Economics BC3041: Theoretical Foundations of Political Economy

Instructor: Professor Belinda Archibong
Office: Lehman 001 (Barnard)
Office Hours: Tues. 1- 3:00pm. (1-2:00pm by sign up, 2:00-3pm free walk-ins: see below for details)

Office Hour Policy: From 1-2:00pm, you may sign up for office hours here in 15-minute time slots:

Please be sure to cancel your reservation 24 hours in advance if you will be unable to make it to your scheduled time. This is as a courtesy to your classmates as well.

From 2:00-3pm, office hours are walk-in, and you may feel free to stop by without signing up on the website.

Email: ba2207@columbia.edu

TA: Martha Susana Jaimes
TA’s Email:

TA Office Hours: Fridays 10:30-11:30am in Lehman 021 (Barnard)

Recitation time: Friday 11:10-12:00 (session 1), 2:10-3pm(session 2) (sign up for a recitation time on spreadsheet here: - ~ 24 students per session)

Recitation room: DIA 308, 11:10-12 and meet in DIA 203 on Fridays 2:10-3

Recitations are optional, though you are highly encouraged to attend 1 session regularly (see TA syllabus on Courseworks under ‘Files and Resources’ tab for details).

Course Description
Political economy, in one conception as the study of economic and political management of the state and the foundation of modern economics, has traditionally been concerned with two main issues:

a. the boundary between public (state) and private sectors
b. economic inequality

The first addresses issues dealing with the nature and scope of private property rights and of government intervention, while the second investigates the salient economic differences between individuals and assesses their political and social significance. From recent policy debates (for instance over the federal government deficit/debt and health care/insurance, climate change policy and social/intergroup inequality), we know that these two main issues often lie just below the surface and are inextricably connected.

‘Our goal this semester is to examine the theoretical foundations of these current policies and policy debates. To broaden and sharpen our understanding of these central notions and theories, we will undertake a careful, critical reading of seminal texts in political economy. Because the texts represent distinct traditions of political economic analysis—
Classical, Marxian, Utilitarian-Neoclassical, and Keynesian—our approach will be comparative-analytical. In other words, we will analyze the alternative concepts and theories in light of each other rather than their historical context and empirical evidence. To set the stage, we initially read relevant selections from political philosophy that delineate distinct visions of the relationship between the public (state) and private sectors.

One of John Maynard Keynes more famous quotes appears in the final pages of The General Theory and encapsulates the motivation behind this course. It goes:

“the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood...Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist.”

While there’s no doubt a bit of exaggeration in the above quote, it is true that at the core of the study of modern economics as the ‘science of scarce resource allocation’, are value judgments, birthed from moral (and consequently political) philosophy, so deeply imbedded, that we often, naively, erroneously and deleteriously, assume that they are not there at all. The goals of this course then are to ensure that by the end of it, you are able to understand, assess and critically examine the origins of political economic theory and ideas, the debates among them and the implications of these theories and debates across a variety of economic events and policy topics.

**Prerequisites:** At least one course in principles of economics at the level of Economics 1003 (Introduction to Economic Reasoning) at Barnard College or the equivalent course offered at Columbia is a minimal requirement.

**Readings**
During the semester we will read mainly from the original texts. To assist you, I have also included suggested secondary readings for some topics. The following **required texts** are available for purchase on Amazon and Book Culture ((at 536 W. 112th Street between Broadway and Amsterdam):

- Adam Smith, The Wealth of Nations (Bantam Classics)
- Karl Marx, Capital: A New Abridgement (Oxford)
- John Rawls (Samuel Freeman, ed.), Lectures on the History of Political Philosophy (Harvard University Press)

Complete versions of Smith and Marx are also available online. You can access the other readings via the Courseworks website or find them on reserve at the Barnard Library. You can access the other readings via the Courseworks website or find them on reserve at the Barnard or Columbia Libraries.

**Fair warning:** this class has a good deal of reading. It will be a manageable workload if you keep up with it, but putting it off and trying to cram for the tests will be very unpleasant. For the purposes of this class, it's more important to understand the substantive rationale for why these authors proceeded in the way they did, and what the substantive take-away is. To assist you, I will post a list with key terms/concepts/questions to consider on the Discussion Board on Courseworks each...
week. You can also post questions/comments before or after class on the Discussion page as well.

**Course Organization**
I will devote most of the class time to lecturing on concepts from the assigned readings, but very much encourage class participation. I expect you to come to class prepared to discuss the assigned readings in response to my questions or to those raised by others in the class. Also, I encourage you to take advantage of the Courseworks Discussion Board to post questions and thoughts you have on the relevant class topics. Class participation via in class/recitation or on the Courseworks discussion page will be used for final grade decisions. You are strongly encouraged to attend the TA recitation sessions starting this week as well.

**Grading and Course Requirements**
- 2 Essays: 25% each
- 1 Debate: 20%
- 1 Final Exam: 25%
- Participation/Discussion: 5%

*Extra-credit policy: There will be 3 in-recitation quizzes at the optional recitation as opportunities for extra-credit. The TA will inform you on the dates of this quizzes as well, so you are encouraged to attend the optional recitation.*

See the class calendar posted on Courseworks for information on the dates of the essays, debate and final exam due date. The 2 short essays (4-6 double-spaced pages) will cover Smith (due Oct. 29) and Marx (due Dec. 8).

There will also be class meetings set aside for debate, where students will engage in structured arguments on major issues of economic policy through the lens of our political economy ideas. Teams of three or four students will oppose each other on topics announced three weeks in advance. Each student will sign up for and participate in exactly one debate during the course of the semester. More details on expectations for the debates will be provided in class. A link to sign up for the debates will be posted on Courseworks. The link can also be found here:

The final exam will be set by the registrar, so please do NOT make end-of-semester travel plans until after the College sets the days and times for the finals.

The procedure for grade grievances is as follows. If you feel that one of your test question answers was graded incorrectly, you will, within one week of receiving your test, write a short memo to the TA explaining why. The TA will review your memo and your test; the grade could go up, stay the same, or go down. If the grievance remains you may appeal to me with a written memo. I reserve the right to regrade the entire test. As before, your grade may go up, stay the same, or go down.

**Policy on late assignments:**
If you need more time on the assignments and final essay, you will need to optimize in light of the following time-grade tradeoff: You will lose half a point for each day the assignment is late—i.e. minus ½ between Monday 12:01 and Tuesday 12:00 p.m., minus 1 between Tuesday 12:01 and Wednesday 12:00 p.m., etc. Submissions will be accepted until 12:00 p.m. on the Friday after the due date. After that point, your assignment/essay
will be marked as a zero.

**Tentative Due Dates (See posted Class Calendar on Courseworks for Details)**

- Debate 1 (Hobbes/Locke): September 29; Debate 2 (Smith): October 27; Debate 3 (Marx/Smith): November 24
- Essay 1: due Oct. 29 (issued Oct. 8)
- Essay 2: due Dec. 8 (issued Nov. 13)
- Final Exam: between December 17-23 (as set by the registrar)

**Courseworks Web Page**

The Courseworks web page contains the most detailed and current information about the class including:

- our contact information and office hours;
- lecture topics and readings as well as lecture powerpoint slides;
- class calendar, essay topics including the schedule of deadlines;

The introduction page includes the basic information about the course including our contact information and office hours. *The syllabus page lists the topic and readings for each session and the schedule of assignments. I will update the schedule and assignments for lectures a week in advance so you should consult it regularly.* Lecture slides will be found under the ‘Files and Resources’ tab on Courseworks.

**Honor code**

All exams and assignments in this class are to be completed in accordance with the Barnard Honor Code. Upon registering for a Barnard course, Columbia students commit themselves to the Honor Code. The codes says, in part: “We consider it dishonest to ask for, give, or receive help in examinations or quizzes, to use any papers or books not authorized by the instructor in examinations, or to present oral work or written work that is not entirely our own, unless otherwise approved by the instructor. We consider it dishonest to remove without authorization, alter, or deface library and other academic materials.”

**Students with Disabilities**

Students with disabilities who may need disability-related accommodations are encouraged to make an appointment to see me as soon as possible. Disabled students who need test or classroom accommodations must be registered in advance with the Office of Disability Services (ODS) in Milbank 008.

**Topics and Readings**

(Note, I will notify you via Courseworks if there are any changes in the readings below)

**Introduction**

1. Introduction

**Political Foundations: The Individual and the State**

2. Aristotle: A Natural Order
Aristotle, *Politics*, Books I (important!), VII (skim); *Nicomachean Ethics*, Books I (skim), V (important!), VIII (esp. §1-3).

*Recommended Reading:*
• Hélène Landemore, Democratic Reason: Politics, Collective Intelligence, and the Rule of the Many (2012), Prologue


*Recommended Reading:*

Hobbes, *Leviathan*, chs. 17-18, 21, 24
Rawls, *Political Philosophy*, Lectures on Hobbes, IV.

5. Locke: The Origins of Property, Inequality

*Recommended Reading*

**Adam Smith: Free Labor/Markets and Wealthy Society**

6. Wealth, Civil(ized) Society, and the Division of Labor

*Recommended Reading*

7. Division of Labor, the Market, and Self-Seeking

*Recommended Reading*

8. Labor, Value, and Distribution

*Recommended Reading*
Foley, *Adam’s Fallacy*, ch. 1 (pp. 12-17).
9. Natural-Market Price and the Invisible Hand
Smith, *Wealth of Nations*, Book I, chs. 6-7

Recommended Reading
Foley, *Adam’s Fallacy*, ch. 1 (pp. 17-21).

10. Distribution of Income between Wages and Profits

Recommended Reading
Foley, *Adam’s Fallacy*, ch. 1 (pp. 21-28).

11. Capital Accumulation and Inequality

Recommended Reading

12. The Invisible Hand and Government Intervention
Smith, *Wealth of Nations*, Book IV, Intro and ch. 2; Book V, ch. 1 (Parts II & III, Articles 1 & 2).

Recommended Reading
Foley, *Adam’s Fallacy*, ch. 1 (pp. 33-44).

**Karl Marx: Capital Accumulation and Exploitation/Polarization**

13. Marx’s Method
Rawls, *Political Philosophy*, Lectures on Marx I (pp. 319-28).

Recommended Reading

14. Commodities, Value, and Money

Recommended Reading
Foley, *Understanding Capital*, ch. 2.

15. Capital, Labor, and Surplus Value
Marx, *Capital*, Volume 1, chs. 4-6, 26.
Rawls, *Political Philosophy*, Lectures on Marx I (pp. 328-34).

Recommended Reading
Foley, *Understanding Capital*, ch. 3.

16. Absolute Surplus Value, Class Struggle, and Exploitation
Marx, *Capital*, Volume I, chs. 7-8, 10 (§1).

**Recommended Reading**
Foley, *Understanding Capital*, ch. 4.

17. Relative Surplus Value, Innovation, and Alienation

18. Capital Accumulation and Crisis

**Recommended Reading**
Marx, *Capital*, vol. 3, Part III.

19. Marx’s Political Economy
Marx, *Critique of the Gotha Programme*.
Rawls, *Political Philosophy*, Lectures on Marx II & III.

**Neoclassical Political Economy: Utility, Scarcity and Efficiency**

20. Utility, Scarcity, and Value

**Recommended Reading**

21. Theory of Wages and Income Distribution

**Recommended Readings**

22. Utility and Liberty
John Stuart Mill, *On Liberty*, chs. 1, 4. (can skim ch. 2, focus on ch. 1 and ch. 4)

**Recommended Reading**
Shapiro, *Moral Foundations*, ch. 3.

**John M. Keynes: Uncertainty and the Limits of Laissez-Faire**

23. Effective Demand and Income Determination
Keynes, *The General Theory*, chs. 1-3, 5

**Recommended Reading**
Acknowledgements:

This syllabus has been adapted from David Weiman’s similar course. Thanks to David Weiman for suggestions and materials used here.