

# Political Economic Theory



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**Theory** – a conceptual framework to understand Political Economic Theory  
e.g. Marxist / Keynesian / Neo-liberal

**History** – to understand the evolution of theory / practice  
e.g. France – monarchy / social revolution / socialist nation / member of  
the European Union

What is 'normal' now, was unthinkable before (citizens' rights,  
public holidays, maternity benefit etc.)

**Paradigm** – how you / society sees the world at a given time  
e.g. atheist vs believer  
e.g. communist vs neo-liberal  
e.g. normal-sighted vs colour-blind

**Paradigm shift** – when society undergoes a major paradigm change  
e.g. pre-post Darwinian  
e.g. pre-post continental shift  
e.g. pre-post neo-liberal (TINA)

In Economics and Politics we use the terms 'left' and 'right' to distinguish among different theories and realities of political economy.

What indicators would you look for to decide if a country is 'right' or 'left' ?

**Compare your country to one other country to find the following data (45m)**

**Government income** (how much and where does it come from: difference among progressive and regressive taxes)

**Government expenditure** (how much and where does it go: public services, military, corporate subsidies)

**Public services** (As a percentage of public expenditure or of GDP: Education, Health, Infrastructure, Defence...)

**Wealth gap** (an index of how evenly wealth is distributed, the Gini code)

**Poverty and Life Expectancy** (poverty often = 50% average income)

**Social services** (unemployment benefit, maternity benefit, child benefit, handicap benefit)

**Trade Unions** (percentage of trade union membership)

## Links

World Bank Data

HDI data (Human Development Index)

Tax revenue as % of GDP

Tax burden and govt. expenditure

Military expenditure

GapMinder data

CIA World Fact Book

Eurostat