

**ECONOMICS 150: The Uses of Economics**

(CK 2000: STS, W, R)

**Spring 2011 Syllabus****124 Social Science Building****MWF, 10:20 – 11:10 a.m.****Professor Craufurd D. Goodwin****Office: 07B Social Science Building****Tel: 684-3936****E-mail: [Goodwin@econ.duke.edu](mailto:Goodwin@econ.duke.edu)****Office Hours: MWF, 11:30 a.m. – 12:00 noon**

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**A. COURSE CONTENT**

This course is mainly about how economic thinking operates beyond academe in the wider society. We will examine what is in a sense the “technology”—or uses—of economics, its practical applications to policy questions. In the process, we will reflect on its strengths, its weaknesses, its triumphs, and its mistakes. The course is divided into two parts: the “styles” of economics and the uses of economics.

**1. Part One: The Styles of Economics**

The first part of the course is partly historical. The main finding to be demonstrated is that economic thinking has been, and remains, heterogeneous. The premise here is that over the development of economics as a discipline, from the early Greeks to the present day, economics has changed very markedly, and accordingly the means whereby it is applied in society have evolved as well. Just to take one example, seventy years ago, in response to the Great Depression, the ideas of John Maynard Keynes, which emphasized the use of fiscal policy to stimulate demand and secure full employment, were very prominent in economic discussions. In time, as the economy recovered from depression and grew, Keynes fell out of favor. *But*—and this is most important—Keynesian doctrine has not disappeared; indeed, recently it has experienced a remarkable resurgence. In other words, as one disciplinary style has been replaced in popularity by another over the passage of time, the devices for application of the new as well as the previous styles live on and remain in use.

In particular, we can discern quite easily in modern society the use of what might be described as twelve “styles” of economic thinking (there could be more!), all of which have their roots in earlier bodies of thought but remain still in use today. In order to demonstrate this point, we will examine examples of each style of economic thought at its time of origin and in a modern manifestation. Characteristics of these twelve styles are summarized in the table at the end of this syllabus.

The twelve styles will be used as devices to understand and interpret the uses of economics, which are dealt with in part 2 of the course. The styles will help you identify

the character, intent, norms, and tools (among other things) of economic thought as it is applied in society to policy questions. Your goal in this course will be to interpret the uses of economics *with respect to the twelve styles*. It will not be to attack, applaud, or reject any of the styles.

## **2. Part Two: The Uses of Economics**

The applications of economic thought can be seen in many parts of modern society. Sometimes the applications are straightforward and easily comprehended; in other cases they are rather subtle. In the second part of the course we shall explore the uses to which economics is put in the following segments of modern society, one at a time, *all the while interpreting the uses in light of the twelve styles* discussed in the first part of the course. Each student will select a theme, usually expressed as a policy question, through which to explore the uses. This exploration too will be partly historical. The questions listed below will give an indication of those puzzles for which we will seek answers.

1. The Economics Discipline Today. How are policy questions treated in the professional economics literature? What subfields of economics (applied micro, labor economics, public economics, et al.) deal with your subject? Do certain economists dominate the discussion? What are the major issues that receive attention under your theme?
2. Economics in Government. How is economics used in the several branches of government? In the executive? the legislature? the courts? What institutions have been created to bring economics to government? What styles of economics are employed in government?
3. Economics in International Organizations. How is economics used in international organizations such as the World Bank and the International Monetary Fund? Why have economists seemingly assumed a much larger role recently in the higher levels of international organizations than of national governments?
4. Economics in Public Opinion. Letters to the editor of newspapers and magazines, live talk shows, public opinion polls, Internet bulletin boards, blogs—how does the public talk about your issue?
5. Economics in the Private Sector. Private sector economists are used widely by corporations as analysts, planners, spokespersons, consultants, and managers. Is it possible to generalize about this experience? Is economics changed by exposure to the realities of the market economy? What has happened to economics in business schools? As a shaper of opinion in the private sector?
6. Economics in Think Tanks (Non-Governmental Research Organizations). These institutions are predominantly an American invention and have had as their major function to explain in relatively simple terms to specialized groups and the wider public complex social problems and alternative policies that may be pursued toward them. They have been funded heavily by charitable foundations, which are also a distinctive

American creation. How are think tanks making use of economics today? What styles of thought do they employ? How effective are they in making their points?

7. The Mass Media. The mass media are a complex amalgam of electronic and print devices through which profit-making corporations (for the most part) respond to public demand for understanding and entertainment. How do they use economics? Do they introduce systematic distortions? Which media do the “best” and “worst” jobs of using economics “responsibly”? What has been the evolution in the use of the social sciences by the media?

8. Economics in Special Interest Organizations. America is filled not only with think tanks that (in principle at least) begin their inquiries with an open mind, but also with special interest organizations that conduct research by beginning with conclusions and then looking for arguments to bolster them. The special interests can be professional (American Bar Association, American Medical Association), distributional (National Association of Manufacturers, AFL-CIO), ideological (Friends of the Earth, Ayn Rand Institute), religious (Catholic Bishops’ Conference), racial (NAACP), or of other kinds. Questions include, How do they use economics? Are some of the early styles of economic thought such as #s 2 and 3 (discussed in the first part of the course) especially visible here?

9. Economics in Other Disciplines. Economic approaches are increasingly embedded in a variety of other disciplines that have an impact widely throughout society, such as law, political science, engineering, sociology, and public health. In other cases economics is sometimes in severe tension with some disciplines: e.g., biological science, psychology, social anthropology, cultural studies. How does the symbiosis or tension with other disciplines affect the role of economics overall? How are the relationships changing over time?

10. Economic Thought in Popular Culture. Economic thought is widely present in films, radio and TV programs, novels, plays, poetry, short stories, advertising copy, elementary and secondary education, etc. Can patterns of use and impact be discerned in popular culture? Is our culture respectful of economics? What styles of economic thought predominate in our culture? Is the “modern core” as dominant in the culture as it is in the discipline? Does economics use culture as a vector of influence, or does the culture manipulate economics? Is there today moral indignation against economic thought analogous to what we saw in the nineteenth century (style 4)?

## **B. COURSE REQUIREMENTS**

This course has four major requirements: reading, research, writing, and class participation. Each of those is discussed in turn.

## **1. Reading**

This course requires a lot of reading; see part D, Course Readings, below. The readings help you contextualize the lectures and understand better the styles of economic thought and the intersection of economics and society that we will be exploring. You will write “reader response” essays on some of the readings; the other readings should be used to produce stronger theme essays.

## **2. Research**

One of your tasks will be to identify documents relevant to your theme to examine and analyze in light of the twelve styles of economic thought. The kinds of documents you will look for depend on the segment of society under review. To take two examples: For the first segment, the economics discipline today, you will need to identify three or four works from the professional economics literature; for the second segment, government, you will need to identify works (speeches, policy statements, transcripts of floor debates, government reports, etc.) by people in government (the president, governors, state and federal legislators, etc.) speaking or writing as representatives of the government (and not, say, as private citizens). Please note that this is not a class in which we will hand you a bibliography of works to examine. Instead, you are expected to compile a bibliography on your own.

## **3. Writing**

You will be required to write three “reader response” essays of 2–3 pages each on the styles of economic thought; seven “theme” essays of 4–5 pages each on the theme of your own choosing; and a final paper of 30–40 pages based on the theme essays (the theme essays will form the building blocks of your final paper). Thus, as you write your theme essays, you will be in effect writing a first draft of your final paper. Sources should be documented according to, and reference lists should conform to, the APA style. For details of the APA style, visit the library’s Web page “Citing Sources and Avoiding Plagiarism” at <http://library.duke.edu/research/citing/>.

### **A. Three Reader Responses Essays (15% of final grade)**

During the first part of the course, students will study twelve different “styles” of economic thought and analysis. The different styles reflect varied economic policy norms, policy tools, research programs, professional stances, media for policy communications, intended audiences, occupations of early commentators, favorite policy questions, and modern manifestations. Representative readings—historical as well as modern examples—will be assigned to illustrate these twelve styles. Students will submit on each of **January 21, 28, and February 4** a reader response essay (2–3 pages) on one of the styles discussed in that week’s assigned readings. The reader response essays are intended to make you familiar with the styles of economic thought. You will be expected to refer to those styles later in the course as you analyze the commentary on your theme

(your policy question). The response essay should NOT be simply a summary of the readings, nor a commentary on secondary source interpretations of the readings. Rather, a response essay should contain the following:

- **A Thesis:** a point or argument or claim of your own on some aspect of the reading (about the norm, the purpose of the inquiry, the audience to which it is addressed, the methods and tools of argumentation used, etc.)
- **Supporting evidence** for your thesis drawn from appropriate quotations from the primary sources (the prescribed readings), documented according to the APA style
- **A title** which captures the content of your thesis
- **A bibliography** (reference list) with full references to the assigned primary source(s). The reference list should conform to the APA style of documentation.

In addition to these specific requirements, essays will be evaluated based on the substance and persuasiveness of the arguments made and interpretations offered (their coherence, accuracy, sophistication and thoughtfulness) and the quality of the writing (organization, style, grammar, etc.) Electronic copies of the essays are not acceptable except in emergencies. Essays are due in class on the assigned day. Failure to submit essays on time will be reflected in your final grade.

Essays will be graded and returned with comments for revision. You will be permitted to revise all three (3) of your reader response essays. For more on revisions, see section E, below.

### **B. Theme Selection**

Each student must, by **January 28**, select a theme—expressed as a policy question—to be investigated over the rest of the semester. The policy question must be an issue on which economics, as well as other disciplines, has had something to say. Throughout the course of the semester, students will research how their themes have been addressed in different segments of society. Possible theme subjects are listed at the end of this syllabus. Themes may be selected in consultation with Professor Goodwin during meetings held during the first weeks of classes. On **January 28**, students must submit:

- **A statement** of the policy question you will investigate
- **A preliminary bibliography** of 3–4 works from the professional economics literature that address your subject. The bibliography should conform to the APA style and should include full references to articles published in scholarly economics journals such as *The Journal of Economic Literature* (JEL), *The Journal of Economic Perspectives*, (JEP), the *American Economic Review*, or other economics journals archived by J-STOR or indexed by *EconLit*. Students who are unfamiliar with these research tools should seek the advice of the instructor, the teaching assistant, or a reference librarian.

Over the course of the semester you will examine and critically analyze the debate and conversation about your theme with respect to the economic styles and the use of economics. Your assignment is *not* to argue for or against a policy, nor is it to determine which side is “right” or “wrong.” Rather, your task is to use the styles of economic thought to evaluate the quality and character of the debate about the policy and the uses of economics by the segments of society that have something to say about it. You will be

much like a detached critic of the debate, appraising economics in action, judging the players, and reflecting on the outcomes. For more on selecting a theme, see appendix 1 below.

### **C. Seven Theme Essays (35% of final grade)**

The next seven writing assignments, due **February 14, February 25, March 18, March 25, April 1, April 8, and April 15**, relate to your chosen theme and the use of styles of economic thinking in the discussion of this theme in different segments of society.

Theme essays (4–5 pages each) should include the following:

- **A thesis** relating your chosen theme to the use and styles of economic thinking in the discussion of this theme in the segment of society under investigation
- **Supporting evidence** drawn from your own research that will include at least one *primary* source (a document) that addresses your theme. Acceptable primary sources, depending on the segment, include articles, speeches, policy position papers, pieces from the popular media, works of fiction, etc. Your essay will be improved if supporting evidence is drawn from at least one of the assigned readings on the styles of economics identified in the first part of the course, and from one of the assigned readings from that week on the broader role of economics in this segment of society. All source material and content must be fully and accurately documented according to the APA style.
- **A bibliography** with at least *three* entries: a primary source (preferably more than one) addressing your theme in the segment of society under investigation; a primary source using the style of economic thought you have identified (from the earlier assigned readings); a secondary source on the general role of economics in this segment of society. The entries must conform to the APA style.
- **A title** that conveys the content of your thesis.

In addition to these specific requirements, theme essays will be evaluated based on the quality of the research (use of appropriate sources), the substance and persuasiveness of the arguments made and interpretations offered (their coherence, accuracy, sophistication and thoughtfulness) and the quality of the writing (organization, style, grammar, etc.)

Electronic copies are not acceptable except in emergencies. Theme essays are due in class on the assigned day. Failure to submit essays on time will be reflected in your final grade.

Essays will be returned with comments for revision (see section E on next page). You can revise only one (1) theme essay to seek a higher grade on that essay. However, in preparing your final paper, you will be expected to take into account comments on each of your theme essays.

### **D. Final Paper (20% of final grade)**

The seven theme essays will form the basis of your final paper. Students are expected to edit the papers for both style and content as suggested and respond to comments made on the first drafts. Final papers (30–40 pages) must include:

- **A thesis** that argues and analyzes the broad economic treatment of your theme—attending to the styles—in the wider society
- **Supporting evidence** based on your revised theme essays and documented using the APA style

- **A full and accurate bibliography** based on your revised theme essays that conforms to the APA style
- **A title** which conveys the content of your overall thesis.

In addition to these specific requirements, papers will be evaluated based on the quality of the research (use of appropriate sources), the substance and persuasiveness of the arguments made and interpretations offered (their coherence, accuracy, sophistication and thoughtfulness), and the quality of the writing (organization, style, grammar, etc.). Final papers are due in class on **April 27**. Electronic copies of final papers are not acceptable.

### **E. Revisions**

In an attempt to improve your grade, you may revise all three of the reader response essays and one of the theme essays. Revisions are due a week after the original essay was handed back to you. Revisions must be accompanied by a cover letter explaining the changes you have made and by a copy of the original version. Bear in mind that a revision does not necessarily result in an improved grade; revisions that fall short of the mark may not alter your grade at all.

### **4. Class Participation (30% of final grade)**

This is a class that you must attend and take part in consistently. Typically, lectures and class discussions will occur on Mondays and Wednesdays; class members will report on their reader response essays or theme essays on Fridays. During the Friday presentations, class members should reflect on, and communicate, their findings that illuminate the larger subjects under discussion.

Class participation will be assessed with the following principles in mind.

- Principle #1: If you don't attend class, you can't participate.
- Principle #2: If in class you do not speak up—ask questions, make comments—you are not participating.

Satisfactory class participation requires that you arrive in class by the starting time fully prepared for lectures or discussion. Attendance will be taken and unexplained class absences will be taken into account in the final grading. Any student may be expected to miss a class or two; to miss three or more will begin to affect your grade.

It is inconsiderate and disruptive to arrive late for class. In this class, arriving late constitutes half an absence.

## **C. COURSE CALENDAR**

Spring 2011

<u>Reading Segment</u>	<u>Date</u>	<u>Topic</u>
1	Jan. 12 W	Introduction

### **PART I: Styles of Economic Thought**

<u>Reading Segment</u>	<u>Date</u>	<u>Topic</u>
1	Jan. 14 F	Selecting a theme and style 1

--	Jan. 17 M	MLK Holiday: No class
1	Jan. 19 W	Styles 2 & 3
1	Jan. 21 F	Student presentations (reader response essay 1 due; styles 1-3)
1	Jan. 24 M	Styles 4 & 5
2	Jan. 26 W	Style 6
2	Jan. 28 F	Student presentations (reader response essay 2 due; styles 4-6); selection of theme due
3	Jan. 31 M	Styles 7, 8, & 9
3	Feb. 2 W	Styles 10, 11, & 12
--	Feb. 4 F	Student presentations (reader response essay 3 due; styles 7-12)

### **PART II: Uses of Economic Thought**

<u>Reading Segment</u>	<u>Date</u>	<u>Topic</u>
4	Feb. 7 M	Student themes: Their treatment in the modern professional literature
4	Feb. 9 W	Student themes (cont.)
4	Feb. 11 F	Student themes (cont.)
4	Feb. 14 M	First student theme essays are due (essay 4)
5	Feb. 16 W	Economics in government (history, institutions, and personal experiences)
5	Feb. 18 F	Economics in government (cont.)
5	Feb. 21 M	Economics in government (cont.)
5	Feb. 23 W	Economics in government (cont.)
--	Feb. 25 F	Student presentations—theme essay on government due (essay 5)
6	Feb 28 M	Economics in international organizations
7	March 2 W	Economics and public opinion
--	March 4 F	Student presentations—theme essay on government (cont.)

**March 4–13: SPRING BREAK**



<u>Reading Segment</u>	<u>Date</u>	<u>Topic</u>
8	March 14 M	Economics in the private sector
8	March 16 W	Economics in the private sector (cont.)
--	March 18 F	Student presentations—theme essay due on international organizations, public opinion, or the private sector (essay 6)
9	March 21 M	Economics in think tanks
9	March 23 W	Economics in think tanks (cont.)
--	March 25 F	Student presentations—theme essay on think tanks due (essay 7)
10	March 28 M	Economics in the mass media
10	March 30 W	Economics in the mass media (cont.)
--	April 1 F	Student presentations—theme essay due on mass media (essay 8)
11	April 4 M	Economics in special interest organizations
11	April 6 W	Economics in other disciplines
--	April 8 F	Student presentations—theme essay on special interests or other disciplines due (essay 9)
12	April 11 M	Economics in popular culture
12	April 13 W	Economics in popular culture (cont.)
NA	April 15 F	Student presentations—theme essay on popular culture due (essay 10)
NA	April 18 M	Final paper presentations
NA	April 20 W	Final paper presentations
NA	April 22 F	Final paper presentations
NA	April 25 M	Final paper presentations
NA	April 27 W	Conclusion

## **D. COURSE READINGS**

[Note: The name of a database (e.g., ProQuest, JSTOR) in parentheses after the item indicates that the item is available as an e-journal via the Perkins Web site.]

**January 12–21**

**Reading Segment 1**

**Introduction: Economics Today**

John Tiemstra, "Why Economists Disagree," Challenge, vol. 41, no. 3, May/June 1998, pp. 46-62 (ProQuest Direct)

George P. Schultz, "Economics in Action: Ideas, Institutions, Policies," American Economic Review, vol. 85, no. 2, pp. 1-8 (JSTOR)

### **Style 1: Philosophical/Theological Style of Economic Thought**

St. Thomas Aquinas, "On fraud committed in buying and selling" and "Of the sin of usury," Summa Theologica (e-reserves)

Pope John Paul II, Laborem Exercens, encyclical on human work, secs. 3-5, 10-11, 46, 48, 52-55, 59-63, 66-69, 72, 82, 89, 90-93, September 14, 1981

([http://www.newadvent.org/library/docs\\_jp02le.htm](http://www.newadvent.org/library/docs_jp02le.htm)) [Note: in the URL, it's jpzero-two-ell]

### **Style 2: Mercantilist Style of Economic Thought**

Thomas Mun, "England's Treasure by Forraign Trade" (McMaster Web site)\*

Josiah Child, "Brief Observations Concerning Trade and Interest of Money" (McMaster Web site)\*

Bill Gates, "Statement before the Joint Economic Committee," June 15, 1999

(<http://www.microsoft.com/presspass/exec/billg/speeches/1999/06-15jointecon.aspx>)

Bill Gates, "Compete, Don't Delete," The Economist, June 13, 1998, p. 19

(<http://www.microsoft.com/presspass/features/1998/bill-economist.msp>)

\*Go to the economics homepage of McMaster University

(<http://socserv.mcmaster.ca/econ/ugcm/3ll3/>) [that's 3 ell ell 3], click on link to McMaster Archive for the History of Economic Thought, and select author from list on right-hand side of page.

### **Style 3: Classical Political Economy Style of Economic Thought**

Adam Smith, Inquiry into the Nature and Causes of the Wealth of Nations, book 1, chapter 2 (e-reserves)

Milton Friedman and Rose Friedman, Free to Choose: A Personal Statement, chapter 2 (e-reserves)

## **January 24–28**

### **Reading Segment 2**

#### **Style 4: Moral Critical Style of Economic Thought**

William Gibson, Neuromancer, chapter 1, pp. 3-25 (e-reserves)

Charles Dickens, Hard Times, chapters 1-9 (e-reserves)

Tom Wolfe, The Bonfire of the Vanities, pp. 133-139 (e-reserves)

#### **Style 5: Marxian Style of Economic Thought**

Karl Marx and Friedrich Engels, "Bourgeois and Proletarians"

(<http://www.marxists.org/archive/marx/works/1848/communist-manifesto/ch01.htm>)

Michael D. Yates, Naming the System, chapter 6, "A Radical Economic Perspective" (e-reserves)

#### **Style 6: Historical Style of Economic Thought**

Friedrich List, National System of Political Economy, chapter 10 of book 1, “The Teachings of History” (McMaster Web site)  
 Alexander Keyssar, Out of Work: The First Century of Unemployment in Massachusetts, chapter 5, “From Place to Place” (e-reserves)

## **January 31-February 4**

### **Reading Segment 3**

#### **Style 7: Marginalist/Utilitarian Style of Economic Thought**

Jeremy Bentham, An Introduction to the Principles of Morals and Legislation, chapters 1-4 (<http://socserv.mcmaster.ca/econ/ugcm/3ll3/bentham/morals.pdf>)  
 Tyler Cowen, In Praise of Commercial Culture, pp. 15-43 (e-reserves)

#### **Style 8: Institutional Style of Economic Thought**

Thorstein Veblen, “The Instinct of Workmanship and the Irksomeness of Labor,” American Journal of Sociology, vol. 4, no. 2 (September 1898), pp. 187-201 (JSTOR)  
 Paul Krugman, “Enron Goes Overboard,” New York Times, August 17, 2001, p. A19 (available from ProQuest Direct)  
 Paul Krugman, “Laissez Not Fair,” New York Times, December 11, 2001, p. A27 (available from ProQuest Direct)  
 Paul Krugman, “A System Corrupted,” New York Times, January 18, 2002, p. A23 (available from ProQuest Direct)  
 Paul Krugman, “Citizen Conrad’s Friends,” New York Times, December 23, 2003 (e-reserves)

#### **Style 9: Social Democratic Style of Economic Thought**

Bernard Shaw, “Essays in Fabian Socialism,” pp. 263-295, from Major Critical Essays (e-reserves)  
 Hillary Rodham Clinton, It Takes a Village (and Other Lessons Children Teach Us), pp. 284-315 (e-reserves)

#### **Style 10: Managerial Style of Economic Thought**

Craufurd D. Goodwin, “Changing Ideas of Planning in the United States,” in National Economic Planning, pp 1-32. (e-reserves)  
 Ross Perot, United We Stand, chapters 1 and 3 (e-reserves)

#### **Style 11: Keynesian Style of Economic Thought**

John Maynard Keynes, General Theory of Employment, Interest, and Money, chapter 18 (e-reserves)  
 H. Gregory Mankiw et al, “Symposium on Keynesian Economics Today,” Journal of Economic Perspectives, vol. 7, no. 1, pp. 3-82 (JSTOR)  
 David Colander, “Retrospectives: The Lost Art of Economics,” Journal of Economic Perspectives, vol. 6, no. 3, pp. 191-198 (JSTOR)  
 Robert J. Gordon, “What Is New-Keynesian Economics?” Journal of Economic Literature, vol. 28, September 1990, pp. 1115-1171 (JSTOR)

Bennett T. McCallum, "Macroeconomics after Two Decades of Rational Expectations," Journal of Economic Education, summer 1994, pp. 219-234 (Business Source Premier)

CHOPE (Center for the History of Political Economy) Panel on Keynes. Talks by Craufurd Goodwin, E. Roy Weintraub, Bruce Caldwell, and Kevin Hoover. Available on YouTube. Enter "Keynes Bloomsbury Duke" in search field.

### **Style 12: The Modern Economics Discipline**

Andreu Mas-Colell, Michael D. Whinston, and Jerry R. Green, Microeconomic Theory, introductions to parts of textbook (e-reserves)

JEL (Journal of Economic Literature) classifications (Blackboard course site)

## **February 7-14**

### **Student Presentations**

## **February 16–25**

### **Reading Segment 4**

#### **Economics in Government: History and Institutions**

Robert H. Nelson, "The Economics Profession and the Making of Public Policy," Journal of Economic Literature, vol. 25, March 1987, pp. 49-91 (JSTOR)

Henry J. Aaron et al., "Symposium on Economists as Policy Advocates," Journal of Economic Perspectives, vol. 6, no. 3, pp. 59-77 (JSTOR)

Martin Feldstein, "How the CEA Advises Presidents," Challenge, November-December 1989, pp. 51-55 (ProQuest)

Martin Feldstein, "The Council of Economic Advisers and Economic Advising in the United States," Economic Journal, vol. 102, no. 414, pp. 1223-1234 (JSTOR)

Janet Norwood, "Data Quality and Public Policy," Journal of Economic Perspectives, vol. 4, no. 2, 3-12 (JSTOR)

## **February 28**

### **Reading Segment 5**

#### **International Organizations**

Joseph Stiglitz, "What I Learned at the World Economic Crisis: The Insider," The New Republic, April 17, 2000 (ProQuest Direct; title may appear as "The Insider")

Joseph Stiglitz, "Quis Custodiet Ipsos Custodes?" Challenge, vol. 42, no. 6, Nov./Dec. 1999 (ProQuest Direct)

## **March 2**

### **Reading Segment 6**

#### **Public Opinion**

Henry J. Aaron, "Public Policy, Values, and Consciousness," Journal of Economic Perspectives, vol. 8, no. 2, pp. 3-21 (JSTOR)

Alan Peacock, "The Credibility of Economic Advice to Government," Economic Journal, vol. 102, no. 414, pp. 1213-1222 (JSTOR)

Avinash Dixit, "Economists as Advisers to Politicians and to Society," Economics and Politics, vol. 9, no. 3, pp. 225-230 (Ingenta)

Isabel V. Sawhill, "The Economist vs. Madmen in Authority," Journal of Economic Perspectives, vol. 9, no. 3, pp. 3-13 (JSTOR)

## **March 14–18**

### **Reading Segment 7**

#### **Economics in the Private Sector**

Robert H. Frank, Thomas Gilovich, and Dennis T. Regan, "Does Studying Economics Inhibit Cooperation?" Journal of Economic Perspectives, vol. 7, no. 2, pp. 159-171 (JSTOR)

William B. Walstad, "The Effect of Economic Knowledge on Public Opinion of Economic Issues," Journal of Economic Education, vol. 28, no. 3, 1997 (Business Source Premier)

Robert J. Blendon et al., "Bridging the Gap between the Public's and Economists' Views of the Economy," Journal of Economic Perspectives, vol. 11, no. 3, pp. 105-118 (JSTOR)

Walter E. Hoadley, "Who Needs Business Economists?—The Future of the Profession," Business Economics, vol. 31, no. 1, Jan. 1996 (ProQuest Direct)

Dennis K. Hoover, "Business Economists: Not Just Forecasters," Business Economics, vol. 27, no. 3 (InfoTrac OneFile)

John J. Casson, "The Role of Business Economists in Business Planning" (e-reserves)

David Berson, "The Business Economist at Work: The Economics Department at Fannie Mae," Business Economics, vol. 30, no. 3, July 1995 (ProQuest Direct)

## **March 21–25**

### **Reading Segment 8**

#### **Economics in Think Tanks**

Craufurd D. Goodwin, "The Fifth Estate: Institutions for Extending Public Policy Debate in Emerging Democracies—Lessons from the American Experience," from Beyond Government (e-reserves)

## **March 28–April 1**

### **Reading Segment 9**

#### **Economics in the Mass Media**

Michael Weinstein, "Economists and the Media," Journal of Economic Perspectives, vol. 6, no. 3, pp. 73-77 (JSTOR)

Michael C. Jensen, "Toward a Theory of the Press" (e-reserves)

Paul W. Boltz, "Economists and the Media," Quarterly Review of Economics and Finance, vol. 36, annual (InfoTrac One File)

John R. Lott, Jr., and Kevin A. Hassett, "Is Newspaper Coverage of Economic Events Politically Biased?" (e-reserves)

## **April 4–8**

### **Reading Segment 10**

#### **Economics in Special Interest Organizations**

Diana Strassman, “How Economists Shape Their Tales (Special Report: Feminist Economics Comes of Age),” Challenge, vol. 39, no. 1 (ProQuest Direct)

### **Economics and Other Disciplines**

- Harold Demsetz, “The Primacy of Economics: An Explanation of the Comparative Success of Economics in the Social Sciences,” Economic Inquiry, vol. 35, no. 1, Jan. 1997 (ProQuest Direct)
- Steven Pressman and Verónica Montecinos, “Economics and Sociology: A Review Essay,” Journal of Economic Issues, vol. 30, no. 3, pp. 877-884, Sept. 1996 (ProQuest Direct)
- Robert H. Frank, “Melding Sociology and Economics: James Coleman’s Foundations of Social Theory,” Journal of Economic Literature, vol. 30, March 1992, pp. 147-170 (JSTOR)
- Charles H. Powers, “Bridging the Conceptual Gap between Economics and Sociology,” Journal of Socio-Economics, vol. 25, no. 2, pp. 225-243, summer 1996 (InfoTrac One File)
- Matthew Rabin, “Psychology and Economics,” Journal of Economic Literature, vol. 36, March 1998, pp. 11-46 (JSTOR)
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- Gary J. Miller, “The Impact of Economics on Contemporary Political Science,” Journal of Economic Literature, vol. 35, September 1997, pp. 1173-1204 (JSTOR)
- James N. Baron and Michael T. Hannan, “The Impact of Economics on Contemporary Sociology,” Journal of Economic Literature, vol. 32, September 1994, pp. 1111-1146 (JSTOR)
- Fred S. McChesney, “The Role of Economists in Modern Antitrust: An Overview and Summary,” Managerial and Decision Economics, vol. 17, no. 2, 1996, pp. 119-126 (JSTOR)

## **April 11–15**

### **Reading Segment 11**

#### **Economics in Popular Culture**

Michael Watts and Robert F. Smith, “Economics in Literature and Drama,” Journal of Economic Education, Summer 1989 (JSTOR)

### **Appendix 1: On Selecting and Developing a Theme**

Each student must, by January 28, select a theme—expressed as a policy question—to be investigated over the rest of the semester. The theme you select for attention will almost certainly be embedded in one of the applied sub-disciplines of today’s economics discipline and it will in most cases be addressed there as one, or a set, of public policy questions. Your challenge at the start is to select a theme (which may also be thought of as these questions taken together) that will serve you well over the course of the semester.

It should be narrow enough to give you reasonable focus and wide enough to receive attention across the range of institutions and perspectives in the different segments of our society that we will be examining over the coming weeks. Some of the themes you might select will turn out to be comprehended more broadly when discussed in some segments of society and more narrowly in others.

The list that follows is intended to suggest to you some of the many possible themes that you might pursue over the semester. Remember: the best themes for the purposes of this class involve debates about proposed or extant policies or measures about which economics has had something to say (for example, regulation of the mortgage market). It is not absolutely essential that you select a topic that is of exceptional interest to you, because your focus will be as much on the process as on the substance. But it is far better to find a subject that does interest you rather than one that does not, and to repeat, it is important to select a topic that has attracted enough attention across our society to guarantee that you will find sufficient material but is not so broad that you will be unable to give it desirable focus and specificity.

In undertaking your first task, the location of your theme in the professional literature of economics, three periodicals (available in Perkins library and on JSTOR, in part) may be especially helpful. They are (1) the Journal of Economic Literature (JEL), published by the American Economic Association (AEA) that specializes in survey articles and reviews of topics in the economics literature. It can be searched on-line through EconLit. (2) The Journal of Economic Perspectives (JEP), also published by the AEA has more lively interpretative pieces, often on policy themes. Articles in JEL and JEP may guide you to the relevant literature of economics. But don't stop there! Treat them as jumping-off points. (3) Challenge is a magazine directed at undergraduate students taking economics courses. It often has lively, provocative articles on policy themes; it is politically a little to the left of center.

Remember that this list of topical areas and questions is intended to be illustrative, not all-inclusive.

### I. Social Welfare Questions

1. Do we need to rescue social security? If so, how?
2. What can we do about poverty?

3. What should we do with health care to keep costs to a minimum and inclusion to a maximum? Is the new legislation the end of the story?
4. What should we do about addictive drugs and other “sin goods” such as alcohol, tobacco, and lottery tickets?
5. Are there economic ways to deal with crime?
6. How can we reform the welfare system?
7. What is the “good life”? Is it just the consumption of goods and services or is there something more? Is there an economic issue embedded in this question?

## II. Macroeconomic Questions

1. How can we reduce unemployment? Should we?
2. How can we improve economic stability?
3. What are the macroeconomic consequences of minimum wage legislation?
4. What is the future of fiscal policy? How about a VAT?
5. What is the future of monetary policy? Should the Federal Reserve be reformed?
6. How should we reduce the fiscal deficit and the national debt?
7. What do we know about the determinants of economic growth? Can we manipulate these variables?
8. What should we do about the looming financial crisis in the states and municipalities?

## III. Questions about The World Economy

1. What should we do about “globalization”?
2. Are multinational corporations a cause for concern?
3. What does international trade do to patterns of income distribution? Should this concern us?
4. Are there serious economic consequences to the international migration of people?
5. Does international trade damage the environment?
6. Do international sanctions work?
7. What’s been the results of NAFTA, the European Union, and other customs unions?
8. What does international assistance accomplish?
9. Should we do something about the enormous trade deficit?



#### IV. Questions involving Economic Sectors

##### *Education*

1. Should the financing of higher education be reformed?
2. How can we make America's schools better? Can accountability be achieved through the market?

##### *Agriculture*

1. What should we be doing for the farmer?
2. What causes famines? Should we intervene?

##### *Business Enterprise*

1. Should we care about mergers and acquisitions?
2. What is the economic significance of the Internet? Should it be treated as a public utility or be left alone?
3. Are monopolies still a problem?
4. How should we respond with reforms to corporate scandals such as the Enron and WorldCom crises of a few years ago?
5. Is executive compensation just and reasonable? Should it be controlled or regulated?
6. Should the financial sector be re-regulated?

#### V. Issues of Equity

1. Do the economy and the economics profession discriminate against women and minority groups? If so, what should be done?
2. Is our pattern of income distribution equitable? If not, should government intervene?
3. Should investors be compensated for financial losses due to corporate misbehavior?

#### VI. The Economics of Sports

1. Should communities subsidize professional teams?
2. Should professional sports be regulated?
3. Should student-athletes be paid?
4. Should professional athletics be exempted from anti-trust legislation?

5. Should government build stadiums?
6. Is NCAA regulation appropriate?
7. Is collegiate athletics too professionalized?

#### VII. Environmental Economic Issues

1. What are the economic costs and benefits of nuclear power? Should it be encouraged or prohibited?
2. Is economic growth destroying our environment? Should we take action? What action?
3. What should we do about air pollution?
4. What are the economic dimensions of global warming?
5. Should the developed countries take the lead in environmental protection?

#### VIII. Public Finance

1. Should we have a flat(er) tax?
2. Or comprehensive tax reform?
3. Should corporations get more tax breaks?
4. How should we pay for the Iraq and Afghanistan wars?

#### IX. Health

1. Are drug patents a good thing?
2. Should pharmaceutical prices be set by the market?
3. Does the solution to health care problems lie in more privatization and use of competitive markets? Or is government the answer? Should there be a “public option” for health insurance?
4. Should we have a single-payer health system like most other developed countries?

#### X. Labor Economics

1. Should states pass “right-to-work” laws?
2. Should the minimum wage be raised? Or eliminated?
3. Are trade unions desirable institutions? Should they be encouraged or discouraged by government?

4. Is it government's business to worry about the distribution of income between capital and labor?