

Understanding Economics Video Series

1. The Problem — Our first task is to get clear about what we want to know. We survey a long list of economic problems, and identify four basic questions that a course in political economy must address: 1. Why is there poverty, amid progress? 2. Why are there Boom/Bust cycles? 3. Must society trade between efficiency and equity? 4. Must society trade between prosperity and environmental sustainability?

2. Why Is There Poverty? Standard theories — Over the years, various reasons have been proposed to account for persistent poverty in a progressive society. Is poverty caused by overpopulation? By a lack of capital investment? Is poverty an inherent part of a capitalistic society? We examine each of these ideas.

3. Economic Definitions — It is essential that we know what our terms mean. This can be problematic in economic study, because it uses terms differently than people do in everyday speech. Furthermore, there are key differences between *microeconomics*, which studies behavior of individuals and firms, and *political economy*, which explores the production and distribution of wealth in the whole society.

4. The Laws of Distribution — In which we develop an economic model, using the island of Manhattan as our example, that shows the basic principles of how society's wealth gets divided among the factors of production.

5. The Dog in the Manger — Since land is fixed in supply, and needed for all production, it tends to increase in value faster than overall economic growth. This leads to the phenomenon of land speculation. We explore the economic, social and environmental costs of this practice.

6. Capital in Political Economy — Some consider "Capital" to be a social class — but our study of political economy defines capital as simply the physical stuff, products of labor, that is used in production. We explore various kinds of capital and their roles in production and distribution.

7. Boom/Bust Cycle I — Cyclical downturns have plagued economies for centuries. What causes them? We survey the history of booms & busts and consider various theories of why they happen. What do they all have in common?

8. Boom/Bust Cycle II — Our saga of the Boom/Bust cycle continues into the 20th century, in which society endured the biggest Bust ever. After the Great Depression, various policies were implemented to blunt the severity of economic downturns. But is there a way they can be eliminated?

9. Picturing the Boom/Bust Cycle — The dance of curves on supply and demand charts, applied to aggregate production, provides us with another way to see how these dynamic forces interact. It becomes clear that if society could eliminate both land speculation and taxes that burden production, it could enjoy sustainable prosperity without recessions.

10. Henry George's Remedy: Its Justice — George's remedy came to be known as the Single Tax: the collection of the rent of land for public revenue, and the elimination of taxes on labor and capital. First we consider the question of whether such a policy accords with the principles of justice.

11. The Remedy: Exploring Public Revenue Options — The basic principles of sensible taxation policy have been agreed upon, ever since Adam Smith first articulated them in his "Canons of Taxation." We evaluate various sources of public revenue according to those principles, and see that all takes are *not* created equal.

12. Application of the Remedy, Short- and Long-Term — "We already take some rent in taxation," Henry George wrote. "We have only to make some changes in our modes of taxation to take it all." That seems easy enough, yet it has proved challenging politically. Also, there are some key differences between a *limited* application of the Georgist Remedy and its full-scale adoption.

13. Frequently-Asked Questions — In which we address a broad sampling of common critiques of the Georgist proposal. Leo Tolstoy said, "People do not disagree with the teaching of George, they simply do not know it. He who becomes acquainted with it cannot but agree." Was Tolstoy right?

14. How Much Rent Is There? — If we grant that the rent of land is the ideal source of public revenue, can we show that there would be enough of it to satisfy the needs of a modern government? What is the state of knowledge on the aggregate amount of rent today — and how would that total change, if George's Remedy were in effect?

15. Sustainability Squared — Interview with a special guest, environmental economist Polly Cleveland, on the structural economic forces that intensify environmental damage today. By eliminating wasteful subsidies, and using more labor and less capital and land, we can move toward sustainable prosperity. Cleveland explains how Georgist policy is a key part of this potential transformation.

16. The Law of Human Progress — Did modern industrial, national economies curse themselves, when they appropriated and commodified the natural world? What are the basic elements of human progress, and how can they be sustained in a rapidly-changing, globalizing economy?