

Economics 323: Classical and Marxian Political Economy

Spring 2012

Art Carden

Tuesday and Thursday, 12:30-1:45 AM

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Office Hours: Wednesdays, 2:00-4:00

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 100. Other upper-level electives will be of great help, but they are not required.

The Foundation Requirements

This course fulfills 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. This class will be in part a class in economic history and in part a class in the history of ideas.

Grades and Evaluation

You will have the opportunity to earn 1000 points this semester by writing three papers worth 150 points each, and a comprehensive research paper worth a total 550 points that will be broken into five sub-assignments. The research paper is due at 3:30 PM on Saturday, May 5.

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 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 another revised project plan before submitting the final paper. You will also critique a classmate's work, and you will respond to a classmate's critique of your work.

Your final percentage grade will be calculated as (points earned/1000). Letter grades will be assigned as follows:

930+ (93%): A	730+ (73%): C
900+ (90%): A-	700+ (70%): C-
870+ (87%): B+	670+ (67%): D+
830+ (83%): B	630+ (63%): D
800+ (80%): B-	600+ (60%): D-
770+ (77%): 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 reading and discussion questions corresponding to each assignment. I may call on you randomly.

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 class. If you miss being "present and prepared" for 23 out of 25 meetings, 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 20 out of 25 meetings, you will be penalized 1/3 of a letter grade. If you are "present and prepared" for fewer than 15 out of 25 meetings, you will

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

have the option of submitting all written assignments for a **maximum** grade of D-. You will get an extra “present and prepared” checkmark if you attend the IHS weekend seminar on February 24-26. If your name is checked off and you are absent, you will be referred to the honor council.

Multitasking during class is unwise, distracting, and disrespectful: it imposes what economists call a *negative externality* on everyone else in the room. Working on material for another class will cost you your “present and prepared” checkmark. The same will happen if your cell phone makes noise—either ringing or vibrating—in class.

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 3:30 PM on May 5 for the research paper. Papers turned in late will be penalized 15 points per 24 hours. Papers will not be accepted more than 48 hours late.

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. A lot of what we use this semester will be available on the internet for a price of \$0. I will require that you find some way to read and manage your information electronically, whether it is with the Amazon Kindle application for your computer or by purchasing something portable with e-reader capabilities like an iPad, iPod Touch, iPhone, Kindle, or Nook. I will make additional reading assignments over the course of the semester, and again, a lot of these will be available electronically.

1. Murray N. Rothbard, *Economic Thought Before Adam Smith* and *Classical Economics*. Both are available for free download from www.mises.org.
2. Robert C. Tucker, ed. *The Marx-Engels Reader*. ISBN 0393090404X
3. Deirdre N. McCloskey, *The Bourgeois Virtues: Ethics for an Age of Commerce*, ISBN 0226556646
4. Deirdre N. McCloskey, *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. ISBN 0226556654
5. Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations*, volumes I and II, ISBN 0865970068, 0865970076

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

ACT I: CLASSICAL ECONOMICS	
Week 1	Why Economic History and the History of Ideas? Noam Chomsky will be speak on Friday, 1/13 at 5:00.
Week 2	The Pre-History of Classical Economics: The Greeks
Week 3	Mercantilism and The Scottish Enlightenment
Week 4	Adam Smith: Economist and Moral Philosopher
Week 5	Economics and Economists Before Marx
ACT II: MARXIAN ECONOMICS	
Week 6	Karl Marx, Part I
Week 7	Karl Marx, Part II
The Institute for Humane Studies is hosting a weekend seminar on campus during which we will discuss a lot of the topics and issues we will address this semester. The seminar will begin on Friday evening, February 24 and end on Sunday, February 26.	
INTERLUDE: THE INDUSTRIAL REVOLUTION	
Week 8	European Economic History in 150 Minutes
Week 9	The Industrial Revolution
Week 10	Spring Break. No Class.
ACT III: CLASSICAL AND MARXIAN POLITICAL ECONOMY	
Week 11	Classical and Marxian Interpretations of the Past
Week 12	Theories of Price and Value after Marx
ACT IV: CAPITALISM, SOCIALISM, AND BUSINESS CYCLE THEORY	
Week 13	Economic Calculation in the Socialist Commonwealth
Week 14	The Use of Knowledge in Society
Week 15	The Stability and Instability of Production Under Capitalism and Socialism
Week 16	Resolv'd: The Nature and Causes of the Wealth of Nations
Research paper due Saturday, 5/5 at 3:30 PM (end of the exam period for Econ 323).	