

A/ ASSIGNMENT RECAP

- Prepare a **20-minute in-class presentation** on an assigned economic issue, **comparing perspectives** from different schools of thought, providing critical analysis and policy recommendations, defending the view as an expert, and submitting presentation slides that will be assessed on content, visual appeal, and presentation skills.

Suggested Structure:

- I.Statement of problem or issue (Suggested 1 slide)**
- II.Comparative analysis of the 2 perspectives (Suggested 2-3 slides)**
- III.Critical evaluation of the key economist's idea (Suggested 2-3 slides)**
- IV.Recommendations (Suggested 2-3 slides)**
- V.Conclusions (Suggested 1 slide)**
- VI.Concept Map (Suggested 1 slide)**

B/ KEYWORD EXPLANATIONS

1. Classical Economics

An 18th-19th century school founded by Adam Smith focused on how markets and capitalism operate through concepts like the invisible hand, emphasizing free markets and minimal government intervention.

Key concept - Invisible hand

The invisible hand refers to the automated nature of markets, where the decisions of self-interested individuals inadvertently promote the social good. Markets maximize efficiency when left alone.

2. Neoclassical Economics

A 19th-20th century school based on marginal utility theory, rational choice theory and equilibrium analysis which formalized economics as a deductive mathematical science grounded in optimization.

Key concept - Rational choice theory

Assumes individuals act rationally to maximize utility/profits. People weigh costs and benefits rationally when making economic decisions. Provides a foundation for modeling behavior.

3. Marxian Economics

A radical critique of capitalism pioneered by Karl Marx, analyzing class conflict, labor exploitation, historical materialism, crisis tendencies in capitalism, and advocating revolutionary socialism.

Key concept - Class conflict

Marx saw economic history as driven by conflict between social classes. He critiqued capitalism concentrating power and wealth, exploiting workers. Class dynamics shape society.

4. Austrian Economics

The estimated parameter values from a regression model quantify the effect of each independent variable on the dependent variable.

Key concept - Opportunity cost

Every decision has an opportunity cost - the value of the next best-foregone alternative. Opportunity cost theory studies decision-making and advocates people thinking at the margin.

5. Post Keynesian Economics

A school opposed to neoclassical economics that builds on Keynes' theories, incorporating ideas like fundamental uncertainty, endogenous money, and analyzing capitalism's instabilities.

Key concept - Fundamental uncertainty

Challenges rational expectations and focuses on true uncertainty in the economy, especially in investment and financial markets, that cannot be modeled probabilistically.

6. Institutional Economics

A school focused on studying how socio economic institutions like laws, culture, and social conventions shape economic behavior and outcomes. Pioneered by Thorstein Veblen.

Key concept - Socio Economic institutions

Analyzes how social, legal, political and cultural institutions shape economic behavior and outcomes. Calls for designing effective institutions.

7. Chicago School Economics

An influential free-market school associated with the University of Chicago that advocates laissez-faire policies, deregulation, privatization, and rejects Keynesianism based on efficient markets and rational expectations.

Key concept - Efficient markets

Arguments securities and commodity prices fully reflect all available information and are efficient. Provides intellectual basis for deregulation and free market policies.

8. Behavioral Economics:

A school integrating psychology that studies systematic cognitive biases and limitations of rationality that impact economic decision-making and frequently lead to suboptimal outcomes.

Key concept - Heuristics and biases

Documents systematic biases and mental shortcuts that lead to deviations from perfect rationality assumed in neoclassical economics.

9. Feminist Economics

A school highlighting gender biases in economics, analyzing the unpaid "reproduction economy", incorporating values into analysis, and advocating for egalitarian outcomes.

Key concept - Reproduction economy

Highlights the unpaid domestic and care work, predominantly done by women, that reproduces the labor force. Seeks to properly value this unpaid work.

10. Buddhist Economics

A school guided by Buddhist principles criticizing materialism and consumerism, while advocating ethical business practices aimed at improving well-being rather than profit maximization.

Key concept - Mindful consumption

Critiques consumerism and calls for mindful, ethical consumption and business practices that reject profit maximization in favor of social well-being.

C/ FOOD FOR HUNGRY THOUGHTS

- Contrasting Inflation Perspectives (Financial Times):
<https://www.ft.com/content/a9d55118-f6ea-4be6-b257-b0c0d92723e7>
- Climate Change Debates Among Economists (New York Times):
<https://www.nytimes.com/2019/01/17/opinion/sunday/economics-climate-change.html>
- How Economists View Globalization Differently (Wall Street Journal):
<https://www.wsj.com/articles/economists-globalization-views-complex-nuanced-1415354502>
- Schools of Macroeconomic Thought (Journal of Economic Surveys):
<https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-6419.2007.00527.x>
- Pluralism in Environmental Economics (Ecological Economics):
<https://www.sciencedirect.com/science/article/pii/S0921800903002570>
- Comparing Perspectives on Trade Theory and Policy (World Trade Review):
<https://www.cambridge.org/core/journals/world-trade-review/article/comparing-perspectives-on-trade-theory-and-policy/744D82B702C54AD28688A2E199F8ACA9>

Schools of Thought in International Political Economy (Review of International Political Economy): <https://www.tandfonline.com/doi/full/10.1080/09692290.2021.1879572>