

Economics 306  
**History of Economic Thought**  
<http://courses.umass.edu/econ306>

Fall 2010  
TT 9:30-10:45AM Machmer W21

Instructor:

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Office hours, Tuesdays 11AM-2PM or by appointment.

This course aims to develop students' analytical, writing, and speaking skills via exploration of the history of economic thought. This history holds tremendous relevance for current policy debates.

One major theme revolves around the concept of self interest. At what point does the pursuit of individual self interest become a vice? Among vices, how does greed compare with lust? Why have concerns about self interest often been shaped by a gendered "double standard"—applied differently to women than to men? Your instructor wrote a book about this (with considerable input from students in two earlier versions of this course) that will serve as a text.

Some economists have expressed great confidence in the pursuit of individual self interest within competitive markets, while others have fretted about market failure. We will examine this debate from two distinct points of view, with particular reference to the Great Recession that began in 2007.

Students will read excerpts from important economic classics, such as Adam Smith's *Wealth of Nations*, Thomas Robert Malthus's *Essay on Population*, and Karl Marx and Friedrich Engels' *Communist Manifesto*. Individuals with a particular interest in these primary sources will be urged to make one the topic of their research paper.

**Required and Recommended Books:**

The following three books are available at Food for Thought, located at 106 North Pleasant Street in downtown Amherst. Copies are available on reserve in the DuBois Library.

Required: (reading most or all of book)

Nancy Folbre, *Greed, Lust, and Gender: A History of Economic Ideas* (Oxford University Press, 2009).

John Cassidy, *How Markets Fail* (Farrar Strauss, 2009).

Recommended: (reading a large section)

F.A. van Hayek, *The Road to Serfdom* (University of Chicago Press, 2007).

(note that this edition includes a long introduction by Bruce Caldwell which is required reading). **Grading:** One mid-term exam and a final exam will cover the core readings for the course. Each will be weighted 25%. A 7-10 page paper (outline due November 18; final draft due December 9), will be weighted 30%. This paper should provide a critical assessment of a contribution to or important debate in the history of economic ideas. It should be related in one way or another to the themes we emphasize in the class.

The remaining 20% of your grade will be determined by short writing assignments and class presentations. Students will be expected to make at least one presentation of about ten minutes on one supplemental reading. We will begin scheduling these presentations immediately. Some supplemental readings will be suggested, but students are free to follow their own nose to pursue topics of interest to them—just be sure to check in with instructor about your choice. Pick one relevant to your paper topic if you can!

Students are allowed one unexcused absence from the class. An absence will be easily excused if a reasonable explanation is both provided by the student and confirmed by the instructor BEFORE the class time. Each unexcused absence will result in a deduction of 5 points from your final average. Deadlines for paper drafts are binding. Late drafts and papers will be penalized.

Please note: plagiarism is a serious offence and can result in a failing grade for this course. For more information about what plagiarism is, see

<http://www.umass.edu/writingprogram/resources/plagiarism.html>

or

<http://www.indiana.edu/~wts/pamphlets/plagiarism.shtml>

All grades will be scaled to 100. A final score of 95-100 represents an A; 91-94 an A-, 85-90 a B+, 80-84 a B, 74-80 a B-, 69-73 a C, 60-68 a D, below 60 an F.

### **Readings and Assignments**

NOTE: With the exception of the first week of class, reading assignments should be completed by the first class period of the week (normally a Tuesday)

#### **WEEK 1. Self-Interest and the Social Contract**

September 7: Overview of course.

IN-CLASS EXERCISE: Write a one-page, double-spaced paper defining self interest and summarizing what the courses you have previously taken have taught you about its role in economic life.

Note: If you miss this exercise as a result of adding the course late, be sure to make it up!

September 9: Lecture and discussion of assigned readings.

Segments of Oliver Stone's film *Wall Street* will be shown in class. If you miss class you will be expected to obtain a copy and view it on your own.

The heart of Gordon Gekko's famous monologue can be found at

<http://www.americanrhetoric.com/MovieSpeeches/moviespeechwallstreet.html>

### **Required readings:**

Introduction and Chapters 1 and 2 (pp. xix-34) *Greed, Lust, and Gender*

### **WEEK 2. Defining Virtues and Moral Sentiments**

September 14: Lecture plus...

Performance (hopefully) and in-class exegesis of

Bernard de Mandeville, *The Grumbling Hive*, available on line at:

[http://oll.libertyfund.org/?option=com\\_staticxt&staticfile=show.php%3Ftitle=846&chapter=66863&layout=html&Itemid=27](http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=846&chapter=66863&layout=html&Itemid=27)

September 16: Lecture and discussion, continued, plus student presentations on supplemental readings.

### **Required readings:**

Chapters 3-7 (pp.35-110), *Greed, Lust and Gender*

Bernard de Mandeville, *The Grumbling Hive*, available on line at:

[http://oll.libertyfund.org/?option=com\\_staticxt&staticfile=show.php%3Ftitle=846&chapter=66863&layout=html&Itemid=27](http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=846&chapter=66863&layout=html&Itemid=27)

### **Supplemental readings:**

Adam Smith, excerpt from *The Moral Sentiments* (Part 1, Section 1, Chapters 1-2), at McMaster University Archive,

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/smith/moral.1>

Adam Smith, excerpt from *The Wealth of Nations* (Book 1, Chapters 1-2) at McMaster University Archive,

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/smith/wealth/wealbk01>

### **WEEK 3. Population, Production, and Reproduction**

September 21: Lecture and discussion with a focus on Malthus.

In-class exercise: discuss some of similarities and differences between the Poor Law Reform of 1834 in Great Britain and welfare reform in the U.S. in 1996.

September 23: Lecture and discussion with focus on Ricardo.

**Required readings:**

Chapters 8-10, (pp.111-157), *Greed, Lust, and Gender*

Thomas Robert Malthus, *Essay on Population*, 1798 edition, Chapters 1 and 15, available from McMaster University Archive at

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

**Supplemental readings:**

Poor Law Commissioners Report of 1834, section concerning Settlement and Bastardy

<http://www.econlib.org/LIBRARY/YPDBooks/Reports/rptPLC.html>

David Ricardo, *Principles of Political Economy and Taxation*, (1821 edition) pages 85-96 of Chapter 7, "On Foreign Trade," Value," available from

<http://www.marxists.org/reference/subject/economics/ricardo/tax/ch07.htm>

**WEEK 4. The Early Socialists**

September 28: Lecture and discussion with a focus on Robert Owen.

In-class exercise: discuss similarities and differences between early socialists and contemporary advocates of cooperatives and worker-owned enterprises.

September 30: Lecture and discussion with a focus on Thompson and Wheeler.

In-class exercise: design your own utopia.

**Required readings:**

Chapters 11-12 (pp. 158-189), *Greed, Lust and Gender*

Anna Wheeler and William Thompson, excerpt from *Appeal of One-Half the Human Race*

at <http://www.leedstrinity.ac.uk/histcourse/suffrage/document/appealoa.htm>

**Supplemental readings:**

Browse website on utopian socialism at

<http://www.marxists.org/subject/utopian/index.htm>

**WEEK 5. Early Feminist Economists**

**October 5:** Lecture and discussion with focus on Mill and Taylor

**October 7:** Lecture and discussion with focus on Stanton and Anthony

In-class exercise: How has feminist economics changed since the mid-19<sup>th</sup> century?

**Required readings:**

Chapters 13-14 (pp. 190-217), *Greed, Lust and Gender*

John Stuart Mill, *The Subjection of Women*, available at  
<http://www2.hn.psu.edu/faculty/jmanis/jsmill/JS-Mill-Subjection-of-Women6x9.pdf>

**Supplemental readings/viewing:**

*Not for Ourselves Alone*, a Ken Burns PBS documentary at  
<http://www.pbs.org/stantonanthony/movement/index.html>

Harriet Martineau, “The Political Non-Existence of Women” (the second section of *Society in America*); the entire document is available at:  
<http://xroads.virginia.edu/~HYPER/DETOC/fem/martineau.htm>

**WEEK 6. Marx and the Early Marxists**

October 12: No class—Monday schedule on this day.

October 14: Lecture and discussion.

**Required Readings:**

Chapter 15 (p. 222-234), *Greed, Lust and Gender*

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

**Supplemental readings:**

August Bebel, *Woman and Socialism*, available at  
<http://www.marxists.org/archive/bebel/1879/woman-socialism/index.htm>

**WEEK 7. Early Neoclassical Economics**

October 19: Lecture and discussion with focus on Marshall.

October 21: Lecture and discussion with focus on the “unproductive housewife”

**Required readings:**

Chapters 16-18 (pp. 235-286), *Greed, Lust and Gender*

Alfred Marshall, *Principles of Economics*

Book 1, Chapters 1 and 2, available at the McMaster University Archive,

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/marshall/prin/index.html>

**Supplemental readings:**

Duncan Ironmonger, “Household Production and the Household Economy,” available at <http://www.economics.unimelb.edu.au/downloads/wpapers-00-01/759.pdf>

Margaret Reid, *The Economics of Household Production* (passim.), available at [http://openlibrary.org/books/OL6304986M/Economics\\_of\\_household\\_production](http://openlibrary.org/books/OL6304986M/Economics_of_household_production)

**WEEK 8. Review, Consolidation, Examination**

October 26: Review

October 28: Mid-term exam

**WEEK 9: Beyond Economic Man?**

November 2: Lecture and discussion with focus on last chapters of *Greed, Lust, Gender*

November 4: A Letter to the Grandchildren

IN-CLASS EXERCISE: -write a letter to your grandchildren modeled on Keynes’s essay—envisioning their future.

**Required readings:**

Chapters 19-20 and Conclusion of (pp. 287-328), *Greed, Lust and Gender*

John Maynard Keynes, “Economic Possibilities for our Grandchildren”

<http://www.eco.utexas.edu/~hmcleave/368keynesgrandchildrentable.pdf>

**WEEK 10: The Road to Serfdom**

November 9: Lecture and discussion

November 10 (Wednesday—a Thursday class schedule will be followed); lecture and discussion continued, student presentations.

November 11: (Thursday) Veteran’s Day—no class.

F.A. Hayek, *The Road to Serfdom*, introduction by Bruce Caldwell and Preface to the Original Edition (pp. 1-38)

F.A. Hayek, *The Road to Serfdom*, Chapters 2-5 (pp. 76-111)

**Supplemental Readings:**

Hayek, *The Road to Serfdom*, other chapters or related documents.

**WEEK 11: Roots of the Current Recession I**

November 16: Lecture and discussion.

November 18: Lecture and discussion of paper topics.

**OUTLINE OF PAPER DUE BY END OF DAY.**

**Required reading:**

Cassidy, *How Markets Fail*, Chapters 1-8 (pp. 17-107)

**Supplemental reading:**

Cassidy, *How Markets Fail*, any chapter from the third section (17 through 23).

**WEEK 12: Reality-Based Economics**

November 30: Lecture and discussion

December 2: Lecture and discussion

**Required reading:**

Cassidy, *How Markets Fail*, Chapters 9-16 (pp. 111-220)

**Supplemental reading:**

Cassidy, *How Markets Fail*, any chapter from the third section (Chs. 17-23).

**WEEK 13: Catch-up and wrap-up**

December 7: Catching up

December 9: Review for final --PAPER DUE

**FINAL EXAM ACCORDING TO SCHEDULE**