

Later Life Learning:

# “Economics for Everyone: How to Cut through the Jargon”

Instructor: Dr. Jim Stanford, Economist and Director, Centre for Future Work

Fall 2021

## COURSE OUTLINE

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*Course meets 10 Fridays (September 24 through December 3, no class November 12 reading week)  
1:00 – 2:30 pm (Eastern)*

### **Recommended textbook:**

*Economics for Everyone: A Short Guide to the Economics of Capitalism*, by Jim Stanford, Pluto Books (2<sup>nd</sup> edition, 2015), \$25.95.

Available (in-store, pick-up, or delivery) from Another Story Bookstore, 315 Roncesvalles Ave., Toronto, (416) 462-1104, <https://anotherstory.ca/>, and other booksellers.

(NB: All royalties from book sales are received by the Canadian Centre for Policy Alternatives, none are paid to the author.)

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### **Lecture Format:**

Each class starts with a 1-hour presentation, followed by a short (5 minute) nature break and then 25 minutes of questions & answers.

### **Useful Links:**

Economics for Everyone: <http://economicsforeveryone.ca/>

Website with sample chapters, supplemental materials, videos, and suggestions for further readings.

Centre for Future Work: <https://centreforfuturework.ca/>

Canadian labour economics think tank: many reports, commentaries, and videos.

Statistics Canada: <https://www.statcan.gc.ca/eng/start>

Open access to official Canadian statistics on the economy, employment, income, and other topics.

Fiscal Reference Tables: <https://www.canada.ca/en/department-finance/services/publications/fiscal-reference-tables/2020.html>

Finance Canada resource with historical data on federal & provincial finances.

OECD Statistics Portal: <https://stats.oecd.org/>

International statistics and comparisons on economic and related topics.

## **COURSE SCHEDULE:**

### **Session 1 (Sept. 24): The Economy and Economics**

*Readings: Chapters 1 and 2 of Economics for Everyone.*

#### Topics:

The economy  
The purpose of the economy  
The economy and economics  
How we measure the economy  
Characteristics of a good economy  
Capitalism  
Capitalism and markets

#### Key Terms Introduced:

goods services work consumption investment finance environment GDP  
economic growth prosperity security innovation choice equality sustainability  
democracy accountability capitalism production for profit wage labour

### **Session 2 (Oct. 1): A Little History**

*Readings: Chapters 3 and 4 of Economics for Everyone.*

#### Topics:

Economic evolution through history  
The origins of capitalism  
Changes in capitalism  
The origins of neoliberalism  
Types of capitalism  
The history of economic thought  
The links between economics and politics

#### Key Terms Introduced:

class slavery feudalism capitalism neoliberalism surplus distribution  
Great Depression Golden Age mercantilists physiocrats classical economists  
Karl Marx exploitation equilibrium preferences John Maynard Keynes  
supply-constrained demand-constrained effective demand Michal Kalecki  
Milton Friedman monetarists Post-Keynesians structuralists heterodox

### **Session 3 (Oct. 8): Work and Tools**

*Readings: Chapters 5 and 6 of Economics for Everyone.*

#### Topics:

Work and production  
Different kinds of work

Work and employment  
Paid and unpaid work  
Working with tools  
Technology and tools  
Defining capital

Key Terms Introduced:

work production value value-added employment paid work unpaid work  
labour theory of value productivity subsistence tools capital physical capital  
fixed capital technique of production technology skills

**Session 4 (Oct. 15): Class: Bosses, Owners, and Workers**

*Readings: Chapters 7 and 8 of Economics for Everyone.*

Topics:

How companies are organized  
The ownership of companies  
How companies behave  
The logic of profit  
Labour as a commodity  
How labour is different from other commodities  
Labour extraction under capitalism  
Employment and conflict  
Unions and collective bargaining

Key Terms Introduced:

corporation capitalist class stock market return on equity depreciation interest  
top managers major owners private costs and benefits social costs and benefits  
retained earnings capital gain commodity full employment unemployment  
labour extraction labour discipline labour intensity labour market segmentation  
unit labour cost cost of job loss unions collective bargaining

**Session 5 (Oct. 22): Government and the Economy**

*Readings: Chapters 20 and 21 of Economics for Everyone.*

Topics:

The historic role of government in capitalism  
The economic functions of government today  
Class interests, class conflict, and government  
Government's "toolkit": policy levers and instruments  
Types and effects of government spending  
Types and effects of government taxing

Key Terms Introduced:

democracy public goods natural monopoly regulation redistribution  
monetary policy fiscal policy social policy industrial policy public ownership  
program spending transfer payments government production public consumption  
public investment income tax sales tax progressive tax flat-rate tax payroll tax  
wealth tax user fees environmental tax deficit surplus balanced budget debt debt  
burden public-private partnership income security market income

### **Session 6 (Oct. 29): Distribution, Power and Inequality**

*Readings: Chapters 9, 14 and 15 of Economics for Everyone.*

#### Topics:

“Producing” and maintaining workers  
Paid and unpaid labour in the home  
Reproduction, work, and gender  
The economic importance of households  
Measuring inequality  
Causes of inequality  
Consequences of inequality  
Solutions to inequality

#### Key Terms Introduced:

reproduction household consumption labour supply discrimination sexism racism intersectional multiple  
oppression labour market segmentation income distribution wealth distribution precarious work  
relative poverty absolute poverty redistribution basic income

### **Session 7 (Nov. 5): The Economy and the Environment**

*Readings: Chapter 16 of Economics for Everyone.*

#### Topics:

Nature’s role in the economy  
Ecological benefits and human well-being  
Sustainability  
Environmental inequality  
The environment and markets  
Climate change and the limits to growth

#### Key Terms Introduced:

environment natural resources ecological benefits pollution sustainability  
climate change greenhouse gases imperfection externality carbon tax

### **Session 8 (Nov. 19): The Paper Economy and the Real Economy: Money, Banking, and Finance**

*Readings: Chapters 17-19 of Economics for Everyone.*

#### Topics:

Money and prices  
Inflation, its causes, and its consequences  
The private banking industry  
Central banks and monetary policy  
Corporate finance and stock markets  
Financial instability and fragility  
Pensions and how to fund them

Key Terms Introduced:

money currency deposits credit means of payment unit of account  
store of value barter credit squeeze banking cycle central bank fractional reserve  
capital adequacy inflation monetary policy relative prices price level deflation  
real wage nominal wage consumer price index GDP deflator hyper-inflation  
Milton Friedman monetarism quasi-monetarism monetary targeting  
corporate finance bonds shares stock market speculation financialization  
financial fragility derivatives pensions pre-funded pension pay-as-you-go pension  
defined contribution defined benefit

**Session 9 (Nov. 26): The Economy After COVID**

*Readings: Chapters 25 and 26 of Economics for Everyone.*

Topics:

Capitalism's endless roller-coaster  
Recessions and how to stop them  
Long waves in the history of capitalism  
Global Financial Crisis of 2008-09  
Economic consequences of COVID  
How will the economy recover?  
A national reconstruction plan

Key Terms Introduced:

income expenditure surplus deficit injection leakage multiplier effect  
recession depression recovery consumer sentiment supply shocks  
capital flight counter-cyclical policies discretionary fiscal policy  
automatic stabilizers balanced budget laws long waves austerity

**Session 10 (Dec. 3): Building a Fairer, Sustainable Economy**

*Readings: Chapters 27-29 of Economics for Everyone.*

Topics:

Giving capitalism a report card  
Will capitalism survive?  
Improving capitalism  
How to pay for reforms

Capitalism and socialism  
Capitalism and human nature

Key Terms Introduced:

systemic instability financial fragility global imbalance environmental limits  
investment stagnation worker compliance social democracy socialism  
reforms high-investment sustainable economy public ownership economic planning  
market socialism benefit corporation