

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

Robert Heilbroner, *The Worldly Philosophers* (revised 7th edition)

Robert Heilbroner, *Teachings from the Worldly Philosophy* (Norton, 1997)

Optional Texts, Readings, Resources

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

The Online Library of Liberty (Liberty Fund, Inc)
http://oll.libertyfund.org/index.php?option=com_staticxt&Itemid=28

McMaster Archive
<http://socserv.mcmaster.ca/econ/ugcm/3ll3/>

Marx and Engels Internet Archive
<http://www.marxists.org/archive/marx/index.htm>

The New Palgrave Dictionary of Economics Online (2013)
<http://www.dictionaryofeconomics.com.ezproxy.library.yorku.ca/dictionary>

A Companion to the History of Economic Thought, eds. W.J. Samuels, J.E. Biddle and J. B. Davis, 2005
<http://site.ebrary.com.ezproxy.library.yorku.ca/lib/oculyork/docDetail.action?docID=10154882>

The History of Economics Playground, a blog by “young and restless (and good looking) historians of economics” <http://ineteconomics.org/blog/playground>

Course Requirements

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

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

D. McCloskey, "Economical Writing," *Economic Inquiry* 24(2) Apr 1985: 187 – 222

The Economist Style Guide <http://www.economist.com/styleguide/introduction>

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.

Activity		Hours
Class Time	2.5 hours/week	30
Reading	2 hours/week	24
Abstracts	3 hours each	6
Short Paper		12
Long Paper		16
Final Exam		12
TOTAL		100 hours

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

Paul Krugman, "[How Did Economists Get It So Wrong?](#)" *New York Times* 6 September 2009

Milton Friedman, "The Methodology of Positive Economics," in *Essays in Positive Economics*, 3 – 43

Alex Rosenberg and Tyler Curtain, "[What Is Economics Good For?](#)" *New York Times* 24 August 2013

Kenneth Boulding, "[After Samuelson, Who Needs Adam Smith?](#)" *History of Political Economy* (Fall 1971), 225 – 237

Optional: Avi J. Cohen and Ross B. Emmett, "Why And How To Teach The History Of Economic Thought: Economics As Historically Produced Knowledge," in G. Hoyt and K. McGoldrick, *International Handbook on Teaching and Learning Economics* (Edward Elgar, 2011), 543 – 555

Optional: Thomas Kuhn, *The Structure of Scientific Revolutions*, 2nd ed. (University of Chicago Press, 1970), Ch10 ("Revolutions")

Optional: Avi J. Cohen, "[The Methodological Resolution of the Cambridge Controversies](#)," *Journal of Post Keynesian Economics* (Summer 1984), 614 – 620 only

Optional: Larry Summers, "[The Scientific Illusion in Empirical Macroeconomics](#)," *The Scandinavian Journal of Economics* (June 1991), 129 – 148

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

Robert Heilbroner, *Worldly Philosophers*, Ch II

Marshall Sahlins, *Stone Age Economics* (Transaction Publishers, 1972), 1 – 39 (or <http://www.primitivism.com/original-affluent.htm>)

Karl Polanyi, *The Great Transformation*, Ch 4 ("[Societies and Economic Systems](#)")

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

Paul Sweezy, *The Theory of Capitalist Development* (Monthly Review Press, 1942), Appendix A, 365 – 367

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

Optional: A.R.J. Turgot, “Reflections on the Formation and the Distribution of Wealth,” in Robert Heilbroner, *Teachings from the Worldly Philosophy* (Norton, 1997), 41 – 52; unabridged text at http://oll.libertyfund.org/index.php?option=com_staticxt&staticfile=show.php%3Ftitle=122&Itemid=27

Optional: R. Backhouse and Y. Giraud, “[Circular Flow Diagrams](#),” in M. Blaug and P. Lloyd (eds.), *Famous Figures and Diagrams in Economics* (Elgar, 2011), 221 – 229

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

Adam Smith, *The Theory of Moral Sentiments*, in *The Glasgow Edition of the Works and Correspondence*, Vol 1, Part 1, Section 1, Ch 1 “On Sympathy”
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=192&chapter=200054&layout=html&Itemid=27

Nathan Rosenberg, “[Adam Smith, Consumer Tastes, and Economic Growth](#),” *Journal of Political Economy* (May/June 1968), 361 – 374

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](#)

Ronald Meek, *Studies in the Labor Theory of Value*, 2nd edition (Monthly Review Press, 1975), Ch 2

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

Optional: David Ricardo, "Essay on Profits," in *Works and Correspondence of David Ricardo*, ed. P. Sraffa, Vol. IV, 10 – 41
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=205&chapter=38579&layout=html&Itemid=27

Optional: Ronald Meek, *Studies in the Labor Theory of Value*, 2nd edition (Monthly Review Press, 1975), 82 – 97

B The Labour Principle and Natural Prices

David Ricardo, *Principles of Political Economy*, in *Works and Correspondence of David Ricardo*, ed. P. Sraffa, Vol. I, Preface and Chs 1, 4, 20, 30
http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=113&chapter=38257&layout=html&Itemid=27

Ronald Meek, *Studies in the Labor Theory of Value*, 2nd edition (Monthly Review Press, 1975), 97 – 120

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

C Distribution of Income

David Ricardo, *Principles of Political Economy*, in *Works and Correspondence of David Ricardo*, ed. P. Sraffa, Vol. I, Chs 2, 3, 5, 6, 24

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

D Accumulation of Capital

David Ricardo, *Principles of Political Economy*, in *Works and Correspondence of David Ricardo*, ed. P. Sraffa, Vol. I, Chs 21, 31

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*

<http://www.marxists.org/archive/marx/works/1859/critique-pol-economy/preface-abs.htm>

Paul Sweezy, *The Theory of Capitalist Development* (Monthly Review Press, 1942), [Introduction, Chs 1 – 3](#)

Optional: A. Cohen and J. Cohen, "[Classical and Neoclassical Theories of General Equilibrium](#)," *Australian Economic Papers*, June 1983, 194-200 only

Optional: Ronald Meek, *Studies in the Labor Theory of Value*, 2nd edition (Monthly Review Press, 1975), Chs 4, 5 (pp. 157 – 176)

B Circulation, The Quantitative Value Problem, Surplus Value

Paul Sweezy, *The Theory of Capitalist Development* (Monthly Review Press, 1942), [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

Paul Sweezy, *The Theory of Capitalist Development* (Monthly Review Press, 1942), [Chs 5, 6](#)

Vivian Walsh and Harvey Gram, *Classical and Neoclassical Theories of General Equilibrium*, 102 – 115

7 Sraffa's Rehabilitation of Classical Economics

Ronald Meek, "[Mr. Sraffa's Rehabilitation of Classical Economics](#)," in *Smith, Marx and After* (Chapman & Hall, 1977), 119 – 136