Historical Foundations of Political Economy I

This course provides an introduction to the history of classical economic thought. Classical economics provides important building blocks for an understanding of modern capitalism, because it attempts to integrate its economic analysis with social class, income distribution, real competition, technological change, and the world economy. This particular course is the first of a two-part sequence, and its particular focus is on Smith, Ricardo, and Marx. No prior background is required, and the course is open to advanced undergraduates.

Grading: Grades will be based on a midterm and a final exam.

Office Hours: Prof. Anwar Shaikh (Wednesday 4-6 pm) T.A. Katherine Moos:
(Wednesdays 6:00 – 7:30 pm)
Or by Appointment

Readings: All of the readings are available at the library’s physical reserve or on Blackboard (once in BB look for a section called Resources). The main texts of Smith, Ricardo, and Marx are on physical reserve at Fogelman, and are also available online at http://www.marxists.org/. If there are any issues posting readings to Blackboard, the necessary text will be placed on physical reserve.

Required:

Students are encouraged to consider the following books:

(or)
Adam Smith. The Wealth of Nations. (Any publication that is the Andrew Skinner edition with books I-III Complete will suffice)


Editions of Marx's works referred to are:
Grundrisse (GR), Penguin, 1973
Theories of Surplus Value (TSV), Progress Publishers, 1963/68/71
Contribution to the Critique of Political Economy (Contribution), International Publishers, 1972
**Course Outline and Readings**

Starred readings are required. All other readings are optional and provided as suggestions for those who wish to read further and deepen their understanding of a given topic.

1. **Introduction to Economic Theories of Capitalism: Why Study the Classicals?**


2. **Adam Smith and the Origins of Classical Economics**


Rosenberg, N. “Adam Smith on the Division of Labor: Two Views or One?” *Economica*, 1965, pp. 127-139.

3. Ricardo on Value and Distribution


4. Ricardo on Growth, Trade, and Technology


5. The Structure of Marx's Economic Thought


* Marx, K. *Capital I*. "Preface to the First German Edition"; "Afterword to the Second German Edition"

* Marx, K. "Introduction" to the *Grundrisse*

* Marx-Engels Correspondence: Marx to Annenkov, Dec. 28, 1846; Marx to Engels, Feb.1, 1858; Marx to Kugelmann, March 6, 1868 & July 11, 1868; Marx to Engels, Oct. 10, 1868; Marx to Engels, April 2, 1858; Jan.8, 1868; April 30, 1868.


6. Value, Use-Value and Price


Foley, D. *Understanding Capital*, ch 1-3.


7. The Theory of Money

* Marx, K. *Capital*, vol. 1. ch. 2-3.

* ---- Contribution: ch.2.


Weeks, J. 1981. op. cit.: ch.4-5


Rosdolsky, R. 1977. op. cit.: ch.4-8.

8. The Theory of Profit: Exploitation, Surplus Value, and Transfers of Value

* Marx, K. *Capital*, Vol I, Ch IV-IX.


Marx, K. *Grundrisse*, pp.527-530; 690-695; 709.


Marx, K. "Wage Labor and Capital" in *Selected Works*.


* Marx, K. *Capital*, Vol I, Ch X (Sections 1,5,6), XI-XIV, XV (Sections 1-5)


* Braverman, H. 1974. *Labor and Monopoly Capital*, Ch 1-4, 7-10, MR.

* Rosdolsky, R. 1977. op. cit., Ch 17


Marx, K. *Capital*, Vol I, Ch XVI-XXII.

10. The Theory of Persistent Unemployment: The Reproduction of a Reserve Army of Labor

*Marx, K. *Capital*, Vol I, Ch XXV


11. The Theory of Competition

*Marx, K. *Capital*, Vol III, Chs XVIII and L (Illusions created by Competition); Chs LI and XLVIII-XLIX (Production Relations and Distribution Relations)


*Marx, K. *Wage, Labor and Capital*, any edition (this was written in 1847, and the section on competition is of particular interest). *(For reading see section 8)*

*Rosdolsky, R. *The Making of Marx's Capital*, Ch.IV, Sec.B.2, Pluto Press, 1977 *(For reading see section 7)*

*Marx, K. *Capital*, Vol III, Ch X-XII (competition and the equalization of the general rate of profit)

*Marx, K. *Capital*, Vol III, Ch. X: 180-195 [beginning with "For commodities..." and ending with "...producers as such"].

Semmler W. "Competition, Monopoly, and Differential Profit Rates", Review of Radical Political Economy, 13 (4), Winter 1982

12. Competition on a Global Scale: Trade and Uneven Development


*Emmanuel, A. Unequal Exchange, Ch.2, Monthly Review Press, 1972

*Barone, C.A. Marxist Thought on Imperialism: Survey and Critique, M.E. Sharpe, Armonk, N.Y. 1985:ch 1, 2, 3, 7

Edwards, C. The Fragmented World: Competing Perspectives on Trade, Money and Crisis, Methuen, London, 1985:1, 6, 7


13. Classical vs. Modern Macroeconomics


* Marx, K. Capital, Vol I, Ch XIX, XXIII-XXIV.


Marx, K. Theories of Surplus Value, Part II, pp.470-492.

Marx, K. "Results of the Immediate Process of Production", pp.1060-1066, 1083-1084


14. Profitability, Growth, and Recurrent Economic Crises


Rosdolsky, Roman. The Making of Marx’s Capital, Ch. 26.