exchange**

- What determines the movements of forex markets?
- When speculators attack
- Time for a Tobin tax?

**13.15 – 14.00 Lunch**

**14.00 – 14.30 Playing Games with Economics**

- How the idea of playing 'games' is used in economics
- Utility, rationality, and decision-making

**14.30 – 16.30 Game Theory**

- Bad decisions? The Nash Equilibrium and the Prisoner's Dilemma
- Cooperation, aggression, punishment: strategies for game-players
- Problems with the theory: the chainstore paradox; irrational agents
- Game theory in the real world

## Day 3 – 25<sup>th</sup> August

**10.30 – 12.30 International trade**

- Protectionism and free trade – what can game theory teach us?
- Does trade exploit the third world?
- Should infant industries be protected, and when?

**12.30 – 13.15 Lunch**

**13.15 – 15.00 Economic Growth**

- What is growth and how easy is it to measure?
- Social and environmental consequences of growth
- Why do countries grow at different rates? Ghana versus South Korea
- Do democracies or dictatorships have higher growth rates?
- Alternative approaches to growth

**15.00 – 16.30 Underdevelopment and poverty**

- Theories of underdevelopment: why is global inequality so persistent?
- How can we break the poverty cycle?



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## Day 4 – 26<sup>th</sup> August

### 10.30 – 11.45 Welfare economics

- Competing ideas of welfare – Bentham, Rawls, Nozick
- Welfare theorems
- Why do markets fail, and can governments cure them?

### 11.45 – 13.00 Primary and Secondary Education

- Measuring the value of schools
- Social, cultural and economic functions of education
- Markets in education? Arguments for and against choice in schools
- Beyond the school gate – parenting, poverty and redistribution

### 13.00 – 14.00 Lunch

### 14.00. – 14.30 University Education

- The problem of higher education funding and student credit
- Comparing the British and American models
- Competition for students and academics

### 14.30 – 16.30 Healthcare

- Health care theory
- Healthcare in the USA – market failure; the problem of the uninsured
- Comparative approaches to healthcare: Britain, the USA and Canada
- Competing demands: efficiency, quality, fairness, accountability

## Day 5 – 27<sup>th</sup> August

### 10.30 – 12.30 Unemployment and inflation

- Types and causes of unemployment
- Inflation: causes, advantages and disadvantages
- Responding to the challenges: central bank policy and the three equation model

### 12.30 – 13.15 Lunch

### 13.15 – 14.15 Problems in monetary policy

- Printing money – when and why do governments do it?
- Money, debt and the banking system

### 14.15 – 16.15 Explaining the credit crunch

- Causes of the crisis: Financial deregulation  
The spiral of optimism  
Bill Clinton builds a 'home for every American'  
The problem with derivatives
- The sub-prime mortgage crisis
- The run on Northern Rock
- The collapse of Lehman Brothers
- Discussion: who was to blame?
- After the crunch: The long-term economic impact  
Is the Government taking the right steps?  
What future for fiscal and monetary policy?

### 16.15 – 16.30 Round-up and certificates