

THE AMERICAN UNIVERSITY IN CAIRO
POLITICAL SCIENCE DEPARTMENT

HISTORY AND THEORY OF POLITICAL ECONOMY

Spring semester, 2003
Ian Robert Douglas

Class hours: Mondays, Wednesdays, 12-1.15 pm
Office hours: Sundays, Mondays, 1.15-3 pm

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<http://groups.yahoo.com/group/PS351/>

“Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slave 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.”

John Maynard Keynes

This course is about men and their ideas, not equations and graphs. It outlines the general evolution of the practice of Political Economy, and the variations of thought within that field. Political Economy is a thoroughly modern practice—which is to say it is something historically defined, and locatable geographically. It is a form of knowledge that emerged alongside “Western” man (which is not to say that other cultures and civilizations have not been concerned with similar themes). Political Economy as a system of thought and knowledge, holds a particularly dramatic place in the history of the globalization of the West. We will review that history, its vicissitudes, and the general range of understandings attendant to a series of thinkers within that history. From the early struggles around how life is to be defined, through the economic history of Industrial Europe, and the major schools of Political Economy, we pass through to the critique of Political Economy with Marx, and the collapse of nineteenth century civilization presaging the rise of economic management in the twentieth century. We conclude on the meaning of the return to free market models, and the radical critiques once again being mounted as the struggle around this most basic part of our lives—how we get to spend our days, and how we find what we need to survive—continues.

Objectives/outcomes

At the end of the course we hope to have:

- 1) Come to an understanding of the history of “Political Economy”, its core concepts and theories.
- 2) Reviewed, and come to an understanding of, the main schools of thought within Political Economy, how these schools developed and why, and how—despite the so-

called “triumph” of liberalism—these debates are still very much relevant to our contemporary world, its transformation and its future.

- 3) Understood the range of questions confronting certain key Political Economists: principally, Justi, Smith, Malthus, Marx, Veblen, Keynes and Hayek.

Organization and assessment

Though the course is listed as a lecture course, I want to inject, as much as possible, focused **informed discussion**. So often what is most valuable—and the thing you’re more likely to take away from courses like this—is not what *I* say, but what I can help *you* to say. Participation, then, is deeply valued and necessary. It is also a significant part of the assessment for the course overall.

One part of your participation will be to work on building up the course website for this class (<http://groups.yahoo.com/group/PS351/>). This can take the form of connecting links, picture searches, uploads of relevant reports or chapters or essays. Guidance will be given in class.

The assessment of this course will be divided as follows:

Written assignment #1 (due March 05, 2003)	15%
Written assignment #2 (due April 16, 2003)	25%
Class participation (including class discussion, web site participation)	25%
Final assignment (due May 27, 2003)	35%

The written assignments will take the form of two short essays, the first of which must be at least 1500 words in length, the second of which must be 2000 words in length. Your task in these assignments is to respond critically and thoughtfully to a specific question. A list of questions will be distributed for each essay assignment. The final assignment will be to respond to several questions—rather like a take-home exam, but you will have several weeks to work on this.

Grading

A = Excellent command of the literature, independent and directed thinking, innovation and style. The essay/assignment would be meticulously referenced, and well-structured. A strong contribution not simply to the particular class, but overall to the student’s own education and development. Very few have courage enough to push for this, but all are capable, without exception.

B = A good solid effort. The kind of essay that tries hard, is well sourced, but doesn’t break through, or add much that is new or insightful (i.e., more a case of good repetition of an existing literature, rather than thinking/researching/striving for oneself).

C = An honest effort, but sloppy in presentation and foresight. Some good ideas, but jumbled or confused. Remember that thought is like any sport, or any art. There is a point at which the mind becomes lean and fast, but it can only be attained through great effort. An essay that is worthy of the grade “C” is perhaps only a few hours from being worthy of a “B,” and only a certain level of intensity—or perhaps passion—away from an “A.” Test yourself out. Have courage.

D = A bare pass. Just enough effort shown to warrant passing the course but not enough to impress or inspire in any way. Typical of a D grade essay would be one that simply “went through the motions”, without much thought, care, or interest on the behalf of the student.

F = Fail. Spelling and grammar mistakes will often make it unreadable, or otherwise it will display a level of insight surpassed by most inquisitive children. You are reading for a degree at an institution of higher learning—please remember that. Remember too that irrelevant or “off-topic” responses do not constitute passing essays. Be relevant and fully address the question posed.

Class policies

1. Cell phones are to be switched off. Anyone seen sending or receiving SMS messages will be dismissed from the class.
2. **No one is to enter the classroom once the classroom door is closed.** Classes will begin and end at the assigned times. If you are late you will be counted absent. You’re late if the door to the classroom is already closed.
3. Attendance is compulsory. You will be allowed a maximum of 6 missed classes without penalty. 7 missed classes—for whatever reason—will warrant an automatic “F” for the whole class, as per university regulations (being, in effect, over three weeks of absence).
4. No medical notes are necessary, so don’t bother bringing them.
5. Assessment deadlines: you may hand in your work up to 48 hrs past the deadline with no penalty. Anyone who hands in work more than 48 hrs past the deadline will be deducted two letter grades (from C to F, from B to D).
6. Essays are only to be submitted in **hard copy to the Department Secretaries.** Do not give any assignments to me, nor slip them under my door. Assignments that are not time stamped by the Departmental Secretaries will be deemed inadmissible.
7. When preparing research papers you must only respond to questions that I set. Question sheets will be distributed well in advance of essay deadlines. Essays that do not address a question set by me will not be accepted.
8. There are no make-ups on this course. Therefore make every effort to pass each assignment.
9. Plagiarism (or any form of cheating) is not simply an academic offense of dishonesty; it is a personal insult to me, and I will take it as such. All cases will be referred—without exception—to the Dean of Students. The student will fail the whole course immediately.
10. Grades are non-negotiable. Do not bother telling me what grade you need to get off probation.

Readings

There will be no main textbook, but rather a “reader” of key essays and chapters. Students are expected to be resourceful in finding materials outside of the assigned texts. Guidance on this will be given by me or by my Research Assistant—Christoph Borucki (borucki@web.de).

In your thinking and research try to go beyond the surface; give time and effort to understanding why the world is divided up, how it functions, how politics rests on economy, and vice-versa—how power relations operate within the matrix of everyday life ...

The **required readings** will be brief. I'd prefer that you read less *but read what I assign*. Along with the course reader a “Study Aid” will be distributed (posted on the course website: <http://groups.yahoo.com/group/PS351/>), to start you away in your library-based research.

This is a great web-based resource:
<http://socserv2.socsci.mcmaster.ca:80/~econ/ugcm/3ll3/authors.html>

Course outline

Introduction / essay writing / overview

1. Conceiving Political Economy

Lecture 1. “The Grand Inquisitor,” Fyodor Dostoevsky
Lecture 2. “A Hard Case Reformed,” Anonymous, “Bolo’Bolo,” P.M.

2. The Origin of Economic Concepts

Lecture 1. “Society Against the State,” Pierre Clastres
Lecture 2. “Barbarism and Civilization,” Friedrich Engels

HISTORY

3. Early European Political Economy

Lecture 1. “The Economic Revolution,” in *The Worldly Philosophers*, Robert Heilbroner
Lecture 2. “Political Economy in the Shadow of the Scientific Revolution,” in *The State and the Economic System*, Phyllis Deane

4. Karl Polanyi: Master of Economic History

Lecture 1. “Habitation versus Improvement”, “Societies and Economic Systems,” “Evolution of the Market Pattern,” and “The Self-Regulating Market and the Fictitious Commodities: Labor, Land, and Money,” in *The Great Transformation*, Karl Polanyi

Lecture 2. “Speenhamland, 1795,” “Antecedents and Consequences,” Pauperism and Utopia,” and “Political Economy and the Discovery of Society,” in *The Great Transformation*, Karl Polanyi

THEORIES OF POLITICAL ECONOMY: CLASSICAL & PRE-LIBERAL

5. The first “Political Economists”: Smith, Quesney, Townsend

Lecture 1. “The Wonderful World of Adam Smith,” in *The Worldly Philosophers*, Robert Heilbroner, “The System Builders,” in *The State and the Economic System*, Phyllis Deane

Lecture 2. “Man, Nature, and Productive Organization,” “Birth of the Liberal Creed,” “Class Interest and Social Change,” and “Market and Man,” in *The Great Transformation*, Karl Polanyi

6. The Political Economy of the State: The Austrian and German Pre-Liberals

Lecture 1. “Cameralism and the Science of Government,” Keith Tribe
Lecture 2. “Pastoral Power, Police and Reason of State,” Mitchell Dean

7. Malthus, Ricardo, and “the dismal science”

Lecture 1. “The Gloomy Presentiments of Parson Malthus and David Ricardo,” in *The Worldly Philosophers*, Robert Heilbroner
Lecture 2. “The Dismal Scientists,” in *The State and the Economic System*, Phyllis Deane

THE CRITIQUE OF POLITICAL ECONOMY

Film #1: *Germinal*

8. Socialism and Marx: the Critique of Political Economy?

Lecture 1. “Visions of the Utopian Socialists,” in *The Worldly Philosophers*, Robert Heilbroner
Lecture 2. “The Inexorable System of Karl Marx,” in *The Worldly Philosophers*, Robert Heilbroner

THE CULMINATION OF POLITICAL ECONOMY

9. The Victorian world

Lecture 1. “The Search for a Scientific Consensus,” in *The State and the Economic System*, Phyllis Deane
Lecture 2. “From Political Economy to Economic Science,” in *The State and the Economic System*, Phyllis Deane

10. The collapse of Nineteenth Century civilization

Lecture 1. “The Victorian World and the Underworld of Economics,” in *The Worldly Philosophers*, Robert Heilbroner
Lecture 2. “The Hundred Years Peace,” in *The Great Transformation*, Karl Polanyi

THE TWENTIETH CENTURY SOCIAL ECONOMY

Film #2: *They Live*

11. Veblen & Keynes: “Conspicuous Consumption” and the social economy of the accumulation of wealth

Lecture 1. “The Savage Society of Thorstein Veblen,” in *The Worldly Philosophers*, Robert Heilbroner
Lecture 2. “The Heresies of John Maynard Keynes,” in *The Worldly Philosophers*, Robert Heilbroner

CONTEMPORARY POLITICAL ECONOMY: THE FALL OF ECONOMIC MANAGEMENT

Film #3: *Wall Street*

12. Hayek & the moral imperative of the market

Lecture 1. “The Road to Serfdom,” F. A. Hayek
Lecture 2. “The End of History,” Francis Fukuyama



Production

Production

Production

“ .. what blindness, what deafness, what density of ideology would have to weigh me down to prevent me from being interested in what is probably the most crucial subject to our existence, that is to say the society in which we live, the economic relations within which it functions, and the system of power which defines the regular forms and the regular permissions and prohibitions of our conduct. The essence of our life consists, after all, of the political functioning of the society in which we find ourselves.”

—michel foucault