Fall 2013
AP/ECON 4059 A
History of Economic Thought I

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Course Description

Focuses on the theoretical development of classical political economy up to 1870 in the works of the Physiocrats, Smith, Ricardo, and Marx. Emphasizes the contrasts and similarities between classical and neoclassical theories.

Required Texts


Optional Texts, Readings, Resources

Vivian Walsh and Harvey Gram, *Classical and Neoclassical Theories of General Equilibrium* (Oxford University Press, 1980) [PDF on Moodle]


McMaster Archive [http://socserv.mcmaster.ca/econ/ugcm/3ll3/](http://socserv.mcmaster.ca/econ/ugcm/3ll3/)

Marx and Engels Internet Archive [http://www.marxists.org/archive/marx/index.htm](http://www.marxists.org/archive/marx/index.htm)


The History of Economics Playground, a blog by “young and restless (and good looking) historians of economics” [http://initeconomics.org/blog/playground](http://initeconomics.org/blog/playground)
Course Requirements

<table>
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<tr>
<th>Due</th>
<th>% of course grade</th>
<th>Task</th>
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<tbody>
<tr>
<td>Sept – Nov</td>
<td>10%</td>
<td>Two 1 page abstracts with revisions</td>
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<tr>
<td>Oct 24</td>
<td>15%</td>
<td>4 – 6 page paper (1000 – 1500 words)</td>
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<tr>
<td>Dec 5</td>
<td>30%</td>
<td>10 – 12 page paper (2500 – 3000 words)</td>
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<tr>
<td>Dec 20</td>
<td>35%</td>
<td>Take-home final exam</td>
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<tr>
<td>Sept – Nov</td>
<td>10%</td>
<td>Engagement</td>
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Learning Objectives

• By engaging with primary texts, learn the main ideas of each author, and the shared characteristics of the “school” in which the author is situated.

• Understand the diversity of economic thinking and how ideas that emerged at any point in the past were a product of a swirling array of forces including: the actual economy, social interests at work in the economy, prevailing views on what constitutes science, prevailing views on justice and fairness, dominant ideas in the natural and other social sciences, available tools/techniques and individual personality.

• Evaluate similarities and differences across the schools/paradigms/theoretical frameworks of classical political economy, neoclassical economics and Keynesian economics.

• Assess the extent to which there has been continuity or discontinuity in the development of economics, and use differences across schools to think critically about the underlying assumptions and focus of economics learned in other courses.

• Improve your writing skills, especially the ability to identify, construct, support and criticize arguments.

Writing

This is a “writing-intensive course designed to help you improve your ability to write and think critically. Details will be provided in class. Useful references include:

Avi J. Cohen and John Spencer, "Using Writing Across the Curriculum in Economics: Is Taking the Plunge Worth It?" *Journal of Economic Education* (Summer 1993), 219 – 230


Workload

A typical 3 credit course requires 100 hours of your time. ECON 4059 is both a reading-intensive and writing intensive course. The table below identifies how I expect those 100 hours will be allocated. While you do not receive direct marks for reading, reading will affect your engagement mark (your ability to participate in class discussions and activities) and your final exam mark. While some weeks have more readings than others, you should be able to read the required reading in an average of 2 hours per week. The optional reading are for your interest, and will be useful if you choose a paper topic related to that area of the course.

<table>
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<tr>
<th>Activity</th>
<th>Hours</th>
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<tbody>
<tr>
<td>Class Time</td>
<td>30</td>
</tr>
<tr>
<td>Reading</td>
<td>24</td>
</tr>
<tr>
<td>Abstracts</td>
<td>6</td>
</tr>
<tr>
<td>Short Paper</td>
<td>12</td>
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<tr>
<td>Long Paper</td>
<td>16</td>
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<tr>
<td>Final Exam</td>
<td>12</td>
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<tr>
<td>TOTAL</td>
<td>100 hours</td>
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Engagement

Ten percent of your final grade depends on your engagement in class discussions and group activities. That participation requires your engagement with the readings, and thinking critically about how the ideas relate to theories you have learned in your other economics courses.
COURSE OUTLINE AND READING LIST

1  Economics, Methodology and the History of Economic Thought

Robert Heilbroner, *Worldly Philosophers*, Ch I

Vivian Walsh and Harvey Gram, *Classical and Neoclassical Theories of General Equilibrium*, Ch 1


2  The Emergence of Political Economy: Needs, Wealth and the Market

Robert Heilbroner, *Worldly Philosophers*, Ch II


Sir James Steuart, *An Inquiry into the Principles of Political Economy*, Book 1, Introduction, Chs 6 – 7; Book 2, Chs 1 – 3, 21

*http://www.marxists.org/reference/subject/economics/steuart/index.htm*
3 Early Classical Political Economy: The Physiocratic System

Vivian Walsh and Harvey Gram, Classical and Neoclassical Theories of General Equilibrium, Ch 2


Optional: “Francois Quesney,” in Robert Heilbroner, Teachings from the Worldly Philosophy (Norton, 1997), 35 – 40


4 Adam Smith

A General Overview

Robert Heilbroner, Worldly Philosophers, Ch III

Vivian Walsh and Harvey Gram, Classical and Neoclassical Theories of General Equilibrium, Ch 3


Optional: Jerry Evensky, “What’s Wrong with Economics?” Journal of the History of Economic Thought (March 2012), 1 – 20

B The Division of Labour

Adam Smith, The Wealth of Nations, Introduction and Plan of the Work; Book I, Chs 1 – 3; Book III

Nathan Rosenberg, “Adam Smith on the Division of Labor: Two Views or One?” Economica (May 1965), 127 – 139
C  Smith and the Labour Theory of Value

Adam Smith, *The Wealth of Nations*, Book I, Chs 4 – 7


Optional: Maurice Dobb, *Theories of Value and Distribution Since Adam Smith* (Cambridge University Press, 1975), Ch 2

D  Distribution of Income

Adam Smith, *The Wealth of Nations*, Book I, Chs 8 – 11

E  Capital Accumulation

Adam Smith, *The Wealth of Nations*, Book II

5  David Ricardo

A  Development of Ricardo’s Theory of Value

Robert Heilbroner, *Worldly Philosophers*, Ch IV

Vivian Walsh and Harvey Gram, *Classical and Neoclassical Theories of General Equilibrium*, 82 – 102


http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=205&chapter=38579&layout=html&Itemid=27


B  The Labour Principle and Natural Prices


http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=113&chapter=38257&layout=html&Itemid=27


Optional: Maurice Dobb, *Theories of Value and Distribution Since Adam Smith* (Cambridge University Press, 1975), Ch 3
C Distribution of Income

http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=113&chapter=38257&layout=html&Itemid=27

D Accumulation of Capital

http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=113&chapter=38257&layout=html&Itemid=27

6 Karl Marx

A Marx’s Approach and the Qualitative Theory of Value

Robert Heilbroner, *Worldly Philosophers*, Ch VI

Karl Marx, Preface of *A Contribution to the Critique of Political Economy*  

*Introduction*, Chs 1 – 3


B Circulation, The Quantitative Value Problem, Surplus Value

*Ch 4*

Optional: Karl Marx, *Wage Labour and Capital* (1891), edited by Friedrich Engels,  
http://www.marxists.org/archive/marx/works/1847/wage-labour/index.htm

C Reproduction and Accumulation

*Chs 5, 6*

Vivian Walsh and Harvey Gram, *Classical and Neoclassical Theories of General Equilibrium*, 102 – 115
7 Sraffa's Rehabilitation of Classical Economics