

Syllabus: ECON 311/HIST 307

Fall 2019

A History of Economic Thought from the Scholastics to Keynes

Instructor: Jason Brent

Meeting Times: MWF (1:25-2:15, 124 Social Sciences)

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1. Overview of the Course

This course is a survey of major thinkers and schools of thought in economics from the Scholastics through John Maynard Keynes. It is not intended to offer exhaustive coverage or offer comparative analysis across the economic life and ideas of other cultures or regions. Rather it is intended to be a consideration of the development of and debates within economic thought that can most readily traced back from contemporary economics. This course involves a significant amount of reading and writing. You will read many of the most important works we cover in their original form. Some of the language or argumentation may be challenging to work through, so you should leave yourself enough time to make sense of the author's arguments. The course is coded W and R.

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 think about economics as a field as well as its concepts and models. In this course, there is one textbook (which is an excellent general resource) but the focus will be on original sources. There are no exams. Your principal assignments over the course of the semester are designed to develop your ability to interpret, write and speak about how economics has changed how it thinks about key issues over time.

2. Course Objectives

This course explores the history of economic thought from the Scholastics to the twentieth-century British economist John Maynard Keynes. It is about economic

ideas and the people who produced them. This is *not* a course in economic history or economic policy – although you will learn enough of each to make sense of the theories. Rather, the course deals with the content of economic writings such as Adam Smith’s *Wealth of Nations* and Karl Marx’s *Capital*.

Upon successful completion of this course, each student will:

1. Be able to identify the major ideas associated with each group or thinker covered in the course, and thereby better understand the roots of contemporary economic thinking.
2. Be able to place the ideas and theories studied within the context of the times in which they developed and in relation to other economic ideas.
3. Be able to identify theories that differ radically from mainstream modern theory, and thereby better understand how the theoretical basis of economics has been, and continues to be, contested.
4. Be able to use writing and speaking skills 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.**

At its core, this is a course in economic reasoning. You are certainly intended to acquire knowledge of the history of the discipline of Economics, but much more importantly it is the goal of this course to unlock your economic reasoning skills in ways that will be useful to your historical understanding as well as to your contemporary and future analysis.

3. Written Assignments

There will be two essay assignments for this course. The first is a short technical essay on Adam Smith, focused on an issue known as *Das Adam Smith Problem*. The topic for the second paper will be chosen in consultation with the professor.

4. Reading Response Blog

Each student will be required to post a blog response to a specific question based on the required reading for each class. Response are **due by noon** each Monday for which the reading response is assigned. An effective blog response should be at least 2 to 3 paragraphs. **Blog Questions will be posted by 5 pm each Friday on my blog on Sakai.**

5. 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 (15 Percent):** 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. Participation/Friday Discussion Leadership (10 Percent):** Each student is expected to regularly participate in the lectures on Mondays and Wednesdays. However, the majority of the participation grade will be based on Friday discussions, both as a leader and a participant.
- 3. Adam Smith Essay (20 Percent):** Grades will be based on the final accepted essays. Late assignments (either first or revised submissions) will lose 1 point off the final grade for each 24-hour period they are late.
- 4. Debate Assignment (15 Percent):** Grades will be assigned to judges on the quality of their outlines and analysis, and to debaters on the content of their oral arguments. A more detailed rubric will be provided prior to the first debate session.
- 5. Final Essay (40 Percent):** Your final paper will be a 12-15-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.

(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

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.

(6) Readings, and other Resources

6.1 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).

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.)

Henry Spiegel, The Growth of Economic Thought (3rd ed.), Durham, NC: Duke University Press, 1991. (Probably the best available survey of Economic thought over the period we cover)

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

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.)

6.2 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.

(7) Lectures and Friday Sessions

7.1 Lectures

Lectures will be given on Mondays and Wednesdays. Please arrive punctually for all class meetings. Unexplained absences are unacceptable and will be reflected in your final grade. Class members should expect to contribute at every Friday session. You are expected to have read the assigned readings (the boldface items in the list of the reading assignments; see below) and be prepared to discuss the material. The non-boldface readings will be of interest to those with a particular interest in the topic. In addition, they

7.2 Friday Sessions

Starting (hopefully) with the second week, Fridays will be reserved for class discussion. In addition to general participation in discussions, each class member will be expected to direct part of one of the Friday discussions once during the semester. A schedule for this will be established once the final roster is set and you have selected areas of focus for the semester.

(8) Debate Assignment

Toward the end of the semester, the students will participate in debates on several of the key disputes covered in the course, each student will be able to choose among a variety of topics covered in the class up until that time. While it is impossible to guarantee everyone's first choice, it has never been an issue to match students with issues they found engaging. Students will be allowed to complete the assignment as debaters or judges. Debaters will construct and deliver arguments in a short speech supporting one side of a particular issue. Judges will write up a summary of all remarks in a given debate and then produce a written judgement of which side's arguments were more convincing and why. Style will factor neither negatively or positively in debaters' evaluations.

(9) Writing Assignments

As discussed above, there are three distinct types of written assignments.

9.1. Reading Responses (one a week (roughly))

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.**

9.2 Adam Smith Paper

Your first paper will be a short (750-word maximum) paper on the writings of Adam Smith. In particular, you will be addressing what has come to be known as *Das Adam Smith Problem*, a fundamental conflict some writers claim exists between some of Smith's most prominent ideas. A more detailed rubric will be provided once we begin reading Smith, but students will be expected to read and critique each other's works, and the final grade will be a combination of the quality of the initial essay, the insightfulness (and usefulness) of the critiques and the strength of the revisions.

9.2 Final Paper

The major work-product for this course is the Final Paper. In order to ensure that students use their full semester to develop a thoughtful and sophisticated argument, rather than cramming together an essay at the last minute, we will meet both collectively and one-on-one during the semester to discuss your progress. I will also be available to read at least one draft along the way and I encourage you to exchange papers with your colleagues to get additional feedback.

The first crucial step will be to select a topic that is both engaging to you and is addressed in interesting and distinct ways over time by different schools of thought. It has been my experience that if you can find a good specific topic, we should almost always be able to find a way to find material that addresses it in a compelling manner. The first Friday discussion (the second Friday of the semester) will involve us brainstorming as a way of illustrating how to find an effective essay topic. Time permitting, as we move through the semester, there may be a Friday or two when students will be able to preview the arguments of their final papers for their colleagues.

The material covered by the course may be thought of as divided roughly into the following segments:

1. Pre-classical thought (roughly before 1760)
2. Classical economics (roughly 1760-1870)
3. Marginalist microeconomics (roughly 1870 to date)
4. Critiques of Orthodoxy: Marx, the American Institutionalists, and Keynes (roughly 1870-1970)

Each Final Paper should cover at least how three thinkers or schools of thought covering at least two distinct periods thought about and analyzed your theme. Your job is not to make a choice about which view is the most accurate, but to consider how the distinct ideas illustrate different aspects of a particular issue either universally or over time. As a simple example, what determines wages of “average” laborers vs. what distinguishes wages across professions or over

time has been changed dramatically by industrialization, the rise of mathematical modeling in economics, Marx's critiques, the American Institutionalists and many other factors.

After we have introduced the course and had a couple of discussions I will provide you with a detailed time line for how we are to proceed through the essay during the semester.

9.3 Possible Themes

To allow you to begin to mull some of the topics you'd eventually like to write on, here is a thorough but far from exhaustive list of themes you might want to consider.

i. Theoretical Themes

What was the distinctive theory employed to explain the following economic variables over the different periods? What aspects of your variable are the focus in each period and why? Some of these are relatively more narrow while others are very broad in scope, but all are capable of producing strong and complex analysis.

1. Wages
2. Profits
3. Rent
4. Interest rates
5. Price levels
6. Employment
7. Growth rates
8. Human welfare
9. Prices of consumer goods and services

10. International trade and foreign exchange
11. Human nature and economic behavior

ii. Institutional Themes

How were the following economic institutions illuminated by economists in the four periods?

1. The market
2. Workers, guilds and trade unions
3. Banks and lenders
4. Business firms
5. Colonies and empires
6. The state as economic actor
7. Property rights
8. The family

iii. Policy-Oriented Themes

How were policy debates on one of the following topics illuminated by economics during the four periods?

1. Environmental protection
2. Misuse of economic power
3. Alleviation of poverty (welfare)

4. Equality for women and other oppressed groups
5. The purpose and nature of Education
6. The objective of economic activity (security, salvation, consumer satisfaction, etc.)
7. Economic ethics.

7. Course Outline and Assignment Deadlines

Date Lecture Topic (Note: Friday discussions will usually be on material covered on Monday and Wednesday)

M Aug. 26	Introduction and some brief economic history
W Aug. 28	Thomas Aquinas, the Calvinists and some brief economic history
F Aug. 30	The Mercantilists and morality
M. Sep. 2	Precursors of Classical Economics: Hume and Quesnay
W. Sep. 4	Adam Smith I: Theory of Moral Sentiments and Intro
F. Sep. 6	Brainstorming on themes for major essays.
M. Sep. 9	Adam Smith II: The Foundation

W. Sep. 11	Adam Smith III: The System
F. Sep. 13	Discussion: Smith and Morality
M. Sep. 16	Adam Smith IV: Capital Accumulation and Policy
W. Sep. 18	Jeremy Bentham on Utility
F. Sep. 20	Smith and His Uses
M. Sep. 23	Utility and Models
W. Sep. 25	Thomas Malthus on Population and Effective Demand
F. Sep. 27	Discussion: Bentham and Malthus
M. Sep. 30	David Ricardo
W. Oct. 2	Ricardo, Utopian Socialists
F. Oct. 4	Discussion: Ricardo and Economic Models
M. Oct. 7	Fall Break: No Class

W. Oct. 9	Karl Marx: Manchester and Das Kapital
F. Oct. 11	Discussion: Karl Marx and Economic Models
M. Oct. 14	Marx II: The Mechanisms of Kapital
W. Oct. 16	Marx III: Crisis Theory
F. Oct. 18	Discussion: Assessing Karl Marx and Normative Economics
M. Oct. 21	Marx IV: The Communist Manifesto
W. Oct. 23	Marginal Revolution
F. Oct. 25	Discussion: Marginal economics
M. Oct. 28	Marginal Revolution II
W. Oct. 30	Carl Menger
F. Nov. 1	Discussion of progress on major papers.
M. Nov. 4	Alfred Marshall

W. Nov. 6	Marshall and Pigou
F. Nov. 8	Discussion: Supply and Demand, Pigovian Taxation
M. Nov. 11	John Maynard Keynes
W. Nov. 13	Keynes II
F. Nov. 15	Discussion: Keynes and Theory
M. Nov. 18	Keynes III
W. Nov. 20	F.A. Hayek
F. Nov. 22	Discussion: Critiques of Technical Economics
M. Nov. 25	Thorstein Veblen and the Institutionalists
W. Nov. 27	Thanksgiving Break: No Classes
F. Nov. 29	Thanksgiving Break: No Clases
M. Dec. 2	Student Debates

W. Dec. 4	Student Debates
F. Dec. 6	Student Debates Continue and Concluding Remarks
F. Dec. 14	Final Papers Due

9. Reading Assignments

The reading list that follows gives references for each of the subjects to be covered during the lectures. Boldfaced items are required for Friday class discussions and represent works to be discussed in your reading reports; the others will prepare you for the lectures or point you in the direction of further readings for your theme essays.

Introduction

H. Spiegel, Introduction

[e-reserves] C. Goodwin, "Some Notes on the Philosophy of Science and the History of Economics," pp. 1-13.

[e-reserves] M. Blaug, "Kuhn versus Lakatos or Paradigms versus Research Programmes in the History of Economics," *HOPE* 7.4 (1975), pp. 399-433.

[e-reserves] C. Goodwin, "Toward a Theory of the History of Economics," *HOPE* 12.4 (1980), pp. 610-619.

[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.

Scholastics

Spiegel, chapters 3

[e-reserves] St. Thomas Aquinas, "Summa Theologica," in Monroe, *ibid.*, pp. 53-77.

Mercantilists

Spiegel, chapters 5

[e-reserves] T. Mun, "England's Treasure by Forraign Trade," in Monroe, *op.cit.*, pp. 171-197.

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

[e-reserves] A. W. Coats, "The Interpretation of Mercantilist Economics," *HOPE* 5.2 (1973), pp. 485-495.

Assessing the Mercantilists and Economics and Morality

Spiegel, chap. 8 pp. 171-183

[e-reserves] B. Mandeville, "The Fable of the Bees," in S. E. Patterson (ed.), Readings in the History of Economic Thought, McGraw-Hill, New York, 1930, pp. 2-18.

Precursors of Classical Economics: Hume and Quesnay

Spiegel, chap. 8 pp. 183-200

[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.

Adam Smith

Spiegel, chapters 10-11

[e-reserves] Smith, The Theory of Moral Sentiments, Part I, Section I.

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

[e-reserves] R. E. Prasch, "The Ethics of Growth in Adam Smith's Wealth of Nations," @ *HOPE* 23.2 (1991), pp. 337-351.

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.). All of Chapters 6&7; Chapter 8,(pp. 72-82, From the start of the chapter through the discussion of what

happens to wages in a declining country, stopping before the specific discussion of wages in England); Chapter 9, pp. (98-99, the first two pages, stopping after the relationship between rates of return to stock and interest rates, 109-110, the last two pages, starting with the relationship between the ratio of interest to profit and the rate of profit); Chapter 11 (pp. 161-3, The first 3 pages up until the beginning of PART I & 269-78, The last 10 pages before the charts, starting with *Effects of the Progress of Manufacture upon the real Price of Manufactures*).

Adam Smith

Smith, Wealth of Nations: Book II, Chapters 1, 3 (pp.351-65), 4. Book IV, Chapter 1 (pp. 450-456), Chapter 2 (pp. 474-80).

For those of you working from other editions:

BOOK II

Chapter 3 (pp. 351-65) are the first 15 pages of the chapter. In my version that stops with his discussion of how much the production of England has improved since the restoration of Charles II, yet observing the wave of pamphlets that have been written describing the decline of England.

BOOK IV

Chapter 1 (pp. 450-456) are the first 7 pages of the chapter. In my version this ends with the discussion of why gold and silver are more effectively self-regulating according to differences in effective demand than any other commodity.

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.

Jeremy Bentham on Utility

[McMaster] An Introduction to the Principles of Morals and Legislation,

Chapters 1-4

Malthus on Population and Effective Demand

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

Bentham and Malthus

Spiegel, chapters 12-13

David Ricardo

Spiegel, chapter 14

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

Ricardo, Utopian Socialists

Spiegel, Chapter 11

Ricardo and Economic Models

**[e-reserves] F. Fetter, "The Rise and Decline of Ricardian Economics,"
HOPE 1.1 (1969), pp. 67-84.**

Karl Marx

Spiegel, chapter 20

**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)

[e-reserves] K. Marx, Various Quotations from Marx, mimeo, pp. 1-6.

Karl Marx

Spiegel, chapter 21

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

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

[e-reserves] M. Bronfenbrenner, "The Vicissitudes of Marxian Economics," *HOPE* 2.2 (1970), pp. 205- 224.

Marginal Revolution

Spiegel, chapters 22, 24

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

[e-reserves] T. W. Hutchison, "The 'Marginal Revolution' and the Decline and Fall of English Classical Political Economy," *HOPE* 4.2 (1972), pp. 442-468.

[e-reserves] M. Blaug, "Was there a Marginal Revolution?" *HOPE* 4.2 (1972), pp. 269-280.

[e-reserves] D. Winch, "Marginalism and the Boundaries of Economic Science," *HOPE* 4.2 (1972), pp. 325-343.

Menger and Austrian Economics

Spiegel, chapter 23

[e-reserves] A. M. Endres, "Menger, Wieser, Böhm-Bawerk, and the Analysis of Economizing Behavior," *HOPE* 23.2 (1991), pp. 279-300.

[e-reserves] K. I. Vaughn, "The Mengerian Roots of the Austrian Revival," *HOPE* 22 (1991) annual supplement, pp. 379-407.

Marshall and Pigou

Spiegel, chapter 25

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

John Maynard Keynes

[e-reserves] M. Blaug, "Second Thoughts on the Keynesian Revolution," *HOPE* 23.2 (1991), pp. 171-192.

[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)

Keynes and F. A Hayek

[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”

Thorstein Veblen and American Institutionalism

Spiegel, chapter 27

[McMaster] Veblen, Theory of the Leisure Class, chapters 2-4.

[e-reserves] J. Biddle, "Purpose and Evolution in Commons's Institutionalism," *HOPE* 22.1 (1990), pp. 19-47.

[e-reserves] Galbraith, The New Industrial State, chapters 6-8.