

History of Economic Thought, Spring 2010
Economics 6660/7660
Office Hours: Mon. & Thurs. 2:00PM-5:00PM
Class hours: Thurs. 6:00PM-9:00PM

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History of Economic Thought is a seminar course, examining the development of economic thought from the time of Aristotle to the present. The goal of the course is to learn something about how and why economic thought changes, so that one gains insight into the directions that economic thought may change in the near future. In order to understand how and why economic thought changes, one must understand something about the sociology of science and about the context in which the thinkers of the past lived.

A seminar format is typical for graduate courses in history, literature, or philosophy. A successful seminar is one in which the instructor never lectures, but merely participates in a semester-long discussion with the students. The seminar format puts a burden on students to come to each class well-prepared, to listen to each other, and to speak concisely.

Requirements: We will read two books and discuss topics in class. There will also be a final exam and a term paper.

Grade: 30% final exam, 30% term paper, 10% class wiki submissions, and 30% peer evaluation (see evaluation form on last page of syllabus). Requirements are the same for 6660 students and 7660 students. Nevertheless, expectations are higher for 7660 students, and grades will be scaled separately for the two groups of students.

The two required books: The books should be purchased online.

1. Muller, Jerry Z. 2002. *The Mind and the Market: Capitalism in Modern European Thought*. New York: Alfred A. Knopf.
2. Spiegel, Henry William. 1991. *The Growth of Economic Thought*. Durham & London: Duke University Press.

Discussion topics: The topics (given on page 5) will be divided up, so that one or two people work on each topic and lead the discussion. The discussion leaders should prepare a handout (in most cases two to three pages would be sufficient) and make copies for each class member. The material from the handout should also be entered into the course wiki. Presentations will typically last 30 minutes, though some will be shorter and some longer. All class members are expected to participate in discussion of each presentation. If you read the assigned pages in the two books, you should have little trouble participating in each discussion.

Most presentations will be about an individual thinker, and should include the following:

- Relevant historical background—only the facts that appear relevant for the topic.
- Biographical information: Birth date; death date; family's status, religion, and occupation; main places of residence; occupation.
- Main works and ideas.
- Intended audience for works and ideas.
- Situation in intellectual network: teachers (if any), students (if any), intellectual adversaries (if any), acquaintance with other thinkers, works of other thinkers that had an important influence, patrons (if any).
- Circumstances (both personal and society-wide) influencing works and ideas.
- Sources used to find the above (including page numbers). Sources should include at least two journal articles (located through JSTOR or ECONLIT). (*please beware of plagiarism*)

Much of this information can be found in the required books. There are also resources prepared by students in this course in 2003, 2005, and 2006, in a subdirectory in my S:\ drive folder: S:\TEFF\ECON 7660. Another useful source is the *New Palgrave: A Dictionary of Economics*. (New York: Stockton Press 1987) Library Call Number: REFERENCE 330.3 P17pa 1987. And, of course, there are some excellent websites. A Google search will turn up the best sources for each thinker. One particularly fine site is at the New School in New York City: <http://cepa.newschool.edu/het/home.htm>.

Our library has a remarkable resource that gives access to many of the earliest published economics tracts in English. Point your browser at the Library's "Research Gateway," then open the link for "Databases A to Z" and look for "Early English Books Online." The URL is: <http://www.mtsu.edu/~library/remote/eebo.html>. For English writers during the early Modern period you should check to see what is available and try to read a sample of their writings, just to get a flavor of the original text.

Also at "Databases A to Z" in the Library's "Research Gateway" are three valuable tools for locating articles: Web of Science, ECONLIT, and JSTOR. For most topics this semester, JSTOR will provide the best results. At

the JSTOR main page, click “Search” and then, on the Search page, check the boxes for journals in History and Economics (for some topics you might also check the boxes for other disciplines such as Political Science or Literature), then write your search terms.

The handouts for class presentations must be written in your own words; you must take extreme care to avoid [plagiarism](#) and to cite correctly all sources.

The final exam: The final exam (April 22) will contain three essay questions (30 points each) and ten short answer questions (one point each). One week before the exam, I will give eight essay questions to the class; three of these (my choice) will appear on the final. The material comes from the two books and from class discussions.

The term paper: You must get my approval for your term paper topic, preferably before spring break. You should aim at about 20 pages for the length of your paper, double-spaced, 11-point scalable font (e.g. Times New Roman). Every idea that is not 100% your own should be referenced within parentheses like this: (Veblen 1898: 23-24). Most papers average about two references per paragraph. The bibliography should list every source mentioned in the text.¹ You will be asked to present your paper to your classmates during the final week of the class (May 1—the “official” final exam day). An electronic version of the paper must also be turned in. A good term paper is likely to take one of the following forms, though there are plenty of other possibilities:

- 1) A paper discussing the history of a particular class of ideas in economic thought, such as ideas about population growth or free trade or poor-relief. One should show how these ideas changed in response to changes in the intellectual, social, and technological environment. A good paper would have to delimit both the set of ideas and the time and place in which these ideas evolved (e.g., ideas about poor-relief in the works of British Classical political economy).
- 2) A paper discussing a particular epoch in economic thought, such as mercantilism. The paper should both present the salient features of economic thought in that epoch and describe the intellectual, social, and technological forces shaping economic thought. A good paper would have to narrow the time and place (e.g., economic thought in China during the Tang dynasty).
- 3) A paper discussing a particularly well-defined school, such as the Physiocrats or the Fabian Socialists or the American Institutionalists or the Chicago School. A good paper would clearly establish the distinguishing characteristics of the school, and describe the intellectual, social, and technological forces shaping those distinguishing characteristics.
- 4) A paper discussing a major transition point in economic thought. Examples would be the transition from Medieval Christian thought to mercantilism, the transition from mercantilism to liberalism, and the transition from the labor theory of value to the subjective theory of value. A good paper would cover ground not already covered in class.
- 5) A paper discussing a book or set of shorter texts written by a single thinker. The paper should commence by summarizing the important points from the book, and the discussion should be *emic*, i.e., it should sympathetically show how the various arguments made by the author fit together. The paper should conclude with an *etic* perspective, in which you try to explain the particular views of the author by invoking the intellectual, social, and technological currents of the time. This *etic* perspective should be based, in large part, on documented sources.
- 6) A review essay discussing a book that describes and explains some facet of economic thought. An example of a suitable book is: Yuval P. Yonay’s (1998) *The Struggle over the Soul of Economics: Institutional and Neoclassical Economists in America between the Wars*. Review essays are difficult to do well unless one has deep knowledge of the topic the book covers. Typically, the reviewer will read not only the primary text, but at least as much material from other texts, in order to develop a nuanced perspective on the primary text.

Course wiki submissions: We’ll put the material from the handouts on the web, in the course wiki. Each student needs to register on the course wiki in the first week. Use your real name so that I can easily track your contributions. Here’s the link: [Wiki for History of Economic Thought](#)

¹ Friendly warning: If you don’t know what [plagiarism](#) is, please check the link on the course website or discuss it with me. Paraphrasing an article or website—even if you provide the correct citation—is plagiarism. The grade for a plagiarized paper is ‘0.’

1. Philosophy and Sociology of Science. 14-Jan-09

Spiegel: xiv-xxviii.

Eff: [Introduction to History of Thought](#)

2. Ancient and Medieval Thought. 21-Jan-09

Spiegel: Chapters 1-3

Muller: Chapter 1

Eff: [Notes on Ancient, Medieval, and Mercantilist Periods](#)

Finer: [Finer on the Sumerian state as oikos.](#)

Hesiod and Peasant Economic Thought

The Bible, New Testament vs. Old

Aristotle

Scholastics: Usury

Scholastics: Just Price

Money: Quantity theory and Gresham's Law

Islamic Economic Thought

3. Mercantilism. 28-Jan-09

Spiegel: Chapters 4-7

Reformation: Luther & Calvin

Mercantilists on Population

Mercantilists on Trade

Mun, Thomas

Petty, Sir William

Child, Sir Josiah

Davenant, Charles

4. Liberal Economics. 4-Feb-09

Spiegel: Chapters 8-11

Muller: Chapters 2-3

Locke, John

Mandeville, Bernard

Canillon, Richard

Physiocrats (especially Quesnay and Turgot)

Hume, David

Hutcheson, Francis

Smith, Adam

5. British Classical Political Economy. 11-Feb-09

Spiegel: Chapters 12-15

Godwin, William

Bentham, Jeremy

Malthus, Robert

Ricardo, David

Mill, James

Wages Fund Doctrine

Bullionist Controversy

6. One Hundred Flowers Bloom. 18-Feb-09

Spiegel: Chapters 16-18

Muller: Chapters 4-6

Burke, Edmund

English Historical School

Sismondi, J.C.L.de

Thunen, J.H.von

German Historical School: Muller to Knies

German Historical School: Schmoller to Weber

Mill, John Stuart

7. Socialism. 25-Feb-09

Spiegel: Chapters 19-21

Muller: Chapters 7-9

Owen, Robert

Ricardian Socialists

Christian Socialists

Anarchists (especially Proudhon and Fourier)

Marx, Karl

George, Henry

Fabians (including Annie Besant)

8. Neoclassical Economics. 4-Mar-09

Spiegel: Chapters 22-25

Walras, Leon

Jevons, W.S.

Pareto, Vilfredo

Edgeworth, F.Y.

Menger, Carl

Marshall, Alfred

Clark, J.B.

9. Spring Break. 11-Mar-09

10. Twentieth Century I. 18-Mar-09

Spiegel: Chapters 26-27

Muller: Chapters 10-12

Wicksell, Knut

Veblen, Thorstein

Institutionalists: Commons, Mitchell, Ayres

Fisher, Irving

Keynes, J.M.

Schumpeter, Joseph

The Chicago School

11. Twentieth Century II. 25-Mar-09

Spiegel: Chapters 28-29

Muller: Chapter 13

Samuelson, Paul A

Leontief, Wassily

Kuznets, Simon

Myrdal, Gunnar

Hicks, Sir John R.

Hayek, Friedrich A. Von

Arrow, Kenneth J.

12. Twentieth Century III. 1-Apr-09

Friedman, Milton

The Cowles Commission

Ohlin, Bertil

Debreu, Gerard

Simon, Herbert A.

Buchanan, James M., Jr.

Stigler, George J.

Schumacher, E.F.

Boulding, Kenneth

13. Twentieth Century IV. 8-Apr-09

Solow, Robert M.

Game Theory

Coase, Ronald H.

Experimental Economics

Becker, Gary S.

Computational Economics

Sen, Amartya

Cliometrics

New Institutional Economics

14. Twentieth Century IV. 15-Apr-09

—topics to be announced—

15. Final Exam. 22-Apr-09

16. Papers Presented, Peers Evaluated. 6-May-09

The peer evaluation form that you will receive on May 6 will look like this:

Your name:_____ Please rank yourself and your fellow students. Ranks run from 1 to 8. One would be the appropriate rank for the student that *helped you learn the most* in this class; 8 would be appropriate for the student whose presentations, assistance as group member, or discussion were *least* helpful. **No ties are allowed.** Please also put a letter grade next to the rank; letter grades can be A, A-, B+, B, B-, C+, C, C-. For details on the methodology, please refer to <http://www.jeandfe.org/econ/Effpaper.pdf>.

Student	rank (no ties)	letter grade	comments (optional)
Adongo, Jonathan Omiya			
Brown, Christian C			
Cunningham, William C			
Davies, Albert Sylvanus			
Dwire, Ashley Elise			
Hill, Joshua Michael			
Hulka, Samantha Ellen			
Kattih, Nour			

The final exam: The final exam (April 22) will contain three essay questions (30 points each) and ten short answer questions (one point each). One week before the exam, I will give eight essay questions to the class; three of these (my choice) will appear on the final. The material comes from the two books and from class discussions. Below are nine questions that I have used in the past for this class, as well as ten sample short-answer questions. These might not be used this semester, and are given just to give you a sense of the kinds of questions I might ask.

1. Aristotle and St. Thomas Aquinas can be seen as conservatives resisting the encroachment of a market economy. Discuss the work of these men from this perspective, telling me something about the world they were defending, and the evils of markets, as they saw it.
2. What influence did Chinese thought have on the development of western European economic thought? What influence did western European thought have on Chinese economic thought? Discuss any possible parallels between Chinese thinkers in the Legalist tradition and west European mercantilists. How did Confucian thought differ from Legalist thought? Are there any parallels between Confucian thought and a particular west European strand of economic thought?
3. Discuss the reasons for the shift from medieval Christian views of the economy to mercantilist views. What were the main features of these two views?
4. Deism can be seen as the religious underpinnings of much Enlightenment thought, including the ideas of Adam Smith. Describe the main features of Deism and the way these manifest themselves in Adam Smith's work.
5. We discussed at least two major shifts in economic thought: the shift from Medieval Christianity to Mercantilism, and the shift from Mercantilism to Liberalism. Discuss the most important changes in each shift. What were some of the economic and cultural factors which precipitated these shifts?
6. Ideas not only have to be "right," they also have to "catch on." Discuss the factors which influence whether or not an idea catches on. Try to be as comprehensive as possible. Use examples from the evolution of economic thought to illustrate these factors.
7. In a number of places, H.W. Spiegel points out a strange phenomenon: important innovations in economic theory are often simultaneously created by different people, each working in ignorance of the other. Give a few examples of this phenomenon. What do you think accounts for simultaneous invention?
8. Socialists are a heterogeneous lot. Compare (showing differences and similarities) at least three thinkers or schools of thought we discussed during the two class sessions on socialism. Describe how each of these socialists may have been influenced by the particular intellectual, political, and social currents of their time. What lasting influence did each of these socialists have?
9. Over the last 200 years, economics has steadily become more abstract, and this tendency toward abstraction has periodically been resisted. Discuss the origins of and reasons for increased abstraction, and explain how increased abstraction is related to the expanding use of mathematics. Discuss some of the schools in economic thought which opposed abstraction. What did these schools advocate? Be sure to explain what is meant by the *Methodenstreit*. Where do you stand on this controversy?

Ten sample short answer questions. For most of these, an answer of one or two words would suffice; for a few, one might need as many as three sentences. Each answer will be worth one point.

- 1) During what decade did Adam Smith write *Wealth of Nations*?
- 2) In what decade did John Maynard Keynes publish his most important book?
- 3) Name one economist credited with *founding* the Neoclassical School.
- 4) Of what nationality were Adam Smith and David Hume?
- 5) Of what nationality were Carl Menger and Joseph Schumpeter?
- 6) Of what nationality were John Bates Clark and Irving Fischer?
- 7) Of what nationality were Knut Wicksell and Gunnar Myrdal?
- 8) Was Thomas Mun influenced by Adam Smith? Why or why not?
- 9) Which economist developed general equilibrium theory?
- 10) Which economist is often credited with starting economics down the path of abstract, deductive science?