

Carleton University
Arthur Kroeger College of Public Affairs

PAPM 2002 A
Foundations of Public Policy: Economic Thought
Winter 2023

Instructor: Alex McDougall
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(include "PAPM 2002" in subject line)

Class Time and location: : Refer to
Carleton Central for schedule and location
Office Hours: By appointment

“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. Practical 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 later, it is ideas, not vested interests, which are dangerous for good or evil.”
- John Maynard Keynes, *General Theory*, 1936

“We need to say straight out that the history of economics is ‘useful’ not because it helps students 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:

Overview

This course is a survey of economic thought over the past three centuries. The first half of the course covers the 18th and 19th century starting with mercantilists and physiocrats, moving to David Hume and Adam Smith, and then the origins of modern economics in both Marx and the marginal revolution. The second half focuses more on late 19th century and early 20th century debates, including the Austrian school, institutionalism, Keynes, Milton Friedman. The final two lectures take some old ideas from the writings of Fredrik Bastiat (1845, 1850) and Adam Smith (*Theory of Moral Sentiments*) as precursors to new economic thinking in public choice and behavioral economics.

Learning outcomes:

At the end of the course, you will be able to:

- Describe the major schools of economic thought examined in the class, and explain the differences between them

- Describe the historical context in which the different schools of economic thought arose
- Write a well-structured academic essay, using correct citation methods
- Engage in respectful discussion and debate with your classmates, TA, and professor

2. Schedule for the tutorials:

Tutorials will begin the week of Monday, January 16th.

Section	Day	Time	TA name and email
PAPM 2002 A1	Monday	2:30 pm – 3:30 pm	Sarina De Havelyn SarinaDeHavelyn@cmail.carleton.ca
PAPM 2002 A2	Monday	10:30 am – 11:30 pm	Mallory Dunlop Mallorydunlop@cmail.carleton.ca
PAPM 2002 A4	Monday	9:30 am – 10:30 am	Mallory Dunlop Mallorydunlop@cmail.carleton.ca

3. Required Textbook

Buchholz, Todd G. *New Ideas from Dead Economists: The Introduction to Economic Thought*. Penguin, 2021.

I also recommend: Babington, Doug and Don LePan *The Broadview Guide to Writing*, Revised 4th Canadian Edition, Peterborough: Broadview Press, 2016.

I also strongly recommend reading George Orwell’s (short!) statement on politics & the English language, at:

<https://www.orwellfoundation.com/the-orwell-foundation/orwell/essays-and-other-works/politics-and-the-english-language/>

The other readings for the course will be available via Brightspace.

4. Course Format

The course encompasses both lectures and tutorials. The two hours lectures 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 in the same 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.

You are expected to do the required reading for each class/tutorial.

5. Assessment

1. 1st Reflection Paper (due Tuesday, February 7th) 25%
2. 2nd Reflection Paper (due Tuesday, March 7th) 30%
3. 3rd Reflection Paper (due Tuesday, April 11th) 30%
4. Tutorial attendance 5%
5. Tutorial participation 10%

Bonus marks

You may earn 2.5 bonus marks if you attend 10 lectures. I will not add partial marks – e.g. 1.2 marks for attending 5 lectures – you must attend all 10 for the bonus marks

6. The reflection papers

The reflection papers ask you to respond to a question related to the issues discussed in class and tutorial, and **must be based on the course readings**. I may direct you to additional readings if it would be helpful for answering the question – however, the reflection papers **do not require additional research, but reflection on the readings required for the course**.

Each essay should be between 5-7 double-spaced, typed pages, with no more than 12 point, Times New Roman font, one-inch margins, and no fancy lettering or designs to take up space. Clearly identify the date of your tutorial, your name, and your TA's name.

The essay questions will be available on Brightspace two weeks before the essay is due.

Reference Style for Written Work

You are required to use proper citations for all your written work. More details on academic integrity are provided below.

Referencing style: It is recommended that references for all assignments be in the Chicago, Author-Date system.

<https://www.chicagomanualofstyle.org/turabian/turabian-author-date-citation-quick-guide.html>

7. Extensions and Late Policy

Extensions **will not** be granted for essays, except in cases of documentable illness or family/personal emergency.

Late assignments will incur a penalty of 3 marks per day including holidays and weekend days.

8. Tutorial attendance, tutorial participation, and lecture attendance

Each tutorial attended will receive 0.5 marks to a maximum of 5 marks (ie you can still miss a couple of lectures, and miss one tutorial, and still receive full marks).

Tutorial participation will be graded out of 10, and will be based on the quality rather than the quantity of your contribution. **Your participation should demonstrate that you have done the readings, and reflected upon them.** Your participation may include:

- A comment or question that relates to the readings
- A response to another student (or TA's) question or comment
- Only one mark can be earned in each tutorial (ie, you can't make two contributions in the same tutorial and have that count for 1 mark)
- You can nevertheless make more than one contribution per tutorial

The comment or question:

- Should relate to the readings – it may expand on the reading, or connect other ideas or examples not in the reading, but it shouldn't be a random or disconnected comment
- Should make sense ie not be a random collection of words
- Should be respectful of others in the class
- Can be on camera or in the chat function

Lecture attendance **will count for bonus marks only**. You will need to attend 10 lectures for 2.5 bonus marks – I will not give partial bonus marks for partial attendance, e.g. 1.2 marks for 5 lectures! For lectures, I will circulate an attendance list, which you should make sure to sign.

CLASS SCHEDULE

Week 1 (Jan 13)

Introduction

- Chapter 1 of Buchholz, Todd G. *New Ideas from Dead Economists: The Introduction to Modern Thought*. Penguin, 2021.
- Roberts, Russell. "If You're Paying, I'll Have Top Sirloin." *Wall Street Journal* 18 (1995).
- Watch the 2010 documentary, *Inside Job*, available at <https://www.youtube.com/watch?v=T2laJwkggPk>

Optional Further reading

- Stigler, George J. "Does economics have a useful past?." *History of Political Economy* 1.2 (1969): 217-230.
- Read, Leonard E. "[I, Pencil](#)." *Irvington-on-Hudson, NY: Foundation for Economic Education (reprint)* (2008).

Week 2 (Jan 20)

Economics before Adam Smith (Mercantilism vs. Hume)

- Laura LaHaye, "[Mercantilism](#)", *Library of Economics and Liberty*
- Thomas Mun. 1895 [1664] *England's Treasure by Forraign Trade*. New York and London, MacMillan & Co. Chapter 2 & 4 (pp.7-8, and 19-23)
- David Hume, Part II: Essay V, "[Of the Balance of Trade](#)" in *Essays, Moral, Political, and Literary*

Optional Further reading

- Krugman, Paul. "Competitiveness: a dangerous obsession." *Foreign Aff.* 73 (1994): 28.

Week 3 (Jan 27)

Adam Smith (the wealth of nations)

- Chapter 2 of Buchholz, Todd G. *New Ideas from Dead Economists: The Introduction to Modern Thought*. Penguin, 2021.
- Smith, Adam. *The Wealth of Nations* Book I, Chapters I – VIII, and Book V, Chapter I.

Optional Further reading

- Adam Smith Works (<https://www.adamsmithworks.org/>)

- Bernard Mandaville [Fable of the Bees](#)

Week 4 (Feb 3)

Malthus & Ricardo

- Chapter 3 and 4 of Buchholz, Todd G. *New Ideas from Dead Economists: The Introduction to Modern Thought*. Penguin, 2021.
- Ricardo, David. 1821. *Principles of Political Economy and Taxation*, Chapter 1.
- Malthus, Robert. 1826. *Essay on the Principle of Population*. Book I, Chapter 1.
- Krugman, Paul. "Ricardo's difficult idea: why intellectuals don't understand comparative advantage." *The economics and politics of international trade*. Routledge, 2002. 40-54.

Optional Further reading

- Sabin, Paul. *The bet: Paul Ehrlich, Julian Simon, and our gamble over Earth's future*. Yale University Press, 2013. (listen to a podcast with author)
<https://www.econtalk.org/paul-sabin-on-ehrlich-simon-and-the-bet/>

Week 5 (Feb 10)

Karl Marx

- Chapter 6 of Buchholz, Todd G. *New Ideas from Dead Economists: The Introduction to Modern Thought*. Penguin, 2021.
- Watch: *The Young Marx*. Film by Raoul Peck.
- Marx, Karl. 1867. *Capital Vol I*. Ch. 1 Section I (p. 27-30 of electronic version or p. 125-131 of Penguin edition); Ch. 6; Ch. 7; Ch. 10. sections (p. 162-164 and 168-175 of electronic version or p. 340-346 and 353-362 of Penguin edition); and Ch. 26.
- Marx, Karl and Friedrich Engels. *Manifesto of the Communist Party*. 1848. Read pages 14-21. <https://www.marxists.org/archive/marx/works/download/pdf/Manifesto.pdf>

Week 6 (Feb 17)

The marginal revolution

- Chapter 7 of Buchholz, Todd G. *New Ideas from Dead Economist*
- Jevons, W. Stanley. 1871. *The Theory of Political Economy*, Ch. 1, 2, 3. \
- Marshall, Alfred. 1890. *The Principles of Economics*, Book V, Chapter III

Feb 24 – Winter Break, no class

Week 7 (Mar 3)

Austrian School

- Von Mises, Ludwig. "Economic calculation in the socialist commonwealth." *Collectivist economic planning* 110 (1935): 87-130.
- F.A. Hayek, "the pretense of knowledge"
- Chapter 2 and 3 of Larry White, *the Clash of Economic Ideas*

Optional Further reading

- Watch, *I, Pencil: the movie* (<https://www.youtube.com/watch?v=IYO3tOqDISE>)
- Watch some rap videos made about Hayek (and Keynes):
 - [Fear The Boom](#)
 - [Fight of the Century](#)

Week 8 (Mar 10)

Keynes and the argument for a managed economy

- Chapter 9 of Buchholz, Todd G. *New Ideas from Dead Economist*
- John Cassidy. "The Demand Doctor". *New Yorker*. October 10 2011.
- John Maynard Keynes. 1936. *The General Theory of Employment, Interest, and Money*. Ch 18

Week 9 (Mar 17)

Milton Friedman and the argument for capitalism

- Chapter 10 of Buchholz, Todd G. *New Ideas from Dead Economist*
- Milton Friedman. *Capitalism and Freedom*. Chicago and London: University of Chicago Press, 1962. Introduction and Chapters 1-2: pp.1-36
- Milton Friedman. "The Role of Monetary Policy". *American Economic Review*. Vol. 58 #1, March 1968

Optional Further reading

- Chapter 12 of Larry White, *the Clash of Economic Ideas*
- Watch: [Free to Choose](#) (a documentary made with Milton Friedman)

Week 10 (Mar 24)

Institutionalism - Coase and Veblen

- Chapter 8 of Buchholz, Todd G. *New Ideas from Dead Economist*
- Chapter 1, Veblen, Thorstein. *The theory of the leisure class*. Boston: Houghton Mifflin, (1899).

- Coase, Ronald. "The problem of social cost." *The Journal of Law and Economics* 56.4 (1937): 837-877.

Optional Further reading

- Frank, Robert H. *The economic naturalist: In search of explanations for everyday enigmas*. Basic Books, 2018.

Week 11 (Mar 31)

Bastiat and the public choice tradition

- Chapter 11 of Buchholz, Todd G. *New Ideas from Dead Economist*
- Bastiat, Frédéric. (1850) *That which is seen, and that which is not seen*. Dodo Press, 2010.
- Bastiat, Frederic. (1845) *A Petition: From the Manufacturers of Candles, Tapers, Lanterns, sticks, Street Lamps, Snuffers, and Extinguishers, and from Producers of Tallow, Oil, Resin, Alcohol, and Generally of Everything Connected with Lighting*.

Optional Further reading

- Buchanan, James M. "Public choice: politics without romance.." *Policy: A Journal of Public Policy and Ideas* 19.3 (2003): 13-18.

Week 12 (April 7)

Adam Smith and Behavioral economics

- Chapter 12 of Buchholz, Todd G. *New Ideas from Dead Economist*
- Book I of Smith, Adam. *The Theory of Moral Sentiments*

Optional Further reading

- Ashraf, Nava, Colin F. Camerer, and George Loewenstein. 2005. "Adam Smith, Behavioral Economist." *Journal of Economic Perspectives*, 19 (3): 131-145.

Appendix

Covid-19 Pandemic Measures

It is important to remember that COVID is still present in Ottawa. The situation can change at any time and the risks of new variants and outbreaks are very real. There are [a number of actions you can take](#) to lower your risk and the risk you pose to those around you including being vaccinated, wearing a mask, staying home when you're sick, washing your hands and maintaining proper respiratory and cough etiquette.

Feeling sick? Remaining vigilant and not attending work or school when sick or with symptoms is critically important. If you feel ill or exhibit COVID-19 symptoms do not come to class or campus. If you feel ill or exhibit symptoms while on campus or in class, please leave campus immediately. In all situations, you should follow Carleton's [symptom reporting protocols](#).

Masks: Masks are no longer mandatory in university buildings and facilities. However, we continue to recommend masking when indoors, particularly if physical distancing cannot be maintained. We are aware that personal preferences regarding optional mask use will vary greatly, and we ask that we all show consideration and care for each other during this transition.

Vaccines: While proof of vaccination is no longer required to access campus or participate in in-person Carleton activities, it may become necessary for the University to bring back proof of vaccination requirements on short notice if the situation and public health advice changes. Students are strongly encouraged to get a full course of vaccination, including booster doses as soon as they are eligible and submit their booster dose information in [cuScreen](#) as soon as possible. Please note that Carleton cannot guarantee that it will be able to offer virtual or hybrid learning options for those who are unable to attend the campus.

All members of the Carleton community are required to follow requirements and guidelines regarding health and safety which may change from time to time. For the most recent information about Carleton's COVID-19 response and health and safety requirements please see the [University's COVID-19 website](#) and review the [Frequently Asked Questions \(FAQs\)](#). Should you have additional questions after reviewing, please contact covidinfo@carleton.ca.

Student Mental Health

As a university student you may experience a range of mental health challenges that significantly impact your academic success and overall well-being. If you need help, please speak to someone. There are numerous resources available both on- and off-campus to support you. Here is a list that may be helpful:

Emergency Resources (on and off campus): <https://carleton.ca/health/emergencies-and-crisis/emergency-numbers/>

- **Carleton Resources:**

- Mental Health and Wellbeing: <https://carleton.ca/wellness/>
- Health & Counselling Services: <https://carleton.ca/health/>
- Paul Menton Centre: <https://carleton.ca/pmc/>

- Academic Advising Centre (AAC): <https://carleton.ca/academicadvising/>
- Centre for Student Academic Support (CSAS): <https://carleton.ca/csas/>
- Equity & Inclusivity Communities: <https://carleton.ca/equity/>
- **Off Campus Resources:**
 - Distress Centre of Ottawa and Region: (613) 238-3311 or TEXT: 343-306-5550, <https://www.dcottawa.on.ca/>
 - Mental Health Crisis Service: (613) 722-6914, 1-866-996-0991, <http://www.crisisline.ca/>
 - Empower Me: 1-844-741-6389, <https://students.carleton.ca/services/empower-me-counselling-services/>
 - Good2Talk: 1-866-925-5454, <https://good2talk.ca/>
 - The Walk-In Counselling Clinic: <https://walkincounselling.com>

Requests for Academic Accommodation

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy accommodation: Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For accommodation regarding a formally-scheduled final exam, you must complete the Pregnancy Accommodation Form ([click here](#)).

Religious accommodation: Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details [click here](#).

Accommodations for students with disabilities: If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, reach out to your instructor as soon as possible to ensure accommodation arrangements are made. For more details, [click here](#).

Accommodation for student activities: Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who engage in student activities at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>.

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline.

Sexual Violence Policy

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated. Survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support.

Plagiarism

Carleton's [Academic Integrity Policy](#) defines plagiarism as "presenting, whether intentional or not, the ideas, expression of ideas or work of others as one's own." This 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, websites, 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, material on the internet and/or conversations.

Examples of plagiarism include, but are not limited to:

- any submission prepared 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 without appropriate acknowledgement;
- submitting a computer program developed in whole or in part by someone else, with or without modifications, as one's own; and
- failing to acknowledge sources through the use of proper citations when using another's work and/or failing to use quotations marks.

Plagiarism is a serious offence which cannot be resolved directly with the course's instructor. The Associate Deans of the Faculty conduct a rigorous investigation, including an interview with the student, when an instructor suspects a piece of work has been plagiarized. Penalties are not trivial. They may include a mark of zero for the plagiarized work or a final grade of "F" for the course.

More information on the University's Academic Integrity Policy can be found at: <https://carleton.ca/registrar/academic-integrity/>.

Intellectual property

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Submission and Return of Term Work

Papers must be submitted directly to the instructor according to the instructions in the course outline. The departmental office will not accept assignments submitted in hard copy.

Grading

Standing in a course is determined by the course instructor, subject to the approval of the faculty Dean. Final standing in courses will be shown by alphabetical grades. The system of grades used, with corresponding grade points is:

Percentage	Letter grade	12-point scale	Percentage	Letter grade	12-point scale
90-100	A+	12	67-69	C+	6
85-89	A	11	63-66	C	5
80-84	A-	10	60-62	C-	4
77-79	B+	9	57-59	D+	3
73-76	B	8	53-56	D	2
70-72	B-	7	50-52	D-	1

Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by an instructor may be subject to revision. No grades are final until they have been approved by the Dean.