

ECON 311 – 001
Spring 2010
History of Economic Thought

Classroom: Business Building B301
Class time: 10:40-11:55 a.m. Tu Th
College of Business and Economics
Boise State University

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Office Hours: Monday 5 – 6 p.m., Tuesday and Thursdays noon to 1 p.m., and by appointment

Prerequisites: Principles of Microeconomics and Principles of Macroeconomics

Textbooks: There are two required books.

1. Todd G. Buchholz, New Ideas from Dead Economists: An Introduction to Modern Economic Thought, Plume Books, Revised edition, 1999.
2. Stanley L. Brue and Randy R. Grant, The Evolution of Economic Thought, 7th Edition, Thomson South-Western, 2007.

Other Useful Sources on the Internet: Many primary and some secondary sources are now available on the internet. Readings from such sources will be assigned and recommended throughout the semester. Below are best examples of such sources:

1. The New School maintains a [website](#) with links to a wide range of resources related to history of economic thought.
2. McMaster University maintains an [archive](#) of online versions of primary sources in the history of economic thought.
3. The Liberty Fund maintains an [online library](#) of books and essays in economics.
4. William J. Barber, an emeritus professor at Wesleyan, has placed his [1967 history of economic thought text online](#).
5. Dr. Larry Reynolds, emeritus faculty member of Economics Department at BSU and my instructor when I took History of Economic Thought, has an excellent [website](#). It provides detailed discussion on many topics that we will cover during the semester.

Course Objectives: This course examines the history of economic ideas and highlights the contributions of leading economists. It is not a history of what actually happened in the past but rather a history of theories and ideas about how the economy works. We will look at how economic thinking often changes with the social, political and religious events of the time although some economic ideas stay resilient to the changing conditions. We will investigate various perspectives that have been influential in the development of economic thought at different times and places.

Grading and Assessment:

Your final grade will be based on the following components:

Term paper	30%
Midterm	20%
Final	20%
Weekly quizzes	20%
Class Participation	10%

Term Paper: The term paper is designed to test your ability to synthesize ideas and think creatively. Term paper must be written using Times New Roman 12 - point font, double spaced, 1-inch margins across each page and comprising about 12 - 15 pages (including footnotes and bibliography). You are free to pick one of the suggested topics below. If you would like to pick a different topic, please first consult with me. The final version of the paper is due towards the end of the semester; however, components and the first draft will be due according to a strict time table.

Timetable for the paper:

February 11: One-page proposal and a list of five references are due.

March 4: Two-three page outline is due.

March 25: *Optional* first draft is due (about 9-10 pages).

April 8: First draft is returned with comments.

April 29: Final paper is due (about 12 - 15 pages).

Proposal (10 points): Proposal must be at least one-page long describing the topic selected for the term paper, why this topic was chosen and its relevance to the class. In addition to this brief description, it must include a list of five references coming from either *primary* or *secondary* sources (please see below for the details). Other references, such as those from internet sources and popular press, can be used only in addition to these sources and are not counted towards the required minimum five scholarly sources. Proposal must be written using Times New Roman 12 - point font, double-spaced, and 1-inch margins across each page.

Outline (10 points): Outline of the paper must be at least 2 - 3 pages long, and should describe different sections of the term paper in some detail. Each section description should also include a list of sources to be used, and explain why these sources are helpful / useful in that specific section. Outline must be written using Times New Roman 12 - point font, double-spaced, and 1-inch margins across each page.

Final paper (80 points): The term paper must be well-written and well-researched on the topic of choice (please see below for suggestions). It must be written using Times New Roman 12 - point font, double spaced, 1-inch margins across each page and comprising about 12 - 15 pages (including footnotes and bibliography).

Important: The topic of the paper may be changed after proposal or outline deadlines and after consulting with me with the following caveats: if the topic is changed after proposal deadline, the highest point that can be earned on the term paper is 90 points, and if the topic is changed after outline deadline, the highest point that can be earned on the term paper is 80 points. Moreover, if

the topic is changed after the proposal deadline, a new proposal must be turned in for approval. Failure to do so will result in an additional deduction of 5 points from the final paper grade. Similarly, if the topic is changed after the outline deadline, a new proposal and a new outline must be turned in for approval. Failure to do so will result in an additional deduction of 10 points from the final grade. It is important to note again that these deductions are in addition to the loss of points for changing the topic as described above.

Suggestions for a topic:

1. Write about an economist whom we don't discuss (much) in class. (Examples: J.-B. Say, John Bates Clark, Henry George, Antoine Cournot, Jules Dupuit, F. Y. Edgeworth, Irving Fisher, Joan Robinson, A. C. Pigou, Kenneth Arrow, Robert Solow and Frank Knight).
2. Compare and contrast similar ideas in two or more economists. (Examples: Ricardo and Mill on the stationary state; Plato and Smith on the division of labor.)
3. Write a history of some field of economics or set of ideas that interests you. In general, the narrower the topic the better it is. (Examples: urban economics, the quantity theory of money.)
4. Write about a Nobel Laureate (or other prominent modern economist) as a way of tracing the history of the ideas for which he is known. For a list of, and links to information about, the Nobel laureates, see <http://nobelprize.org/economics/laureates/>
5. Connect economic ideas with the economic history of the time. (Examples: mercantilism and the history of the East India Company; the Corn Laws in history and in thought.)

Information on required sources: The paper should draw on both *primary* and *secondary* sources. A primary source is a book or other scholarly contribution by an economist (e. g., *The Wealth of Nations* by Adam Smith). A secondary source is an article that discusses or interprets some aspect of a primary source or sources (e. g., G. B. Richardson, "Adam Smith on Competition and Increasing Returns," in Andrew S. Skinner and Thomas Wilson, eds., *Essays on Adam Smith*. Oxford: Clarendon Press, 1975). General web sources, such as Wikipedia are not acceptable as sources or references in the paper.

Exams: Exams will concentrate on both factual knowledge and critical analysis. There will be a combination of short essays, multiple choice and true/false components. Final will be cumulative but the focus will be on the material covered after the midterm.

Weekly quizzes: There will be weekly assignments (questions from reading material) to assist your understanding of the course material. Although these assignments will not be graded, there will be weekly quizzes based on them. In these quizzes, you will be asked to answer one or two questions that come directly from the assignments. I plan to give a total of 12 quizzes. I will drop your lowest two scores and remaining 10 quizzes will together account for 20% of your grade. Weekly quizzes will be on Tuesdays, starting on January 26th.

Class participation: This is an idea and discussion class. Your participation in class discussion is essential. I encourage you to ask questions and share your opinions with the rest of class.

Important Policy: No make up exams or quizzes will be given. There will be no extra credit. If you miss an exam please contact me as soon as possible, preferably within 24 hours of the exam.

Responsibilities and Conduct:

To do well in the course I suggest the following:

1. Attend class.
2. Read the assigned readings before coming to class. It is also a good idea to come to class with questions to ask regarding the material or ideas to share.
3. Do the weekly assignments. These will help with understanding the important points of readings. In addition, quizzes will have questions directly out of these assignments.
4. Participate in class discussions.
5. Come and see me if you have questions about the material covered in class or any other questions.

In addition, treat your classmates with respect in and out of class. Please make sure to turn off your cell phone and laptops during class.

Academic Dishonesty:

Cheating, plagiarism and other forms of misconduct will not be tolerated. I encourage you work together on the assignments and discuss reading material outside of class; however each of you must submit your own work. Submitting someone else's work as your own or letting someone else to submit your work constitutes as cheating.

For details on academic dishonesty, please take a look at:

<http://www.boisestate.edu/osrr/Forms/07.%20BSU%20Code%20FINAL.pdf>

Disabilities:

If any student has a disability that requires special accommodation, please come and see me by the end of the second week. For information regarding disabilities and possible accommodations please see:

<http://www.boisestate.edu/policy/index.asp?section=4&policynum=4500>

Course Outline: Sequence of Topics*

1. Introduction. Why study the history of economic thought?

Required Readings:

Brue and Grant, chapter 1.

Milton Friedman, "[The Methodology of Positive Economics](#)" in [Essays in Positive Economics](#), Univ. of Chicago Press., 1953, pages: 3 – 43.

Deirdre McCloskey , "[The Rhetoric of Economics](#)" *Journal of Economic Literature*, Vol. 21, No. 2. (Jun., 1983), pp. 481-517.

2. Early pre-classical and medieval economic thought.

Required Readings:

[EH.Net encyclopedia entry](#) on the ancient Greek economy.

[Aristotle](#), *Politics*, books I and II (skim).

[Thomas Aquinas](#), *Summa Theologica*, second part of the second part, questions (77)

*[LXXVII](#) and (78) *[LXXVIII](#).

Optional Readings:

[Plato](#), *The Republic*.

[Aristotle](#), *Nicomachian Ethics*, book V.

3. Mercantilism.

Required Readings:

Brue and Grant, Chapter 2.

Thomas Mun, *England's Treasure by Forraign Trade* (c. 1630) (skim).

Adam Smith, *The Wealth of Nations*, [Book IV](#) (skim).

4. The Physiocrats.

Required Readings:

Brue and Grant, chapter 3.

Adam Smith, *The Wealth of Nations*, Book IV, [chapter ix](#) (skim).

Optional Readings:

A. R. J. Turgot, [Reflections on the Formation and Distribution of Wealth](#) (1766).

Almarin Phillips, "[The Tableau Economique as a Simple Leontief Model](#)," *Quarterly Journal of Economics*, 1955.

5. The Classical School—Forerunners and the [Scottish Enlightenment](#).

Required Readings:

Brue and Grant, chapter 4.

Richard Cantillon, *Essay on the Nature of Commerce in General* (c. 1730) (skim).

David Hume, *Political Discourses* (1752), especially "[Of Money](#)," "[Of the Balance of Trade](#)," and "[Of the Jealousy of Trade](#)."

Optional Readings:

[John Locke](#), *Second Treatise of Government* (1690), esp. essay 2, chapter V.

6. The Classical School: Adam Smith.

Required Readings:

Buchholz, chapter 2.

Brue and Grant, chapter 5.

[Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Book I and Book II, especially chapters I, III, and V.](#)

Optional Readings:

Nathan Rosenberg, "[Some Institutional Aspects of the Wealth of Nations,](#)" *Journal of Political Economy* **68**(6): 557-570 (December 1960).

7. The Classical School: T. R. Malthus.

Required Readings:

Buchholz, chapter 3.

Brue and Grant, chapter 6.

Optional Readings:

[Thomas Robert Malthus *An Essay on the Principle of Population* \(1798\).](#)

8. The Classical School: David Ricardo.

Required Readings:

Buchholz, chapter 4.

Brue and Grant, chapter 7.

Robert Dorfman, "[Thomas Robert Malthus and David Ricardo,](#)" *Journal of Economic Perspectives* **3**(3): 153-164 (1989).

Optional Readings:

[David Ricardo, **The Principles of Political Economy and Taxation*, esp. chapters 1-8, 19-21, 26, 30-31.](#)

George Stigler, "[Ricardo and the 93% Labor Theory of Value,](#)" *American Economic Review* **48**(3): 357-367 (June 1958).

9. John Stuart Mill and the decline of the Classical Economics.

Required Readings:

Buchholz, chapter 5.

Brue and Grant, chapter 8.

Optional Readings:

[John Stuart Mill, **Principles of Political Economy*, esp. Book I, chapter 5; Book III, chapters 1-6, 15-16; and Book IV, chapters 1-4.](#)

10. Reaction to capitalism and Karl Marx.

Required Readings:

Buchholz, chapter 6.

Brue and Grant, chapter 10.

David Levy and Sandra Peart, "[The Secret History of the Dismal Science: Economics, Religion, and Race in the 19th Century](#)" (2001).

Karl Marx and Friedrich Engels, "[Communist Manifesto](#) (1848), Sections 1 and 2.

Optional Reading:

Karl Marx, "[Capital](#), (sections of volume 1) (1867).

11. The Marginalist Revolution

Required Readings:

Brue and Grant, chapters 12 and 13.

Optional Readings (these links may have changed):

Carl Menger, 1892. "[On the Origin of Money](#)," *The Economic Journal* 2(6): 239-255.

W. S. Jevons, [Theory of Political Economy](#) (1871).

Carl Menger, [Principles of Economics](#) (1871)

12. The Neoclassical School: Alfred Marshall.

Required Readings:

Buchholz, chapter 7.

Brue and Grant, chapter 15.

Optional Reading:

Alfred Marshall, [Principles of Economics](#), eighth edition, esp. Book I, chapters I and II; Book III; and Book IV; skim Book V.

13. The Keynesian School-- John Maynard Keynes.

Required Readings:

Buchholz, chapters 9, 10, and 12.

Brue and Grant, chapter 21.

Optional Readings:

J.M. Keynes, "[The General Theory of Employment](#)," *Quarterly Journal of Economics* 51, May 1937 (section II to the end)

Barry Eichengreen, "[Still Fettered After All These Years](#)," Working Paper No. w9276, National Bureau of Economic Research, October 2002.

14. Modern Economics and Critics I: Veblen, Schumpeter and Galbraith

Required Readings:

Buchholz, chapter 8.

Brue and Grant, chapter 19.

Richard N. Langlois, "[Schumpeter and the Obsolescence of the Entrepreneur](#)," *Advances in Austrian Economics* 6: 287-302 (2003).

15. Modern Economics and Critics II

Required Readings:

Buchholz, chapters 11 and 13.

Brue and Grant, chapter 24.

F. A. Hayek, "[The Use of Knowledge in Society](#)," *American Economic Review* 35(4): 519-530 (1945).

**Course outline and related readings may be adjusted as we progress through the semester.*