

LECTURE NOTES

(18th CENTURY) ①

in its earliest formulation POLITICAL ECONOMY was the term used to study the RELATION between PRODUCT & TRADE AND LAW, COSTS, and GOVERNMENT. In other words what we would today call ECONOMICS but with a particular focus on STATES

↓
the term has come to mean a lot of different things but here we refer to "STUDY OF HOW ECONOMIC and POLITICAL SYSTEMS INTERACT, INTERWINE, AND INFLUENCE EACH-OTHER."

IN THIS SENSE "IT EXPLORES POLITICAL and ECONOMIC PROCESSES, IDEOLOGIES, RATIONALITIES ~~and their effects~~ ^{as inscribed in} ~~and their effects~~ ^{as well as EFFECTING THEM.} SOCIAL, CULTURAL, and HISTORICAL DYNAMICS

↓
So TODAY I want to give you a brief history of this form of analysis and its TRANSFORMATION to its present form.

BARE IN MIND -

from ALFRED HÄREHAL & NEO CLASSICAL ECONOMICS the POLITICAL was taken away,

this is one of the many narratives and quite IDEOSYNCRATIC to me & anthropology (≠ for economics)

ON POLITICAL - ECONOMYSTAGE I

- term coined by FRANCOIS QUESNAY (1694-1774) a french economist who was among the PHYSIOCRATICS a current that believe that WEALTH of NATION came exclusively from value of "LAND AGRICULTURE"

~~STAGE I~~

POLITICAL - ECONOMY, therefore, was the study of the "NATURAL ORDER" which, they saw, as governing economic operations



→ study how to bring this NATURAL ORDER into being. this happened as the feudal economic structure in Europe was showing all of its weaknesses and contradictions while a new capitalist system was emerging. therefore this idea of NATURAL ORDER

which in fact referred to the emerging CAPITANIST ORDER

was based on principles like INDIVIDUALISM, LAISSEZ FAIRE,

PRIVATE PROPERTY, the importance of INVESTMENT CAPITAL (for growth)

and so forth

STAGE II - CLASSICAL POLITICAL-ECONOMY

- came to be with the development of CAPITALIST system and
POLITICAL-ECONOMY here was focused on CLARIFYING ITS LAW
as much as EXPANDING THEM - few LAWS of an IDEAL
NATURAL ORDER they had become LAWS of EXISTING
REALITY which HOWEVER were presented in this
stage - known as CLASSICAL ECONOMICS - or
NATURAL LAWS - absolute & real.

THOMAS MALTHUS
- ADAM SMITH, DAVID RICARDO, ~~JAMES MILL~~ or
the most prominent figures of the place
even if any then they were ~~clear~~ DIFFERENCES some
tract or similar and unify them:

- a) LABOR THEORY of LABOR (IS EQUILIBRIUM)
- b) FREE-MARKET ECONOMY based on NATURAL system of FREEDOM & PROPERTY
- c) INTEREST in RELATION BETWEEN PROFIT & WAGES
(one against the other - es. RICARDO)
ever growing system - Adam Smith
- d) DETERMINATION of TAXES in RELATION TO PRODUCTIVITY
- e) RELATION LAND - LABOR - CAPITAL (e.g. RICARDO)
(POPULATION)

STAGE III

④

- departs in 2 directions:

a) NEO-CLASSICAL ECONOMICS which basically abandons the political part and pushes the discipline toward MATHEMATICAL MODELS

b) Marxist political-economy that moves the ANALYSIS down by classic political-economy toward a CRITIQUE of POLITICAL-ECONOMIC processes

→ For our objective TODAY this second path is WHAT is relevant

↓
clearly I cannot give you a run down of the whole of Marx's theory so I will only focus on some conceptual aspects which are relevant for this class. SO LET'S START FOR MARX'S THEORY of VALUE

• THEORY of VALUE -

value of a commodity is based on SOCIALLY NECESSARY

LABOR TIME INVESTED IN IT - capitalist only

pay for necessary labor for reproduction of working force and in so doing POCKET SURPLUS-LABOR

↓

• ALIENATION - this creates an ALIENATION for the worker both from the PRODUCT and for HIM/HERSELF

as LABOUR itself becomes a commodity and therefore
relation of production, which are social, become
relations between commodities - this is what
Hork calls COMMODITY FETTERISM (5)

- But perhaps most IMPORTANT for us are 2 almost
METHODOLOGICAL FEATURES of MARXIST POLITICAL-ECONOMY

FIRSTLY: HISTORICAL MATERIALISM

The basic idea is the historical, political and social
transformation are a result of CHANGES in the structure
of economy, ~~relations~~ in particular of RELATIONS of
PRODUCTION. e.g. from feudalism to CAPITALISM
which determines political institutions, law, customs,
culture, morality, ideology (SUPERSTRUCTURE)

∥ THIS brings us to the second
aspect

- STRUCTURALISM & REDUCTIONISM