

Economics 323: Classical and Marxian Political Economy

Spring 2009

Art Carden

Tuesday and Thursday, 11:00-12:15 AM

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Office Hours: Wednesdays, 2:00-4:00 and lunch, TuWeTh (at the Rat or in my office)

Because the great controversies of the past often reach into modern science, many current arguments cannot be fully understood unless one understands their history.

-Ernst Mayr

Course description from the Catalog:

“The writings of Adam Smith and of Karl Marx had a profound and lasting influence on the way people think about the world. The Industrial Revolution that took place in the interim between the publications of the works of these two thinkers literally changed the world. This course focuses on the most important works of Smith and Marx and on the economic events taking place in eighteenth and nineteenth century England that continue to affect the way we think and live. The works of other Classical Economists are also examined.”

Prerequisites: Economics 101-102 or may be taken concurrently with Economics 102 with permission of instructor. If you have taken other upper-level electives such as Economic History (Econ 339), they will be of great help, but they are not required. This class will be in part a class in economic history and in part a class in the history of ideas.

The Foundation Requirements

I have submitted an application to have this course fulfill both the F2 (“develop excellence in written communication”) and F3 (“understand how historical forces have shaped human cultures”) foundation requirements.

F2: We will satisfy the F2 requirement through a series of short essays and a substantial research paper. In addition to mastery of the theoretical and historical material, you will think conscientiously about the composition process. This will include planning, drafting, reviewing, and revision.

F3: the F3 foundation requirement is about “(i)nvestigating the responses of individuals and societies to forces of change helps us understand the processes of transformation that affect all human cultures. It also provides new perspectives on the present.” We will satisfy the F3 requirement by exploring the historical development of economic ideas as well as the causes and consequences of the Industrial Revolution. We will also apply some of these insights to contemporary debates.

Grades and Evaluation

You will have the opportunity to earn 1000 points this semester by writing three papers worth 150 points each, summaries of at least two of the lectures by outside speakers I will ask you to attend (25 points each; I will count your top 2), and a comprehensive research paper worth 500 points that will be broken into smaller sub-assignments over the course of the semester. The research paper is due at 11:00 AM on Wednesday, May 6. Other due dates will be announced throughout the semester.

The three short papers will consider the following topics:

1. Theories of price and value
2. Living standards during the Industrial Revolution
3. Capitalism, Socialism, and the Mixed Economy

The lecture write-ups will analyze the lectures in light of what we discuss in class. You will analyze and, where appropriate, criticize the lectures using specific examples from class, your assigned readings, and the lectures.

The research paper will attempt to answer one question: "why are some people very rich while other people are very poor?" In essence, it will be your own inquiry into the nature and causes of the wealth of nations. You will summarize, analyze, and criticize the theories of wealth and progress that we will consider this semester, and you will bring empirical evidence to bear on the issue of why some people are very rich while other people are very poor. This will be broken into a series of sub-assignments. You will submit a project plan, an introduction and outline, a literature review and revised project plan, and a summary of available data sources along with another revised project plan before submitting the final paper.

920+ (92%): A	730+ (73%): C
880+ (88%): A-	700+ (70%): C-
850+ (85%): B+	670+ (67%): D+
820+ (82%): B	640+ (64%): D
790+ (79%): B-	600+ (60%): D-
760+ (76%): C+	599- (<60%): F

Attendance Policy: "Present and Prepared"¹

This course will be a mix of lecture and discussion. Providing maximum benefit for you and your classmates requires preparation on your part. You will be provided with discussion questions to guide you through the readings, and you will be expected to discuss these points and answer questions as I ask them in class. If you are not "present and prepared," you will be a designated note-taker for that class meeting.

There will be a sign-up sheet at the beginning of class. If you are ready and willing to participate in class discussion, you will place a checkmark next to your name. If you are not, do not place a checkmark next to your name and you will not be called on during the

¹ This policy is adopted from suggestions by John Hasnas, Georgetown University School of Law.

class. If you are “present and prepared” for 90% of the class meetings (27 out of 30), you will receive a bonus of 1/3 of a letter grade (a C becomes a C+ and so on). If you are “present and prepared” for fewer than 60% of the class meetings (18 out of 30 meetings), you will be penalized 1/3 of a letter grade. If you are “present and prepared” for fewer than 40% of the class meetings (12 out of 30), you will have the option of submitting all written assignments for a **maximum** grade of D-. If you check your name off, I call on you and you are not prepared, you will be automatically penalized 1/3 of a letter grade. If your name is checked off and you are absent, you will be referred to the Honor Council.

Late Papers

I expect everything to be turned in on time. “On time” will be defined as “before class formally begins” for papers due in class and by 11:00 AM on May 6 for the research paper. Papers turned in late will be penalized 25 points per 24 hours.

The Honor Code and Plagiarism

You are expected to abide by the Honor Code in all that you do for this course. The Honor Code reinforces Rhodes College's commitment to maintaining a community of truth. I take the Honor Code very seriously, and I expect you to do the same because your personal integrity is one of your most valuable assets. Compromising the Honor Code has serious consequences. The Honor Council Constitution defines plagiarism as “an act of academic dishonesty. A student must not adopt or reproduce ideas, words, or statements of another person without appropriate acknowledgment.” If you have any questions about what constitutes “academic dishonesty” and “appropriate acknowledgment,” please discuss them with me and with the staff at the Writing Center.

Texts and Readings

This class will be very reading-intensive. In addition to the books below, we will make extensive use of sources available on the internet.

1. Ekelund and Hebert, “A History of Economic Theory and Method,” 5th Edition, ISBN 1577664868
2. Floud & McCloskey, ed. “The Economic History of Britain Since 1700, Volume 1: 1700-1860,” 2nd Edition, ISBN 052142520
3. Deirdre N. McCloskey, “The Bourgeois Virtues: Ethics for an Age of Commerce,” ISBN 0226556646
4. Adam Smith, “An Inquiry Into the Nature and Causes of the Wealth of Nations,” volumes I and II, ISBN 0865970068, 0865970076
5. Deirdre N. McCloskey, “Economic Writing,” ISBN 1577660633

This list is not exhaustive, but we will use readings from the following websites, which you will also find useful for your research papers:

1. The Library of Economics and Liberty (<http://econlib.org>)
2. www.Marxists.org, www.Mises.org
3. History of Economic Thought Website (<http://cepa.newschool.edu/het/>)
4. *Oxford Encyclopedia of Economic History* (www.oxford-economichistory.com)
5. *Concise Encyclopedia of Economics* (<http://econlib.org/library/CEE.html>)

Here is a brief outline, which will be modified and filled out as the semester progresses.

ACT I: CLASSICAL ECONOMICS	
Week 1: 1/15	Why Economic History and the History of Ideas?
January 15	E&H Chapter 1 <i>Bourgeois Virtues</i> pp. 1-60
Week 2: 1/20 & 1/22	The History and Pre-History of Classical Economics
1/20	E&H Chapter 2 <i>Great Books</i> Syntopicon Chapter on Wealth Randall Holcombe will visit campus on January 20
Week 3: 1/27 & 1/29	Mercantilism and the Scottish Enlightenment
Week 4: 2/3 & 2/5	Adam Smith: Economist and Moral Philosopher
Week 5: 2/10 & 2/12	Classical Economics on the Kingdom and on the Continent
ACT II: MARXIAN ECONOMICS	
Week 6: 2/17 & 2/19	Karl Marx versus Adam Smith, Part I
Week 7: 2/24 & 2/26	Karl Marx versus Adam Smith, Part II
INTERLUDE: THE INDUSTRIAL REVOLUTION	
Week 8: 3/3 & 3/5	European Economic History in 150 Minutes Kenneth Elzinga will visit campus on March 4.
Week 9: 3/10 & 3/12	The Industrial Revolution in Great Britain Lawrence H. White will visit campus on March 9.
Week 10: 3/17 & 3/19	Spring Break. No Class.
Week 11: 3/24 & 3/26	The Industrial Revolution in Europe Deirdre N. McCloskey will visit campus this week.
ACT III: CLASSICAL AND MARXIAN POLITICAL ECONOMY	
Week 12: 3/31 & 4/2	Mercantilism, Rent-Seeking, and Economic Growth
Week 13: 4/7 & 4/9	4/7: No class. 4/9: Whither Socialism?
ACT IV: NEOCLASSICAL ECONOMICS	
Week 14: 4/14 & 4/16	Issues and Applications
Week 15: 4/21 & 4/23	Buffer.
Week 16: 4/28 & 4/30	Resolv'd: Some People Are Very Rich While Other People Are Very Poor
Research paper due on Wednesday, December 6 at 11:00 AM (the end of the exam period for Econ 323).	