



ECONOMICS SUMMER SCHOOL

2012 Schedule

Day 1 – History of Economic Thought

10.30 – 10.45: *Welcome and Introduction*

10.45 – 11.00: *Economics in the Ancient World*

- Attitudes to economics, work, profit and interest

11.00 – 12.00: *The Classical Heritage*

- Adam Smith and *The Wealth of Nations*
- Division of labour, productivity and the invisible hand
- The forgotten Smith – his attitude to workers, wages and government intervention
- David Ricardo and Comparative Advantage

12.00 – 12.45: *Marx's Challenge*

- Marx's story of the development of capitalism
- The alienation of workers under capitalism
- What is profit and where does it come from?

12.45 – 1.30: Lunch

1.30 – 2.30: *The Great Depression and the Keynesian Revolution*

- Laissez-faire responses to the Great Depression
- Keynesian Aggregate Supply and Demand
- The attempts at Keynesian stimulus: Roosevelt, World War II and the Marshall Plan

2.30 – 3.15: *The Chicago School and Milton Friedman*

- Hayek's fears of creeping socialism
- Friedman and the Long-Run Aggregate Supply
- Implementation of neo-liberal economics around the world

3.15 – 3.45: *Government Responses to a Recession*

- Keynesian and Friedmanite responses

3.45 – 4.30: *John Kenneth Galbraith*

- Do traditional economic models still apply?



- The 'culture of contentment'
- Are economic ideas objective or reflections of elite interests?

Day 2 – Game Theory and Financial Markets

10.30 – 10.45: *Playing 'games' in Economics*

10.45 – 1.00: *Game Theory*

- Rationality, common and mutual knowledge
- The prisoner's dilemma and Nash Equilibrium
- Strategies for game-players: co-operation, aggression, punishment
- Applications of game theory
- Difficulties with the theory – the chainstore paradox, irrational agents

1.00 – 1.45: Lunch

1.45 – 4.00: *Financial Markets*

- Introduction to financial markets and how they work
- The stock market
- The bond market
- Foreign exchange
- How does game theory apply in financial markets?

4.00 – 4.30: *Morality and the Financial Markets*

- Government regulation and control
- The Tobin tax

Day 3: Economic Growth

10.30 – 11.45: *Models of Economic Growth*

- The development of economic growth models
- The problems of the Harrod-Domar growth model
- The exogenous and endogenous growth models
- Schumpeter and 'creative destruction'

11.45 – 12.35: *Measurements of Economic Growth and Wellbeing*

- GDP and its strengths and pitfalls as a measurement
- Pro-poor growth
- The 'myth' of economic growth
- David Cameron's happiness index

12.35 – 1.00: *What's So Good About Growth?*



- The thought of Benjamin Friedman and Harry Frankfurt

1.00 – 1.45: Lunch

1.45 – 4.30: *Strategies for Economic Growth in developing economies*

- Do democracies or dictatorships promote growth most effectively?
- Economic freedom in the private sector
- Export-led growth strategies
- Government intervention and protection of infant industries

Day 4: Labour Economics and Social Economics

10.30 – 11.00: *The Neo-Classical Microeconomic Model of the Labour Market*

11.00 – 11.45: *The Minimum Wage*

- The classical model of the minimum wage
- Card and Krueger's 'New economics of the minimum wage'
- The implementation of the minimum wage in the UK

11.45 – 12.30: *The Role and Powers of Trade Unions in Capitalist Countries*

- Why do workers go on strike?
- Do strikes ever succeed?
- What are the costs to the economy of industrial action? Who pays those costs?

12.30 – 1.00: *How can we decide on a 'fair price' for a good or service?*

- Does Fair Trade deliver an ethical economics?
- Other perspectives on price setting.

1.00 – 1.45: Lunch

1.45 – 2.30: *The Economics of Religion*

- Is it possible to analyse religious services as consumer goods?
- Can we speak of different religions as competing in a 'marketplace' for converts?

2.30 – 3.15: *The Economics of Rational Addiction*

- Can addiction to tobacco, alcohol, or even heroin be explained as a rational choice using familiar economic models?
- We will look at the controversial work of Becker and Murphy

3.15 – 4.00: *The Economics of the Family*

- Economic modeling of decisions such as the choice of partner, the trade-off of 'quantity' and 'quality' in number of children and parental resources and intra-household bargaining as to the division of household labour.



4.00 – 4.30: *The Economics of Christmas*

Day 5 – Monetary Policy, the Credit Crunch, Debt and The Crisis of the Euro

10.30 – 11.45: *Inflation*

- The causes, measurements and disadvantages of inflation
- The traditional Phillips Curve and Friedman's Expectations Augment Phillips Curve
- Central Bank responses to inflation and the three equation model

11.45 – 12.45: *Problems in Monetary Policy*

- Central Bank failures
- The role of seigniorage in an economy
- The development of the banking system
- The role of debt in an economy

12.45 – 1.30: Lunch

1.30 – 2.45: *The Credit Crunch*

- Causes of the credit crunch
- Who was to blame for the credit crunch?
- The failure of Lehman Brothers and the banking bailouts

2.45 – 3.30: *Stimulus and Deficit Spending*

- Were governments right to carry out fiscal stimulus?
- National deficits and debt

3.30 – 4.30: *Bond Markets and the Crisis of the Euro*

- The crises in Greece, Ireland, Portugal and Spain
- The future of the Euro