

[Note to Undergraduates: For Undergraduates who enroll in the course as Econ 485 (CRN 76442), the requirements will be less. For example, the term-paper recommended length will be only **12 pages**.]

### **Smithian Political Economy I**

Fall 2019, (Econ 843 001; CRN 76441)

Professor Daniel Klein (Office: Buchanan Hall D161)

Day/time: Wednesdays 4:30-7:10

Location of the class: Buchanan Hall D180

The course will explore the philosophy of Adam Smith and its key facets, including propriety, praiseworthiness, duty, the impartial spectator, liberty, justice, knowledge, and economic well-being. Mostly we read Smith himself. We will read *The Theory of Moral Sentiments* in its entirety. It provides the ethical framework of Smith's major work on commerce, industry and public policy, *The Wealth of Nations*. We will read only parts *WN* (which covered in entirety in Professor Boudreaux's SPE II course, taught in the Spring). Students will select and present articles from the professional literature on Smith.

The class format will be lecture and discussion, based on pre-assigned readings. Always bring the assigned readings to the session.

(Smithian Political Economy II will be Spring 2019; the Smithian field exam is offered twice per year; [link to sample exam](#) questions.)

#### **Composition of Course Grade:**

1. **Attendance:** 7% of grade.
2. **Reading Discussion Leadership:** 4%
3. **Other (General) Class Participation:** 9% of grade.
4. **Weekly Point-Question Written Assignments on the Readings:** each assignment should be a minimum of 1, maximum of 2 pages; 24% of grade.
5. **McCloskey Assignment:** 6% of grade.
6. **Term paper:** 25% of grade.
7. **Final Exam:** 25% of grade.

#### **Required Texts:**

- Adam Smith TMS, WN, *Essays on Philosophical Subjects* (EPS). We work from the Glasgow editions, first printed by Oxford UP and now available [from Liberty Fund](#).
- Deirdre N. McCloskey, *Economical Writing*

#### **Explanation of Term Paper:**

Students will do a major term paper (20 pp. min for grad students, 12pp. min for undergrads), due the day of the final exam. *Include an abstract of 100-175 words.*

#### **Other Responsibilities:**

*The Weekly Writing Assignments* will be on the readings assigned for that week's lecture. Thus, you are expected to think critically about the readings. In class, we will devote time to general discussion, and the points you formulated in advance will help to ensure a good discussion.

*Reading Discussion Leadership:* Students will lead discussion on some of the assigned readings. When you lead discussion, you will present the paper in summary form, highlight its main interest for our purposes, and lead open discussion of the reading.

The *Final Exam* will be cumulative for all readings and class material.

**For undergraduates: *Writing Intensive* information:**

The Faculty Senate Writing Across the Curriculum Committee has approved this course to fulfill part of the Writing Intensive ("WI") requirement in Economics major. These requirements are met in six ways:

- (1) Students complete an assignment on Deirdre McCloskey, *Economical Writing*, due on Wednesday October 9.
- (2) On Wednesday October 9, 90 minutes of class time will be devoted to learning several of McCloskey's points on writing.
- (3) Each week students will turn in written reflection assignments on that week's reading, and Professor Klein will provide feedback on all reflections.
- (4) Students will revise and return four reflections (two rewrites due on Sept. 25, two due on Nov. 6); the revisions should take into consideration Professor Klein's feedback on the first draft and the revisions should be shown in Track Changes in Word; when turning in the revised versions, turn in the marked-up initial drafts.
- (5) Students will complete a term paper for the course (min 12 pages), and Professor Klein's feedback on the term paper will include feedback on writing.
- (6) After completion of the course and final course grade, students are invited to revise the term paper in light of the final feedback that was offered, with the revised version showing changes in Track Changes in Word.

All told, students will write about 12,000 words for the course (not counting the rewrites of four reflections).

**Late Policy:** For each weekday late I will subtract 5 percentage points from the paper score. Example: A paper on time worthy of an 80 will receive a 55 if exactly one week late. This is a heavy penalty so make every effort to get your papers in on time.

**Getting Help:** Four good ways to get help from me: (1) email me; (2) ask questions during class, (3) talk to me right after class; (4) talk by phone – but I call you (email your ph number to me) – **talking by phone usually works really well.** Email me, and we will go from there. I promise to respond quickly.

**Accommodations for students with disabilities:** If you are a student with a disability and you need academic accommodations, please see me and contact the [Office of](#)

[Disability Services](#) at 703.993.2474 or [ods.gmu.edu](http://ods.gmu.edu). All academic accommodations must be arranged through that office.

**Format Guidelines for the Main Writing Assignment:** Deviation from the following guidelines will result in lower scores on the assignment:

1. Papers must be typed, double-spaced, 12 point font, 1 inch margins.
2. Pages must be numbered. The number of pages begins on the page after the title page.
3. Include a title page (no numbering), with a title for your paper that states the main point or main issue of your paper. (Don't call it: "827 Term Paper"). The title page does not count as a page toward the length requirement.
4. **Don't right justify.**
5. At the end of the paper provide a list of referenced works, alphabetical by last name. A page with references does not count as a page toward the length requirement. In the paper use the citation format of the following example: . . . *greater availability of heroin led to an increase in usage (Wilson 1990, 25)*. The number 25 means page 25.
6. Avoid "we". You are an "I", not a "we."

## COURSE PLAN

Page/paragraph reference: The paragraphs are numbered, so I refer to both pages and paragraphs: 326-327.16 means pages 326-327 paragraph 16. After the "decimal point" comes paragraph number(s).

### 1<sup>st</sup> Meeting: Unlocking Some of the Mystery of TMS: Key Passages with Key Ideas

1. Smith's organon: Jill's moral judgment/approval regarding the doings of Ted is to be treated as always related to a kind of sympathy with some spectator, say Anne, who also observes and morally reacts to Ted's doings. Anne is often an imaginary being; and she may exist in Jill's subconscious. 17.3, Footnote \* on 46; 110.2 ("some secret reference"), 163-65.4-5, 193.12 (final sentence), 306.21 (final sentence), 311.10 (top half of page), 325.14 (last three sentences). (BTW, also *Corr.*, 49.)
2. Part of "Of Justice and Beneficence": 78.1-86.4.
3. Two Kinds of Rules: "precise and accurate" and "loose, vague, and indeterminate" 175-176.11; 327.1-2.
4. The justices paragraphs – Or, Adam Smith's libertarian distributive justice: 269-270.9-11 (Don't neglect Smith's footnote!)
5. The four sources of moral approval: 326-327.16. Here Adam Smith is criticizing Francis Hutcheson's doctrine of a moral sense. Smith writes that in his own

system the four sources of moral approval leave no place for a further moral sense. When Smith speaks of “the foregoing system,” he refers to his own system.

6. An indication that WN is an annex of TMS: 340-42.36-37.

2<sup>nd</sup> Meeting: Starting from the beginning: TMS “Advertisement” p. 3; Part I: Of the Propriety of Action Consisting of Three Sections: 9-66.

3<sup>rd</sup> Meeting: TMS Part II: Of Merit and Demerit; or of the Objects of Reward and Punishment: 67-108.

4<sup>th</sup> Meeting: TMS Part III: Of the Foundation of our Judgments concerning our own Sentiments and Conduct, and of the Sense of Duty: 109-178.

5<sup>th</sup> Meeting: TMS Parts IV: Of the Effect of Utility upon the Sentiment of Approbation, and V: Of the Influence of Custom and Fashion upon the Sentiments of Moral Approbation and Disapprobation: 179-211.

6<sup>th</sup> Meeting: *Discussion of secondary literature*: Students pick from Article List 1 below, and lead the discussion.

7<sup>th</sup> Meeting: TMS Part VI: Of the Character of Virtue: 212-264

8<sup>th</sup> Meeting: TMS Part VII: Of Systems of Moral Philosophy: 265-342.

9<sup>th</sup> Meeting: WN, Bk I, Chs 1-7: 8-81

10<sup>th</sup> Meeting: WN, Bk I, Chs 8-10: 82-159

11<sup>th</sup> Meeting: *Discussion of secondary literature*: Students pick from Article List 2 below, and lead the discussion.

12<sup>th</sup> Meeting: WN, assigned pages TBA.

13<sup>th</sup> Meeting: WN, assigned pages TBA.

14<sup>th</sup> Meeting: Smith’s “History of Astronomy,” in *Essays on Philosophical Subjects* (EPS).

## **Secondary literature:**

### **Article list 1: TMS/Ethics: Students are to choose from this list and lead the discussion:**

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

Coase, Ronald H. ([1976]) 1994. Adam Smith’s View of Man. In his *Essays on Economics and Economists*. Chicago: University of Chicago Press, 95-116.

- Forman-Barzilai, Fonna. 2005. Sympathy in Space(s): Adam Smith on Proximity. *Political Theory* 33(2): 189-217.
- Hayek, Friedrich A. 1946. Individualism: True and False. In his *Individualism and Economic Order*. Chicago: University of Chicago Press, 1948, 1-32.
- Khalil, Elias L. 1998. Is Justice the Primary Feature of the State? Adam Smith's Critique of Social Contract Theory. *European Journal of Law and Economics* 6: 215-230.
- Khalil, Elias L. 2002. Is Adam Smith Liberal? *Journal of Institutional and Theoretical Economics* (JITE) 158(4): 664-694.
- Klein, Daniel B, often with coauthors: See here: <http://econfaculty.gmu.edu/klein/papers.html>
- Macfie, Alec. 1971. The Invisible Hand of Jupiter. *Journal of the History of Ideas* 32(4): 595-599.
- Macfie, A..L. 1967. The Moral Justification of Free Enterprise: A Lay Sermon on an Adam Smith Text. *Scottish Journal of Political Economy* 14(1): 1-11.
- Martin, Thomas R. Forthcoming. The Sunbathing Beggar and Fighting Kings: Diogenes the Cynic and Alexander the Great in Adam Smith's *Theory of Moral Sentiments*. Forthcoming, *The Adam Smith Review*.
- McCloskey, Deirdre. 2008. Adam Smith, the Last of the Former Virtue Ethicists. *History of Political Economy* 40(1): 43-71.
- Morrow, Glenn R. 1927. Adam Smith: Moralism and Philosopher. *Journal of Political Economy* 35(3): 321-342.
- Otteson, James. 2002. Adam Smith's Marketplace of Morals. *Archiv f. Gesch. d. Philosophie* 84, S.: 190-211.
- Pack, Spencer J. and Eric Schliesser. 2006. Smith's Humean Criticism of Hume's Account of the Origin of Justice. *Journal of the History of Philosophy* 44(1): 47-63.
- Paganelli, Maria Pia. 2008. The Adam Smith Problem in Reverse: Self-interest in *The Wealth of Nations* and *The Theory of Moral Sentiments*. *History of Political Economy* 40(2): 365-382.
- Prasch, Robert and Thierry Warin. 2009. Il est encore plus important de bien faire que de bien dire: A Translation and Analysis of Dupont de Nemours' 1788 letter to Adam Smith. *History of Economics Review*, No. 49, forthcoming. [Link](#)
- Young, Jeffrey T. and Barry Gordon. 1996. Distributive Justice as a Normative Criterion in Adam Smith's Political Economy. *History of Political Economy* 28(1): 1-25.

**Article list 2: WN/Political Economy: Students are to choose from this list and lead the discussion:**

- Anderson, Gary M., William F. Shughart III, and Robert D. Tollison. 1985. Adam Smith in the Customhouse. *Journal of Political Economy* 93(4): 740-759.
- Bentham, Jeremy. 2008. Gulphs in Mankind's Career of Prosperity: A Critique of Adam Smith on Interest Rate Restrictions [A selection of Bentham's *Defence of Usury*]. *Econ Journal Watch* 5(1): 66-77. [Link](#)
- Irwin, Douglas A. 2014. Adam Smith's 'Tolerable Administration of Justice' and the Wealth of Nations. Ms.
- Leslie, Cliffe. 1870. The Political Economy of Adam Smith. *Fortnightly Review*.
- Martin, Christopher S. 2015. Equity, Besides: Adam Smith and the Utility of Poverty. *Journal of the History of Economic Thought* 37(4): 559-581.
- Pesciarelli, Enzo. 1989. Smith, Bentham, and the Development of Contrasting Ideas on Entrepreneurship. *History of Political Economy* 21(3): 521-218.
- Richardson, G.B. 1975. Adam Smith on Competition and Increasing Returns. In A.S. Skinner and T. Wilson, ed., *Essays on Adam Smith*. Oxford: Clarendon Press: 350-360.
- Rothschild, Emma. 1992. Adam Smith and Conservative Economics. *Economic History Review* 45(1): 74-96.

- Stigler, George J. 1971. "Smith's Travels on the Ship of State," *History of Political Economy*, Fall. Reprinted in Stigler's *The Economist as Preacher and Other Essays*, 136-45. Chicago: University of Chicago Press.
- Viner, Jacob. 1927. Adam Smith and Laissez Faire. *Journal of Political Economy* 35(2): 198-232.
- West, Edwin G. 1996. *Adam Smith into the Twenty-First Century*. Shaftesbury Paper #7, Locke Institute. Cheltenham, UK: Edward Elgar.
- West, Edwin G. 1997. Adam Smith's Support for Money and Banking Regulation: A Case of Inconsistency. *Journal of Money, Credit and Banking* 29(1): 127-134.

### **Article list 3: These are others we might refer to:**

- Barry, Norman. 1982. The Tradition of Spontaneous Order. *Literature of Liberty* 2(2), Summer, 7-58. [Link](#)
- Cannan, Edwin. 1928. Adam Smith as an Economist: The Gospel of Mutual Services. In Cannan's *An Economist Protest*. New York: Adelphi: 417-430. The chapter is reprinted from *Economica* no. 17 (June): 123-34, but the subtitle is new to the 1928 appearance.
- Gregg, Samuel. 2009. Metaphysics and Modernity: Natural Law and Natural Rights in Gershom Carmichael and Francis Hutcheson. *Journal of Scottish Philosophy* 7(1): 87-102.
- Henderson, Willie. 2004. A Very Cautious, or Very Polite, Dr. Smith? Hedging in the *Wealth of Nations*. *Adam Smith Review* 1: 60-81. [Link](#)
- Kennedy, Gavin. 2009a. Adam Smith and the Invisible Hand: From Metaphor to Myth. *Econ Journal Watch* 6(2): 239-62. [Link](#)
- Kennedy, Gavin. 2009b. A Reply to Daniel Klein on Adam Smith and the Invisible Hand. *Econ Journal Watch* 6(3): 374-88. [Link](#)
- Kennedy, Gavin. 2010. The Centrality of the Invisible Hand in Smith's Books: Using a Metaphor as an Antidote to "Tiresome" and "Less Pleasant" Narrative Styles. Working paper, Social Science Research Network. [Link](#)
- Lindgren, J. Ralph. 1969. Adam Smith's Theory of Inquiry. *Journal of Political Economy* 77(6): 897-915.
- Matson, Erik, Colin Doran, and Daniel B. Klein. 2017. Hume and Smith on Utility, Agreeableness, Propriety, and Moral Approval. Unpub. ms. [Link](#)
- Minowitz, Peter. 2004. Adam Smith's Invisible Hands. *Econ Journal Watch* 1(3): 381-412. [Link](#).
- Vaughn, Karen I. 1983. Invisible Hand. In *The New Palgrave* 2. London: Macmillan: 997-99.

### **Some books that we are apt to refer to:**

- Aydinonat, N. Emrah. 2008. *The Invisible Hand in Economics: How Economists Explain Unintended Social Consequences*. London: Routledge.
- Brown, Vivienne. 1994. *Adam Smith's Discourse: Canonicity, Commerce, and Conscience*. London: Routledge.
- Copley, Stephen and Kathryn Sutherland, eds. 1995. *Adam Smith's Wealth of Nations: New Interdisciplinary Essays*. Manchester: Manchester University Press.
- Cropsey, Joseph. 2001. *Polity and Economy: With Further Thoughts on the Principles of Adam Smith*. South Bend: St. Augustine's Press.
- Evensky, Jerry. 2005. *Adam Smith's Moral Philosophy: A Historical and Contemporary Perspective on Markets, Law, Ethics, and Culture*. Cambridge: Cambridge University Press.
- Farrer, J. A. 1881. *Adam Smith*. NY: G.P. Putnam's Sons.
- Fleischacker, Samuel. 1999. *A Third Concept of Liberty: Judgment and Freedom in Kant and Adam Smith*. Princeton: Princeton University Press.
- Fleischacker, Samuel. 2004a. *A Short History of Distributive Justice*. Cambridge: Harvard University Press.

- Fleischacker, Samuel. 2004b. *On Adam Smith's Wealth of Nations*. Princeton: Princeton University Press.
- Fuller, Lon L. 1969. *The Morality of Law*. Revised edition. New Haven: Yale University Press.
- Ginzberg, Eli. 1934. *The House of Adam Smith*. New York: Columbia University Press.
- Griswold, Charles L., Jr. 1999. *Adam Smith and the Virtues of Enlightenment*. Cambridge: Cambridge University Press.
- Haakonssen, Knud. 1981. *The Science of a Legislator: The Natural Jurisprudence of David Hume and Adam Smith*. Cambridge: Cambridge University Press.
- Haakonssen, Knud. 1996. *Natural Law and Moral Philosophy: From Grotius to the Scottish Enlightenment*. Cambridge: Cambridge University Press.
- Hamowy, Ronald. 2005. *The Political Sociology of Freedom: Adam Ferguson and F.A. Hayek*. Cheltenham: Edward Elgar.
- Hanley, Ryan Patrick. 2011. *Adam Smith and the Character of Virtue*. Cambridge: Cambridge University Press.
- Hirst, Francis W. 1904. *Adam Smith*. London: Macmillan.
- Hollander, Samuel. *The Economics of Adam Smith*. 1973. Toronto: University of Toronto Press.
- Hont, Istvan. 2010. *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective*. Belkap Press.
- Hont, Istvan and Michael Ignatieff, eds. 1986. *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*. Cambridge: Cambridge University Press.
- Kennedy, Gavin. 2005. *Adam Smith's Lost Legacy*, Basingstoke: Palgrave Macmillan.
- Macfie, A. L. 1967. *The Individual in Society: Papers on Adam Smith*. London: George Unwin & Allen.
- Macpherson, Hector C. 1899. *Adam Smith*. Edinburgh: Oliphant, Anderson & Ferrier.
- Maitland, Frederic W. 2000 [written 1875]. *A Historical Sketch of Liberty and Equality*. Indianapolis: Liberty Fund.
- McCloskey, Deirdre. 2006. *The Bourgeois Virtues: Ethics for an Age of Commerce*. Chicago: University of Chicago Press.
- McCloskey, Deirdre N. 2010. *Bourgeois Dignity and Liberty: Why Economics Can't Explain the Modern World*. Chicago: University of Chicago Press.
- McLean, Iain. 2006. *Adam Smith, Radical and Egalitarian*. Palgrave MacMillan.
- Minowitz, Peter. 1993. *Profits, Priests, and Princes: Adam Smith's Emancipation of Economics from Politics and Religion*. Stanford: Stanford University Press.
- Muller, Jerry Z. 1993. *Adam Smith in His Time and Ours: Designing the Decent Society*. Princeton: Princeton University Press.
- Otteson, James. 2002. *Adam Smith's Marketplace of Life*. Cambridge: Cambridge University Press.
- Pack, Spencer J. 1991. *Capitalism as a Moral System: Adam Smith's Critique of the Free Market Economy*. Cheltenham: Edward Elgar Publishing.
- Peart, Sandra J. and David M. Levy. 2005. *The 'Vanity of the Philosopher.'* Ann Arbor, MI: University of Michigan Press.
- Phillipson, Nicholas. 2010. *Adam Smith: An Enlightened Life*. New Haven: Yale University Press.
- Rae, John. 1895. *The Life of Adam Smith*. Reprint 1990, Bristol: Thoemmes.
- Raphael, D.D. 1985. *Adam Smith*. Oxford: Oxford University Press.
- Reeder, John, ed. 1997. *On Moral Sentiments: Contemporary Responses to Adam Smith*. Bristol: Thoemmes Press.
- Ross, Ian Simpson. 1995. *The Life of Adam Smith*. Oxford: Oxford University Press.

- Ross, Ian Simpson., ed. 1998. *On the Wealth of Nations: Contemporary Responses to Adam Smith*. Bristol: Thoemmes Press.
- Rothbard, Murray N. 1995. *Economic Thought Before Adam Smith ( An Austrian Perspective on the History of Economic Thought*, Vol. 1). Auburn, AL: Ludwig von Mises Institute, reissue 2006.
- Rothschild, Emma. 2001. *Economic Sentiments: Adam Smith, Condorcet, and the Enlightenment*. Cambridge: Harvard University Press.
- Small, Albion W. 1907. *Adam Smith and Modern Sociology: A Study in the Methodology of the Social Sciences*. Chicago: University of Chicago Press (available in reprint).
- Smith, Craig. 2006. *Adam Smith's Political Philosophy: The Invisible Hand and Spontaneous Order*. London: Routledge.
- Stewart, Dugald. 1794. *Account of the Life and Writings of Adam Smith*. Reprinted in *Adam Smith, Essays on Philosophical Subjects*, ed. by W.P.D. Wrightman and J.C. Bryce. Reprint: Indianapolis: Liberty Fund, 1982.
- Teichgraeber, Richard F., III. 1986. *'Free Trade' and Moral Philosophy: Rethinking the Sources of Adam Smith's Wealth of Nations*. Durham: Duke University Press.
- Viner, Jacob. 1972. *The Role of Providence in the Social Order*. Princeton: Princeton University Press.
- West, E.G. 1969. *Adam Smith: The Man and His Work*. New Rochelle: Arlington House.
- Winch, Donald. 1978. *Adam Smith's Politics: An Essay in Historiographic Revision*. Cambridge: Cambridge University Press.
- Young, Jeffrey T. 1997. *Economics as a Moral Science: The Political Economy of Adam Smith*. Cheltenham: Edward Elgar.

**GMU PhDs on Smith supervised by Prof. Klein:**

[Michael J. Clark, \*The Virtuous Discourse of Adam Smith: The Political Economist's Measured Words on Public Policy\* \(2010\)](#)

[Brandon Lucas, \*The Influence of Adam Smith: The Hayekian Narrative, Honest Profit, and the Invisible Hand\* \(2010\)](#)

[Christopher S. Martin, \*Sympathy, Poverty, and Justice: Three Essays on the History of Economics with an Emphasis on Adam Smith\* \(2012\)](#)

[Mark J. Bonica, \*Adam Smith on Liberty and Reputation: Is Reputation Property? Are Defamation Laws Coercive?\* \(2013\)](#)

[Paul D. Mueller, \*Learning from Adam Smith: Propriety in Individual Choice, Moral Judgment, and Politics\* \(2015\)](#)

[John A. Robinson, \*Property and Exclusivity: Ownership in the Scottish Enlightenment, Adam Smith, and English Literature\* \(2016\)](#)

[Scott Drylie, \*Interpreting Adam Smith's Views on Education of the Poor in the Age of Benevolence\* \(2016\)](#)



**Jonathon Henry Diesel**, [The Jural Relationships and a Case For Esotericism: Three Essays on Adam Smith](#) (2017)

**Erik W. Matson**, [Hume and Smith on Reason, Political Economy, and the Spirit of Philosophy](#) (2017)

**Eric J. Hammer**, [Analyzing the Moral Effects of the Welfare State through the lens of Adam Smith's Theory of Moral Sentiments](#) (2018)