

The history of economic ideas introduces students to the process whereby economic theory is developed. We approach economic theories as logical systems, discern the inconsistencies which contribute to paradigm development and shifts, and ground them in their historical context. The course illustrates the antecedents of modern debates.

Learning Goals: Students will become familiar with various schools of thought: mercantilist, classical political economy, marginalist subjectivist, neoclassical, Keynes, neo-Ricardian. They will learn how each explains the income distribution (determinants of the wage rate, profit rate/interest rate, rent), capital, and the pace of accumulation/unemployment rate. They will learn to see particular economic models as part of a system of thought.

I Introduction, Methodology * optional

Thomas Kuhn, *The Structure of Scientific Revolutions*, chs 2,6

Joan Robinson, "Metaphysics, Morals, and Science," in *Economic Philosophy* pp. 1-25

Heilbroner chs 1-2

FORM STUDY GROUPS for problem sets: set weekly meeting times for study groups

CLASSICAL ECONOMICS

II ADAM SMITH - Theory of Accumulation, Trade, Labor Theory of Value

Smith 1776 book II intro, book IV ch 3(2), book I chs 1-5

Heilbroner ch 3

III Labor Theory of Value, cont.

Smith 1776 book I chs 6-9, book II ch 3

IV DAVID RICARDO – Labor Theory of Value

Ricardo 1817 chs 1,2,4,5,6,31

Heilbroner ch 4

V Utopian Socialists; KARL MARX - Historical Materialism and Value

Heilbroner chs 5, 6

Marx, K. and Engels, F. 1846/1932 "The German Ideology," first 9 pp. only

Marx 1867 chs 26, 27, ch 1-sects. 1, 2, 4; chs 2, 4

* Marx 1904-10 *Theories of Surplus Value* Part II chs X-XIII, XV-XVII

<https://www.marxists.org/archive/marx/works/1863/theories-surplus-value/>

VI - Labor Theory of Value and Distribution, Falling Rate of Profit

Marx 1867 chs 6, 7, 8, 9, 24

* (optional) Michele Naples, "Time, Money, Equilibrium: Methodology and the Labor Theory of the Profit Rate," Alan Freeman & Mino Carchedi, *Marx and NonEquilibrium* 1996:95-109, 112-113

VII Marx's Theory of Business Cycles and Chronic Unemployment; Absolute Ground Rent

Marx 1867 ch 25

Marx 1894/1909 chs13,14,15, 45 [each ch on CANVAS]

MIDTERM Friday March 10

S P R I N G B R E A K

MARGINALIST REVOLUTION

VIII Paper Topic Approved by Tuesday March 21

ALFRED MARSHALL

The Neoclassical Synthesis of Marginalism, Subjectivism and Classical Micro

Heilbroner ch 7

Marshall 1890 Book 3 chs 1, 3, 6, 2, Book 4 chs 13, 1, Book 5 ch 1 sec. 1, 6, chs 3, 4

Joan Robinson, "The Neoclassics: Utility," section 2, *Economic Philosophy* pp. 53-6

IX PAPER due Friday March 31

NEOCLASSICAL COST-CURVE CONTROVERSY

Marshall 1890 Book 5 chs 12, 13

Piero Sraffa, "The Laws of Returns under Competitive Conditions," *Economic Journal* 1926

N. Aslanbeigui and M. Naples, 1997, "Scissors or Horizon: the Debates on Cost Curves and Supply in the Long Run, 1926-1942" *Southern Economic Journal* 64(2) (October):517-530

* (optional) J. Viner, 1931, "Cost Curves and Supply Curves," reprinted in G. J. Stigler and I. E Boulding, Eds., *Readings in Price Theory*, 1952, 198-232.

KEYNESIAN REVOLUTION

X JOHN MAYNARD KEYNES

The Expenditure Multiplier and Theory of Involuntary Unemployment

Keynes chs 2(vi), 3, 10(I-III)

Intro textbook on Keynesian-Cross or Aggregate Expenditure model

Hunt pp. 506-514

XI KEYNES, POST-KEYNESIANS: Theory of Investment, Money and the Interest Rate

Keynes chs 11-14 (inc. Appendix), 17

XII -Wages, the Trade Cycle, Depression, Socialization of Investment

Keynes chs 19 (last 5 pp.), 22, 24

J. M. Keynes, H. Henderson 1929/1990, "Can Lloyd George Do It?" In J. M. Keynes, E. Johnson, D. Moggridge, Eds., *The Collected Writings of John Maynard Keynes* Cambridge UK: Cambridge University Press, 86-125.

XIII PIERO SRAFFA – Neo-Ricardians; Capital Controversy with Neoclassicals

E.K. Hunt ch 16 (skip math), ch 18, 601-609 only

Joan Robinson 1970 *Economic Heresies* ch 3, 25-38

* Piero Sraffa, "Introduction," in Sraffa, Ed., *The Works and Correspondence of David Ricardo* 1951

* Frank Roosevelt, "Cambridge Economics as Commodity Fetishism," in *Review of Radical Political Economics* 7(4) (Winter 1975):1-29

* Michele Naples and Nahid Aslanbeigui, "What Does Determine the Profit Rate? Neoclassical Answers Presented by Introductory Textbooks," *Cambridge Journal of Economics* 1996.

XIV Review

FINAL EXAM

REQUIRED BOOKS :

Heilbroner, Robert L. *The Worldly Philosophers*

Keynes, John Maynard *The General Theory of Employment, Interest and Money*

Marshall, Alfred *Principles of Economics; an Introductory Volume*

Marx, Karl, *Capital: A Critique of Political Economy* Vol. I

Ricardo, David, *Principles of Political Economy*

Smith, Adam, *An Inquiry into the Nature and Causes of the Wealth of Nations*

RECOMMENDED BOOKS (helpful for papers):

Blaug, Marc, *Economic Theory in Retrospect*

Dimand, R., and Nyland C. *The Status of Women in Classical Economic Thought.*

Fusfeld, Daniel, *The Age of the Economist*

Heilbroner, Robert L. and Milberg, William. *The Making of Economic Society.*

Hunt, E. K. *History of Economic Thought: A Critical Perspective*

Landreth, Harry, and Colander, David C. *History of Economic Thought*

Medema, Stephen, Ed. *History of Economic Thought.*

Rist, Charles *History of Monetary and Credit Theory*

Roll, Eric, *History of Economic Thought*

COURSE GRADES: 25% midterm, 25% paper, 10% class participation, 5% study group presentations, 35% final exam

FOURTH HOUR: Students are required to do group work outside of class on problem sets on a regular basis, and in preparing essay questions for the midterm and final exam. In addition, the research for the paper will be in addition to the ongoing coursework and preparation for exams (see below).

ASSIGNMENTS

CANVAS: The materials for this course (syllabus, problem sets, handouts) are on CANVAS. Email me any questions you have about the problem sets, exams, course policy; I may reply to individual question through CANVAS so everyone in the class gets the same information.

RESERVES: may be available under CANVAS Files/HET Readings, or books will be in the library.

PROBLEM SETS & STUDY GROUPS:

The weekly problem sets are your best learning tool for the course. If you do them every week, even when it is not your turn, the exams should be straightforward.

Students are required to form study groups and set a weekly meeting time outside of class. Study groups will rotate responsibility for presenting the answers to that week's problem set to the class the following week. You must bring copies of your group's written answers to class for classmates, and email revised answers to the class via CANVAS after the presentation. Study groups help you learn more, and serve as a good base for preparing for examinations. Providing your answer to the class will help solidify your command of the material.

Problem Set grades will be the same as your course grade unless you fail to do the problem set, to work with your group, or to bring the answer to class or send the answers to the class. In that case, your problem set grade will be an F. Everyone in the group is responsible for every question you were assigned, do not just split them up. Meet together weekly to discuss that week's problem set. This way you will be used to exchanging ideas, and when it is your turn the group will be good at working together and figuring things out.

CLASS PARTICIPATION:

This course trains you to use texts as evidence for analytical claims. Bring to class that week's economic classic, and be prepared to answer questions about the author's theory(ies) of value, the wage rate, the profit rate, rent or the interest rate, the pace of accumulation/level of unemployment. You will be called on to read the exact sentence or section of the book that shows what the author thought. This means you must do the reading for this course ahead of time, so you are prepared for this in-class searching. Reading questions for each week will be posted for the beginning of the course to help you identify what to look for as you read.

PAPER (5-6 pages):

(1) Consider a debate between two economists writing before the 1950s, one we have studied (e.g., Smith, Ricardo, Marx, Marshall), and one we have not (e.g., Say, Malthus, Tooke, Mill). Present and explain each theorist's position, then compare and contrast their analyses. Make sure your paper has a clear focus (e.g., their theory of wages and employment) so you can spend time digesting and interpreting the economists' positions and differences, including evidence from their texts. Alternatively, (2) focus on a woman economist who either a) influenced one of the economists we studied, or b) was influenced by him. Some background on the woman economist is fine, but you must read and analyze her writings. This paper will require more research on your part, to discover the economist, her work, and interpret her contributions. But it will also engage you in the process that underlies most research in the history of thought.

In either case, you will be expected to cite primary sources for each economist you discuss. Many original classic texts have been posted *verbatim* on the web (e.g., see econlib.org for

primary sources), and these are legitimate sources; secondary web-sources are not acceptable since they have not been subjected to scholarly review (who knows if they are any good). Warning, even published secondary sources may be problematic --when your source makes arguments that seem inconsistent with what we've discussed, consult me. Several sound secondary sources are on reserve in the library. Encyclopedia sources and online summaries are unacceptable in college, you are expected to use refereed articles and books such as those on reserve.

Consider the economist's underlying assumptions about how the economy works, inconsistencies in their analyses, and likely influences on them, whether other economists or events/policy issues. Use their words as evidence for the arguments you make. Your paper must analyze your sources critically, do not just summarize arguments. You should conclude by summarizing your own judgment of (1) who wins the intellectual debate, or (2) what this woman economist's main contribution to economics was. In either case, make clear what you base your claim on.

The paper should follow standard formal writing style. The School of Business *Guide to Writing* is available at <http://business.pages.tcnj.edu/resources/business-students/writing-analyzing-presenting/writing/>. Read it. Do not turn in work with the kinds of mistakes this highlights, your grade will suffer. Double space, use 12-point font, 1" margins, include a full bibliography modeled on the Paper Citation and Bibliographic Format provided on CANVAS. Use in-text citations (e.g., (Ricardo, 1976: 12) to cite Ricardo's *Principles*, 1976 edition, p. 12). You are required to have someone else review your paper to suggest revisions, and should allow time to revise the essay in accordance with any good suggestions they give. Write "reviewed by (his/her name, or family relationship – my sister)" on your cover page.

Your cover page should include the last 4 digits of your phone number, not your name—do not use your name on any headers or footers. The cover page should also include your major. Turn in a paper copy AND put a copy in the Dropbox on CANVAS.

Plagiarism is unacceptable. This includes, but is not limited to, verbatim quotes that do not use quotation marks, paraphrasing, and inadequate citations. Put ideas in your own words, or use quotations, do not just change a word here or there. College Academic Integrity Policy is posted under Course Readings. To cite sources properly means more than including it in the bibliography. You have to insert in-text citations for each idea not your own, or each fact or piece of data, including the page number (or chapter & paragraph number for online versions of originals). Keep track of exactly where you found different ideas, and cite them.

SoB Writing Policy: Because writing is a fundamental business skill, your grade will reflect, among other things, your ability to write. You will receive separate writing and content grades, so spend time writing a strong paper. Feedback on your writing will be provided as deemed necessary and, if your writing needs improvement, you should seek help from someone who writes well, (<http://tutoringcenter.pages.tcnj.edu/humanities/writers-place/>), or some other writing source. The responsibility to write well is yours. Poor writing will be reflected in your final grade.

If you have any concern about your writing, feel free to take a draft of the paper to the Writing Center in Roscoe West Hall Suite 101 (x3000). Work with someone on revising the paper before turning it in. If you get an unsatisfactory grade on writing you will have to rewrite the paper to get course credit.

Foreign Language Option for Final Exam Essay (LAC Credit):

A ¼ unit Languages Across the Curriculum (LAC) independent study may be added to this course for those students who have intermediate level proficiency in another language and who wish to complement the work in this course by utilizing their language skills (see

<http://internationalstudies.intrasun.tcnj.edu> for more information). If you would like to sign up for LAC Credit, you may do the ECO 210 paper using foreign-language sources. This will require clearing the topic with me and contacting Dean Compte (dcompte@tcnj.edu or at x2392) immediately so she can send you the appropriate forms to submit by the end of the first week of the semester for recognition of your work on your transcript. You will read at least two primary or secondary sources in a foreign language, and must include some verbatim quotes (using endnotes or footnotes to provide the translation), but still write your essay in English. Your paper has to show significant use of foreign-language sources to get LAC credit. Because this foreign-language option is pass-fail it will not affect your GPA nor your paper grade, but will give you some recognition for what is obviously a somewhat harder task, to read about economics in a foreign language. Warning, reading historic economics texts in a foreign language is much harder than reading a modern novel in that language. Pick your economist(s) carefully: you'll probably do better with a 19th century than a 16th century economist.

MIDTERM and FINAL EXAMS:

You will be given a set of essay questions to prepare ahead of time. The exam will ask you to write on a subset of these questions chosen by me. You must bring to class a set of several quotations (with page numbers) for each possible essay question, chosen from the primary source, and numbered; no other notes can be on the quote sheet(s). Then your answers, written in class, will refer to the relevant quotation by number instead of writing it out. You are welcome to work together in preparing exam answers, but will be held accountable for the content and quality of your individual answers. The exams will include other material besides the essays.

MANDATORY COLLEGE POLICIES:

College Attendance Policy:

<http://www.tcnj.edu/~academic/policy/attendance.html>

Disabilities Policy:

<http://www.tcnj.edu/~affirm/ada.html>

SoB Code of Conduct

<http://business.pages.tcnj.edu/our-philosophy/code-of-conduct/>

College Academic Integrity Policy:

<http://www.tcnj.edu/~academic/policy/integrity.html>

Final Exam Attendance Policy

<http://www.tcnj.edu/~academic/policy/finalevaluations.htm>