

ECON 311/ECON 511/HIST 307
THE HISTORY OF ECONOMIC THOUGHT
Professor Steven G. Medema
Spring 2020

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Office Hours: By appointment, but often available for drop-in visits.

Required Books:

Roger Backhouse, *The Ordinary Business of Life*. Princeton, NJ: Princeton University Press, 2002.

Steven G. Medema and Warren J. Samuels, *The History of Economic Thought: A Reader*, 2nd edition. London: Routledge, 2013.

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*. Indianapolis, IN: Liberty Fund, 1976.

Steven G. Medema, *The Economics Book.: From Xenophon to Cryptocurrency, 250 Milestones in the History of Economics*. New York: Sterling, 2019.

The Task at Hand:

This course involves a survey and analysis of the history of economic ideas from ancient times through the early twentieth century. The goal is both to come to an understanding of the path by which economic analysis has reached its present form and to examine how individuals of the past, writing under the influences of their particular places and times, grappled with questions related to the workings of the economic system. In the process, students will develop a sense for how economic “knowledge” is created, the forces that can influence the development of ideas, the tentative and provisional nature of knowledge, and how ideas evolve and come to be accepted or discarded through time.

The readings for the course will be drawn from both primary and secondary sources, with an emphasis on primary source readings. Students are encouraged to read the primary source readings before tackling the secondary source readings. This will better enable you to confront the writers of the past on their own terms rather than having your perception of their ideas filtered through a modern author.

Duke University is home to the Center for the History of Political Economy, the world’s leading Center for history of economics research, and the field’s preeminent scholarly journal, *History of Political Economy*, is published here, and the Center runs a very active seminar series and visiting fellows program. The David M. Rubenstein Rare Book and Manuscript Library houses the “Economists’ Papers Archive,” which contains the personal and professional papers of numerous prominent economists, and the Perkins Library contains a wealth of history of economics resources in its collection. In short, there is no better place to feed your interest in the history of economics.

Class Norms:

Students are expected to come to class having read and prepared to discuss the assigned materials for that day.

Email is the most effective way for me to communicate with you outside of the classroom, and it is your Duke University email address through which those communications will take place. Please check your Duke email daily to ensure that you are not missing any important communications. You should also check Sakai regularly for postings of any relevant material.

Our goal is to provide a welcoming, high-quality learning environment for all concerned. With this in mind, cell phones must be silenced and put away during class. If you use a laptop or tablet, your activity on it should be confined note-taking (i.e., no social media, web browsing, emailing, etc.), as this is a distraction both to you and to those around you.

Our time together will be most productive if there is plenty of discussion along the way. Speak up, and ask questions, even if doing so is difficult for you. These ‘public’ speaking skills are an important piece of the toolkit you’ll need for success down the road. Don’t be afraid that you might give the wrong answer or somehow say something that’s off the mark. We’ve all been there, and the point is to develop and utilize your critical thinking skills. It goes almost without saying that this only works well in an environment characterized by civil discourse and mutual respect; you would want that from your fellow students, and you should offer them the same.

Evaluation and Grading:

Undergraduates (Econ 311/Hist 307):

Your grade will be based on two exams, a journal that you will compile over the course of the semester, a “Modern Milestones” term paper, and class participation.

(i) Exams: The exams will consist of short-answer and essay questions bearing on the assigned readings and classroom discussions.

(ii) Journal Entries: Your (mostly) weekly journal entries ask you to respond to the readings assigned over the period relevant to the journal entry and the lectures and accompanying classroom discussions bearing on that material. For each journal entry, you will be asked to write up a 300-400 word (one single-spaced page) response to the following prompts: “What I learned” and “What I think about what I learned.” The journal entries will be graded on a 1-0 basis, where a score of 1 is awarded for a journal entry that both includes the relevant elements and demonstrates thoughtful engagement with the week’s readings and discussion. Failure to satisfy these criteria will result in a 0 for that journal entry. The purpose of the journal is to get you to think about the readings and classroom discussions and work on your writing skills. The grading is thus a function of effort put in (as reflected in your journal entries) rather than “right” or “wrong” responses. Your professor is the sole arbiter of what constitutes an acceptable (i.e., grade of “1”) journal entry. Your journal entries must be typed (single-spaced) and submitted through Sakai by the posted deadline. Late journal entries will not be accepted.

At semester’s end, you will be required to submit a compilation of your journal entries for further assessment. As such, you will want to *save each of your journal entries* so that you can merge the files for the end-of-semester compilation. The individual journal entry scores and the final journal entry score will be weighted equally in determining the “journal” portion of your final grade. Your completed journal for the semester is due via Sakai by 11:59 pm on Thursday, April 23.

(iii) “Modern Milestones” Paper: Pick a set of three related “milestones” in 20th-century economics from *The Economics Book* and analyze both their development and their connections to previous economic thinking (or lacunae therein). This paper allows you to explore a specific facet of the history

of modern economics in which you have a particular interest. The goal here is to pursue a narrow topic in depth; broad and a shallow survey will result in a very low grade. All paper topics/milestone groupings must be approved by me, and you must meet with me about your topic *before spring break*. Papers must be in the range of 2500 - 3000 words (that is, 10 double-spaced pages with normal margins), not including bibliography/references. Your “Modern Milestones” paper is due via Sakai by 11:59 pm on Saturday, April 25.

Graduate Students:

Your grade will be based on two “Long Writing Exercises” (LWEs), a journal that you will compile over the course of the semester, a “Modern Milestones” term paper, and class participation.

(i) LWEs: For each of the LWEs, you will be required to prepare an essay addressing a question from a list of one or more questions that I provide to you. You will have one week to produce the assigned essay. The essay must be not less than 1000 words and not more than 1200 words. Your grade on the essay will be a function of both substance and style.

(ii) Journal Entries: Your (mostly) weekly journal entries ask you to respond to the readings assigned over the period relevant to the journal entry and the lectures and accompanying classroom discussions bearing on that material. For each journal entry, you will be asked to write up a 300-400 word (one single-spaced page) response to the following prompts: “What I learned” and “What I think about what I learned.” The journal entries will be graded on a 1-0 basis, where a score of 1 is awarded for a journal entry that both includes the relevant elements and demonstrates thoughtful engagement with the week’s readings and discussion. Failure to satisfy these criteria will result in a 0 for that journal entry. The purpose of the journal is to get you to think about the readings and classroom discussions and work on your writing skills. The grading is thus a function of effort put in (as reflected in your journal entries) rather than “right” or “wrong” responses. Your professor is the sole arbiter of what constitutes an acceptable (i.e., grade of “1”) journal entry. Your journal entries must be typed (single-spaced) and submitted through Sakai by the posted deadline. Late journal entries will not be accepted.

At semester’s end, you will be required to submit a compilation of your journal entries for further assessment. As such, you will want to *save each of your journal entries* so that you can merge the files for the end-of-semester compilation. The individual journal entry scores and the final journal entry score will be weighted equally in determining the “journal” portion of your final grade. Your completed journal for the semester is due via Sakai by 11:59 pm on Thursday, April 23.

(iii) “Modern Milestones” Paper: Pick a set of three related “milestones” in 20th-century economics from *The Economics Book* and analyze both their development and their connections to previous economic thinking (or lacunae therein). This paper allows you to explore a specific facet of the history of modern economics in which you have a particular interest. The goal here is to pursue a narrow topic in depth; broad and a shallow survey will result in a very low grade. All paper topics/milestone groupings must be approved by me, and you must meet with me about your topic *before spring break*. Papers must be in the range of 3000 - 3600 words (that is, 12 - 15 double-spaced pages with normal margins), not including bibliography/references. Your term paper is due via Sakai by 11:59 pm on Saturday, April 25.

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

Grading:

Midterm exam:	20%
Final exam:	20%
Journal:	20%
Modern Milestones paper:	30%
Participation:	10%

Important Dates:

Midterm Exam/LWE #1 Due Date:	Thursday, February 27
“Modern Milestones” Paper Meeting Deadline:	Wednesday, March 4
Final Journal Due Date:	Thursday, April 23 by 11:59 pm
“Modern Milestones” Paper Due Date:	Saturday, April 25 by 11:59 pm
Final Exam/LWE #2 Due Date:	Wednesday, April 29, 2:00 pm

READING LIST**

In what follows, * indicates required reading. M&S refers to the Medema and Samuels *Reader*. Readings without a * are simply supplementary items that you may refer to if you would like additional information on the subject.

I. INTRODUCTION

*Backhouse, Prologue
Blaug, "Introduction" and pp. 703-704

II. PRE-CLASSICAL ECONOMICS

General Sources:

Barry Gordon, *Economic Analysis Before Adam Smith*
S. Todd Lowry, ed. *Pre-Classical Economic Thought*

A. The Greeks

*Aristotle, "Politics and Ethics," M&S, pp. 1-17
*Backhouse, Ch. 1
*Medema, *The Economics Book*, pp. 16-25
Gordon, *Economic Analysis Before Adam Smith*, Chs. 1-3
S. Todd Lowry, *The Archaeology of Economics Ideas: The Classical Greek Tradition* (Durham, NC: Duke University Press, 1987).
S. Todd Lowry, *Pre-Classical Economic Thought*, Ch. 2

B. Scholasticism

*Aquinas, *Summa Theologica*, M&S, pp. 18-34
*Backhouse, Ch. 2
**The Economics Book*, pp. 26-37, 40-45
Gordon, Chs. 6-9
Steven Worland, *Scholasticism and Welfare Economics*

C. Mercantilism

*Thomas Mun, *England's Treasure by Forraign Trade*, M&S, pp. 35-50
*Backhouse, Ch. 3
**The Economics Book*, pp. 38, 44, 48-50, 60, 66, 78
Mark Blaug, *Economic Theory in Retrospect*, Ch. 1, pp. 10-18
Jacob Viner, "Mercantilist Thought," in *International Encyclopedia of the Social Sciences*, edited by David L. Sills, Vol. 4 (New York: Macmillan and the Free Press, 1968), pp. 435-443. Reprinted in Viner, *Essays on the Intellectual History of Economics*, edited by Douglas A. Irwin (Princeton, Princeton University Press, 1991), pp. 262-276.
Lars Magnusson, *Mercantilism: The Shaping of an Economic Language* (London: Routledge, 1994).
Eli Heckscher, *Mercantilism* (London: Routledge, 1871).

D. Petty, Cantillon, and the Emergence of Scientific Economics

*William Petty, *A Treatise of Taxes and Contributions*, M&S, pp. 51-63

*Richard Cantillon, *Essai sur la Nature du Commerce en General*, M&S, pp. 86-105

*Backhouse, Chs. 4, 5

**The Economics Book*, pp. 46, 54-57, 80

T.W. Hutchison, *Before Adam Smith*, pp. 27-41 (on Petty); pp. 163-181 (on Cantillon, etc.)

Blaug, Ch. 1, pp. 18-24

E. The Physiocrats

*Francois Quesnay, *Tableau Economique*, M&S, pp. 106-113 (various editions of the Tableau are also presented in Meek, *The Economics of Physiocracy*)

*Backhouse, Ch. 5

*Medema, pp. 84-87, 90

Blaug, Ch. 1, pp. 24-31

Ronald L. Meek, *The Economics of Physiocracy: Essays and Translations* (London: George Allen & Unwin, 1962). Reprinted by Augustus M. Kelley, 1993.

Henry Higgs, *The Physiocrats* (1897). Reprinted by Augustus M. Kelley.

Hutchison, Ch. 16

III. THE CLASSICAL SCHOOL

General Sources:

*Backhouse, Chs. 6, 7

D.P. O'Brien, *The Classical Economists Revisited* (Princeton University Press, 2004).

Edwin Cannan, *A History of the Theories of Production and Distribution in English Political Economy from 1776 to 1848* (London: Rivington, Percival, 1894).

A. Adam Smith

*Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, pages TBA.

**The Economics Book*, pp. 64, 72, 94-103

Smith, *The Theory of Moral Sentiments*.

Blaug, Ch. 2

Samuel Hollander, *The Economics of Adam Smith*.

Hutchison, Ch. 20

Jerry Evensky, *Adam Smith's Wealth of Nations: A Reader's Guide*. New York: Cambridge, 2015).

Jacob Viner, "Adam Smith and Laissez-Faire," *Journal of Political Economy* 35 (April 1927), pp. 198-232. Reprinted in numerous places, including Viner, *Essays on the Intellectual History of Economics*, edited by Douglas A. Irwin (Princeton, Princeton University Press, 1991), pp. 85-113.

Ian Simpson Ross, *The Life of Adam Smith* (Oxford: Oxford University Press, 1995).

B. Thomas R. Malthus and the Population Question

*Malthus, *An Essay on the Principle of Population*, M&S, pp. 210-225

**The Economics Book*, pp. 106-109, 118

Blaug, Ch. 3, pp. 65-75

Donald Winch, *Malthus: A Very Short Introduction* (Oxford: Oxford University Press, 2013).

J.M. Keynes, "Robert Malthus: The First of the Cambridge Economists," in Keynes, *Essays In Biography* (1933).

C. The Nineteenth-Century Classical System

- *Ricardo, *Principles of Political Economy and Taxation*, M&S, pp. 265-301
- *J.-B. Say, *Treatise on Political Economy*, M&S, pp. 253-264
- *T.R. Malthus, *Principles of Political Economy*, M&S, pp. 302-323
- *James Mill *Elements of Political Economy*, M&S, pp. 324-329
- *Nassau Senior, *Outline of the Science of Political Economy*, M&S, pp. 330-347
- *John Stuart Mill, *Principles of Political Economy*, M&S, pp. 348-385
- **The Economics Book*, pp. 104, 110-117, 120-137, 142-149, 158-161, 166, 170
- Blaug, Chs. 3 (pp. 75-84), 4, 5, 6
- Hollander, *The Economics of David Ricardo*
- Hollander, *The Economics of John Stuart Mill* (2 vols.)
- J.S. Mill, *Essays on Some Unsettled Questions of Political Economy*
- J.S. Mill, *Autobiography*

D. Marx and the Attack on Classical Economics

- *Marx, "A Contribution to the Critique of Political Economy" and *Das Kapital*, M&S, pp. 387-428
- **The Economics Book*, pp. 156, 164, 172-177
- Blaug, Ch. 7
- Robert C. Tucker, ed. *The Marx-Engels Reader*, 2nd edn. (New York: Norton, 1978).
- Isaiah Berlin, *Karl Marx: His Life and Environment* (Oxford: Oxford University Press, 1963).
- Gareth Stedman Jones, *Karl Marx: Greatness and Illusion* (London: Allen Lane, 2016).

IV. THE MARGINAL REVOLUTION

General Sources:

- *Backhouse, Ch. 8
- T.W. Hutchison, *A Review of Economics Doctrines, 1870-1929* (Oxford: Oxford University Press, 1953).
- George J. Stigler, *Production and Distribution Theories* (New York: Macmillan, 1941).
- Philip Mirowski, *More Heat Than Light* (New York: Cambridge University Press, 1989).

A. Jevons, Menger, and Walras

- *W.S. Jevons, *Theory of Political Economy*, M&S, pp. 429-462
- *Carl Menger, *Principles of Economics*, M&S, pp. 463-482
- *Leon Walras, *Elements of Pure Economics*, M&S, pp. 483-499
- **The Economics Book*, pp. 138-141, 150, 154, 162, 168, 178-187, 190-195, 236
- J.M. Keynes, "William Stanley Jevons," in Keynes, *Essays in Biography*. (NOTE: Only the editions published in the 1950s and later contain this essay.)
- Blaug, Chs. 8, 13
- T.W. Hutchison, *A Review of Economic Doctrines, 1870-1929*, Chaps. 1, 2, 9, 13.
- G.J. Stigler, *Production and Distribution Theories*, Chapt. 2.

B. Alfred Marshall and the Professionalization of Economics

*Alfred Marshall, *Principles of Economics*, M&S, pp. 526-547

**The Economics Book*, pp. 204-207, 210-219, 238

J.M. Keynes, "Alfred Marshall, 1842-1924," in A.C. Pigou, ed., *Memorials of Alfred Marshall*, pp. 1-65.

Blaug, Chs. 9-10

Rita McWilliams Tullberg, ed., *Alfred Marshall in Retrospect*

T.W. Hutchison, *A Review of Economic Doctrines, 1870-1929*, Chapt. 4.

Peter Groenewegen, *A Soaring Eagle: Alfred Marshall, 1842-1924* (Aldershot, Edward Elgar Publishing, 1994).

** Note that the instructor reserves the right to alter the order in which these materials are covered and/or to alter the reading list and topics covered through either addition or subtraction.