Seminar: Winter Term 2016/2017

Modern Political economics

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Session 1: Science? What`s that?

A. Understanding
   Socrates, Plato, Aristotle and consequences...
B. Knowledge
   .... which are Kant and the notion of science
C. Scientific knowledge
   - Procedures: Popper
   - Methods: Storks, coins and analytics
   - Progress: Kuhn, Feyerabend, Lakatos

2. Session: Economic Science

A. Fundamentals
   - Axiom: Scarcity
   - Consequence: Decision making, opportunity costs
   - Methods: Logical thinking based on empirically valid models

B. Assessment:) and Wealth Distribution
   - Assessment: Macro and micro
   - Allocation of resources: efficiency (Pareto-Optimality)
   - Distribution of income and building of wealth
   - Stability and Growth: Sustainability and Ricardo`s Inter-generation equity theorem

C. Consequences

1. Supply oriented (neoclassical) theory (Walras, Pareto) and Neoliberalism (Hayek)
   - Efficient markets and micro-market failures
   - Ordnungspolitik (Eucken) and state-intervention (Pigou, Coase)
2. F. Demand oriented theory (Keynes)
   - Systemic (macro) failures (market transmission)
   - State intervention (stabilization): deficit-spending and surplus saving
3. Supply-demand models (different emphasis)
   - Money (Friedman)
   - Expectation (Lucas)
   - Growth (Solow)