



JONES COLLEGE OF BUSINESS

Course Syllabus

ECON 6660/7660 – History of Economic Thought

Professor: E. Anthon Eff

Class: BAS S337 • Wednesday 6:00pm – 9:00pm • Jan 22 – Mar 4

Office and Hours: BAS N308 • MW 2:30-4:00 (or by appointment)

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Course Description and Objectives:

History of Economic Thought is a seminar course, examining the development of economic thought from the time of Aristotle to the present. The goal of the course is to learn something about how and why economic thought has changed, in order to gain insight into the ways in which economic thought is currently evolving. In order to understand how and why economic thought changes, one must understand something about the sociology of science and about the context in which the thinkers of the past lived.

A seminar format is typical for graduate courses in history, literature, or philosophy. A successful seminar is one in which the instructor never lectures, but merely participates in a semester-long discussion with the students. The seminar format puts a burden on students to find materials, to come to each class well-prepared, to listen to each other, and to speak concisely.

Prerequisites:

Everyone is welcome here. Nevertheless, students who do best in this course feel comfortable speaking in English, and have some prior knowledge of European History. The course assumes the student knows economics at least at the principles level.

Grade:

We will read two books and discuss topics in class. There will also be a final exam and a term paper.

The grade consists of four elements: term paper (40%), final exam (20%), presentation handouts (20%), and peer evaluation (20%). Requirements are the same for 6660 students and 7660 students. Nevertheless, expectations are higher for 7660 students, and grades will be scaled separately for the two groups of students.

The two required books: The books can be most cheaply purchased online.

1. Muller, J. Z. (2007). *The Mind and the Market: Capitalism in Western Thought*. Knopf Doubleday Publishing Group. ISBN: 9780307428998
2. Spiegel, H. W. (1991). *The Growth of Economic Thought, 3rd ed.* (3rd edition.). Durham: Duke University Press. ISBN: 9780822309734

Discussion topics: The topics for each week (given on page 5-6) will be divided up, so that one person works on two topics and leads the discussion for those topics. The discussion leader should prepare a handout for each topic (between one and three pages) and make copies for each class member. Presentations will typically last about 10 minutes. All class members are expected to participate in discussion of each presentation. If you read the assigned pages in the two books, you should have little trouble participating in each discussion.

The class discussions will be graded in two ways. First, I will assign a grade for each handout. Second, the peer evaluation will serve as the grade for performance during class discussion. For details on the peer evaluation methodology, please refer to my [published paper](http://www.economics-finance.org/jefe/econ/Effpaper.pdf) (<http://www.economics-finance.org/jefe/econ/Effpaper.pdf>). The evaluation form will look like the example on page 7.

Further hints on presentations: Most presentations will be about an individual thinker, and could include the following:

- Relevant historical background—only the facts that appear relevant for the topic.
- Biographical information: Birth date; death date; family's status, religion, and occupation; main places of residence; occupation.
- Main works and ideas.
- Intended audience for works and ideas (Parliament? The reading public? Academics? etc.).
- Situation in intellectual network: teachers (if any), students (if any), intellectual adversaries (if any), acquaintance with other thinkers, works of other thinkers that had an important influence, patrons (if any).
- Circumstances (both personal and society-wide) influencing works and ideas.
- Sources used to find the above (including page numbers). Sources would ideally include at least one journal article. (*please beware of plagiarism*)

Much of this information can be found in the required books. Two library resources might be especially useful:

- Rutherford, Donald (editor). 2004. *Biographical Dictionary of British Economists*. Bristol, UK: Thoemmes Continuum. [found in Reference section, 330.092 B52]
- Durlauf, Steven N. and Lawrence E. Blume (editors). 2008. *The New Palgrave Dictionary of Economics*. 2nd ed. Basingstoke, Hampshire: Palgrave Macmillan. [found in Reference section, 330.03 N42d]

There are some excellent websites. Original texts for many of the most important thinkers can be found at McMaster University (<http://socserv.mcmaster.ca/econ/ugcm/3113/>)—it would be a good idea to try to glance over a sample of these writings, just to get a flavor of the original text. Project Gutenberg (<http://www.gutenberg.org/>) also has many economics e-texts. Many of the earliest published economics tracts in English can be found in a database available through our library: *Early English Books Online* (<http://eebo.chadwyck.com/home>).

The best way to locate articles is via Google Scholar (<http://scholar.google.com/>). Good results can also be found using JSTOR (<http://www.jstor.org/action/showAdvancedSearch>).

I have a favorable opinion of Wikipedia, but no presentation should rely exclusively on material found there.

The handouts for class presentations must be written in your own words; you must take extreme care to avoid [plagiarism](#) and to cite correctly all sources.

The final exam: The final exam (March 4) will be short, consisting of about thirty short answer questions. The material comes from the two books and from class discussions. Below are ten sample questions. These might not be used this semester, and are given just to give you a sense of the kinds of questions I might ask. For most of these, an answer of one or two words would suffice; for a few, one might need as many as three sentences. Each answer will be worth one point.

- 1) During what decade did Adam Smith write *Wealth of Nations*?
- 2) Name two economists associated with the English East India Company.
- 3) Name one economist credited with *founding* the Neoclassical School.
- 4) Of what nationality were Adam Smith and David Hume?
- 5) Of what nationality were Carl Menger and Joseph Schumpeter?
- 6) Of what nationality were John Bates Clark and Irving Fischer?
- 7) Of what nationality were Knut Wicksell and Gunnar Myrdal?
- 8) Was Thomas Mun influenced by Adam Smith? Why or why not?
- 9) Which economist developed general equilibrium theory?
- 10) Which economist is often credited with starting economics down the path of abstract, deductive science?

The term paper: You must get my approval for your term paper topic, by the third class session (February 5). You should aim at 15-20 pages for the length of your paper, double-spaced, 11-point scalable font (e.g. Times New Roman). Every idea that is not 100% your own should be referenced within parentheses like this: (Veblen 1898: 23-24). Most papers average about two references per paragraph. The bibliography should list every source mentioned in the text. You will be asked to present your paper to your classmates during the final week of the class (March 4). An electronic version of the paper must also be turned in.¹

I recommend, given the limited time in an accelerated term, that you work on a paper discussing a book or set of shorter texts written by a single thinker. The paper should commence by summarizing the important points from the book, and the discussion should be *emic*, i.e., it should sympathetically show how the various arguments made by the author fit together. The paper should conclude with an *etic* perspective, in which you try to explain the particular views of the author by invoking the intellectual, social, and technological currents of the time. This *etic* perspective should be based, in large part, on documented sources. Following are some texts, freely available online (click on the link), that might be interesting. Of course, you are free to select others, or to do something entirely different, but please remember that I must approve your topic.

1) Immigration

- a. [Races and Immigrants in America by John R. Commons](#) (1907) J.R. Commons was the second most important Institutional Economist. He wrote this book when immigration was at a height and had become the subject of heated public debate.
- b. [The Old World in the New by Edward Alsworth Ross](#) (1914) A friend of Commons, Ross is remembered today as a sociologist, though, like Commons, he was a student of the economist Richard T. Ely.

2) Economic development

- a. [The National System of Political Economy by Friedrich List](#) (1841) List is considered a forerunner of the German Historical School; many of his ideas seem to be drawn from years spent in the United States. The book contains interesting vignettes of the development of some European economies.

¹ Friendly warning: If you don't know what [plagiarism](#) is, please check the link on the course website or discuss it with me. Paraphrasing an article or website—even if you provide the correct citation—is plagiarism. The grade for a plagiarized paper is '0.'

- b. [The Negro in the South by W. E. B. Du Bois and Booker T. Washington](#) (1907) Du Bois and Washington famously disagreed on the best method to increase the prosperity of African-Americans.
- 3) Institutional economics
 - a. [Theory of the Leisure Class by Thorstein Veblen](#) (1899) The book that made Veblen famous, and a fun book to read (for me, anyway). Institutional economists make up a part of what is today called “heterodox” economics.
 - b. [The Place of Science in Modern Civilisation, and Other Essays by Thorstein Veblen](#) (1919) A collection of essays.
 - 4) Demography
 - a. [An Essay on the Principle of Population by T. R. Malthus](#) (1798) A very readable book, and still influential.
 - 5) Early statements of analytical economics
 - a. [Essay on the Nature of Trade in General by Richard Cantillon](#) (ca. 1730) The Neoclassical economist William Stanley Jevons considered this book “the cradle of political economy”.
 - b. [Essays Moral, Political, Literary by David Hume](#) (1770) About ten of these essays are relevant to economics, and could be read for this class. The 20th century economist W.W. Rostow has said that “all of economics is in Hume.”
 - 6) Classical economics
 - a. [An Inquiry into the Nature and Causes of the Wealth of Nations by Adam Smith](#) (1776) A very important book, but very long and therefore challenging to read in just a few weeks. One might read just part of it—there are five “Books”, and reading Books 1 and 2 would be sufficient.
 - 7) Historical school
 - a. [Lombard Street: A Description of the Money Market by Walter Bagehot](#) (1873) A practical and insightful discussion of the London financial markets, still read by bankers today.
 - 8) Socialism
 - a. [Progress and Poverty by Henry George](#) (1879) Remarkably, this book inspired both libertarians and socialists. “Georgists” remain a significant force in heterodox economics today.
 - b. Fabian socialism (these two are short and could be read together)
 - i. [The Impossibilities of Anarchism by Bernard Shaw](#) (1895)
 - ii. [Revolutionist's Handbook and Pocket Companion by Bernard Shaw](#) (1903)
 - c. [The Conquest of Bread by Pyotr Alexeyevich Kropotkin](#) (1913)
 - d. [What is Property? by Pierre-Joseph Proudhon](#) (1840)
 - 9) John Stuart Mill
 - a. [The Subjection of Women](#) (1869) Greatly influenced by his wife, Harriet Taylor, Mill was an earnest proponent of sexual equality.
 - b. [On Liberty](#) (1859) Milton Friedman placed this book in his top ten list of favorite books. Many other libertarians hate it.

Mission of the Jones College of Business:

- Set our students' foundation for life-long learning through high quality learning experiences resulting from quality teaching, classroom interactions, student professional organizations, service learning, and interactions with faculty outside the classroom.
- Further the scope and dissemination of the body of business knowledge through scholarly research that advances our disciplines, enhances teaching/learning, and improves outcomes of for-profit, not-for-profit, and governmental organizations.
- Contribute to the economic development of the region through our outreach programs.

We will produce career-ready undergraduate students, MBA, MA, MS, and PhD graduates prepared for career challenges and advancements, significant applied research, and consulting consistent with the expertise of our disciplines.

Reasonable Accommodations for Students with Disabilities:

Middle Tennessee State University is committed to campus access in accordance with Title II of the Americans with Disabilities Act and Section 504 of the Vocational Rehabilitation Act of 1973. Any student interested in reasonable accommodations can consult the [Disability & Access Center \(DAC\) website](#) and/or contact the DAC for assistance at 615-898-2783 or dacemail@mtsu.edu

Schedule:

We will have seven class meetings this semester. The first six class meetings will be in seminar format, where students arrive prepared to discuss the material, and the instructor may have very little to say. The last class meeting will be devoted to the final exam, paper presentations, and peer evaluation. The following outline presents the reading assignments and topics covered in each of the first six meetings.

1. Methodology of the History of Economics, Greek through Medieval Economics. 22-Jan-2020

Eff: [Introduction to History of Thought](#)

Finer: [Finer on the Sumerian state as oikos](#).

Eff: [Notes on Ancient, Medieval, and Mercantilist Periods](#)

Spiegel: xiv-xxviii; Chapter 1-3

Muller: Chapter 1

Hesiod and Xenophon

The Bible, New Testament vs. Old

Aristotle

Scholastics (Thomas Aquinas) on Usury and Just Price

Islamic Economic Thought

Reformation: Luther & Calvin

2. Mercantilists and Pre-Classicals. 29-Jan-2020

Spiegel: Chapters 4-9; Muller: Chapter 2

Mercantilists: Josiah Child, Dudley North, Jean Baptiste Colbert, Thomas Mun, William Petty, Charles Davenant, James Steuart

Pre-Classicals: Physiocrats (Francois Quesnay, Anne Robert Jacques Turgot), John Law, Richard Cantillon, David Hume

3. Classical Political Economy. 5-Feb-2020

Spiegel: Chapters 10-18; Muller: Chapter 3-5, 9

Smith: Adam Smith, Francis Hutcheson, Bernard Mandeville

Classical Political Economy: Thomas Malthus, James Mill, David Ricardo, Jeremy Bentham, John Stuart Mill

Historical School reaction: Edmund Burke, T. E. Cliffe Leslie, Walter Bagehot, Friedrich List, Gustav von Schmoller, Werner Sombart, Max Weber

4. Neoclassical Economics. 12-Feb-2020

Spiegel: Chapters 22-25

English: William Stanley Jevons, Francis Ysidro Edgeworth, Alfred Marshall, Philip Wicksteed

Lausanne: Leon Walras, Vilfredo Pareto

Austrian: Carl Menger, Friedrich Wieser, Eugen von Bohm-Bawerk, Ludwig von Mises

Other: John Bates Clark, Irving Fisher, Knut Wicksell

5. Socialists, Anarchists, Institutionalists. 19-Feb-2020

Spiegel: Chapters 19-21, 27; Muller: Chapter 7-8

Marx and Marxists: Karl Marx, Rosa Luxemburg, Vladimir Lenin

Anarchists: William Godwin, Charles Fourier, Pierre-Joseph Proudhon, Peter Kropotkin, Michael Bakunin, Emma Goldman

Anglosphere Socialists: Robert Owen, William Morris, Charles Kingsley, Henry George, the Fabians

Institutionalists: Thorstein Veblen, John R. Commons, Wesley Claire Mitchell

6. 20th Century Economics. 26-Feb-2020

Spiegel: Chapters 26-29; Muller: Chapter 10-13

Gunnar Myrdal, John Maynard Keynes, Amartya Sen, Joseph Schumpeter, Friedrich A. von Hayek, Paul Samuelson, John von Neumann, Milton Friedman, Ronald Coase, Gary Becker, James Buchanan

7. Final exam, paper presentations and peer evaluation. 4-Mar-2020

The peer evaluation, filled out at the end of the last class (March 4), will look like this.

Your name: _____ Please rank yourself and your fellow students. Ranks run from 1 to 16: 1 would be the appropriate rank for the student that *helped you learn the most* in this class; 16 would be appropriate for the student whose presentations, assistance as group member, or discussion were *least* helpful. **No ties are allowed.** Please also put a letter grade next to the rank (pluses and minuses allowed). For details on the methodology, please refer to <http://www.economics-finance.org/jefe/econ/Effpaper.pdf>.

Name	Rank	Letter Grade	Comments
Hector Guel			
Brandon Felder			
Richelle Pettigrew			
Glen Forest			
Bryant Crane			
Refugia Mendoza			
Chanda Barrick			
Sadie Torres			
Jennifer Gonzalez			
Randall Bedunah			
Francisco Cole			
Wendy Alwine			
Fabian Barnett			
Chastidy Edwards			
Kamran Tran			
Maria Esquivel			