

GRADUATE SCHOOL OF INTERNATIONAL STUDIES
SEOUL NATIONAL UNIVERSITY
Fall 2024

**READINGS IN WEALTH OF NATIONS:
UNDERSTANDING ECONOMIC POLICIES AND INSTITUTIONS**

Time: Tuesday 14:00 - 17:00

Place: 140-2 #201

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

Office Hour: Tuesday 17:00 - 17:50 with appointment only.

Course Number: M3459.000600

Last Update: July 23, 2024.

Course Keywords

Wealth of Nations, Economic System, Social Order, Economic Growth, Development Process, Economic Policy, Institutions, Political Economy

Course Description

This course reads the most fundamental classic writing on economic and social order and their underlying principles, *An Inquiry into the Nature and Causes of the Wealth of Nations* by Adam Smith, which laid a foundation not just for economics but also for social science in general. This masterpiece provides a vision to construct a synthetic economic system for a new social order from the perspectives of economic principles as well as policy implementations and institution building, which we eventually aim to learn from reading this book.

Adam Smith made it clear that ultimate goal of the *Wealth of Nations* is to seek an economic order which would progress the welfare of people at home as well as foreign countries in harmony. Thus, this book bears significant policy implications for the national and also the international economic development.

We learn the essential messages of the book by reading the whole book and by engaging in individual presentations and 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 policy issues, and then each student

(possibly in a group) will write a final policy report for a self-selected topic about national or global development process based on such readings and interpretation, which is the heart of the course. The choice of the topic for the policy report should be approved by the instructor.

Although *the Wealth of Nations* is our main reading, a dual volume, *The Theory of Moral Sentiments* will be the supplementary reading, if time permits. *The Wealth of Nations* 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 Theory of Moral Sentiments* discusses the moral philosophy background of understanding individual human behaviors and how they can be harmonized in a social order.

Each student is required to read the assigned chapters for a given topic and present a self-contained summary and the analysis of the contemporary policy applications. The application must be specific, 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. Any modern print.

Evaluation

Course grade will be based on (i) self-contained presentation of assigned readings (30%), presentation of applications to contemporary policy issues (20%) (ii) final policy report (30%), and (iii) class participation (20%). 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 (10%). 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. Please, turn on camera showing your face when we do online classes. If not, it is counted as an absence of class.

Special Instruction for Online Class

In case, we need to do online classes or presentations, Zoom will be used. The URL of the login site of Zoom is <https://zoom.us>. You can create the login ID for Zoom by using your SNU email ID or by obtaining license from the IT Center (phone: 02-880-8282, email: zoom_tf@snu.ac.kr).

The Zoom meeting ID and password for this class will be informed to the registered students by emails from TA. Class materials (reading assignments, presentation files and schedules) and the announcement of the class logistics will be posted on SNU eTL.

Reading Outline

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 public Debts

Remark 1. When the time constraints prevail or unexpected contingencies happen, we can rearrange the above topics and course schedule.

Remark 2. This syllabus is written on July 23, 2024. It may be necessary to make adjustment during the semester upon contingencies.