

GRADUATE SCHOOL OF INTERNATIONAL STUDIES
SEOUL NATIONAL UNIVERSITY
Fall 2018

INTERNATIONAL DEVELOPMENT CLASSIC READINGS

Time: Tuesday 9:30 - 12:30

Place: 140-2-202

Instructor: Hyeok Jeong (Email: hyeokj@snu.ac.kr, Tel: 02-880-2921).

Office Hour: Tuesday 14:00 - 15:00 with Appointment Only.

Last Update: July 09, 2018.

Course Description

Main goal of this course is to read the classics that bear significant policy implications for the national as well as international development. We will choose a key book from such classics about economic development and learn the essential messages of the book by engaging in individual presentations and the active group discussions in class. First, we will read the manuscripts thoroughly, then interpret and reformulate the messages of the classics in the context of the contemporary development policy issues, and then students will write a policy report about a chosen topic of international development based on such readings and interpretation, which is the heart of the course.

This semester we will read *An Inquiry into the Nature and Causes of the Wealth of Nations* by Adam Smith. This book covers a comprehensive range of national development issues of real sector development such as capital and labor, monetary issues, history of city formation, political economy, and public finance so that students of various fields of social science can learn from this course. The reading will be supplemented by another book *The Theory of Moral Sentiments* also by Adam Smith, which is a precursor companion of *An Inquiry into the Nature and Causes of the Wealth of Nations* and discusses the issues of social orders prerequisite to the working of market economy as an effective resource allocation system for human beings.

Every student is required to read all the assigned chapters for a given topic and submit a self-contained summary. Each student will be assigned to presenting

the contents of each topic and perform the policy analysis for contemporary issues by applying the contents of the assigned topic to them. The application must be a specific one, not a general discussion. Each student needs to prepare a final policy report based on his or her own reading and presentation by the end of the semester, in which students should reflect the responses to the critiques of the other students and the instructor.

Books

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776.
General Eds. R. H. Campbell and A. S. Skinner, Textual Ed. W. B. Todd,
Clarendon Press, Oxford, 1976.

Adam Smith, *The Theory of Moral Sentiments*, 1759.
Gutenberg Publishers, 2011.

Evaluation

Course grade will be based on (i) self-contained presentation of assigned readings and contemporary application (30%) (ii) final policy report (40%), and (iii) class participation (30%). Class participation grade will be measured by (i) attendance (10%), and (ii) the quality of answers to the review questions that will be asked in class to the randomly selected students and the quality of questions that are considered to contribute to class (20%). Keeping class etiquette is required. For example, no cell phones including text messaging is allowed. For any negative disruptions to class, negative participation grade will be given.

According to the revised SNU school rule (the 4th Clause of the Article 85), effective date of September 1st in the year 2018, any students who attend less than two-thirds of the required classes will receive a grade of "F" or "U" with exception of inevitable cases which is upon discretion of the instructor.

Reading Outline

An Inquiry into the Nature and Causes of the Wealth of Nations

General Introduction

Book I. Of the Causes of Improvement in the productive Powers of Labor, and the Order according to which its Produce is naturally distributed among the different Ranks of the People

I.1. Of the Division of Labor

I.2. Of the Principle which gives occasion to the Division of Labour

I.3. That the Division of Labour is limited by the Extent of the Market

I.4. Of the Origin and Use of Money

I.5. Of the real and nominal Price of Commodities, or of their Price in Labour, and their Price in Money

I.6. Of the component Parts of the Price of Commodities

I.7. Of the natural and market Price of Commodities

I.8. Of the Wages of Labour

I.9. Of the Profits of Stock

I.10. Of Wages and Profit in the different Employments of Labour and Stock

I.11. Of the Rent of Land

* Digressions

Book II. Of the Nature, Accumulation, and Employment of Stock

II.1. Of the Division of Stock

II.2. Of Money considered as a particular Branch of the General Stock of the Society, or of the Expence of maintaining the National Capital

II.3. Of the Accumulation of Capital, or of productive and unproductive Labour

II.4. Of Stock lent at Interest

II.5. Of the different Employment of Capitals

Book III. Of the different Progress of Opulence in different Nations

III.1. Of the natural Progress of Opulence

III.2. Of the Discouragement of Agriculture in the ancient State of Europe after the Fall of the Roman Empire

III.3. Of the Rise and Progress of Cities and Towns, after the Fall of the Roman Empire

III.4. How the Commerce of the Towns contributed to the Improvement of the Country

Book IV. Of Systems of political Oeconomy

IV.1. Of the Principle of the commercial or mercantile System

IV.2. Of Restraints upon the Importation from foreign Countries of such Goods as can be produced at Home

IV.3. Of the extraordinary Restraints upon the Importation of Goods of almost all Kinds, from those Countries with which the Balance is supposed to be disadvantageous

IV.4. Of Drawbacks

IV.5. Of Bounties

IV.6. Of Treaties of Commerce

IV.7. Of Colonies

IV.8. Conclusion of the Mercantile System

IV.9. Of the agricultural Systems, or of those Systems of Political Oeconomy, which represent the Produce of Land, as either the sole or the principal Source of the Revenue and Wealth of every Country

Book V. Of the Revenue of the Sovereign or Commonwealth

V.1. Of the Expences of the Sovereign or Commonwealth

V.2. Of the Sources of the general or publick Revenue of the Society

V.3. Of publick Debts

The Theory of Moral Sentiments

Part I: The Propriety of Action

Section 1: The Sense of Propriety

Chapter 1: Sympathy

Chapter 2: The pleasure of mutual sympathy

Chapter 3: How we judge the propriety of other men's affections by their concord or dissonance with our own

Chapter 4: The same subject continued

Chapter 5: The likeable virtues and the respectable virtues

Section 2: The degrees of the different passions that are consistent with propriety

Chapter 1: The passions that originate in the body

Chapter 2: The passions that originate in a particular turn or habit of the imagination

Chapter 3: The unsocial passions

Chapter 4: The social passions

Chapter 5: The selfish passions

Section 3: How prosperity and adversity affect our judgments about the rightness of actions; and why it is easier to win our approval in prosperity than in adversity

Chapter 1: The intensity-difference between joy and sympathy with joy is less than the intensity difference between sorrow and sympathy with sorrow

Chapter 2: The origin of ambition, and differences of rank

Chapter 3: The corruption of our moral sentiments that comes from this disposition to admire the rich and the great, and to despise or neglect the down-trodden and poor

Part II: Merit and demerit: the objects of reward and punishment

Section 1: The sense of merit and demerit

Chapter 1: Whatever appears to be the proper object of gratitude (resentment) appears to deserve reward (punishment)

Chapter 2: The proper objects of gratitude and resentment

Chapter 3: Where there's no approval of the benefactor's conduct, there's not much sympathy with the beneficiary's gratitude; and where there's no disapproval of the motives of the person who does someone harm, there's absolutely no sympathy with the victim's resentment

Chapter 4: Recapitulation of the preceding chapters

Chapter 5: Analysing the sense of merit and demerit

Section 2: Justice and beneficence

Chapter I: Comparing those two virtues

Chapter 2: The sense of justice, of remorse, and of the consciousness of merit

Chapter 3: The utility of this constitution of nature

Section 3: The influence of luck on mankind's sentiments regarding the merit or demerit of actions

Chapter 1: The causes of this influence of luck

Chapter 2: The extent of this influence of luck

Chapter 3: The purpose of this irregularity of sentiments

Part III: Moral judgments on ourselves; the sense of duty

Chapter 1: The principle of self-approval and self-disapproval

Chapter 2: The love of praise and of praiseworthiness; the dread of blame and of blameworthiness

Chapter 3: The influences and authority of conscience

Chapter 4: The nature of self-deceit, and the origin and use of general rules

Chapter 5: The influence and authority of the general rules of morality, and why

they are rightly regarded as the laws of the Deity

Chapter 6: When should the sense of duty be the sole driver of our conduct? and when should it co-operate with other motives?

Part IV: The effect of utility on the sentiment of approval

Chapter 1: The beauty that the appearance of utility gives to all the productions of art, and the widespread influence of this type of beauty

Chapter 2: How the characters and actions of men are made beautiful by their appearance of utility. Is our perception of this beauty one of the basic sources of approval?

Part V: The moral influence of custom and fashion

Chapter 1: The influence of custom and fashion on our notions of beauty and ugliness

Chapter 2: The influence of custom and fashion on moral sentiments

Part VI: The character of virtue

Section 1: Prudence, i.e. the character of the individual in its bearing on his own happiness

Section 2: The character of the individual in its bearing on the happiness of other people

Chapter 1: The order in which individuals are recommended by nature to our care and attention

Chapter 2: The order in which societies are recommended by nature to our beneficence

Chapter 3: Universal benevolence

Section 3: Self-control

Part VII: Systems of moral philosophy

Section 1: The questions that ought to be examined in a theory of moral sentiments

Section 2: The different accounts that have been given of the nature of virtue

Chapter 1: Systems that make virtue consist in propriety

Chapter 2: A system that makes virtue consist in prudence

Chapter 3: Systems that make virtue consist in benevolence

Chapter 4: Licentious systems

Section 3: The different systems that have been formed concerning the source of approval

Chapter 1: Systems that trace the source of approval back to self-love

Chapter 2: Systems that make reason the source of approval

Chapter 3: Systems that make sentiment the source of approval

Section 4: What different authors have said about the practical rules of morality