The History of Economic Thought in the Context of Intellectual History

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The following required texts should be available in the Notre Dame Bookstore:

Roger Backhouse, The Puzzle of Modern Economics [PME]
Philip Mirowski, More Heat than Light [MHTL]
Alessandro Roncaglia, The Wealth of Ideas [WI]

Also available, but not required:
Philip Mirowski, Machine Dreams

This is a course that intends to ask how it is that we have arrived at this curious configuration of doctrines called "economics"; and more importantly, how differing modes of historical discourse tend to frame our understanding. Such an inquiry requires a fair amount of reading, simply in order to have any serious ideas at all. All readings not enclosed by text boxes are required. Readings bracketed by text boxes are merely background to the lectures, possible sources for paper topics. All required readings other than the textbooks will be found through the ND Libraries Electronic Journals service [marked @ND] at:

https://www.library.nd.edu/eresources/ereserves/course.cgi?course=2011S_ECON_43110_01

Any graduate students in the course should contact me concerning supplementary readings and other special arrangements. There will also be a voluntary option for students who want to write a research term paper to arrange it with the instructor. This will result in reducing the proportions of grades attributed to the midterm and the final, as per special arrangement. Because I don't expect that you will have any previous background in the history of economics or intellectual history, we shall conduct our inquiry more like a lecture course. For purposes of grading, there will be an in-class midterm, and a take-home final exam, due on May 10 at 12PM. Students should also be aware that grades of incomplete generally are not granted for this course. Plagiarism is a serious offense, and grounds for expulsion. Please consult the following university policy: http://ocw.nd.edu/philosophy/introduction-to-philosophy-1/Philosophy%20Department%20Guidelines%20for%20Plagiarism.pdf/view. Furthermore, if you are surprised that Wikipedia will not be allowed as a source for any of your work in this course, than you had better discuss research standards with the instructor now.

The grading scheme will be:

Midterm 40%
Class participation 10%
Final 50%
I. Should the World Economic Crisis Prompt Us to Rethink the History of Economics?

Backhouse, PME, chaps. 1, 5, 7, 9

John Cassidy, How Markets Fail
Justin Fox, The Myth of the Rational Market

2. Natural Laws and Social Laws

{A} What kind of Big Picture story are we trying to tell here?

Roncaglia, WI, chap. 1

{B} Desperately seeking the antecedents of economics
Roncaglia, WI, chap. 2
Mirowski, MHTL, pp.139-163.
@ND Aristotle, from Book V, Nicomachean Ethics

{C} Does "the economy" drive thought about "itself"?

3. Classical Economics and the Substance Theory of Value

{A} The Sweeping Narrative: Quesnay, Smith, Ricardo, Classical Political Economy
Mirowski, MHTL, ch.4
Roncaglia, WI, pp. 96-107; 111-114; chaps. 5-8; & (optional) chap. 16 on Sraffa

Most conventional histories of economics devote the bulk of their time explicating these figures. An entire class could well be spent reading Smith’s Wealth of Nations, Ricardo’s Principles and Marx’s Capital. While I will spend some lectures surveying the originals, the following are some significant secondary sources which will also be considered:
Salim Rashid, The Myth of Adam Smith
Piero Sraffa, Production of Commodities by Means of Commodities
Alvin Gouldner, The Two Marxisms

{B} Marx between Labor as substance and virtual labor

{A} What Is Value?
@ND Samuel Bailey, *A Critical Dissertation on Value*, ch.1 & 6
Roncaglia, WI, pp.215-218.

{B} The Basic Physics Model, and How to Detect a “Discovery” in Economics

Mirowski, MHTL, chaps.1-5
Roncaglia, WI, Chaps. 10,12

| * P.M. Harman, *Energy, Force and Matter* |

{C} Who was Originally Interested in Psychology, and What Happened to them?

Mirowski, MHTL, pp.202-216

| James Capshew, *Psychology on the March* |
| * Graham Richards, *Mental Machinery* |
| * Kurt Danziger, *Constructing the Subject* |

{D} What About Our Venerable Laws of Supply and Demand?
@ND William Thornton, *On Labour*, Book II, ch.1
@ND Philip Mirowski, *Effortless Economy of Science*, chaps. 13, 14
Roncaglia, WI, chap. 13

{E} The Role of Mathematics and the Significance of Equivalence

{F} The Seven Different Neoclassical Theories of Production, and the Ghosts of Classical Political Economy

Mirowski, MHTL, ch.6

5. How America Got the Orthodoxy It Deserved

{A} Brief Excursus into Early 20th century American Institutional Economics

@ND Philip Mirowski, *Against Mechanism*, chap. 7
The following are attempts to argue the Institutionalists weren’t inevitably destined to lose out:
* Yuval Yonay, *The Struggle for the Soul of Economics*
* Geoff Hodgson, *The Evolution of Institutional Economics*

{B} The Depression, Statistics, and the Search for a Science of Demand
   @ND Wade Hands and Philip Mirowski, "Harold Hotelling and the Neoclassical Dream" in R. Backhouse, et al, eds., *Economics and Methodology: Crossing Boundaries*

{C} Socialism (and a few Europeans) Come to America
   Backhouse, PME, chap.8
   @ND Philip Mirowski & Rob Van Horn, “The Rise of the Chicago School” and Mirowski “Defining Neoliberalism” in Mirowski & Plehwe, eds., *The Road from Mont Pèlerin* [RMP]
   @ND Bruce Caldwell, "Hayek and Socialism," *Journal of Economic Literature*, 1997 (35):1856-1890.
   Roncaglia, WI, pp.315-321.

Bruce Caldwell, *Hayek’s Challenge*

{E} The War, John von Neumann, and the Birth of Game Theory

   @ND Rob Leonard, "From Parlor Games to Social Science" *Journal of Economic Literature*, June 1995, (33):730-761.

Nicola Giocoli, *Modeling Rational Agents*

{F} Three Postwar Schools of Neoclassical Price Theory: or Why your textbooks are misleading
   Backhouse, PME, chap.6
   @ND Philip Mirowski, *Machine Dreams*, pp.199-231

Michael Bernstein, *A Perilous Progress*

{G} Does Keynes Fit Comfortably Anywhere? The Short but Eventful life of a Keynesian Macroeconomics
   Roncaglia, WI, chap. 14


The first is the best biography written about any economist, bar none:
Robert Skidelsky, **John Maynard Keynes**, 3 vols: *Hope Betrayed*, *Economist as Saviour*, *Fighting for Britain*

D. Moggridge, **Maynard Keynes: An Economists' Biography**

{H} The History of Neoclassical General Equilibrium Theory as a History of Frustrated Searches for Unification

   @ND Alan Kirman, “Demand Theory and General Equilibrium: a journey down the wrong road” in Mirowski & Hands, eds. *Agreement on Demand*, Duke University Press, 2006
   
   

**V. The Past as Glimpse of the Future**

{A} The Computer as Tool and Metaphor

   Philip Mirowski, *Machine Dreams*, MD, chapter 8
   
   @ND Philip Mirowski, “Twelve Theses on the History of Modern Demand Theory” in Mirowski and Wade Hands, eds., *Agreement on Demand*
   

{B} And Suddenly, Economics becomes an 'Experimental' Science

   
   @ND Vernon Smith, “Experimental Economics at Purdue” pp.154-8 in his *Papers in Experimental Economics*
   