

Lecture note, Introduction

Title page

- Introduce myself
- POL2012 - today's menu
- Recording and participation
- Who are you?

Practical info

- Lectures every week - seminars every other
- Schedule with reading list will be up eventually
- Theory part and Practice part
- Stillwell for first part, the rest for the rest
- Hand-ins following every seminar, mandatory!
- Seminars and hand-ins go hand in hand
- Term paper, academic standards: lit, *theory*, empirics, conclusion
- Yes, this is more than your average 7.5 credit cours. If your not here to learn, then find another course to sign up for
- Exam

What is political economy?

- Why care? Future employment, relatives asking over christmas dinner

Relevance

- Challenge the economic orthodoxy
- Markets and governments
- Economy as self-equilibrating
- Growth, the natural state
- Financial crises
- Climate change
- Rising inequality
- Stagnating growth

What are “theories and models”?

- Pause, this is important
- Ask class, let them buzz
- Definition
 - endless perfectly valid definitions
 - explain causality, $x \rightarrow y$
- What is not theory
 - Literature, usually contains both previous theory (arguments) and empirics/ past conclusions
 - Empirics
 - Paradigms/grand theories
- Examples
 - What is this?
 - Now what is this?
- Nicholas Cage
 - Coincidence? - Depends on theoretical perspective
 - Theories 1 and 2
 - What gives meaning to observed correlations/co-variations

What are models?

- Toy cars
- Causal models
- Formal models