

Ecn 305
Fall 2010
Office hours: M 11-12, T 1-4 (by appointment), W 2-3
874-4126

Competing Traditions in Economics
R. McIntyre
Lippitt 300b
mcintyre@uri.edu

This course provides introductory exposure to the history of economics and also to competing schools of thought within contemporary economics. This semester we will pay special attention to the history of theories concerning economic crisis and differences between capitalism and socialism, given the contemporary importance of these issues.

With a topic this large we must be radically selective in our coverage. We will focus on how economics has evolved since the late 18th century and the roles of science, ideology, politics and economic development in that evolution. We will give special attention to “four big economists” – Adam Smith, Karl Marx, John Maynard Keynes, and Milton Friedman – but will only be able to scratch the surface even with these four. We will situate the ideas of the great economists in the controversies of their day and connect some of those ideas to contemporary issues.

The reading load overall may be more demanding than what you are used to and it is important to establish a sensible work schedule. You will need to spend about ten hours a week on this course, possibly more at certain peak times. If you find this hard you should re-think your priorities, cut your consumption of fast food and fossil fuels so that you can work fewer hours for (low) pay, waste less time on the internet, sober up, shut off your cell phone, de-twitter, get rid of your TV and video games, etc. Or choose another course.

Four paperback books are available for purchase. Other texts are on the internet or course site.

Robert Heilbroner, *The Worldly Philosophers*

Robert Heilbroner, ed., *The Essential Adam Smith*

Deirdre McCloskey, *Economical Writing*

Robert Tucker, ed., *The Marx-Engels Reader*

I am available each day after class to discuss any issues of concern. I try to respond to emails (at mcintyre@uri.edu) within 24 hours. Emails received on Friday after noon or Saturday will generally be answered on Sunday evening. I am happy to speak with you in my office at the hours listed above. Notice that the Tuesday hours are by appointment; the others are walk in.

Requirements:

Three persuasive essays of about 1500 words each – 45%

Comprehensive final exam – 25%, term identifications, short answer questions, and an essay

Five quizzes – 10% (lowest grade dropped, no makeups)

Participation: 20% including 5% for attendance and general participation, 10% for three writer’s workshop’s and two interpretive discussions, and 5% for community participation.

- The persuasive essays should be typed, no title page, spell checked, left justified, and double-spaced with one-inch margins. They are not to be a high school "book report" but an adult's *comment* on the reading, directed to the question I pose, making a clear point and developing that point based on your close reading of the required texts. There are no extensions without prior notice of medical or personal emergency, but you can turn papers in late at the cost of one letter grade per day. **You must show that you have read *Economical Writing with care*.** I presume you come to the course with some skill and practice in writing and we will spend time together in class working on our writing in economics. Those needing more help with their writing should visit the Writing Center which is part of the Academic Enhancement Center in Roosevelt Hall (<http://www.uri.edu/aec/aec/wcschedule.php>)
- The five quizzes will be unannounced and your lowest quiz grade will be dropped. These will be essentially “police the reading/instructor reality check” exercises in which you will be asked to identify and explain the importance of a few terms or write a short, 1-2 paragraph answer to a specified question. There are no makeups.
- The final exam will include term identifications and two essays. Please note the date and time of the final carefully before you make your winter break travel plans. There will be no makeups except in case of dire and documentable medical emergency. You must advise me of such a situation before the final if possible.
- The URI Honors Colloquium this year is titled *Race*. This is an opportunity for you to engage with the campus community and the general public on an important issue of cultural, economic and political interest. You must attend at least one of the events (www.uri.edu/hc) and write a two page reaction paper, turning it in no later than the Monday after the event. You may write additional papers for extra credit (2 points each).
- In most Monday and Wednesday classes I will make a presentation on some topic in the history of economic thought, allowing time for questions during and after. I will pose questions to the class and sometimes to individual students. On most Fridays we will have workshops, films or interpretive discussions.
- The workshops are designed to improve your writing skills. The films will help you put some of the theorists we are reading in historical context. The interpretive discussions at the end of the course will start with small group work identifying the main argument and supporting themes for that argument in a particular article (marked by an asterisk * in the reading list below) before moving to general discussion. Students who do poorly on quizzes may have to take a pre-test to participate.
- Everyone misses a class or two but don't make it a habit. Each class you miss after the second will reduce your participation grade by one point. You are expected to be on time. Please don't tell me about the traffic, parking problems, etc. Think of class as a regular business meeting for which you should be fully prepared. I expect you to be seated and ready to work at 1:00. This means you should have your notebook and the text we are working with open in front of you. Please do not chew gum or wear hats or sunglasses in class and be sure to turn off any electronic devices. If you are using Kindle versions of the texts or want to use such a device for note taking purposes please talk to me after the first class session.

- Grim Truth: If you cheat on any of the assignments I will give you an “F” for that assignment and report this cheating to your academic dean. Just don’t do it. Please read the URI policy on cheating and plagiarism, 8.27.10-8.27.21 at <http://www.uri.edu/facsen/8.20-8.27.html> Most students plagiarize by searching the web at the last minute for information about their papers. Bad idea. Start your papers early and stick to the required texts

Outline, Reading List and Assignments

Week of Topic

1. Introduction

9/8 *Organizational Meeting and the History of Science*

Thomas Kuhn, *The Structure of Scientific Revolutions*, pp. 1–12, 43-51, 77–86 (9/10)

9/13 *Scientific and Social Revolutions; Interpretations of Market Society*

Thomas Kuhn, *The Structure of Scientific Revolutions*, pp. 92–98, 108–110, 136–43 (9/13)

Heilbroner, *The Worldly Philosophers*, ch.1-2, pp.13-41 (9/15)

Deirdre McCloskey, *Economical Writing* (9/17)

Writers workshop September 17

2. Classical Political Economy

9/20 *Adam Smith*

Heilbroner, ch.3, pp.42-74 (9/20)

Smith, *The Theory of Moral Sentiments*, pp.65-77, 100-123, 145-47 in Robert Heilbroner, ed., *The Essential Adam Smith* (9/20,22)

Smith, *The Wealth of Nations*, pp.159-72, 194-208, 248-67, 269-70 in Robert Heilbroner, ed., *The Essential Adam Smith* (9/22,24)

Guest Lecture: Professor Robert van Horn

9/27 *Ricardo and the Classical School*

Heilbroner, ch.4-5, pp.75-135 (9/27,29)

Optional: Engels, *Socialism: Utopian and Scientific*, part 1, pp. 683-94 in *The Marx-Engels Reader*

Writers workshop - First paper due October 1

3. Marxian Political Economy

10/4 *Historical Materialism*

Heilbroner, ch.6, pp.136-169 (10/4)

Marx, *Capital*, Vol. I, in *The Marx-Engels Reader* (M-E), pp. 431-436. (10/4)

Marx and Engels, *The Communist Manifesto*, ME pp. 469-470, 473-491, 499-500 (10/6)

“Theses on Feuerbach,” M-E, pp. 143-145. (10/6)

The German Ideology, M-E, pp. 149-186 (10/8)

Marx, “Preface to *A Contribution to a Critique of Political Economy*,” pp. 3-6. (10/8)

Engels, “Letter to Joseph Bloch,” M-E, pp. 760-765. (10/8)

Optional: Marx, *Wage Labor and Capital*, M-E, pp.203-217

10/12 *Commodities and the Labor Process*

Marx, *Capital*, Vol. I, M-E, pp. 302-308, 319-343 (10/12)

Marx, *Capital*, Vol. I, M-E, 344-388 (10/13)

Optional: Marx, “Critique of the Gotha Program,” M-E, pp.525-41

J.K. Gibson-Graham. 2003. “Enabling Ethical Economies: Cooperativism and Class,” *Critical Sociology*, 29:2, 123-161

No class Monday this week but class on Tuesday due to Columbus Day holiday

10/18 *The Accumulation of Capital and Imperialism*

Marx, *Capital*, Vol. I, M-E, pp. 388-431 (10/18)

Marx, *Capital*, Vol. I, III, M-E, pp. 436-41 (10/20)

Heilbroner, ch.7, pp.190-205 (10/20)

Second paper due October 22 – Writer’s Workshop

4. Neoclassical Economics and its 20th Century Critics

10/25 *Neoclassical Economics and Marginalism*

Heilbroner, ch.7, pp.170-190, 205-212 (10/25)

Barber, *A History of Economic Thought*, introduction to part 3, ch.6.1-3, (10/27)

<http://www.wesleyan.edu/css/readings/Barber/toc.htm>

Greg Mankiw, “10 Principles of *Economics*,” (10/27)

<http://www.swlearning.com/economics/mankiw/principles2e/principles.html>

Film: Mary Filippo, *How I Can Enjoy Mine When You Don't Have Any*.

11/1 *Keynes, the Great Depression and the Golden Age*

Heilbroner, ch.9, 248-287 (11/1)

J.M. Keynes, *The General Theory of Employment, Interest, and Money*, ch.1, 12, 24

(11/1,3) <http://www.marxists.org/reference/subject/economics/keynes/general-theory/>

“Introduction,” in *The Neo-Keynesian World*, (11/5)

<http://homepage.newschool.edu/het/essays/keynes/ismcont.htm>

11/8 *Evolutionary Economics and the German Historical School*

Heilbroner, ch.8, 213-247 (11/8)

Optional: Philip Arestis and Malcolm Sawyer eds., *A Biographical Dictionary of Dissenting Economists*, pp.107-117, 202-208, 510-516 (On Commons, Galbraith, and Polanyi)

Heilbroner, ch.10, 288-310 (11/12)

Optional: James Crotty, “Slow Growth, Destructive Competition, and Low Road Labor Relations: A Keynes-Marx-Schumpeter Analysis of Neoliberal Globalization,”

[http://www.peri.umass.edu/nc/201/?tx_peripubs_pi1\[author_id\]=46](http://www.peri.umass.edu/nc/201/?tx_peripubs_pi1[author_id]=46)

11/15 *Austrian Economics and the Chicago School*

Milton Friedman, <http://www.hoover.org/bios/friedman.html> (11/15)

Paul Krugman, “Who was Milton Friedman?” (11/15)

<http://www.nybooks.com/articles/19857>

Optional: Robert Van Horn and Philip Mirowski, “The Rise of the Chicago School of Economics and the Birth of Neo-liberalism.” Pp.139-180 in *The Road from Mont Pelerin*. Eds. Philip Mirowski and Dieter Plehwe. Harvard, 2009

Milton Friedman, *Capitalism and Freedom*, table of contents, introduction and chapter 1 (11/17)

Interview with Milton Friedman, (11/17)
http://www.pbs.org/wgbh/commandingheights/lo/story/ch_menu.html, ch.8

Paul Krugman, “The Attack on Keynes,” in *Peddling Prosperity*, pp.23-54 (11/19)

Film: Selections from *The Commanding Heights*, vol.1

11/22 *The Chicago School and Global Neo-Liberalism*

C.B. Macpherson, “[Elegant Tombstones: A Note on Friedman’s Freedom](#),” (11/22) in *From Democratic Theory: Essays in Retrieval*

Film: Selections from *The Commanding Heights*, vol.2

Optional: Naomi Klein, summary and excerpt from the introduction to *The Shock Doctrine*, <http://www.naomiklein.org/shock-doctrine>

11/24 **Third paper due November 24**

5. Economic Crisis and Crisis of Economics?

11/29 *Neo-liberalism, Economics, and the Crisis of 2007-10*

Patricia Cohen, “Ivory Tower Unswayed by Crashing Economy,” *New York Times*, March 4, 2009, <http://www.nytimes.com/2009/03/05/books/05deba.html> (11/29)

The Economist, July 18-24, 2009, “[What Went Wrong with Economics](#),” “[The Other Worldly Philosophers](#),” and “[Financial Economics: Efficiency and Beyond](#)” (11/29)

John Cassidy, “After the Blowup,” *The New Yorker*, Jan.11, 2010 (11/29)

Optional: Arjo Klamer, “Does this have to be our future?” in David Colander, *The Making of an Economist, Redux*, pp.227-233 at <http://www.klamer.nl/docs/colander.pdf>

Film: Richard D. Wolff, *Capitalism Hits the Fan*

Engels, *Socialism: Utopian and Scientific*, M-E, pp. 700-717 (12/1)

Optional: resources at <http://www.rdwolff.com/>, Marx, *Capital*, vol.3, ch.27, <http://www.marxists.org/archive/marx/works/1894-c3/index.htm>; Krugman, "How Did Economists Get It So Wrong?" http://www.nytimes.com/2009/09/06/magazine/06Economic-t.html?_r=1

*Geoffrey Hodgson, "The Great Crash of 2008 and the Reform of Economics," *Cambridge Journal of Economics*, 33(6), November 2009, pp. 1205-21.

12/6 *What Should be Taught?*

Marian Fourcade, *Economists and Societies*, introduction, pp.1-11, Princeton, 2009 (12/6)

Optional: Richard McIntyre, in conversation with Gilles Raveaud, "Revolutionizing French Economics," *Challenge*, Nov.-Dec 2003, 110-130, <http://www.challengemagazine.com/Challenge%20interview%20pdfs/Raveaud.pdf>

*David Colander and Kim Marie McGoldrick, "The Economics Major and Liberal Education," *Liberal Education*, Spring 2009 pp.22-28.

Final Exam: TBA

Once you have mastered the required and optional readings about you may be introduced in doing research in this field. Here are a few good information some sources: The McMaster University Archive for the History of Economic Thought has an extensive set of links to original texts of many economists, <http://socserv2.socsci.mcmaster.ca:80/~econ/ugcm/3ll3/>. The major academic journal in the field, *History of Political Economy*, is available electronically through the URI library, <http://library.uri.edu/search/t#> The Marxists Internet Archive contains a remarkable collection on that school of thought, <http://www.marxists.org/>

Respond to the following in essays of about 1500 words. Due at the beginning of class on the day assigned. Late papers will be penalized one full letter grade per day.

Essay 1

The period between the 1770s and the 1870s was the age of “classical political economy.” In what sense did the writers we have read and read about from that period form a single school or paradigm? What were the key similarities and differences between these writers? Comment on their theories of value and growth, and their views of the state and the social classes.

Essay 2

Marx developed his work in political economy on the basis of the concepts of the classical school. He sub-titled his most important work “A critique of political economy”. What did he mean by this? In what sense is Marxism a critique of classical political economy? In what sense is it a critique of previous conceptions of socialism?

Essay 3

a) Keynes thought his theory was the more general, whereas neoclassical economics applied only to the special case of full employment. Why was Keynes’ theory so easily incorporated in the neoclassical synthesis, and might evolutionary or institutional ideas have provided a better basis for a break with neoclassicism?

or

b) Friedman presents himself as a classical liberal. What does he mean by this and what difference does it make for the Chicago school analyses of macroeconomics and international development? Evaluate these analyses.

Final exam essays:

1. Is there progress in economic thought?
2. Is the rise of the Chicago school an independent cause of the spread of neo-liberalism or is its hegemony in the last quarter of the 20th century itself a product of changes in economy and society? Does the crisis of 2007-2010 threaten that hegemony?

Other questions to be developed over the course of the semester.

Some tips on writing your papers:

A) Read over lecture notes and your notes on the readings. Reorganize the material into a grid comparing relevant authors on key issues

One advantage of a grid is that it readily shows how the different parts of a particular author's thought intersect, as well as revealing the relationships and similarities between thinkers. Another advantage of a grid is that it reveals gaps in your notes where you need to do more work.

B) Write out a thesis and outline.

You should summarize your argument, preferably at or near the outset (in 1-3 sentences), and all subsequent discussion should connect back to this thesis. A tight thesis also anticipates the structure of the essay. Often a thesis lends itself to a "natural" organization. You don't have to say "first I'll talk about Smith, then Ricardo, then Marx" and so on. But if the question implies (or you adopt) conceptual organization rather than by thinker, you might want to clarify where you are heading. The point about "tightness" is simply that at no point should the reader ask: *why am I reading about this?*

C) Really do part B.

A strong thesis has two characteristics: it makes a claim, and it has some explanatory power. Writing out outlines may seem tedious. It *is* tedious. But it's the most effective way to verify that you can *really* answer a question. Sometimes in a really good essay you'll even be able to write a new and clever introduction after the body of the paper is written. But don't start there.

D) Use a range of supporting evidence.

You should amply support your discussion with material from the readings. Lecture is an acceptable reference, but the bulk of evidence should come from the texts, especially from the "big four" classic authors we are studying. The more specifics [e.g., "as Smith argues in *Wealth of Nations*" and "yet Marx disagrees in *Capital* when he says..."] the better.

E) Write well. Spelling and grammar count. Read McCloskey again. ***Edit, edit, edit.***

F) Forget the Internet. You might certainly want to explore the websites or journal mentioned above but your essays should directly confront things that we have read or discussed together. Students most often get into plagiarism trouble by copying from uncited Internet sources. Focus on the (challenging but I hope interesting) texts for the class.

G) Edit some more. You should never show a first draft to anyone, even your mother. You can show your second draft to your mother, who loves you and will tell you how great you are. Don't turn in anything for this class that has not been revised at least twice (third draft or better) and spell checked both mechanically and by eye.