PAPM 1000: Introduction to Public Affairs and Policy Management
Winter Term: History of Economic Thought

Winter 2013 (Jan 11 - April 10)
Friday: 11:35-13:25
A 3 hours final exam will be held between April 16 and 27
Azrieli Theatre, Room 302.
Office Hours: Friday 14:30-16:00
Or Determined Through Emails with Student

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(include PAPM 1000 in "Subject")

“The ideas of economists and political philosophers, both when they are right and when they are
wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Prac-
tical men, who believe themselves to be quite exempt from any intellectual influences, are usually the
slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their
frenzy from some academic scribbler of a few years back. […] Soon or late, it is ideas, not vested
interests, which are dangerous for good or evil.”
- John Maynard Keynes, General Theory, 1936

Somebody says: "Of no school I am part,
Never to living master lost my heart,
Nor any more can I be said
To have learned anything from the dead."
That statement - subject to appeal -
Means "I'm a self-made imbecile."
-J.W. Goethe, Den Originalen, 1812

“We need to say straight out that the history of
economics is 'useful' not because it helps stu-
dents to sharpen theoretical skills or because it
gives them a little interdisciplinary breadth, but
because it can affect the understanding of
economics itself, its potential accomplishment
and its important limitations.”
-Karen Vaughn (“Why Teach the History of
Economics”, 1993)

1. COURSE DESCRIPTION:

PAPM 1000: The theoretical, philosophical and ethical foundations for the study of public af-
fairs and policy management. Drawing from classic and contemporary texts in political phi-
losophy and theory, students will consider issues relating to the nature of democracy, civic
society and social organizations, the public, public affairs and public interest.

During the Winter semester, the focus of the course is on the history of economic thought.
The objective of the course is to provide an understanding of economic ideas and thinking,
how these ideas have evolved and developed and been applied through many centuries, and
the implications of economic ideas for past and current policy debates, analysis, development and management.

This course aims at familiarizing students with the main authors and schools of thought that had a determining influence on the shaping of economic science. It will help students understand the evolution of the economic discipline especially since the XVIIIth Century. More precisely, it will allow student to appreciate how we went from ethical and pragmatic considerations over the nature of wealth (still prevalent in the XVIIIth century) to the years of high theory that characterizes today “economic science”. In this way, this course will allow students to have a better understanding of economic concepts in their historical context. Studying the historical context allows to identify which specific questions, issues or debates can be found behind contemporary economic concepts.

Economic ideas become particularly important when they are used to assess policy problems and to provide the rationale for laws, regulations, policies, programs and other government actions. The resulting changes to e.g. tax, expenditure, interest rate, procurement, industrial, trade, employment or other policies affect the material well-being of the Canadian economy and society as well as of individuals, companies and other groups either directly by making them richer or poorer, or indirectly through changing their behaviour.

Finally, the economic ideas of the past and present and the economic theories that are developed from these economic ideas are used by policy makers and analysts to evaluate and compare alternative government actions by drawing upon both theory and experience. This is done for example by: considering the appropriateness of their assumptions; the logic of their reasoning; or the ability of the theory to correspond with actual experience and the available evidence and to predict future outcomes.

While discussing the main economic issues for each studied periods, this course will focus on five specific elements:

1. How different economic theories define the concept of property and social justice.
2. What is value and how do we measure it?
3. How is the concept of capital defined and articulated in different economic theories?
4. How is the economic surplus distributed? (wage, profits and interests).
5. Are markets efficient?

During the course, the emphasis will be on the presentation of key texts, illustrating a determining moment in the discipline, the genesis of fundamental issues or concepts, or the relevance of heterodox theoretical trends. These texts will be presented with theoretical and historical contexts in order to help the student exercise a critical assessment of the ideas found in the reading material.

These texts are available through CULearn and must be read before the tutorial on the topic. The assessments take for granted that students will attend every class, will read carefully the material and will develop satisfying knowledge of the issues discussed in class.
2. **Required Textbook:** Both books are available at the Octopus Book Store on Third Avenue near Bank Street (116 Third Avenue).

The two required books for the course are: (Both books can be obtained through Octopus Bookstore):


A Useful Writing Guide (optional) that you could order through Octopus Bookstore is:


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3- **Course Format**

The course encompasses both lectures and tutorials. The two hour lectures on Friday of each week provide an overview of the development of economic ideas and thinking, including how these ideas have influenced and been applied to past and current economic policies and related government actions.
The tutorials on Monday, Tuesday and Wednesday of the following week provide an opportunity to discuss some of the ideas associated with the development of economic thinking, with emphasis on the relevance of these issues in contemporary economic debates.

Completed assignments are to be submitted to the TA at the start of the tutorial of the selected week. Late assignments will not be accepted (and will be given a mark of zero). The Mid-Term Take-home and Final Examination will cover questions that draw from the textbook, readings, and lectures – and their format but not necessarily their content is similar to the questions for the tutorials and the writing assignments.

Schedule for the 8 tutorials:

<table>
<thead>
<tr>
<th>Tutorial Group #</th>
<th>Day of Week</th>
<th>Time</th>
<th>Room</th>
<th>TA Name</th>
<th>TA Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Monday</td>
<td>10:35-11:25</td>
<td>Loeb D199</td>
<td>TBA</td>
<td>TBA</td>
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<tr>
<td>A2</td>
<td>Tuesday</td>
<td>10:35-11:25</td>
<td>Loeb D199</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>A3</td>
<td>Tuesday</td>
<td>14:35-15:25</td>
<td>Loeb D199</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>A4</td>
<td>Wednesday</td>
<td>14:35-15:25</td>
<td>Loeb D199</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>A5</td>
<td>Monday</td>
<td>16:35-17:25</td>
<td>Southam Hall 314</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>A6</td>
<td>Wednesday</td>
<td>09:35-10:25</td>
<td>Loeb D199</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>A7</td>
<td>Tuesday</td>
<td>14:35-15:25</td>
<td>Tory Building 219</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>A8</td>
<td>Wednesday</td>
<td>09:35-10:25</td>
<td>Paterson Hall 118</td>
<td>TBA</td>
<td>TBA</td>
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4-Course Requirements

Take-Home #1 (25%): Due date: March 4-6.
Take-Home #2 (25%): Due date: April 1-3.
Final Exam: 40%
Tutorial contribution (Attendance and participation): 10%

Take-home will take the form of a 5 pages essay based on selected questions distributed two weeks before due date.
5. **LECTURE SCHEDULE:**

**Class 1:** Introduction. Methodological debates: History of thought or History of Economic Analysis. Economic Thought in Ancient Greece: Aristotle (Economics and the art of acquisition, commensurability of goods).

**Readings:**

- Mark Blaug. « No History of Ideas, Please. We're Economists ».
- Aristotle. Politics. Chapter 1

**Optional reading:**


**Class 2:** Medieval Economic Thinking, mercantilism and the rise of liberalism. Scholastic debates over usury and « just price ». Emergence of mercantilism: Wealth and Power. Transition to liberalism.

**Readings:**

- Thomas Mun. *England’s Treasure by Forraign Trade* (1664): Chapter 2 and 4 (pp.7-8; 19-23)
- Herbert Spencer: *The Man versus the State* (1884).
- Hunt and Lautzenheiser : Chapter 2 (pp.23-39).

**Optional reading:**


Readings:

- Hunt and Lautzenheiser : Chapter 3 (pp.40-64).

Optional reading :


Readings:

- Hunt and Lautzenheiser : Chapter 4-5 (pp.65-124).

Optional reading :


Class 5: Critics of Classical Political Economy : The National Economy vs the cosmopolitan economy. Analyzing the productive forces (Friedrich List). Utopian Socialism.

Readings:

- Hunt and Lautzenheiser : Chapter (pp. 153-173).
Optional reading:

**Class 6: Marx and Scientific Socialism. Analysis of Das Kapital.** A critique of economic reality, a critique of bourgeois political economy and a scientific analysis of capitalism.

Readings:
- Karl Marx. Preface to the Contribution to the Critique of Political Economy (1859).
- Hunt and Lautzenheiser: Chapter 9 (pp.202-246).

Optional reading:


Readings:

Optional reading:
• Any recent microeconomics textbook...

Class 8: General Equilibrium and economic optimality (Walras and Pareto). The normative foundations of pure economics: Are markets efficient?

Readings:

• Hunt and Lautzenheiser: Chapter 10, 14 (pp.264-278, 371-397).

Optional reading:


Readings:

• Hunt and Lautzenheiser: Chapter 15 (pp.398-433).

Optional reading:

Class 10: Institutional Economics : What are economic institutions? The works of Thorstein Veblen and John Kenneth Galbraith. Analyzing power and institutions in a capitalist economy.

Readings:

- Hunt and Lautzenheiser : Chapter 12 (pp.316-346).

Optional reading:


Class 11: Resurgence of liberalism: Monetarism, Rational Anticipations, Supply-side economics.

Readings:

- Hunt and Lautzenheiser : Chapter 17 (pp.470-492).

Optional reading:


Readings:

- Joseph Schumpeter. Socialism, Capitalism and Democracy, 1943. (Chapter 12: Crumbling walls.)

Optional reading:


6-ACADEMIC INTEGRITY & PLAGIARISM

Instructional offences, such as plagiarism and cheating, are serious and may incur severe penalties. Please see the note on plagiarism below. Students should also consult the section of the Undergraduate Calendar on Academic Standing and Conduct to familiarize themselves with the regulations regarding instructional offences. For Carleton’s regulations on academic integrity, please see [http://www.carleton.ca/calendars/ugrad/0910/regulations/acadregsuniv14.html](http://www.carleton.ca/calendars/ugrad/0910/regulations/acadregsuniv14.html)


Plagiarism is presenting, whether intentional or not, the ideas, expression of ideas or work of others as one’s own. Plagiarism includes reproducing or paraphrasing portions of someone else’s published or unpublished material, regardless of the source, and presenting these as one’s own without proper citation or reference to the original source. Examples of sources from which the ideas, expressions of ideas or works of others may be drawn from include but are not limited to: books, articles, papers, literary compositions and phrases, performance compositions, chemical compounds, art works, laboratory reports, research results, calculations and the results of calculations, diagrams, constructions, computer reports, computer code/software, and material on the Internet.

Examples of plagiarism include, but are not limited to:
• submitting a take home examination, essay, laboratory report or other assignment written, in whole or in part, by someone else;
• using ideas or direct, verbatim quotations, paraphrased material, algorithms, formulae, scientific or mathematical concepts, or ideas without appropriate acknowledgment in any academic assignment;
• using another's data or research findings;
• submitting a computer program developed in whole or in part by someone else, with or without modifications, as one's own;
• failing to acknowledge sources through the use of proper citations when using another's works and/or failing to use quotation marks.

The purpose of the written work is to develop your writing and analytical skills. A work which contains material "borrowed" from other sources without proper acknowledgement cannot be marked as your own work.

Plagiarism is an instructional offence that occurs when a student uses or passes off as one's own idea or product the work of another person, without giving credit to the source. The punishments for plagiarism at Carleton are significant. You could fail the course, or, under certain circumstances, be expelled from the university.

If you are using someone else's words – in a quotation – refer to the source in a footnote or in-text citation. If you are referring to someone else's text (that is, not quoting directly, but closely following the line of argument), refer to the source just as you would for a quotation, except that quotation marks are not used. If you are using someone else's ideas, acknowledge this in a footnote, or by a clear reference in the text of your essay.

Material copied from the Internet must be treated like material from a book or any other source. If your are quoting a source you found on the Internet, use quotation marks and refer to the location of the item (name of website; identify the electronic journal and issue, etc) just as you would for a quotation from printed material. If you are borrowing ideas from an Internet source, the source must be identified in a footnote or in-text citation, just as a quotation would be. Excellent software is available for locating materials that might have been plagiarized from the Internet, and will be used.

To avoid plagiarism:

(i) Acknowledge every source from which you have drawn information or ideas for your paper. That is, even if you are not quoting directly from a source, you should still acknowledge where the idea, argument, or information came from.
(ii) Place every direct quote from a source in quotation marks (or indent it), and give a citation for the source. Nevertheless, try not to use quotes too frequently. Quotes should be used when they so beautifully or aptly sum something up that you cannot say it any better. An essay is not a collection of quotes.
(iii) Express other authors' ideas in your own words. If you are outlining someone else's argument, for example, outline it in your own words, and acknowledge the author at the end of your summation of his or her argument or idea/s. Any words not in quotation marks must be your own words. This advice has an intellectual as well as a legal purpose: being able to express an author's ideas in your own words is part of your learning process.