

Course: History of Economic Thought

***Free University of Bolzano. Italy
School of Economics and Management***

Spring Term 2008

Prof. Dr. Dieter Bögenhold

TEACHING LANGUAGE: English

SEMESTER:

TOTAL LECTURE HOURS: 30 + 20

CREDIT POINTS:

SCIENTIFIC FIELD:

LECTURER: Professor Dr. Dieter Bögenhold, dboegenhold@unibz.it

TEACHING ASSISTANT:

PREREQUISITE:

COURSE DESCRIPTION: *The course intends to provide a systematic introduction into the history of economic thought. The course will discuss selected authors of the tradition of economic theory in order to embed them into the framework of institutional determinants and related regimes and principles of intellectual debate and change.*

LIST OF TOPICS COVERED: History of Economic Thought, Scientific Change, Socioeconomics, Transdisciplinary Thought

EDUCATIONAL OBJECTIVES: Students shall acquire adequate knowledge to classify competing I positions in the history of economic thought and to develop skills to use the knowledge for an interpretation of contemporary problems in academic debate.

TEACHING FORMAT: Reading, discussion, lecturing, students presentation

ASSESSMENT: Final examination (60%), student presentation (30%), performance in class (10%)

COURSE OUTLINE AND READINGS

I . Why Study History of Economic Thought?

Schumpeter, Joseph A.: History of Economic Analysis, Oxford: Oxford University Press 1954, preface

Boettke, Peter F.: Why Read the Classics in Economics ?, download:

<http://www.econlib.org/library/Features/feature2.html>

Backhouse, Roger: The Ordinary Business of Life. A History of Economics from the Ancient World to the Twenty-First Century, Princeton: Princeton University Press 2002, pp. 1-10,

II. History of Thought or Histories of Thought ?

Schumpeter. Joseph A.: The Development of Economics as a Science, in: J.A. Schumpeter: Economic Doctrine and Method: New York: Oxford University Press 1954, Ch. I, pp. 9-42.

Vane, Howard R. und Chris Mulhearn: The Nobel Memorial Laureates in Economics. An Introduction to Their Careers and Main Published Works, Cheltenham: Edward Elgar 2005.

III. Marx: Capital Accumulation and the Idea of Social Embeddedness of the Economy

Marx, Karl and Friedrich Engels: Communist Manifesto, 1848 download: <http://www.marxists.org/archive/marx/works/1848/communist-manifesto/index.htm>

Marx, Karl: Capital, Vol. 1, German orig. 1887, download: <http://marxists.org/archive/marx/works/1867-c1/index.htm>

Böhm-Bawerk, Eugen von: Karl Marx and the Close of His System, download at:

<http://www.marxists.org/subject/economy/authors/bohm/index.htm>

Schumpeter, Joseph A.: The Communist Manifesto in Economics and Sociology, in: Journal of Political Economy, Vol. 57, No. 3, 1949, pp. 199-212

Hodgson, Geoffrey M.: Economics in the Shadows of Darwin and Marx: Essays on Institutional and Evolutionary Themes, Cheltenham: Edward Elgar 2006.

IV. Old German Institutionalism: The Case of the New Historical School by Schmoller and Associates

Schmoller, Gustav: The Mercantile System and its Historical Significance. A chapter from "Studien über die wirtschaftliche Politik Friedrichs des Grossen", German 1884, English edition 1897, download: <http://socserver2.socsci.mcmaster.ca/~econ/ugm/3ll3/schmoller/mercant>

English edition 1897

Schmoller, Gustav: Class Conflicts in General, in: American Journal of Sociology, Vol. 20, 1915, pp. 504-531. download at <http://cepa.newschool.edu/het>

V. The Marginal Revolution: Jevons, Menger, and Walras

Jevons, William Stanley: Theory of Political Economy, London: McMillan 1871, 1888,

download: <http://www.econlib.org/library/YPDBooks/Jevons/jvnPE.html>

Menger, Carl: [On the Origin of Money](#), in: *The Economic Journal* 2(6), 1892, pp. 239-255

Menger, Carl: Principles of Economics, 1871, download: <http://www.mises.org/Books/Mengerprinciples.pdf>

Walras, Léon: Elements of Pure Economics, Homewood, Ill.: Richard D. Irwin, 1954 [1874].

VI. Old (American) Institutionalism (I)

Veblen, Thorstein Bunde: Industrial and pecuniary employments (1919), in T. B. Veblen: *The Place of Science in Modern Civilization*, Transaction: New Brunswick and London: Transaction Cost 2002, pp. 279-323.

Veblen, Thorstein B.: (1965, original 1921) The Industrial System and the Captains of Industry, The Captains of Finance and the Engineers, in Th. B. Veblen: *The Engineers and the Price System (orig. 1921)*, New York: Augustus M. Kelley 1965, pp. 27-51; pp. 52-82.

Dorfman, Joseph: The Role of the German Historical School in American Economic Thought, in: *American Economic Review*, Supplement 45, May 1955, p. 17 – 28.

Dorfman, Joseph: The Economic Mind in American Civilization, 5 Vols., New York: Viking Press 1946 – 1959.

Dorfman, Joseph (ed.): Veblen. Essays, Reviews and Reports, Clifton (N.J.): Augustus M. Kelley 1973.

VII. Old (American) Institutionalism (II)

Commons, John Rogers: Institutional Economics, in: *American Economic Review*, 21, 1931, pp. 648-657.

Clark, John Maurice: Labor as an Overhead Cost', in J. M. Clark: *Studies in the Economics of Overhead Costs*, Chicago: The University of Chicago Press 1923, pp. 357-385.

Clark, John Maurice: Economic Means to What Ends? A problem in the Teaching of Economics', *American Economic Review*, 40, 1950, pp. 34-51

Dorfman, Joseph: The Economic Mind in American Civilization, 5 Vols., New York: Viking Press 1946 – 1959.

VIII. Mises and Hayek: On Socialism

Mises, “Economic Calculation in the Socialist Commonwealth, “ found at

<http://www.mises.org/econcalc.asp>

Hayek, Friedrich A.: The Use of Knowledge in Society, in: *American Economic Review*, Vol. 39, No. 4, 1945, pp. 519-30. download at:

<http://www.virtualschool.edu/mon/Economics/HayekUseOfKnowledge.html>

Caldwell, Bruce: [Hayek and Socialism](#), in: *Journal of Economic Literature*, Vol. 35, 1997, pp. 1856-1890.

IX. Keynes and the “Keynesian Revolution”

Keynes, John Maynard: The General Theory of Employment, in: *The Quarterly Journal of Economics*, Vol. 51, No. 2 (Feb., 1937), pp. 209-223

Keynes, John Maynard: General Theory of Employment, Interest, and Money, 1936

download: <http://cepa.newschool.edu/het>

Hayek, Friedrich A.: The Keynes Centenary: The Austrian Critique, in: *The Economist*, June 11, 1983, pp. 45-48, reprinted in Bruce J. Caldwell, ed., *The Collected Works of F. A. Hayek: Volume IX: Contra Keynes and Cambridge: Essays, Correspondence*. Chicago: University of Chicago Press, 1995, pp. 247-255.

X. Competition and Knowledge: Perfect, Imperfect and Rivalrous

Stigler, "Perfect Competition, Historically Contemplated", in: *The Journal of Political Economy*, Vol. 65, No. 1 (Feb., 1957), pp. 1-17

Hayek, Friedrich A.: Competition as a Discovery Procedure, in: *The Quarterly Journal of Austrian Economics*, Vol. 5, download: http://www.mises.org/journals/qjae/pdf/qjae5_3.pdf

Kirzner, Israel: Competition, Regulation, and the Market Process: An Austrian Perspective, download <http://www.cato.org/pubs/pas/pa018.html>

XI. Creative Destruction, Innovation and Entrepreneurship

Schumpeter, Joseph A.: *The Theory of Economic Development*, New York and Oxford: Oxford University Press 1963. Chapter II

Schumpeter, Joseph A.: *Capitalism, Socialism and Democracy* (orig. 1942), London: Allen & Unwin (2nd ed.) 1947. Chapter "Creative Destruction"

XII. Entrepreneurship and Dynamics

Baumol, William J.: Entrepreneurship: Productive, Unproductive, and Destructive, In: *Journal of Political Economy*, Vol. 98, No. 5, 1990, pp 893-921.

Kirzner, Israel: *Competition and Entrepreneurship*, Chicago: University of Chicago Press 1973.

XIII. Economics and the Problem of Social Costs

Kapp, Karl William : *The Social Costs of Private Enterprise*, in K. W. Kapp: *Man in contemporary Society* (Vol. II), New York: Columbia University Press 1955, pp. 196-221.

Coase, Ronald R. H. : *The Problem of Social Cost*, in: *Journal of Law and Economics*, 1960, October, 1-44.

XIV. Bounded Rationality and (New) Institutionalism

Simon, Herbert A. (1955) A Behavioral Model of Rational Choice, in: *Quarterly Journal of Economics*, Vol. 69, S. 99-118 (wiederabgedruckt in: Simon, Herbert A.: *Models of Bounded Rationality. Volume 2. Behavioral Economics and Business Organization*, Cambridge (MA): MIT Press 1982, 239-58).

Simon, Herbert A. (1962) The Architecture of Complexity, in: *Proceedings of the American Philosophical Society*, Vol. 106, No. 6, December. 467-482.(wiederabgedruckt in: Earl, Peter E. (Hrsg.): 2001) *The Legacy of Herbert Simon in Economic Analysis. Volume 1. Schriftenreihe: Intellectual Legacies in Modern Economics 8*, Cheltenham: Edward Elgar 2001, S. 485-500.)

North, Douglass C. (1990): Institutions, Institutional Change and Economic Performance, Cambridge: CUP 1990. Part I, pp. 3-26.

XV. Extending the Domain of Economics: Rational Actors in a Rational World

Becker, Gary S.: Nobel Lecture: The Economic Way of Looking at Things, in: Journal of Political Economy, Vol. 101, 1993, pp. 385-409.

Becker, Gary S.: The Economic Approach to Human Behavior, Chicago: University of Chicago Press 1976.

Becker, Gary S.: A Treatise on the Family, Cambridge: Harvard University Press 1981.

Becker, Gary S.: Accounting for Tastes, Cambridge: Harvard University Press 1996.

XVI. The Rise of Mathematics in Economics

Backhouse, Roger: The Ordinary Business of Life. A History of Economics from the Ancient World to the Twenty-First Century, Princeton: Princeton University Press 2002, pp. 237-268.

Weintraub, Roy E.: How Economics Became a Mathematical Science, Raleigh: Duke University Press 2002.

McCloskey, Deirdre: Econometric History, London: Macmillan 1987.

McCloskey, Deirdre: The Secret Sins of Economics, Chicago: University of Chicago Press 2002.

TEXTBOOKS (with individual selective advantages, Heilbroner and 2 x Schumpeter are very well to read but end up quite early)

Backhouse, Roger: The Ordinary Business of Life. A History of Economics from the Ancient World to the Twenty-First Century, Princeton: Princeton University Press 2002

Blaug, Mark, Economic Theory in Retrospect, Cambridge: CUP, Fifth Edition, 1997.

Buchholz, Todd G.: [New Ideas from Dead Economists: An Introduction to Modern Economic Thought](#). New York: Plume Books (Penguin Putnam) 2007..

Heilbroner, Robert L.: The Worldly Philosophers, Updated Seventh Edition, New York: Simon and Schuster 2003.

Schumpeter, Joseph A.: History of Economic Analysis, Oxford: Oxford University Press 1954.

Schumpeter, Joseph A.: Ten Great Economists (orig. 1951), London: Routledge 1951.,

Additional books

Brue, Stanley: The Evolution of Economic Thought. (6th. ed.), Fort Worth: Dryden Press 2000.

Rothbard, Murray N.: Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought (Vol. I), and Classical Economics: An Austrian Perspective on the History of Economic Thought (Vol. II), Auburn: Ludwig von Mises Institute 1995.

Nelson, Robert H. Economics as religion: from Samuelson to Chicago and beyond. Pennsylvania State University Press 2001.

Muller, Jerry Z.: The Mind and the Market. Capitalism in Modern European Thought, New York: Alfred A. Knopf 2002.

WEBSITES (for further special interest and additional surfing)

There are many interesting websites that are of use to historians of economic thought. Among are the following:

The New School's History of Economic Thought Website

<http://cepa.newschool.edu/het/>

The McMaster University Archive for the History of Economic Thought

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/>

The Liberty Fund Library of Economics and Liberty

<http://www.econlib.org/library/classics.html>

The Liberty Fund Online Library of Liberty

<http://oll.libertyfund.org/>

The Nobel Prize in Economics e-Museum

<http://www.nobel.se/economics/index.html>

The Akamac E-text Links Page

http://www.cpm.ll.ehime-u.ac.jp/AkamacHomePage/Akamac_Etext_Links/Akamac_E-text_Links.html

The Mises Institute Austrian Economics Study Guide

<http://www.mises.org/studyguide.asp>

The Friedrich Hayek Scholar's Page

<http://www.hayekcenter.org/friedrichhayek/hayek.html>

The Acton Institute's Markets and Morality Website

http://www.acton.org/publicat/m_and_m/

The Eh.Net History of Economics Website

<http://www.eh.net/HE/>

The Economy Professor Website:

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<http://www.economyprofessor.com/>

The Internet Classics Archive:

<http://classics.mit.edu/>

The Internet Encyclopedia of Philosophy

<http://www.utm.edu/research/iep/>

The Internet Modern History Sourcebook

<http://www.fordham.edu/halsall/mod/modsbook.html>

European History of Economics Society

<http://www.ecn.bris.ac.uk/het1/links.htm>

Dead Economists Society.

<http://netec.wustl.edu/~adnetec/WebEc/webecb.html>

WebEc: Methodology and History of Economic Thought. Site at Helsinki mirrored at Washington University.

<http://slutsky.ecn.bris.ac.uk/het>

Bristol Resources for the History of Economics.

http://timer.kub.nl/economics/econ_history.html

TIMER, The Interactive Management and Economics Resources, maintained by Tilberg and Purdue Universities.

<http://digital.library.upenn.edu/books>

The On-Line Books Page at the University of Pennsylvania. Links to books everywhere.

<http://socserv2.socsci.mcmaster.ca:80/~econ/ugcm/3ll3/index.html> McMaster University
