

History of Economic Thought

Course Outline

Reynolds

The course will cover the topics in this outline. It is expected that you will read the assignments in;

- Backhouse, Roger, *The Ordinary Business of Life: A History of Economics from the Ancient World to the twenty-First Century*, Princeton University Press, 2002.
- Heilbroner, Robert. *The Worldly Philosophers: The Lives, Times, and Ideas of the Great Economic Thinkers*, 7th edition, A Touchstone Book/Simon & Schuster, 1999.
- Heilbroner, Robert. *Teaching from The Worldly Philosophy*, WW Norton & Company, 1996.

Other reading assignments are listed by topics that will be covered in class. They listed if you are interested in a deeper understanding of the subject. In some cases copies of articles will be distributed in class. Where possible, links are provided to materials on the Internet.

1. Method and Introduction

A. Purposes of HET

[Reynolds "Prologue"
Backhouse, pp 1-10
Heilbroner "Teachings," pp xi-xiv
Heilbroner "Worldly," pp 7-17]

B. Sociology of Economics

[Leijonhufvud, Axel. "Life Among The Econ," *Western Economic Review*, vol. II, Issue 3, 1973, pp 327-337]

C. "Commanding Heights"

PBS Program on Keynes and Hayek

D. Epistemology

[Reynolds, "Ways of Knowing"]

a. Positivism

Milton Friedman ["The Methodology of Positive Economics," from *Essays In Positive Economics*, University of Chicago Press, 1935, pp 3-43]

b. Karl Popper

[*Objective Knowledge: an evolutionary approach*, Oxford at The Clarendon Press, 1972, "Two Faces of Common Sense," pp 32-105]

c. Thomas Kuhn

[*The Structure of Scientific Revolutions*, 2nd edition 1970 University of Chicago Press and Hoyningen, Paul, *Reconstructing Scientific Revolutions*, University of Chicago Press, 1993]

d. Imre Lakatos

["Falsification and the Methodology of Scientific Research Programmes," in *Criticism and the Growth of Knowledge*, Cambridge University Press, 1970]

e. Paul Feyerabend

[*Against Method*, 3rd edition, Verso Press, 1993]

f. Instrumentalism

[Pheby, John. "Chapter 6, Instrumentalism and Economics," *Methodology and Economics*, ME Sharpe, 1988, pp 81-94]

g. Deirdre McCloskey

["The Rhetoric of Economics," *Journal of Economic Literature* 21 (June) pp 482-517, 1983. or *Rhetoric of Economics*, McCloskey, University of Wisconsin Press, 1985]

2. The Ancients and Middle ages

A. Judaic and Greek Thought

[Backhouse, pp 11-34; Heilbroner "Teachings," pp 3-10]

a. Xenophon [430-354 BCE],

b. Plato [427?-347? BCE],

c. Aristotle [384-322 BCE] [Heilbroner "Teachings," pp 7-10]

B. Scholastics, Christianity and Islam

[Backhouse, pp 34-50; Heilbroner "Worldly," pp 18-41; Heilbroner "Teachings," pp 11-18]

a. Saint Augustine [354-430]

b. Saint Aquinas [1225-1274] [Heilbroner "Teachings," pp 11-14]

c. Nicole Oresme [1325-1382]

3. The Age of Reason - Emergence of Modern World View and "Science"

[Backhouse, pp 51-88]

A. The Plague(s)

[Cartwright, F. *Disease and History*, Dorset Press, 1972, pp 29-53]

- a. Justinian Plague [540-590]
- b. Black Death [1342(6)-1361]
- c. Great Plague of London [1665-6]
- B. The Refomation
 - a. Martin Luther [1483-1546]
 - b. John Calvin [1509-1564]
- C. The Age of Science
 - [Bronowski, J. *The Common Sense of Science*, Harvard University Press, 1978;
 - Gordon, Scott. "The Rise of the Age of Science," pp 16-32, and "Social Laws," pp 33-56, *The History and Philosophy of Social Science*, Routledge, 1991]
 - a. Leonardo da Vinci [1452-1519]
 - b. Galileo Galilei [1564-1642]
 - c. Francis Bacon [1561-1626]
 - d. René Descartes [1596-1650]
 - e. Isaac Newton [1642-1727]
- D. The rise of the Nation State and Mercantilism
 - [Backhouse, pp 89-100; Heilbroner "Teachings," pp 17-28]
 - a. Forerunners
 - Niccolò Machiavelli [1469-1527]
 - Jean Bodin [1530-1596]
 - Antonio Serra [1580-1650]
 - b. Early Mercantilists
 - Thomas Munn [1571-1641]
 - William Petty [1623-1687]
 - Josiah Child [1630-1699]
 - c. Later Mercantilists ("Specie Flow"/Quantity Theory of Money)
 - Nicholas Copernicus [1473-1543]
 - John Locke [1632-1704]
 - David Hume [1711-1776]

4. Physiocrats

- [Backhouse, pp 100-109; Heilbroner "Teachings," pp 29-52]
- A. Forerunners
 - a. Pierre Boisguillebert [1646-1714]
 - b. Seigneur Vauban [1633-1707]
 - c. Richard Cantillon [1680-1734]
- B. François Quesnay [1694-1774]
- C. Anné Robert Jacques Turgot [1727-1781; did not claim to be a Physiocrat]

5. Classical Economics

- [Backhouse, pp 110-165; Heilbroner "Worldly," pp 42-104; Heilbroner "Teachings," pp 55-157]
- A. Scottish Enlightenment
 - a. Francis Hutcheson [1694-1746] [Backhouse, pp 112-114]
 - b. David Hume [1711-1776] [Backhouse, pp 114-116]
 - c. Sir James Steuart [1712-1780] [Backhouse, pp 117-121]
- B. Adam Smith [1723-1790]
 - [Backhouse, pp 121-133; Heilbroner "Worldly," pp 42-74; Heilbroner "Teachings," pp 55-105;
 - Raphael, D. *Adam Smith*, Oxford University Press, "Past Masters Series," 1985]
 - a. Ethics and *The Theory of Moral Sentiments* [1759]
 - b. Markets and *An Inquiry into the Nature and Causes of the Wealth of Nations*, [1776]
 - c. Law and *Lectures in Jurisprudence*, [1762-63 and 1766]
- C. Jeremy Bentham [1748-1832] and Utilitarianism,
 - [Backhouse, pp 136-137; Heilbroner "Teachings," pp 199-207]
- D. Thomas Malthus [1766-1834]
 - [Backhouse, pp 132-135; Heilbroner "Teachings," pp 106-110; Heilbroner "Worldly," pp 75-104]
 - a. Population theory
 - b. Stationary state
 - c. Theory of Gluts
 - d. Wages Fund Thesis
 - e. Policy issues (Corn Laws, Poor laws)
- E. David Ricardo [1772-1823]
 - [Backhouse, pp 137-153; Heilbroner "Teachings," pp 110-126; Heilbroner "Worldly," pp 75-104]
 - a. Comparative advantage
 - b. Differential theory of rents
 - c. Falling rate of Profit and the Stationary State
 - d. Wages Fund Thesis
 - e. Policy issues (Corn Laws, Poor laws)
- F. Jean Baptiste Say [1767-1832]
- G. Nassau Senior [1790-1864]

- H. John Stuart Mill [1806-1873]
 - [Backhouse, pp 153-156; Heilbroner "Teachings," pp 127-157; Heilbroner "Worldly," pp 126-135]
 - a. Property
 - b. Liberty
 - c. Stationary State
- I. Market Emphasis of Frédéric Bastiat [1801-1850]

6. Socialism and the Critique of Capitalism

- A. Karl Marx [1818-1883]
 - [Backhouse, pp 156-165; Heilbroner "Teachings," pp 161-195; Heilbroner "Worldly," pp 136-169]
 - a. Dialectic of Hegel
 - b. Materialism of Feuerbach
 - c. Analysis of Capitalism
- B. Other Socialists
 - [Heilbroner "Worldly," pp 105-135]
 - a. Anarchists
 - William Godwin [1756-1863]
 - Pierre Joseph Proudhon [1809-1865]
 - Peter Kropotkin [1842-1921]
 - Mikhail Bakunin [1814-1876]
 - b. Utopians
 - Henri de Saint-Simon [1760-1825]
 - Robert Owen [1771-1858]
 - Charles Fourier [1772-1837]

7. Historical Approach to Economics

- [Backhouse, pp 173-182]
- A. German Historical School
 - a. Wilhelm Roscher [1817-1896] "older School"
 - b. Bruno Hildebrand [1812-1878] "older School"
 - c. Karl Knies [1821-1898] "older School"
 - d. Gustav Schmoller [1838-1917] "Younger School"
- B. British Historical School
 - a. Richard Jones [1790-1855]
 - b. Edward Cliffe Leslie [1827-1882]
 - c. J. E. Thorold Rogers [1823-1890]
 - d. Arnold Toynbee [1852-1883]

8. Marginalism

- A. Forerunners of Marginalism
 - a. Johann Heinrich von Thünen [1817-1850]
 - b. Heinrich Gossen [1810-1858]
- B. French Engineers
 - [Ekelund, Robert and Robert Hébert. *Seceret Origins of Microeconomics: Dupuit and the Engineers*, University of Chicago Press, 1999]
 - a. Joseph Minard [1781-1870]
 - b. Henri Navier [1785-1836]
 - c. Jules Dupuit [1804-1866]
 - d. Augustine Cournot [1801-1877]
- C. British Utilitarians
 - a. Review Jeremy Bentham [1748-1832] and Utilitarianism, [Backhouse, pp 136-137; Heilbroner "Teachings," pp 199-207]
 - b. William Stanley Jevons [1835-1882] [Backhouse, pp 166-172; Heilbroner "Teachings," pp 208-218; Heilbroner "Worldly," pp 170-212]
 - c. Henry Sidgwick [1838-1900]
 - d. Francis Ysidro Edgeworth [1845-1926]
- D. Austrians and Methodenstreit
 - a. Carl Menger [1840-1921]
 - Menger and Schmoller battle over methods (Historical vs abstract methods) [Backhouse, pp173-177; Heilbroner "Teachings," pp 208-218]
 - b. Eugen von Böhm-Bawerk [1851-1914]
 - c. Friedrich von Wieser [1851-1926]
 - d. Ludwig von Mises [1881-1973]
 - e. Friedrich (von) Hayek [1899-1992]
 - f. Murray Rothbard [1926-1995]

9. Neoclassical Synthesis

- A. Alfred Marshall [1842-1924]
 - [Backhouse, pp 178-182; Heilbroner "Teachings," pp 228-244; Heilbroner "Worldly," pp 170-212]

- B. Léon Walras [1834-1910]
[Backhouse; Heilbroner "Teachings," pp 219-227; Heilbroner]
- C. Vilfredo Pareto [1848-1923]
- D. John Bates Clark [1847-1938]
[Backhouse, pp185-190]

10. Critique of Neoclassical Economics

- A. Pragmatists
 - a. John Dewey [1859-1952]
 - b. William James [1842-1910]
 - c. Charles Pierce [1839-1914]
- B. Thorstein Veblen [1857-1929] and the Old or Original Institutionanlists
[Backhouse, pp 195-198; Heilbroner, "Worldly," pp 213-247; Heilbroner, "Teachings," pp 247-263]
- C. John R. Commons [1862-1945]
[Backhouse, pp 198-210]
- D. Richard T. Ely [1854-1943]
- E. John Maurice Clark [1884-1963]
- F. Clarence Ayres [1881-1972]

11. Microeconomics and the Great Depression

- A. Joan Robinson [1903-1983]
- B. Edward H. Chamberlin [1899-1967]
- C. Gardner C. Means [1897-1988]

12. Macroeconomics and the Great Depression

- A. Money
[Backhouse, pp 211-219]
 - a. Irving Fisher
 - b. Knut Wicksell
- B. Business Cycles
 - a. Joseph Schumpeter [1883-1950]
 - b. Wesley Clair Mitchell [1874-1948]
- C. John Maynard Keynes [1883-1946]
[Backhouse, pp 219-236; Heilbroner, "Worldly," pp 248-296; Heilbroner, "Teachings," pp 264-296]
- D. Friederich Hayek [1899-1992]

13. Return to Individualism and the Market Ideology

- A. The Chicago School
 - a. Old Chicago School
 - 1. Jacob Viner [1892-1970]
 - 2. Frank Knight [1885-1972]
 - 3. Irving Fisher [1867-1947]
 - b. "Chicago School"
 - 1. George Stigler [1911-1991]
 - 2. Milton Friedman [1912-]
 - 3. Gary Becker [1930-]
- B. Monetarism and Rational Expectations
- C. Public Choice, Property Rights and Law
 - a. James Buchanan [1919-]
 - b. Richard Posner [1939-]
- D. The "New Institutionalists"
 - a. Ronald Coase [1910-]
 - b. Oliver Williamson [1932-]
 - c. Douglass North [1920-]

14. Where to from Here?