

# Comparative Economic Theories

## 1 : Value and Distribution

L1 Economics International Track - Semester 2

# Contact

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- For any questions regarding tutorial or continuous assessment (absences, missing grades, etc.), please deal with your teaching assistants.

# Course Outline

- 1. INTRODUCTION : CLASSICAL POLITICAL ECONOMY
- 2. ADAM SMITH (1723-1790), THE DIVISION OF LABOUR
- 3. DAVID RICARDO (1772-1823), VALUE, DISTRIBUTION, AND PROFIT DYNAMICS
- 4. KARL MARX (1818-1883), COMMODITIES & EXPLOITATION
- 5. THE MARGINALIST REVOLUTION (JOHN BATES CLARK)

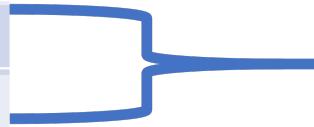
(detailed outline on the subject's EPI)

# Assessment

- Assessment in ECT1 will be based **entirely on continuous assessment** (no end-of-term exam).
- Final grade in ECT1 = **arithmetic mean (unweighted) of 3 grades:**
  - ✓ 30-minutes test in tutorial session (around week 5)
  - ✓ 90 minutes essay (dissertation) in tutorial session (around week 10)
  - ✓ Comprehensive end of the semester test (multiple choice quiz) in the lecture hall (week 11 or 12) during the regular lecture time
-  A careful reading of the tutorial booklet will be an imperative condition for success in the end-of-semester lecture hall test.

# Assessment

| Tutorial sessions |                                   |
|-------------------|-----------------------------------|
| 1                 | 1st lecture and tutorial sessions |
| 2                 |                                   |
| 3                 |                                   |
| 4                 |                                   |
| 5                 | 40 minutes test (tutorial)        |
| 6                 |                                   |
| 7                 |                                   |
| 8                 |                                   |
| 9                 |                                   |
| 10                | 90 minutes essay (tutorial)       |
| 11                |                                   |
| 12                |                                   |



end of the semester  
test in lecture hall

# Assessment

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  - ✓ 30-minutes test in tutorial session (around week 5)
  - ✓ 90 minutes essay in tutorial session (around week 10)
  - ✓ Comprehensive end of the semester test (multiple choice quiz) in the lecture hall (week 11 or 12)
- The end of the semester test in lecture hall will serve as basis for the **grade-standardization procedure (“harmonisation”)**.

# Bibliography

- **The core element of your bibliography is your tutorial booklet.**
- **Primary sources:**
  - Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776.
  - David Ricardo, *On the Principles of Political Economy and Taxation*, 1817
  - Karl Marx, *Capital: A Critique of Political Economy (Das Kapital)*, 1867

⇒ Available for free (and legal) download here: <https://oll.libertyfund.org/titles/by-author>
- **Secondary sources / textbooks (in french) :**
  - Jean Dellemotte, *Histoire des idées économiques*, collection "Aide-mémoire", Dunod.
  - Françoise Duboeuf, *Introduction aux théories économiques*, collection Repères, La Découverte
  - Jean Boncoeur & Hervé Thouément, *Histoire des idées économiques*, tome 1. De Platon à Marx , Nathan
  - Ghislain Deleplace, *Histoire de la pensée économique*, Paris, Dunod.
  - Henri Denis, *Histoire de la pensée économique*, Presses Universitaires de France.
  - Samuel Ferey & Sylvie Rivot, *Histoire de la pensée économique*, Pearson.

# Espace pédagogique interactif (EPI)

- <https://cours.univ-paris1.fr/course/view.php?id=46966>
- Or: Comparative Economic Theories: Value and Distribution in your EPI's dashboard
- Timetable, course outline, downloadable .pdf tutorial booklet, bibliography, etc..
- **Important for staying in touch in case of teacher's unavailability of PMF site closure:** organization of online classes (Zoom), assessments, forum...

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(detailed outline on the subject's EPI)

- **3 schools of thought**(Classical political économie, Marxism, Marginalism)
- **3 topics:**
  - **the division of labor**, the production and the dynamics of the « wealth of nations » (Smith)
  - **the value and prices** of commodities (Ricardo, Marx)
  - **the distribution** of the wealth produced (Ricardo, Marx, Clark)

# Warning!

- We will see that the various authors and schools of thought considered **disagree on the issues of value and distribution.**
- Why is there no consensus on certain important economic issues?
- Is economics an exact science?

# Avertissement!

- Why is there no consensus on certain important economic issues?
- Economic discourse is a system of representation (as are virtually all “humanities” or “social sciences”).
- A discourse on how men organize the satisfaction of their needs through the production, exchange, and distribution of wealth.

# Avertissement!

- A discourse on how men organize the satisfaction of their needs through the production, exchange, and distribution of wealth.
  - ⇒ several difficulties
    - **experimentation** and identification of **cause-and-effect relationships**
    - the phenomenon of the participating observer (→ **neutrality problem**)
    - the importance of **context**

# Avertissement!

- It is important to bear in mind that **economics is a recent discipline**, originating from political and moral philosophy.
- Until the end of the 18th century, there was no discipline called “economics” (**economic issues were addressed in works on moral and political philosophy or theology**).
- A pivotal period: the 18th century (when economic discourse gradually became autonomous) and **the advent of the “classical” school** (late 18th-early 19th century).

- The first part of the course focuses, precisely, on **classical political economy**.