

Syllabus

Economics 4080, History of Economics
Georgia State Univ.
Prof. Spencer Banzhaf.
Fall 2022

This course is intended for students in economics, political science, philosophy, history or other related fields. It is a survey of the history of economics and economic ideas.

Office Hours & Contact

Office: Room 623, 55 Park Place
Email: hsbanzhaf@gsu.edu
Phone: 404-413-0252

Office Hours are officially from 3:30-5:00 on Mondays. You can visit me in person or call me during that time. I am available other times by appointment or by chance. Email works for quick logistical questions. I will not answer substantive questions by email. If you write with such questions, I will ask you to call.

Texts:

*Steven Medema and Warren J. Samuels, eds., *The History of Economic Thought: A Reader*, 2nd ed., 2013, Routledge.

*Henry William Spiegel, *The Growth of Economic Thought*, 3rd ed., 1991, Duke University Press.

The Medema-Samuels [M-S] text is a reader with selections from primary sources -- that is, the original, historical texts, as opposed to secondary sources, which are commentary. These are the key sources for the course, and they should always be brought to class.

Spiegel's book provides secondary background. It is quite encyclopedic, providing outstanding breadth but less depth. It should be read in that spirit -- for background and context -- and used as a reference book.

There will be other readings assigned or suggested outside the textbook, especially recent secondary sources that provide rich, historical context and interpretation.

For fun, students may be interested in the podcast, "Smith and Marx walk into a bar."

Assignments:

There are three types of assignments in this class.

1. Read the assigned material in advance of class and be prepared to participate in discussion.
2. Reading Reports.

In four reading reports (due at different dates based on your last name) you will thoughtfully discuss one or more of the assigned readings for the week, focusing on the primary texts read in context. These essays should engage the original material, not summaries or comments on

secondary sources. You should make an argument—not a statement of fact, but an interpretation—about what an author is saying on a particular point of your choice. Alternatively, you could compare and contrast two or more authors. You should support your argument persuasively with evidence from the readings. These should be 2-3 pages, double spaced, 12-point font.

With one exception, these are do on Wednesdays and should engage the material assigned that day or the previous Monday. See the end of the syllabus for due dates.

3. Thematic papers.

There are two term papers in this course. They should survey a particular theme in the history of economics over time. The first should cover the period up to about 1870. The second should cover the period from about 1870 to roughly 1970. Examples of themes you might choose are at the end of the syllabus.

For undergraduate students, the papers should be 6-8 pages each, double spaced, 12-point font, not including references.

You should not attempt to survey everything about the theme over the entire period covered. That would be impossible. But pick a few or a range of authors to discuss, to compare and contrast them or show evolution in thinking over time.

As with the reading reports, the thematic papers must engage the original/primary sources from the period covered. Theme essays prepared entirely from secondary sources are not acceptable. Nevertheless, you will want to use secondary sources for additional background and context, and to engage others' interpretations. For these papers, you will need to rely on materials outside of class.

For master's students

You should pick a single theme that covers both papers, and the length of the first essay should be 10-12 pages. Your second paper should continue the theme, beginning with a revised version of your first paper, for one long paper of 20-25 pages covering the entire time period.

A note on writing, referencing, and academic honesty

This class will involve a lot of writing. For those who struggle with that, recommended books on how to write well include J. Williams, *Style: Ten Lessons in Clarity and Grace*; W. Strunk and E.B. White, *The Elements of Style*; and D.N. McCloskey, *The Writing of Economics*.

It is critical that you give proper attribution to the original/primary sources you use as well as secondary commentaries. Please see GSU's guide on avoiding plagiarism:

<https://research.library.gsu.edu/c.php?g=666018&p=4683513>

Citations should use the in-text author-date method, with references at the end. For models, see any article in the journals *History of Political Economy* or *Journal of the History of Economic Thought*. Examples for references to a journal article, book, and edited book are as follows:

Blaug, Mark. 1990. "On the Historiography of Economics." *Journal of the History of Economic Thought* 12(1): 27-37.

George, Henry. [1886] 1941. *Protection or Free Trade: An Examination of the Tariff Question, With Especial Regard to the Interests of Labor*. New York: Robert Schalkenbach Foundation.

Quesnay, Francois. [1758] 2013. "Tableau Economique." In *The History of Economic Thought: A Reader*, ed. by Steven G. Medema and Warren J. Samuels, pp. 108-13. London: Routledge.

References to writings from historical figures taken from the Medema-Samuels reader should reference the original author, with Medema & Samuels as editors (see third example above).

All students are expected to know the university policy on Academic Honesty:
(https://codeofconduct.gsu.edu/files/2018/10/2018_2019_Academic_Honesty.pdf)

Grades:

Grades will be based on:

Two thematic papers: 25% each

Four reading reports: 10% each

Class participation: 10%

For master's students: Your reading reports will be worth 8% each, your first paper 23%, and the final paper 35%.

Readings

Note: In the following, our Medema-Samuels reader is abbreviated as M-S

- Aug 22. Introduction
- Spiegel, Introduction
 - Caldwell, Bruce. 2013. "Of Positivism and the History of Economic Thought." *Southern Economic Journal* 79(4): 753-67.
- Aug 24. Greek heritage
- Spiegel, pp. 6-39
 - Readings from Aristotle: M-S pp. 4-17
- Aug 29. Judeo-Christian heritage
- Spiegel, pp. 1-6, 39-46
 - Readings from the Bible, selections from Genesis, laws, proverbs, prophets, Christian Gospels (posted in iCollege)
- Aug 31. Middle Ages
- Spiegel, Ch. 3
 - Readings from Aquinas: M-S pp. 18-34
- Sept 7 Early Modernity: Mercantilism
- Spiegel, Chs. 4-5
 - Readings from Thomas Mun: M-S pp. 35-50
- Sept 12: Early Modernity cont'd: Mandeville and Hume
- Spiegel, Ch. 9, plus pp. 226-8
 - Bernard Mandeville, *The Grumbling Hive*, M-S pp. 131-41
 - David Hume, *Political Discourses*, M-S pp. 146-67
- Sept 14 The Physiocrats
- Spiegel, Ch. 8
 - François Quesnay, *Tableau Economique*, M-S pp. 106-13
 - Banzhaf, H. Spencer. 2000. "Productive Nature and the Net Product: Quesnay's Economies Animal and Political." *History of Political Economy* 32(3): 517-51.
- Sept 19 Adam Smith and mutual sympathy
- Spiegel, Ch. 10
 - Adam Smith, *Theory of Moral Sentiments*, I.i.1, I.i.2, I.i.5, IV.1 (posted)

- D.D. Raphael & A.L. Macfie, 1976, "Introduction" [to *Theory of Moral Sentiments*], pp. 1-15 ("Formation...").
- Sept 21: Smith and the foundations of classical political economy
- Spiegel Ch. 11
 - Adam Smith, *Wealth of Nations*, excerpts, M-S pp. 168-96
- Sept 26: The system of natural liberty and Das Adam Smith Problem
- D.D. Raphael & A.L. Macfie, 1976, "Introduction" [to *Theory of Moral Sentiments*], pp. 15-25 (Evolution).
- Sept 28: Robert Malthus and the Principle of Population
- Spiegel Ch. 12.
 - Malthus, *An Essay on the Principle of Population*, excerpts, M-S pp. 210-25.
- Oct 3: David Ricardo and Malthus on rent, the theory of value, and Say's Law
- Spiegel pp. 285-99, Ch. 14.
 - Ricardo, *On the Principles of Political Economy & Taxation*, excerpts, M-S pp. 265-301.
 - Malthus, *Principles of Political Economy*, excerpts, M-S pp. 302-23.
- Oct 5 J.S. Mill
- Spiegel, pp. 339-45 (Bentham and J. Mill), Ch. 16
 - Mill, *Principles of Political Economy*, excerpts, M-S pp. 348-85
- Oct 10, 12 Karl Marx
- Spiegel: quick skim of Chs 18-19 [Historicism, Hegel, Schmoller, Methodenstreit, French socialism, Proudhon]
 - Spiegel, Ch. 20
 - Marx, *Das Kapital*, excerpts, M-S pp. 397-428
- Oct 17: Marginal "Revolution": W.S. Jevons, L. Walras, and J.B. Clark
- Spiegel Chs. 22 (Jevons), pp. 547-55 (Walras), pp. 618-21 (Clark)
 - Jevons, *The Theory of Political Economy*, excerpts, M-S pp. 432-62
- Oct 19: Marginal "Revolution" cont'd: C. Menger and A. Marshall
- Spiegel, Ch. 23 (Menger & Austrian school), pp. 562-74 (Marshall & Cambridge school)
 - C. Menger, *Principles of Economics*, excerpts, M-S pp. 465-82
 - Marshall, *Principles of Economics*, excerpts, M-S pp. 526-47

- Oct 24, 26 American institutionalism
- Spiegel, pp. 628-42
 - Thorsten Veblen, *Theory of the Leisure Class*, selections, MS pp. 641-80
 - John R. Commons, *Institutional Economics*, selections, MS pp. 681-90.
 - Leonard, Thomas C. 2016. "Excluding the Unemployable," Ch. 8 from *Illiberal Reformers: Race, Eugenics, and American Economics in the Progressive Era*. Princeton, NJ: Princeton U. Press.
 - Bateman, Bradley W., and Ethan B. Kapstein. 1999. "Retrospectives: Between God and the Market: The Religious Roots of the American Economic Association." *Journal of Economic Perspectives* 13(4): 249-57.
- Oct 31 Money and macroeconomics before Keynes
- Backhouse, Roger E. 2002. *The Ordinary Business of Life*. Princeton: Princeton University Press, pp. 211-28.
 - Humphrey, Thomas M. 1982. "The Real Bills Doctrine." *Economic Review* (Sept/Oct): 3-13.
- Nov 5 Keynes and Keynesianism
- Spiegel Ch. 26
 - Keynes, 1937, "The General Theory of Employment," in M-S, pp. 626-633
- Nov 7 Ordinal utility
- Spiegel, pp. 556-61, 621-8
 - Colander, David. 2007. "Retrospectives: Edgeworth's Hedonimeter and the Quest to Measure Utility." *Journal of Economic Perspectives* 21(2): 215-25.
 - Bruni, Luigino, and Robert Sugden. 2007. "The Road Not Taken: How Psychology was Removed from Economics, and How it Might be Brought Back." *Economic Journal* 117: 146-173.
- Nov 9 The socialist calculation debate
- Lange, Oskar, 1936-7, "On the Economic Theory of Socialism, Part One," *Review of Economic Studies*, 4(1): 53-71.
 - Hayek, Friedrich von, 1945, "The Use of Knowledge in Society," *AER* 35(4): 519-30.
- Nov 14 Lionel Robbins's definition of economics
- Spiegel, pp. 586-7
 - Lionel Robbins. 1935. *Essay on the Nature & Significance of Economic Science*, 2nd ed., Chapters 1-2 (pp. 1-45)
--Full essay posted in iCollege.

Nov 16

The Chicago School of economics

- Peck, Jamie. 2011. "Orientation: In Search of the Chicago School." In *Building Chicago Economics : New Perspectives on the History of America's Most Powerful Economics Program*, ed. by Thomas A. Stapleford, Philip Mirowski, and Robert Van Horn. NY: Cambridge University Press.
- Milton Friedman, *The Methodology of Positive Economics*, selections in M-S pp. 693-710.
- Milton Friedman, "The Role of Monetary Policy," M-S pp. 745-58.

Thanksgiving Break

Nov 28

Cowles and NBER: The measurement-without-theory debate

- Koopmans, Tjalling, 1947, "Measurement without Theory," *RESTAT* 29(3): 161-72.
- Vining, Rutledge 1949, "Koopmans on the Choice of Variables to be Studied and of Methods of Measurement," *RESTAT* 31(2): 77-86.
- Boumans, Marcel, 2016, "Friedman and the Cowles Commission," in *Milton Friedman: Contributions to Economics and Public Policy*, ed. by Robert Cord and J. Daniel Hammond, Oxford U Press.

Nov 30

Environmental economics

- Krutilla, John V. 1967. "Conservation Reconsidered." *American Economic review* 57(4): 777-86.
- Banzhaf, H. Spencer. 2019. "The Environmental Turn in Natural Resource Economics: John Krutilla and 'Conservation Reconsidered.'" *Journal of the History of Economic Thought* 41(1): 27-46.

Dec 5

Catch up, make up, or general discussion

Assignment Due Dates

Aug 29	1 st reading report, last name A-F (Covering readings from 24 th or 29 th)
Sept 7	1 st reading report, last name G-Q (From here on, covering the week's readings)
Sept 14	1 st reading report, last name R-Z
Sept 21	2 nd reading report, last name A-F
Sept 28	2 nd reading report, last name G-Q
Oct 5	2 nd reading report, last name R-Z
Oct 12	1 st theme essay due in class. (Paper copies.)
Oct 19	3 rd reading report, last name A-F
Oct 26	3 rd reading report, last name G-Q
Nov 2	3 rd reading report, last name R-Z
Nov 9	4 th reading report, last name A-F
Nov 16	4 th reading report, last name G-Q
Nov 30	4 th reading report, last name R-Z
Dec 7	2 nd theme essay due (Drop of printed paper under my door or in mailbox.)

Possible themes

What was the distinctive theory employed to explain the following? How did it relate to the overall body of theory of the time? To the prevailing social philosophy? To other considerations?

Wages

Profits

Rent

Interest rates

Price levels or inflation

Employment

Business cycles (economic fluctuations)

Long-run economic growth

International trade

Migration

Welfare

Liberty

Ethics

The objective of economic activity (security, salvation, consumer satisfaction, etc.)

How did economists assess one or more of the following institutions?

The market

Guilds and trade unions

Banks

Business firms

The Church as economic actor

The family

Colonies and empires

The state as economic actor

Slavery

Property rights

The military

The legal system

How were policy debates on one of the following topics illuminated by economics in the period?

The boundary between the state and the market

Misuse of economic power

Alleviation of poverty (welfare)

Defense and warfare

Health care

Equality for women and other oppressed groups

Health

Education

Environmental protection

Course Learning Outcomes:

The main learning outcome of the course is that students will understand the history of economics. Specifically, the student should be able to:

1. Understand the broad historical features of different periods and schools of thought, including the pre-classical period, classical period, neoclassical period, and modern period; historical schools and marginalist schools, etc.
2. Understand the importance, for particular economic accounts, of various interpretations of man--as creature of a personal God, virtuous higher animal, animal, machine, computer, etc.
3. Understand various approaches to value theory and the distribution of wealth, including the physiocrats, Smith, classical authors (Malthus, Ricardo, Mill, Marx), and neoclassical authors.
4. Understand various approaches to post-war theory of the consumer, including the approaches of the Chicago School, Cowles, and Samuelson.
5. Understand different theories of economic fluctuations and the role of money and interest.
6. Be able to discuss the role of the state in producing economic knowledge.

Disclaimer: The course syllabus provides a general plan for the course; deviations may be necessary.