

Syllabus: ECON 313:

Uses of Economics – Analyzing Key Economic Debates through History

Instructor: Jason Brent

Meeting Times: MW (10:05 – 11:20)

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1. Overview of the Course

This is likely to be very different from any other course you have taken from the economics department. Primarily, this is a course in how to analyze economic arguments using concepts and models – mostly historic but occasionally contemporary – common in the economics field. Economics majors spend much of their time in advanced classes learning how to work with and solve modern models but rarely are they able to develop critical comparative views of the relative insights of specific models or arguments. Think of this course as a bridge between some of the modern technical economics you have learned in your other courses and your future ability to critically and practically answer thoughtful questions about economic issues in a range of future endeavors.

This course will consider four long-standing issues in the field of economics: **1) the nature and value of trade; 2) the relationships between price, utility, and value; 3) inequality in income and wealth and its consequences; 4) and the relationship between productivity, employment and wages.** We will critically analyze a range of models that have been used to explore and explain these issues since the beginning of economic thought. While a very small number of the ideas we explore will be historic relics, the vast majority of even the oldest ideas will still be actively in use – in either economic or political debates – on these issues of broad public interest.

2. Course Objectives

This course seeks to build an understanding of how economists conduct analysis and construct arguments, primarily using iconic examples from the past. Rather

than advocating for or against positions on political or moral grounds, students will be expected to develop the ability to assess economic models and claims on their own terms in order to assess their strengths, weaknesses, keenest areas of insight and most crucial blind spots.

Upon successful completion of this course, each student will:

1. Be able to read a document outlining an economic model and identify the key components of the model and the causal relationships it posits between those components.
2. Be able to compare and contrast different theories on a similar issue (trade, income distribution, etc.) to not only understand their differing conclusions but which specific elements of the theories drove their distinct analyses and outcomes.
3. Be able to apply this sophisticated level of analysis to contemporary public economic debates.
4. Be able to use both long- and short-form writing to express well-reasoned economic arguments clearly and concisely.
- 5. Be able to analyze economic models and concepts in order to understand, explain and critique them as analytic tools on their own assumptions as well as to be able to offer a critical assessment of the reasonableness of core assumptions.**

This is a course in economic reasoning. You will also acquire a knowledge of the history of the discipline of Economics, but – more crucially – through acquiring that knowledge you will build the critical faculties needed to dissect and fully examine a wide range of economic theories. The primary goal of this course is to develop students who will be able to analyze, explain and critique crucial economic arguments to a range of sophisticated popular audiences in government and politics, the business world, NGO's and throughout the media.

3. Attendance/Classroom Rules

This class is designed to be a collaborative exercise. Every student should come to class prepared to participate in the day's discussion. Unless you have a documented learning need for the use of a laptop, **the use of laptops, phones, or any other electronic device is prohibited during class.**

A) Disabilities

If any student requires assistance or appropriate academic accommodations for a disability, please contact me after class, by email, during office hours or by individual appointment. You must have established your eligibility for disability support services through the Division of Student Affairs, Disability Services.

(B) Grading

- 1. Reading Responses (10 Percent):** There will be a blog question posted by Friday of most weeks that will be due the following Monday at 9am. They will either deal with analysis of the previous or following week's readings. Grades will be awarded on the basis of 0 for no response, 2-3 for a late response (within one week) or one with obviously inadequate effort, and 4-5 for any reasonable effort. Blog posts will **not** be graded for correctness or accuracy. Students may drop one grade for the semester's blog responses.
- 2. First Paper (30 Percent):** Grades will be based on the two of the first three essays you choose to complete (see later description of workshopping). Late assignments (either first or revised submissions) will lose 5 points off the final grade for each 24-hour period they are late.

- 3. Final Paper (40 Percent):** Your final paper will be a 1500-2000-page paper on a single theme examined over several periods or schools of thought. A more detailed rubric will be provided as the semester progresses.

- 4. Contemporary Analyses (20 Percent)** In place of our standard reading response questions, four (4) times during the semester students will be given articles on contemporary economic issues to analyze using the tools we have developed. These will be graded on the caliber and specificity of their analysis.

(C) Regrade Requests

1. All regrade requests must be made within one calendar week (7 days) of the assignment being returned.
2. All regrade requests must be made at least 24 hours *after* the assignment has been returned. I want you to take time to think about the feedback rather than reflexively asking for a higher grade. The time to come and talk to me is *while you are working on the assignment* in order to get working feedback on your ideas.
3. In all cases, I reserve the right to regrade your entire assignment, so there is always a possibility that regrading will lower your grade.

(D) Attendance and Technology Policy

As stated below in section 8, 30% of your grade will be based on class participation. In order to participate, you must attend class. To that end, each student is allowed five (5) unexcused absences. For each absence beyond that, your class participation grade will be docked a full letter grade. This means that any student with nine or more unexcused absences will receive an F (0 grade points) for class participation and, despite any calculations to the contrary based on the other requirements of the course, a grade no higher than a B for the final grade.

Students are expected to arrive on time for class. Arriving late twice will constitute an absence; arriving late four times will constitute two absences; etc. If looking ahead you think that *for any reason* you will not be able to attend class regularly and on time, this is *not* a class for you.

All absences are considered unexcused except for medical emergencies (a physician's or counselor's note is required) and extracurricular commitments (e.g., sports competitions) that are cleared with me at the beginning of the course.

Students are not permitted to use computers, cellphones or any other electronic devices in the classroom without specific permission. The classroom should be a place of focused discussion and electronic distractions make such an environment impossible.

(4) Readings, and other Resources

4.1 Texts

This course has three required texts. The first is a general reference with a good narrative history and some biographical details (Spiegel), the second is the single most important work to the early development of economics (and arguably of all time – Smith's The Wealth of Nations), and the third is a collection of writings of the most famous critic of mainstream economics (Marx).

Blaug, Mark, Economic Theory in Retrospect (5th ed.), Cambridge: Cambridge University Press, 1997 **(Please feel free to ignore any of the math or diagrams.)**

Adam Smith, The Wealth of Nations. [1776] Chicago: University of Chicago Press, 1976. (This is my preferred edition and the one I have used for page

references for assigned readings. Feel free to use another edition if you wish.)

Robert Tucker, ed. The Marx-Engels Reader (2nd ed.). New York: Norton. 1978.

Thorstein Veblen, The Theory of the Leisure Class. [1899] Almost any paper or Kindle version would be fine but I would recommend the Oxford's Worlds Classics version.)

Optional:

William Strunk and E. B. White, The Elements of Style. 4th Ed. New York: Longman, 2000. (The definitive book on how to write with clarity and style.)

4.2 Other Readings and Original Sources

There are several web sites containing classic works in the history of economics. The most extensive is the McMaster University Archive located at

<http://socserv2.mcmaster.ca/econ/ugcm/3ll3/>. (Note: Last four characters are 3 ell ell 3.)

Other online resources are available from the History of Economics Society web page:

<http://www.eh.net/HE/>. *Please remember that not all on-line transcriptions are accurate and you should use original sources (which may be available online as pdf files) whenever possible.*

Many of the most important periodicals in economics (as well as in other disciplines) are now available electronically as e-journals; these are available through Perkins Library, which has subscriptions to them.

Perkins Library: Because faculty and students at Duke have for many years had a deep interest in the history of economics the Library has an excellent collection of materials related to the subject. You are urged to become acquainted with this treasure trove. In particular, you should consider using the Goldsmith-Kress Library of Economic Literature (printed books through 1800, on microfilm), which is available in Bostock. A printed user's guide tells you how to take advantage of this collection. The Rubenstein Special Collections Library in Perkins has built up a collection of prominent economists' manuscripts and other documents that could be used for your essays. A list of these papers is available at <http://library.duke.edu/specialcollections/collections/economists/>. It is a unique experience to use manuscript resources first-hand, and the Duke Library is the best place to do that in this field.

History of Political Economy (HOPE): This foremost journal in the history of economic thought is edited and published at Duke. A complete set is in the stacks of Perkins Library. All issues are also available online via HighWire Press; on the library's homepage, click "E-journals" then type "history of political economy" in the "e-journals locator" window. Vol. 15, No. 4, of *HOPE* contains author and subject indexes covering volumes 1-15 (1968-1983), and Vol. 30, No. 4, brings this index up through 1998. For students, subscriptions are available for \$35; this includes four regular issues plus a hardback supplement. Other important periodicals in the field include the *Journal of the History of Economic Thought*, the *European Journal of the History of Economic Thought*, the *History of Economics Review*, and the *History of Economic Ideas*. The Center for the history of Political Economy (CHOPE), located in 07 Social Sciences, is the foremost center for research in the history of economic thought. There are lectures, workshops, and other activities at the Center to which you are cordially invited, as well as frequent visitors with whom you might share interests. You may Google "CHOPE Duke" for the web site with updated information and valuable links.

For contemporary analysis, we won't be looking to modern economic journals, but instead I will provide a list of sophisticated journalistic sources (including, yes, some blogs!) that will be appropriate for you to use as sources. A part of the skill set that you should already have but that we will work to develop is the ability to sort well-reasoned and sourced analysis from simplistic or mere partisan or conspiratorial argumentation.

(5) Papers

Workshopping: At the beginning of the semester I will provide a detailed rubric for how you will collectively help to shape each other's written assignments over the course of the semester through a workshopping process I will help oversee. The exact nature of the process will depend – a least partially – on the final class size, but will be designed both to train you as critical readers of economic arguments, help you to sharpen key points of your own analysis and foster collaborative skills.

Your final grade will be determined primarily by the final version of your paper, but will also reflect your effectiveness in the workshop process. This will be explained in detail in the workshopping rubric along with formatting and descriptions of expectations for the final product. Rather than a conventional essay, you will be combining or contrasting historical economic theories with contemporary economic arguments or phenomena. The goal is to both develop a richer understanding of historical arguments and develop your ability to provide historical context for contemporary issues, while sharpening your ability to make sophisticated economic arguments.

In essence, this is broad training for how to make effective and accessible economic arguments in public environments, from firms, to government agencies and policy environments of all kinds.

5.1 First Paper. All students be responsible to submit a 1000-1250-word written assignment on one of the first two topics of the semester: the nature of value of trade; or perspectives on the relationships between price and value.

5.2 Final Paper. All students responsible for completing a second 1500-2000 -word written assignment on either the third or fourth topic of the semester: inequality in income and wealth; or the relationship between productivity, wages and employment

(6) Weekly Reading Responses

Each student will be required to post a blog response to a specific question on the course's website, based on the required reading for each week. Response are **due by nine am** each Monday for which the reading response is assigned. An effective blog response should be at least 2 to 3 paragraphs. Blog response grades are not primarily based on accuracy. Any response that is on time and makes a credible effort to answer will receive 4/5. Those with particular insight will receive 5/5 and late blogs will receive 2/5. Reading responses more than one week late will receive 0/5. **Blog Questions will be posted by 5 pm each Friday on my blog on the course website.**

(7) Course Outline, Readings and Assignment Deadlines

Listed are the readings arranged by section. The rate at which we proceed through the readings will vary depending on how rich a discussion we are able to develop. The pre-assigned readings will be supplemented as we proceed through the term with contemporary articles which will be posted on Sakai. The goal is to use some of the tools we develop in the readings to analyze contemporary public economic debates.

Wednesday January 10 Introduction

[J-STOR] D. N. McCloskey, "The Rhetoric of Economics," *JEL* 21.2 (June 1983).

[e-reserves] Jack Amariglio, "The Body, Economic Discourse, and Power," *HOPE* 20.4 (1988), pp. 583-613.

Monday January 15 MLK Day – NO CLASS

January 17 - February 12

1) The Nature and Value of Trade

Blaug, Chapter 1 (pp. 10-18)

[e-reserves] W. R. Allen, "Modern Defenders of Mercantilist Theory," *HOPE* 2.2 (1970), pp. 381-397.

[e-reserves] D. Hume, "On the Balance of Trade," in Monroe, *op. cit.*, pp. 323-338.

[e-reserves] F. Quesnay, "Tableau Economique," in Monroe, *op. cit.*, pp. 341-348.

Smith, The Wealth of Nations: Chapter 2 (pp. 474-80) are the first 7 pages of the chapter. In my version this ends with the discussion of whether it would be reasonable to pass laws protecting the Scottish wine industry if it were 30 times as expensive to produce wine in Scotland as to purchase it from other places.

Blaug, Chapter 4 (pp. 85-96)

[e-reserves] P. Krugman, "Increasing returns, monopolistic competition and international trade," *Journal of International Economics* (1979)

February 14 – March 5

2) Relationships Between Price, Utility and Value

Smith, The Wealth of Nations: Chapter 5 pp. (34-43, This is from the start of the chapter stopping after his discussion of the price of corn and labor and before the types of metal used to make coins.)

[McMaster] J. Bentham, An Introduction to the Principles of Morals and Legislation, Chapters 1-4

[e-reserves] W. S. Jevons, *Theory of Political Economy*, chapters 2-3

[McMaster] Marshall, Principles of Economics, Book III: Of Wants and Their Satisfaction.

[e-reserves] J. M. Keynes, *The General Theory of Employment, Interest, and Money*, chapter 12.

[e-reserves] F. A. Hayek, "The Use of Knowledge in Society"

Veblen, Theory of the Leisure Class, chapters 2-3.

Wednesday March 21

First Papers Due

March 7 – April 2

3) Inequality in Wealth, Income and its Consequences

Smith, The Wealth of Nations, Book I. Chapter 10 (Part 1)

[e-reserves] T. R. Malthus, "An Essay on the Principle of Population, @ in Black, *op. cit.*, pp. 77-90.

Blaug, Chapter 3 (pp. 65-78)

[e-reserves] D. Ricardo, "The Principles of Political Economy and Taxation," in Black, *op. cit.*, pp. 161-175.

Tucker. *The Marx-Engels Reader*: Introduction. xxiv-xxxviii. "Working Class Manchester" (pp.579-85)

Tucker. *The Marx-Engels Reader*: Engel's Speech at the Graveside of Marx (pp. 679-81). A Sample from *Das Kapital* (pp. 329-36; 361-67)

Tucker. *The Marx-Engel Reader*: The Communist Manifesto (pp. 473-91; 499-500)

[e-reserves] William D. Grampp, "Classical Economics and Its Moral Critics," *HOPE* 5.2 (1973), pp. 359-74

Veblen, Theory of the Leisure Class, chapter 4-5

April 4 – April 25

4) The Relationship Between Wages, Productivity and Employment

Smith, The Wealth of Nations, Books I. Chapters 1-4, 8.

Blaug, Chapter 4 (pp. 129-30 “Machinery”)

Blaug, Chapter 6 (pp. 172-186)

Tucker. *The Marx-Engel Reader*: Socialism: Utopian and Scientific (pp. 700-17 starting with Section III)

[e-reserves] J. M. Keynes, *The General Theory of Employment, Interest, and Money*, chapters 18 and 24.

[e-reserves] J. M. Keynes, *Essays in Persuasion*: “Am I a Liberal?” (1925) and “Economic Possibilities for Our Grandchildren” (1930)

Blaug, Chapter 12 (pp. 480-489, 500-509)

[e-reserves] J.M. Keynes, “Can Lloyd George Do It?”

Tuesday May 5

Final Papers Due