

## ***ECN 315: History of Economic Thought – Spring 2000 Syllabus***

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(subject to change with notice)

### **Goal and Objectives:**

Our goal is to trace the evolution of western economic thought with several objectives in mind:

1. To see where the modern ideas we study as neoclassical economics came from.
2. To see how an orthodoxy, a set of ideas that define “a field of study” (a canon) emerges and evolves. If we can look to the past for insights into how the field evolves, we can look to the future with a thoughtful eye that can anticipate what kinds of forces will guide the evolution of the field.
3. To reflect on the question: To what degree and in what ways has the evolution of economic thought provided a progressively more (or less?) rich understanding of the human condition.
4. To write a paper you can be proud of and that will reflect mastery of the subject. NOTE: You had better start this paper **TODAY**.

### **Some Ongoing Themes We Will Explore:**

1. How have the *scope and method* of those who explore “economic” questions evolved? Why have they evolved? In what ways has the scope and method of economic studies *progressed?*, *regressed?*
2. How do the changing times affect this evolution? How do the contributions of individuals to this evolution reflect their *personal biographies?* How do the times limit participation in the discourse?
3. What is the *role of ‘language’* in this evolution?
4. What makes someone’s ideas *heterodox v. orthodox* - How is that distinction defined v. How is it determined?
5. How and why has the field become *institutionalized*, and how has the institutionalization of the study of economics affected the evolution of the field?

### **Required Materials:**

Heilbroner, Robert, *The Worldly Philosophers*

Spiegel, Henry, *The Growth of Economic Thought*

Reader - Schine Bookstore

### **Attendance: Attendance is required!**

After a third absence, each and every additional absence that is not excused by certified extraordinary conditions (defined as health-related conditions, certified in writing by a physician or advisor, that justify the absence (*Note: Non-emergency opportunities of any kind (e.g., travel, lunch with the President, ...) do not excuse an absence.*) will result in a one mark penalty on the final grade. *Note:* three late arrivals (i.e., arrival after I take roll) or any sum of absent time that roughly adds up to a class will count as one absence.

**Evaluation:** See descriptions below for details on each evaluation tool. For safety, keep copies (e.g., on disk) of all assignments.

TOOL	LENGTH	WEIGHT	DATE DUE
<b>Reading Questions</b>	1 - 2 pages	20%	When Topic Begins
<b>Topic Essays</b>	3 - 4 pages each	30%	See Below
<b>“One Person’s Vision” Paper</b>	c. 15 pages	50% total, of which: Draft = 40%, Final = 10%	Draft: March 24 <sup>th</sup> Final: May 1 <sup>st</sup> <b>Hand in the first draft with the final version.</b>
<b>Attendance</b>	Whole Class	See above	All Class Days

**Course Structure:** There are four basic dimensions to the course:

1. The Classroom Experience.
2. The Readings
3. Topic Essays
4. The "One Person's Vision" Paper

## 1. The Classroom Experience:

Class will not be a comprehensive overview of all that has happened in the history of economic thought. That would be like seeing the world on a whirlwind tour (“Gee, if it’s Tuesday this must be Tibet.”) - a lot of vague images but little of substance. Rather class will focus on a few central players and a few central themes. Obviously “central” is a relative, subjective term - in this case, central is defined as those folks and themes that I think are central. - These choices are open for discussion. Indeed, my own sense of centrality has evolved over the years and I expect that process to continue.

Assessment: I hope you will find it interesting and ask questions or make points as you see fit. I will assess your participation based on my impression of your preparation. Participation in class will be rewarded by “benefit of the doubt credit.” (Druger) This is a non-trivial issue if you are close to a margin in grading. Needless to say, at a minimum I expect you to be there - ergo the penalty for not being there (see above).

The foundation for fruitful participation (either active listening or beyond) is coming prepared with a frame of reference with which to contextualize, compare, contrast, critique, ... what I have to say, what you want to discuss. So, with that in mind another dimension of the course is:

## 2. Readings:

Each Topic (see schedule below) has assigned readings. There are three sources assigned:

1. A popular, very readable, and not very long presentation of the history of economic thought: Heilbroner - The purpose of this piece is to offer you a very enjoyable, somewhat eclectic, survey of the field before we begin so that you can have some orientation and some basis for selecting your paper topic.
2. A reference text: Spiegel - The purpose of this book is to provide you with a comprehensive story of the history of economic thought for reference and as a counterpoint to the stories Heilbroner and I each tell.
3. A Reader with original source selections - The purpose of this piece is to introduce you to some individuals who moved the history of economic thought so that you can see how they wrote and thought first hand.

Assessment: For Topic 3 and beyond Questions on the Readings are listed on the pages below titled "Questions on the Readings/Essay Subjects". You must respond to these and hand in your responses the first day that reading Topic is covered. Your work on the Readings will be assessed by your responses to these Questions on the Readings. The purpose of these questions is to get you to address the readings thoughtfully. Since you have to respond to these issues without the benefit (hopefully there will be a benefit) of the lectures, I will assess them not for absolute correctness but for apparent effort. The grading scale will be acceptable/not acceptable. If the effort seems real and sufficient I will accept them. If it seems trivial I will not. I will only return those that are rejected. There will be 9 sets of questions. You begin with an A on this assignment. For each set of Questions that are not handed in on time or that are not acceptable you will lose one mark.

But, I not only want you to come to class prepared. I want you to leave class with a rich sense of the story I'm trying to tell. To that end, when we've completed a topic area you will write a short essay addressing some of the key issues covered in that topic.

## 3. Topic Essays:

These essays are designed to get you to engage each topic once you have a rich tool kit for analysis, i.e., after we've completed it. The subject for each Essay is laid out on the sheets titled "Questions on the Readings/Essay Subjects".

Your essay must be typed, double spaced, paginated, and 4 pages or less. Quotations of more than one sentence may not be used in these short essays. Citation for any quotations should follow the style of the journal *History of Political Economy* (see below). Be sure to keep a copy of all submitted work.

A draft essay is due on the last class day each Topic is covered (see bolded dates on schedule below). On that day you must **bring in 3 copies** of your Topic Essay. The class will be divided into groups of two or three. You will give one copy of your Essay to me and one to each of the other people in the group to which you are assigned. During that class period you will edit and make comments on your classmates' essays, return them, and then discuss each others' essays making suggestions on content and style. - At the next class you will submit a revised version of your Essay.

I will grade the Essay for Topic #5 so you can see how I grade these, then I will randomly select and grade two more Essays: One from Topics 6-8 and one from Topics 9-11. Your grade on these essays will reflect the effort given to the first version, but I will focus primarily on the quality of the second. **Please note**, however, that in the case of a trivial first submission, that first submission will be graded as the final submission.

Note: Late Essay submissions will be penalized - except under certified extraordinary conditions. Failure to come to class with three copies of a draft on the day it is due will result in a one grade penalty on the next graded essay. Late final Essays will be penalized a one mark per day penalty starting with the first deduction when the

Economics Department office (110 Eggers) closes on the day the essay is due and assessed one more mark penalty each successive day it is not in when the office closes.

But, the best way to “get into” the history of economic thought is to get into a topic and “do it” yourself.

With that in mind, the fourth dimension of the course is the "One Person's Vision" Paper:

#### 4. The "One Person's Vision" Paper

##### **Conceptual Framework:**

When an individual enters into the discourse of an established field, that individual arrives to find a current “orthodoxy” or “canon” - a shared vision and system of belief among those who make up the mainstream(s) leaders and participants in the field's discourse. The canon defines the current subject and method of the field. In a well established field, it is a product of the efforts of many generations of predecessors. Any new participant's contribution to the discourse is a response to that canon and is shaped by the vision that individual brings to the field – a vision based on her unique personal biography (e.g., cultural context, formal education, ...). The most powerful participants are those who affect the canon most dramatically as it adapts to embody their vision (e.g., Marshall), as it evolves in reaction to their alternative vision (e.g., Marx), or as it does both (e.g., Keynes).

An individual's contribution is her effort to act on and influence the canon, and it is her legacy - a legacy others inherit and in turn respond to. And so the field evolves with each generation acting on its intellectual inheritance and passing on something new to the next - and so the canon evolves.

##### **Your Job:**

Choose an individual who played a ‘significant’\* orthodox or heterodox role in the history of economic thought, and who's life and work you find engaging and would like to explore. Explore the time that person lived in and that individual's participation in the field, focusing on:

What was this person's vision? What were the general and immediate influences that shaped this person's vision? What were the key ideas through which s/he presented that vision, and how are the influences you cited reflected in what s/he wrote? – In effect, I want you to write an intellectual biography of a significant figure in the history of economic thought so that you can see for yourself that ideas “come from somewhere”. \*As long as you and I can agree that this person was significantly invested in being a player in shaping ideas about economics, s/he will qualify as significant. **Note: Alternative Topics are Possible but Require Special Permission**

##### **Objective:**

You will write a thoughtful, coherent, and rich paper representing the research you've done.

##### **Internet Resource References (I expect most sources to be books and journals, the internet is a good jump start source.)**

1. The History of Economics Society Homepage (“front” page)  
<http://cs.muohio.edu/~HisEcSoc/>  
Resources on Themes in the History of Economics:  
<http://www.eh.net/ehnet/HisEcSoc/Resources/themes.shtml>  
Resources on Individual Economists in the History of Economics:  
<http://www.eh.net/ehnet/HisEcSoc/Resources/individ.shtml>
2. McMaster University History of Economic Thought Archive  
<http://socserv2.socsci.mcmaster.ca:80/~econ/ugcm/3ll3/index.html>
3. The New School for Social Research, Department of Economics' History of Economic Thought Homepage  
<http://www.econ.jhu.edu/People/Fonseca/HET/hethome.htm>  
Alphabetical Index of Economists:  
<http://www.econ.jhu.edu/People/Fonseca/HET/alphabet.htm>

##### **Mechanics:**

All work must be **paginated, double spaced, and have 1" margins on the top and sides and 1.5" margins on the bottom**. You should follow the format and citation style of the journal *History of Political Economy* (HB1.H55 on the 4th floor of Bird Lib.) - see examples below. Keep a copy of all submitted work.

Late papers will be penalized a one mark per day penalty starting with the first deduction when the Economics Department office (110 Eggers) closes on the day the paper is due and assessed one more mark penalty each successive day it is not in when the office closes.

##### **Assessment:**

My emphasis will be on how you present your ideas: depth and breath of your research, use of evidence, coherence, flow, grammar, spelling, transitions, and how well you tell the story of this person's intellectual biography.

COURSE SCHEDULERead all of Heilbroner by Jan 28<sup>th</sup>.Draft Essays due on **bolded** dates.

<u>Date(s)</u>	<u>Topic/Readings</u>
Jan. 19, 21	(1) Introduction/Group Organization/ Preview and The Question of “Progress” Reader: Schumpeter selection, Dobb selection Landreth: Chapter 1 – on Reserve Reader: Leijonhufvud’s “Life Among the Econ”
Jan. 24, 26	(2) The Origins of the Discourse in PreClassical Theory <i>WN</i> - Book IV, Chapter 1 Spiegel: Chapters 1-7
Jan. 28, 31, Feb. 2	(3) The Enlightenment - Background to Adam Smith Reader: Hume’s <i>Dialogues</i> - a selection ; Smith’s letter on Hume; “Smith on Philosophy, Ethics and Human Evolution”; Smith’s <i>Theory of Moral Sentiments</i> – selections Spiegel: Chapters: 8-9
Feb. 4	<b>NO CLASS</b>
Feb. 7, 9, 11	(4) Adam Smith - The Birth of Classical Theory <i>WN</i> – Book I: Intro, Chs. 1, 2, 8, 9, 10; Book II: Intro, Chs. 1, 3; Book III: all; Book IV, Chs 1, 2, and 3.C Reader: “Smith’s Economics and the Evolution of his Thought” Spiegel: Chapters 10 –11
Feb. 14, 16, 18 21, 23, <b>25</b>	(5) Robert Malthus, David Ricardo Reader: Keynes' on Malthus, Malthus’ <i>On Population</i> and Ricardo’s <i>Principles</i> – selections Spiegel: Chapters 12-14
Feb. 28, Mar 1, <b>3</b>	(6) The Utopian Socialists and J.S. Mill Reader: Mill’s <i>Principles</i> – selections Spiegel: Chapters 15-17
Mar. 6, 8, 10, 20, 22, <b>24</b>	(7) Karl Marx Reader: Marx’s “Wage-Labour and Capital” Spiegel: Chapters 18-21
Mar. <b>27</b> , 29, <b>31</b>	(8) From 1848 to 1889: Heterodox Challenges (Henry George, the German Historical School, etc.) and Mainstream Responses (theoretical: the marginal revolution and general equilibrium analysis; and structural: the professionalization of the field) Reader: Henry George’s <i>Progress and Poverty</i> - selections; Dunbar’s "The Reaction in Political Economy" ( <i>QJE</i> ); Edgeworth’s "The British Economic Association" ( <i>EJ</i> ); Laughlin’s "The Study of Political Economy in the United States" ( <i>JPE</i> ) Spiegel: Chapters 22-24
Apr. 3	<b>NO CLASS</b>
Apr. 5, 7, <b>10</b>	(9) The Micro Synthesis (Alfred Marshall) and the Heterodox Challenge from Institutionalists such as Veblen, Commons, and Mitchell Reader: Keynes on Marshall, Marshall’s <i>Principles</i> – selections Spiegel: Chapter 25, 27
Apr. 12, 14, 17, <b>19</b>	(10) John Maynard Keynes and The Macroeconomic Perspective Reader: Keynes’ <i>General Theory</i> - selections Spiegel: Chapter 26
Apr. 24, 26, <b>28</b>	(11) Modern Discourse: The Orthodox v. The Heterodox: (Missing Voices? A Narrow Vision?) Buchanan, <i>The Economics and the Ethics of Constitutional Order</i> : 3-41 Reader: Folbre and Hartmann; Keohane Spiegel: Chapters 28-29
May 1	Conclusion

## Reflections on the Research Process:

### Background:

Adam Smith asserts in his "History of Astronomy" that "Philosophy is the science of the connecting principles of nature. ... by representing the invisible chains which bind together all these disjointed objects, [it] endeavours to introduce order into this chaos of jarring and discordant appearances, to allay the tumult of the imagination .... [It], therefore, may be regarded as one of those arts which addresses themselves to the imagination. ... Philosophy ... pretends to lay open the concealed connections that unite the various appearances of nature." (Smith, *HoA*, 45-6, 51, emphasis added) Good scholars recognize the limitations of the mind's eye's vision, they are humble.

Research is a form of storytelling through which we share what we imagine. Our stories are efforts to persuade one another of what we pretend to know, what we tentatively believe. Good research produces a persuasive story.

Good research is not a cookie cutter process. It requires a subtle and creative application of mind. Even as you explore the evidence and weave it into a persuasive story, you must constantly be on the lookout for gaps or odd turns that undermine your story. And even as you invest in the story you are telling, you must keep your mind open to new ways of understanding the evidence. Indeed, with an open mind the very immersion in the material may give rise to turns in your understanding that make you rethink and recast your unfolding story. And as you explore these new paths you may suddenly come to a vista that allows your mind to see the big picture in a new way, to make creative leaps to a new richness in the story you are developing. These possibilities are part of the excitement and joy of research.

Research is a process of finding, weaving, assessing, tearing, finding, reweaving. It is a continuous process. It can't be isolated into a blocks of grudgingly committed time. Good research occupies a continuous space in your mind. Sometimes you will be in the library actively searching for sources, for evidence to build or remake your story. Sometimes you'll be at a word processor developing the vision that seemed so seamless and ingenious in your mind's eye into a story that will have to satisfy the real eye of a skeptic reading your printed page - no mean feat. But more often than not, it will occupy a place in the remote recesses of your mind - not on your mind, but not out of your mind - at the ready for some comment, some scene, some moment of current experience that sparks a thought on the project. Immediately it will be called forward - front and center - to be explored and developed in light of this small or large explosion of thought.

Doing research in cookie cutter blocks of grudgingly committed time is a real drudge and often a real pain. Doing research as one intellectually engaged and committed to telling a good, creative, well documented story is a fascinating adventure (travel to distant places, times, and minds), a lot of fun (be a detective, an investigative reporter), and very satisfying (be the first on your subject to see the world in a new and compelling way).

If you're going to be in this class you will be doing a research project. If you do it in blocks of grudgingly committed time it will be a real drudge, often a real pain, and probably not very successful. In that case this is probably not be the right class for you. If, however, you're willing to commit yourself to being intellectually engaged and to telling a good, creative, well documented story; I think you'll find our trip through this history fascinating and the trip into your own topic a very rewarding experience. If you do the job well, there is no way you can lose.

### Step 1: Identify Sources

The first step in research is to find out where to find out about your subject. So the first thing you have to do is find relevant sources of information. Good researchers don't do this in isolation - they ask questions. They ask the people who serve at the library reference desk. They "ask" the card catalogue and the on-line information services. They "ask" the sources they've already found: Is there anything here that can lead to another source?

Looking for sources is like the first stage of detective work. You ask a lot of questions because you want to find all the best, relevant evidence. And like the best of the detectives you have to think creatively about where to look for evidence. "Sources" may take many forms. They may be articles or books or archive material or art work or ....

Note a distinction in kinds of sources: Primary v. Secondary. Primary sources are those that come from the actual participants in the times and events you are investigating. They are a direct window into the world you want to understand, but that doesn't mean they are a perfectly clear and transparent window. There may be distortions in this evidence based on biases of the participant from whom it comes. A secondary source is a more distant spectator's representation of the times, events, and people you are investigating. Again, and for the very same reason, these can be distorted. You need to triangulate your sources. You see the topic from different angles by using as many different primary and secondary sources as possible. Doing so gives you a multidimensional perspective. Such a rich perspective allows you to make the best case for your unfolding vision of events as you understand them.

### Step 2: Collect and Arrange Data

"Data" is the information one extracts from sources. As noted above, it can take many forms. The second step of research is to dig into the sources you've identified. What can you learn from the data in each source? In our research project you're trying to develop a story that represent the intellectual evolution of a significant figure in the history of

economic thought. To tell this story you have to have lots of pieces of information. You've got sources, that was Step 1, now you have to find out what pieces of information each source can contribute to the story you're going to construct.

At this stage research gets more subtle. As you dig into your sources you have to be selective. That means making judgments about what is going to be important for your story. This in turn means that you must be developing the outline of a story in your mind - and more often than not, it's a very good idea to put it on paper at intervals so you can "see" how it looks. An outline can keep you focused and can provide the criteria for judgment as to what pieces are most important. But as you do this be careful on two fronts:

First, be willing to see gaps in your thinking and be willing to go back for more sources and more data if you see a problem. And second, don't lock into a story line and choose pieces accordingly. Make the story line that guides your prioritizing of pieces truly tentative - as you come across new pieces that are intriguing and challenge your tentative thoughts, be willing to accept that challenge and to change the emerging image in your mind. This simultaneous process of selecting evidence and creating a vision of what actually happened should be very dynamic.

### **Step 3: Analysis**

Your job is to tell a story that represents your vision of your chosen individual's intellectual biography. In effect you've been doing this all along if you've been working with sources and an outline simultaneously. As the outline informed your selection of sources and the information from the sources informed the outline, your analysis has been unfolding. A persuasive analysis has a strong foundation - it's based on solid, rich evidence, and it's presented in a form that your audience finds compelling - it rings true. The wholeness of your analysis represents your vision, and in this class your vision will be presented in a paper.

### **Step 4: Writing**

Writing is like working in clay. You can push and poke, twist and turn the material (the language) as you shape it into ideas. You can add here, tear off there - and push and poke some more. Through this process of shaping, looking at the unfolding shape, reshaping, the piece begins to take a form that expresses what's in your mind's eye. If you've invested yourself in the steps up to this point writing is a labor of love for you really have a vision you want to express and you want it to be understood, appreciated, and hopefully admired by your audience - as a beautiful sculpture would be.

In a real research process, publishing your work is like firing your clay. It's done. No more poking or shaping is possible. The power of your story would be tested by the challenges of those with alternative stories to tell. The more powerfully your pen tells your story, the tighter the weave of your evidence into a coherent and compelling story, the longer your story will stand the scrutiny of skeptics who want to tear it down. But no story is truth, and ultimately you will see new possibilities for telling the story better - and then it's off to write the next paper.

### **Step 5: Assessment:**

In our class as in the real world of research once you hand in your work it's also like firing your clay - it's done. No more poking or shaping is possible. In here your work will be assessed on the following basis: Is the story presented coherent, does it flow in a logical way? Does the evidence (data) presented support the story as told? Is it a rich, solid evidentiary foundation (i.e., a significant number of high quality primary and secondary sources)? Is it a compelling story?

I will assess you for a grade and that matters a lot, but the ultimate assessment is not about grades it's about education, experience, contribution, and pride. The audience that is most important in this latter assessment is you. You should ask yourself: Was this a good educational experience, a good growing experience? Is my work a original and thoughtful effort? Am I proud of what I have produced?

## Citation and Bibliographic Style

Follows that in *History of Political Economy* (HB1.H55 on the 4th floor of Bird Lib.)

### **An example of citations of James Buchanan from his 1991 book, page 35 (notice that for long quotations you can use a expanded margin, single spaced style):**

... Buchanan agrees. He rejects the "romantic ideal of laissez-faire, the fictional image of anarcho-capitalists, in which there is no role for the state at all" for the same reason he rejects the socialist "romantic image of the state as an omniscient and benevolent entity". "[O]rdinary humans" are not capable of either. Socialism is an invitation to the exploitation of centralized power, and anarchist laissez-faire is a path into the "Hobbesian jungle". (Buchanan, 1991, 35)

Any plausibly realistic analysis of social order, whether positive or normative, must be bounded by the limits set by these ideological extremes. The state is neither omniscient nor benevolent, but a political-legal framework is an essential element in any functioning order of human interaction. (Buchanan, 1991, 35)

### **An example bibliography:**

- Buchanan, James. 1991. *The Economics and the Ethics of Constitutional Order*. Ann Arbor: University of Michigan Press.
- , 1994. *Ethics and Economic Progress*. Norman: University of Oklahoma Press.
- Hirsch, E.D. Jr.. 1987. *Cultural Literacy: What Every American Needs to Know*. Boston: Houghton Mifflin Company.
- Keynes, John Maynard. 1964. *The General Theory of Employment, Interest, and Money*. First Harbinger Edition. New York: Harcourt Brace Jovanovich.
- Kahneman, Daniel and Tversky, Amos. April 1984. "Choices, Values, and Frames." *American Psychologist*. 39 (4): 341-350.
- Smith, Adam. 1976A. *The Theory of Moral Sentiments*. Edited by D.D. Raphael and A.L. Macfie; Vol. 1 of *The Glasgow Edition of the Works and Correspondence of Adam Smith*. General editing by D.D. Raphael and Andrew Skinner. Oxford: Clarendon Press.
- Stigler, G. and Becker, G. 1977. "De gustibus non est disputandum." *American Economic Review*. 67: 76-90.

## ***History of Economic Thought*** ***Questions on the Readings/Essay Subjects***

### **Topics 1 and 2:**

No questions or essay due.

### **Topic 3:**

#### **Questions on the Reading:**

1. Describe the design argument as represented by the words of Cleanthes in selection from Hume.
2. Hume and Smith find great humor and meaning in the story Hume tells Smith about his imagined encounter with Charon. What does this story shared between these two great philosophers tell us about how both of these men conceptualized the purpose and the challenge of their life's work?
3. At the end of Smith's letter about Hume's passing Smith writes: "Upon the whole, I have always considered him, both in his lifetime and since his death, as approaching as nearly to the idea of a perfectly wise and virtuous man, as perhaps the nature of human frailty will permit." – How does this statement relate to Smith's views on the role of ethics in the human condition, the capacity of humans to act ethically, and the relationship between the individual and society?

**No essay due**

### **Topic 4:**

#### **Questions on the Reading:**

1. *The Wealth of Nations* sounds like a macro topic. Why does Smith start his classic work "Of the Division of Labour"? Explain Smith's story of the division of labour: How does it contribute to the wellbeing of society and what determines how far it can be pushed?
2. What according to Smith determines the level of wellbeing of the lowest ranks of society? Does Smith care about the wellbeing of these folks?
3. Explain the point Smith makes in paragraph #1 of Chapter X. Does this imply that everyone should earn the same amount in all pursuits? Why not? What do distortions do to the distribution of income? What kinds of examples does he give of such distortions? Describe his story.
4. Smith added his "Conclusion of the Mercantile System" in his second (1784) edition of the *WN*. What is the Mercantile System and how's Smith feel about it?

**No essay due**

### **Topic 5:**

#### **Questions on the Reading:**

1. Describe how Malthus' education and the intellectual and political environment of his formative years are reflected in his "Essay on the Principle of Population."
2. Explain the logic of Malthus' argument in the first edition of his "Essay on the Principle of Population". Describe how Malthus' "Essay on the Principle of Population" evolves from the first to the second edition.
3. Summarize the exchange between Ricardo and Malthus that took place in the letters of January 24 and 26, 1817. Explain the differences in these two men's visions of economics.
4. Explain Malthus' image of the "taylors of Laputa" and how it relates to his differences with Ricardo.

**Essay Subject:** Describe the scope and method that Ricardo established for subsequent economics and how his approach differed from Malthus' approach. Stay focused on scope and method. Comment on how their respective scope and method reflected their biographies.

### **Topic 6:**

#### **Questions on the Reading:**

1. Describe Mill's analysis of the potential problems and the possibilities of communism.
2. Explain Mill's assertion that if the choice were "between Communism with all its chances, and the present state of society ... all the difficulties, great and small, of Communism would be as dust in the balance." What's the matter with the present state of society? How has legislation contributed to the problem?
3. Mill thinks that a private property, liberal society "has never yet had a fair trial in any country." Why not? What is his essential concern about Communism that drives him to look for solutions to the problems of liberal society? What does Mill value about liberal society?



4. Explain Mill's prescription for realizing the potential of liberal, private property society.

**Essay Subject:** Explain Mill's concern about the future of liberal society, identify the dimension of economic analysis within which he felt he had a contribution to make, explain how his contribution was intended to solve the problems of liberal society, and describe his vision of an ideal liberal society.

### Topic 7:

#### **Questions on the Reading:**

1. Engles writes that "[t]he last offshoot of classical political economy – the Ricardian school – was largely wrecked on the insolubility of the contradiction. Classical political economy had run itself into a blind alley." What was the "contradiction" and how did Marx find a "way out"?
2. If the working class alone produces all values why doesn't it receive the full value of production and why does its existence get more and more difficult? If a worker is not a slave, why does she participate in this exploitive system?
3. Explain Marx's concept of social relations of production? What is capital in this scheme?
4. Describe the dynamics of the relationship between capital and the working class. What's the capitalist get out of it? Is life easy for the capitalist? Explain.

**Essay Subject:** Marx writes that the wage "forms the basis of all the juridical notions of both labourer and capitalist, of all the mystifications of the capitalist mode of production, of all its illusions as to liberty, of all the apologetic shifts of the vulgar economists." He asserts that "[t]he battle of competition [among capitalists] is fought by cheapening of commodities. ... [And in that battle] the larger capitals beat the smaller." But "[a]long with the constantly diminishing number of magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with it too grows the revolt of the working-class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist mode of production itself. ... Centralization of the means of production and socialization of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated. ... [C]apitalist production begets, with the inexorability of a law of Nature, its own negation."

Explain Marx's story of this dialectical process. Your explanation should make Marx's use of terms above or others necessary to tell the story clear.

### Topic 8:

#### **Questions on the Reading:**

1. Describe the basis on which, according to Henry George, people envisioned a "golden age." On what basis does George reject this as a false hope? Explain George's analysis of the relationship between progress and poverty. What does George think of the current state of Political Economy? What does he say people outside the field think of it? How does he envision his relationship to the field?
2. Describe the position of Political Economy according to Charles Dunbar's in the first article of the first issue (Oct. 1886) of the *Quarterly Journal of Economics* (still a leading journal in the discourse).
3. In the "Report of the Proceedings at the Meeting which Inaugurated the British Economic Association" (March 1891) it's clear that the participants feel it is a critical time for the profession. What is their concern and how does it relate to what Dunbar wrote five years earlier? In that report the suggestion that the Association and its journal should "exert an wholesome influence" on the discourse of political economy is discussed. Explain why some participants reject that notion. What problem does it present? Explain why is it hard to avoid exerting some control over the "conversation."
4. In the first article of the first issue (Dec. 1892) of the *Journal of Political Economy* (still one of the premier journals and a central player in the discourse) Laurence Laughlin describes a disconnect between the profession and those who seek social improvement. Explain the disconnect and the danger he believes it poses. Why according to Laughlin don't people understand the economists? Why does he think it is imperative that people pay attention to Political Economy. Laughlin is also concerned about divisions that have existed within the field. Describe the issues that have divided the profession and how Laughlin believes they can be resolved.

**Essay Subject:** Describe the forces that were attacking the mainstream economic discourse and the points of their attacks. Explain how economists within the mainstream discourse viewed these challenges - their concerns about the public discourse and their differences of opinion with the challengers. Describe the difficulty mainstream economists faced in trying to deal with these challenges, and explain how mainstream economists chose to respond to the challenges.

### **Topic 9:**

#### **Questions on the Reading:**

1. How did Marshall come to the study of economics? What was going on in the discourse when he came to it?
2. Identify some of the key concepts of modern micro theory that were introduced by Marshall.
3. What was Cambridge like in Keynes' early years when Marshall was the leader of the Cambridge school of economics? It was during that period that Marshall successfully argued for the separation of economics from the Moral Sciences Tripos. What does that mean and why did Marshall insist on doing it?
4. On the first page of Marshall's principles it says "*Natura non facit saltum.*" What's that mean and how does it relate to central role Marshall gives to 'time' in his theoretical structure. Describe the role of time in Marshall's analysis.

**Essay Subject:** Describe Marshall's basic approach to economic analysis. Identify and explain the significance of his contributions to the modern analysis of micro theory. Explain the role of Marshall played in institutionalizing economics as an independent discipline.

### **Topic 10:**

#### **Questions on the Reading:**

1. Why does Keynes refer to the writing of the *General Theory* as "a struggle of escape from habitual modes of thought and expression"? Wherein, according to Keynes, lie the flaws of the theory he inherited.
2. Why does he call his theory a "*General Theory*"? What confusion has reigned "[f]rom the time of Say and Ricardo" that has limited the vision of economics? Explain.
3. Keynes says his theory "would mean the euthanasia of the rentier." Who is the rentier? What's the problem with the rentier? How does the rentier class cause a problem for the economy?
4. Does Keynes have any problem with the micro theory of Marshall? If Marshall got it right, what's wrong with economics according to Keynes? How does Keynes feel about liberal society, one in which individuals are free to choose their own course? Explain. What import does Keynes believe his theory has for the global economy and international peace?

**Essay Subject:** Describe Keynes' "struggle of escape from habitual modes of thought and expression." Why did he feel the need to escape? Explain why he calls his contribution the *General Theory* and how his analysis differed from some elements of the analysis he inherited. Identify what, if anything, of his intellectual inheritance he still accepted? Explain why Keynes felt his expansion of economic analysis was so important.

### **Topic 11:**

#### **Questions on the Reading:**

1. Describe Folbre and Hartmann's critique of the modern discourse and critique the critique. Is it fair? Is it of value? Does it take us anywhere?
2. Describe Keohane's critique of the modern discourse and critique the critique. Would he have felt the same way about Adam Smith?

#### **Essay Subject:**

Reflect on the history of economic thought:

Schumpeter suggested that the field has only clearly progressed with respect to analysis. Dobb replied that this is too sterile a metric of progress. So what's your metric? And given your metric: How has the field changed for better or worse in the course of its evolution to what it is today?

As you reflect on this evolution be sure to address this subsidiary question: Has the institutionalization of the field been a destructive force in this evolution as suggested in Leijonhufvud's "Life Among the Econ", or has it been a positive force as was the hope of the members of the British Economic Association when they started the *Economic Journal*?

Any other thoughts on this story?