

GETTYSBURG COLLEGE | DEPARTMENT OF ECONOMICS

ECON 249 A | HISTORY OF ECONOMIC THOUGHT AND ANALYSIS
Fall 2009 | TR 10:00-11:15 AM | Masters Hall 117

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Office Hours: T 4:00- 5:00, W 2:00-4:00 PM, or by appointment

THE OBJECTIVE OF THE COURSE

Economics as a discipline is not only constituted by cultural, political and economic forces but also in turn participate in constituting the society. In other words, what we call the economy is not only the *subject matter* of economic analysis but also its *product*. Nevertheless, there is no one way of *doing* economics and there is no one way of *making sense* of and *organizing* the economy. In order to be able to make sense of the differences that characterize the economy and the discipline of economics, we need to study and understand the *history* of economics, its emergence and formation as a distinct discipline, the transformations that the discipline has gone through, and the various theoretical struggles among the many schools of thought. The objective of the course is to study the history of economics as a dynamic and continually changing discipline in order to understand its present state.

PREREQUISITES

Econ 101 and one course from Econ 201 to 239.

REQUIRED TEXTBOOKS

E. K. Hunt, 2002. *History of Economic Thought: A Critical Perspective*. Updated Second Edition. Armonk, NY and London, UK: M.E. Sharpe. **(HET)**

Roger E. Backhouse, 2002. *The Ordinary Business of Life: A History of Economics from the Ancient World to the Twenty-First Century*. Princeton and Oxford: Princeton University Press. **(OBL)**

REQUIRED E-RESERVES

17 UNITS OF REQUIRED READINGS FOR CLASSROOM DISCUSSION ASSIGNED BELOW ARE ALL AVAILABLE AT THE **E-RESERVES** AND ACCESSIBLE THROUGH **ANGEL**. **(RESERVES)**

SUPPLEMENTARY READING: ORIGINAL TEXTS

Steven G. Medema and Warren J. Samuels, eds., 2003. *The History of Economic Thought: A Reader*. London and New York: Routledge. **(READER)**

REQUIREMENTS

Take-home Midterm exam	35 points	due Monday, Oct. 19, noon
Research paper abstract (250 words)	5 points	due Monday, Oct. 26, noon
Research paper	30 points	due Sunday, Dec. 17, noon
Response papers (4x5)	20 points	(see the OUTLINE for details)
Class room participation	10 points	

Response papers: Throughout the semester, you are required to submit 4 response papers. In general, a response paper must be submitted on the day of the class, before the class. Nevertheless, you can only submit them within a window (as specified in the **OUTLINE**). If you do not submit a response paper within the specified time-frame, you will not be able to make up for it at a later date. A response paper should be at least 3 pages and at most 5 pages long with a double spaced, 12 size font. I prefer that you bring a printed copy to the class. In this document you are expected to address and engage with (and not simply summarize) the readings that we will be discussing in class that day. No late submissions are accepted.

Note: PLEASE NO EMAIL SUBMISSIONS ARE ACCEPTED—UNLESS INDICATED EXPLICITLY! If you are away from the campus for some reason, it is your responsibility to arrange for having a hardcopy delivered to my mailbox. If you are going to be late, inform me ahead of time. All delays, except those due to extenuating circumstances, up to the first 24 hrs, will cost you 2 points. After 24 hrs, everyday will cost you 1 additional points.

Regular attendance, both physical and intellectual, is required. Attendance will be taken regularly. Each time you miss a class 1 point will be deducted from you participation points. If you fail to attend more than 6 times, you will risk failing the course.

And finally I will assume that you will uphold the **Gettysburg College Honor Code**. Practically speaking this will mean the following: While you are most welcome to work together in discussion groups, it is your responsibility to make sure that when you are preparing your take-home exams and term papers, you will **WORK ON YOUR OWN**. You can, of course, refer to your notes, textbooks, and additional readings (with accurate citation) in preparing your work.

COURSE OUTLINE

I. Introduction

II. Pre-classical discourses

a. The Ancient Greece: Aristotle

OBL: C1; READER: pp. 1-15

RESERVE: Kozel, Philip, 2006. "Aristotle's Discourse on Commodity Exchange." In *Market Sense: Toward a New Economics of Markets and Society*. New York and London: Routledge, pp. 17-30.

b. From Middle Ages to Mercantilism

OBL: C2 and C3; READER: pp. 16-30

c. The rise of the nation-state, the Enlightenment, and Physiocracy: Hobbes, Mandeville, Quesnay

OBL: C4 and C5; HET: C1; READER: pp. 95-102 and 119-130

III. Classical political economy

a. The origins of classical political economy: The Scottish Enlightenment and Adam Smith

OBL: C6, C7; HET: C3, C6 (pp. 126-135); READER: pp. 153-179

RESERVE: Sen, Amartya, 1987. "Economic Behaviour and Moral Sentiments." In *On Ethics and Economics*. Oxford and London: Blackwell, pp. 1-28.

- b. Labor theory of value: From Smith to Ricardo

HET: C3 (pp. 50-58), C5

- c. Understanding the market: Malthus vs. Ricardo and Say

HET: C4, C5, C6 (pp. 135-139); READER: pp. 193-208 and 235-312

- d. Late classical political economy: Subjectivists, Utilitarians, and Ricardian Socialists

OBL: C7; HET: C7, C8

RESERVE: Dimand, Robert W. 2004. "Classical political economy and orientalism: Nassau Senior's eastern tours." In *Postcolonialism Meets Economics*. Edited by Eiman O. Zein-Elabdin and S. Charusheela. London and New York: Routledge, pp. 73-90.

IV. **The Marxian critique**

- a. Marx's labor theory of value: The question of class exploitation

HET: C9; READER: pp. 369-408

RESERVE: Marx, Karl, 1848. "On the Question of Free Trade." In *The Poverty of Philosophy*. New York: International Publishers, 1963, pp. 207-224.

- b. The anatomy of capitalism.

HET: C13

RESERVE: Madra, Yahya M. and Fikret Adaman. "Marxisms and capitalisms: From logic of accumulation to articulation of class structures." In *Twentieth Century Marxism: A Global Introduction*, edited by Daryl Glaser and David M. Walker. London and New York: Routledge, 2007, pp. 212-229.

V. **Neoclassical economics and its discontents**

- a. The two origins of neoclassical economics: Jevons and Walras

OBL: C8; HET: C10

- b. Early neoclassical economics: Marshall and Clark

OBL: C9 (pp. 185-195); HET: C11; READER: pp. 409-552

- c. Neoclassical "psychologism" versus American institutional economics

OBL: C9 (pp. 195-207); HET: C12

RESERVE: Veblen, Thorstein, 1898. "Why is economics not an evolutionary science?" Reprinted in *Cambridge Journal of Economics*, Vol. 22, 1998, pp. 403-414.

- d. Neoclassical "socialism" versus Austrian subjectivist economics

OBL: C12; HET: C14

RESERVE: Caldwell, Bruce, 1997. "Hayek and Socialism." *Journal of Economic Literature* 35 (December): 1856-90.

- e. The Great Depression and the Keynesian challenge

OBL: C10; HET: C15

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

- f. The postwar resurrection and the crisis of neoclassical economics: Walrasian neoclassicism at the Cowles Commission versus the Marshallian neoclassicism at the University of Chicago

OBL: C9 (pp. 207-210), C11, C13; HET: 14

RESERVE: Mirowski, P., and Hands, D.W. "A Paradox of Budgets: The Postwar Stabilization of American Neoclassical Demand Theory." In M.S. Morgan and M. Rutherford (Eds.), *From Interwar Pluralism to Postwar Neoclassicism*. Durham and London: Duke University Press, 1998, pp. 260-292

RESERVE: Friedman, Milton, 1966. "The Methodology of Positive Economics." In *Essays in Positive Economics*. Chicago: University of Chicago Press, pp. 3-16, 30-43.

VI. **Late neoclassical economics**

- a. Late neoclassical economics: New institutional economics and new information economics

OBL:14

RESERVE: Coase, Ronald, 1937. "The Nature of the Firm." *Economica* 4, pp. 386-405.

RESERVE: Arrow, Kenneth, 1963. "Uncertainty and the Welfare Economics of Medical Care." *American Economic Review* 53, No. 5 (December), pp. 941-973.

- b. Late neoclassical economics: Game theory, experimental economics, evolutionary game theory, public choice theory.

RESERVE: Sugden, Robert, 1989. "Spontaneous Order." *Journal of Economic Perspectives* 3, No. 4 (Autumn), pp. 85-97.

RESERVE: Orchard, Lionel and Hugh Stretton, 1997. "Public Choice." *Cambridge Journal of Economics*, Vol. 21, pp. 409-430.

VII. **Whither Heterodoxy?**

- a. Institutionalism, Post Keynesianism, Radical political economics, Marxian economics, Political ecology

HET: C18, C19

RESERVE: Davidson, Paul, 1991. "Is Probability Theory Relevant for Uncertainty? A Post Keynesian Perspective." *Journal of Economic Perspectives*, Vol. 5, No. 1, pp. 129-143.

RESERVE: Martinez-Alier, Juan, 1995. "Political Ecology, Distributional Conflict, and Economic Incommensurability." *New Left Review* 1, 211, pp. 70-88.

RESERVE: Tsakalotos, Euclid, 2005. "*Homo economicus* and the reconstruction of political economy: six theses on the role of values in economics." *Cambridge Journal of Economics*, Vol. 29, pp. 893-908.