

History of Economic Thought
ECON 3380 (CRN 18874)
Fall 2019
TR 9:00-10:20 AM (August 26-December 5)
Business Administration, Room 326

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Course Description: History of Economic Thought (3-0) A study of the development of principal economic doctrines and schools of economic thought. Restricted to majors: ACCT, BSAD, CIS, ECON, FIN, MGMT, and MKT. Prerequisites: ECON 2303, ECON 2304 and junior standing.

Required Text: Kurz, Heinz D. 2013. *Economic Thought: A Brief History*. Columbia University Press. ISBN: 9780231172592

Other Readings listed below will be provided on Blackboard or are available on the Internet.

Course Objectives: For students to gain an appreciation for the complexity in developing economic thought across time and be able to identify the major schools of thought in modern times. The students will demonstrate this knowledge by critically analyzing a school of thought in a term paper and verbally presenting to students in an in-class presentation.

Teaching Method: Studying the history of economic thought is an exciting yet daunting task. For someone new to the field or completely outside of it, most of the names will be completely unrecognizable. In addition, many of the concepts for an undergraduate student are far from mastered and delving deeply into a criticism of these concepts will be challenging. There is way too much to read for a fifteen-week course. Therefore, I will provide a list of readings for your own benefit, but will limit required reading to what is manageable. Even the required reading I will expect that you will not be able to read in the entirety but that you will be able to read enough to get the main ideas in order to begin comparing and contrasting the ideas of these great thinkers. There will be two exams. We will discuss hundreds of individuals. However, I will try and give you guidance on a limited number of names that you should be familiar with and the different concepts that you should cover

There is no way we can discuss everything in class and I have no intention of trying. I hope to be able to direct discussions in class using the Socratic method. Some with a better understanding of the reading will be able to direct the class; those of you with a weaker understanding might have ideas of your own or ideas obtained in readings or other classes that might stimulate discussion.

It this method is new and intimidating to you, let me put you at ease. It is new and intimidating to me as well. Let's see how it goes. I may revert back to more of a lecture style if my method does not seem to be effective or if the preparation and participation class members is insufficient. Although I do have an outline of material to be covered in this class, I have intentionally withheld dates in which said material will be covered. This will be to allow flexibility in the class to move as slowly or quickly as conversations dictate.

Finally, I am providing the opportunity as discussed below for each student to study a topic. Students will have the opportunity of teaching the rest of the class about these concepts and write a term paper. Class presentations will be evaluated by fellow classmates and by me.

Grades: The class grade will be determined by the following components:

Two Exams	50%
Class Lecture (Presentation).....	20%
Term Paper.....	20%
Participation.....	10%

Exam Dates:

Exam 1	Tuesday, October 1
Exam 2	Tuesday, November 5

Course Outline:

The topics to be discussed in this class and the assigned readings are listed below. For the most part, the course will follow the text. However, to truly get a good understanding of the perspectives of economic thinkers, additional reading will be necessary as well. Many of these readings should be readily available in digital form on the Internet. Those that are not will be provided on Blackboard. (*=Required)

Readings:

Section I: Early Economic Thought

*Kurz (Introduction, Ch. 1)

1. The Greek Philosophers:

*Plato, *The Republic*, Part II, ch. 1-2, Part IV, ch. 2; Part V, ch. 1-3; Part VI, ch 2.

*Aristotle, *Politics*, Book I, Part VIII-IX; Book II, Part IV-V.

2. The Scholastics:

*Aquinas, T. 1265-1274. *Summa Theologiae*. Part II of Part II, questions 77-78.
Augustine. *On Free Will*, 16.

4. Mercantilism:

Mun, T. 1664. *England's Treasure By Forraign Trade or The Ballance of our Forraign Trade is the Rule of our Treasure*. Chs. 2-4.

5. Other Important Philosophers

Hobbes, T. 1651. *Leviathan*. Part I, ch. 12.

*Locke, J. 1689. *The Second Treatise on Civil Government*. Ch. 5.

William Petty. 1662. *A Treatise of Taxes and Contributions*. Chs. 4-5.

Section II: Classical Economics

*Kurz (Ch. 2)

1. Physiocrats

2. The Scottish Enlightenment

Hume, D.

*Smith, A. *The Theory of Moral Sentiments*, Part III, Section I, ch. 3.

*Smith A. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Book I, ch. 1-3; Book IV, ch. 2.

3. Thomas Malthus

4. David Ricardo

4. John Stuart Mill,

Mill, J.S. *Principles of Political Economy*. Book II, ch. 11, Book III, ch. 4.

Mill, J.S. *Essays on Some Unsettled Questions on Political Economy*. Essay I-III.

5. Say's Law

*Say, J.B. 1803. *A Treatise on Political Economy*. Book I, Ch. XV

Baumol, W. 1977. "Say's (at least) Eight Laws or What Say and James Mill May Really Have Meant." *Economica*, 44(174):145-161.

Section III: Marx and the Socialists

*Kurz (ch. 3)

*Marx, K. 1867. *Das Kapital*. Volume I, Part I, Ch. 1-2. Part III, Chapter 7-10. Volume III, Part III, ch. 13-15.

Smith, A. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Book I, ch. 6.

Ricardo, D. 1815. *An Essay on the Influence of the price of Corn on the Profits of Stock*.

Stigler, G. 1958. "Ricardo and the 93% Labor Theory of Value." *American Economic Review* 48(3): 357-67.

Criticisms of Marx:

Leroy Beaulieu, P. 1885. *Collectivism*.

Bohm-Bawerk, E.V. 1896. *Karl Marx and the Close of His System*.

Mises, L. 2008. *Marxism Unmasked: From Delusion to Destruction*.

Schumpeter, J. 1942. *Capitalism Socialism and Democracy*. Harper Torchbooks: New York. Part I, ch. III.

Section IV: The Rise of Marginalism

*Kurz (ch. 4)

*Jevons, S. 1871. *Theory of Political Economy*. Chs. 1-3.

*Menger, Carl. 1871[1976]. *Principles of Economics*. Ludwig von Mises Institute. Chs.1-3.

Walras, L. 1877. *Elements of Pure Economics*.

Pareto, V. 1906. *Manual of Political Economy*.

Section V: Marshall and the Theory of Partial Equilibrium

*Kurz, Chapter 5.

*Marshall, Book III (Chapters III-IV), Book V (Chapter V-XI).

Section VI: Utilitarianism, Welfare Theory, and Systems Debate

*Kurz (Ch. 6)

*Hayek, F.A. 1945. The Use of Knowledge in Society. *American Economic Review* 35(4), 519-530.

Mises, L. 1920 [1990]. The Economic Calculation in the Socialist Commonwealth. Mises Institute.

Section VII: Imperfect Competition

*Kurz (Ch. 7)

*Sraffa, P. 1926. "The Laws of Returns Under Competitive Conditions." *Economic Journal* 36: 535-50.

Hotelling, Harold. 1929. "Stability in Competition." *Economic Journal* 39:41-57.

Chamberlin, Edward. 1933. *The Theory of Monopolistic Competition*. 6th ed. Cambridge, MA: Harvard University Press, 1948.

Robinson, J. 1933. *The Economics of Imperfect Competition*. 2d ed. London: Macmillan, 1969.

*Coase, R. 1937. The Nature of the Firm. *Economica*. 4(16): 386-405.

Nash, J. 1951. Non-cooperative Games. *The Annals of Mathematics*. 54(2): 286-95.

Section VIII: Schumpeter and the Principle of Creative Destruction

*Kurz (Ch. 8)

*Schumpeter, J. 1942. *Capitalism Socialism and Democracy*. Harper Torchbooks: New York. Par II, ch. VI and VII

Section IX: Keynes and the Principle of Effective Demand

*Kurz (Ch. 9)

*Keynes, J.M. 1936. *The General Theory of Employment, Interest, and Money*. Book 1, Chs. 1-3, 8-10, 12-14.

Section X: Reactions to Keynes

*Kurz (Ch. 10)

Hicks, J. 1936. Mr. Keynes and the 'Classics': A Suggested Interpretation. *Econometrica* 5(2): 147-59.

Modigliani, F. 1944. Liquidity Preferences and the Theory of Interest and Money. *Econometrica* 12(1): 45-88.

Phillips, A.W. 1958. "The Relationship Between Unemployment and the Rate of Change of Money Wages in the United Kingdom 1861-1957." *Economica* 25(100): 283-99.

- *Friedman, Milton. 1956. "The Quantity Theory of Money -- A Restatement." In *Studies in the Quantity Theory of Money*, edited by Milton Friedman, 3-21. Chicago: University of Chicago Press.
- Lucas, R., and Sargent, T. 1979. "After Keynesian Macroeconomics." *Federal Reserve Bank of Minneapolis Quarterly Review*, 3(2): 1-16.
- Hayek, F.A. 1944. *The Road to Serfdom*.

Section XI: General Equilibrium Theory and Welfare Theory

- *Kurz (Ch. 11)
- Samuelson, P.A. 1954. "The Pure Theory of Public Expenditure," *Review of Economics and Statistics*, 36 (4): 387-387.
- Samuelson, P.A. 1955. "Diagrammatic Exposition of a Theory of Public Expenditure," *Review of Economics and Statistics*, 37(4): 350-356.
- Arrow, K. (1953). *Social Choice and Individual Values* (2nd Edition). New Haven: Yale University Press.
- Sen, A. 1970. *Collective Choice and Social Welfare*. San Francisco: Holden-Day.
- Rawls, J. 1971. *A Theory of Justice*.

Section XIII: Modern Economic Fields and Schools of Thought

Kurz (Ch. 12)

Term Paper Dates:

Each of you will be required to write a term paper on a modern school of economic thought or topic listed below. The list you can choose from is listed below:

Modern Schools of Thought:

- A. Neoclassical (Jevons, Menger, and Walras)**
- B. New Classical Economics (Lucas, Muth, Prescott, Kydland, Sargent, Barro)**
- C. New Keynesian (Akerlof, Stiglitz, Gordon, Mankiw)**
- D. New Neoclassical Synthesis (Mankiw)**
- E. Post Keynesian (Robinson, Kalecki, Kaldor, Weintraub)**
- F. Market Monetarism (Sumner, Beckworth, and Rowe)**
- G. Modern Monetary Theory (Mosler, Wray)**
- H. New Institutional Economics (Demsetz, Alchian, Coase, North, Ostrom, Acemoglu)**
- I. Transaction Cost Economics (Coase, Williamson, Hart)**
- J. Austrian (Bastiat, Menger, Mises, Hayek, Hazlitt, Rothbard, Bohm-Bawark)**
- K. Public Choice (Buchanan, Tullock, Ostrom, Olson)**
- L. Social Choice (Condorcet, Arrow, Sen)**
- M. Supply-Side Economics (Mundell, Laffer)**
- N. Neo Marxism (Michal Kalecki, Sweezy, and Baron)**
- O. The Chicago School of Economics (Friedman, Stigler, Becker, Schultz, Peltzman)**

- P. Evolutionary Economics (Schumpeter, Nelson, Winter, Galor, Moav)**
- Q. Constitutional Economics (Buchanan, Tullock)**
- R. Navarroism (Navarro)**

None of these subjects (schools of thought) will be assigned to more than one student although depending on interest, some of these may be subdivided as necessary. In the first few days of class, I will ask students to turn in their preferences and will do my best to assign students a topic that most interests them.

The due dates for the paper are listed below:

Annotated bibliography	Tuesday, October 8
Introduction with thesis:	Tuesday, October 22
Rough Draft:	Tuesday, October 19
Final Draft:	Thursday, December 5

You will be required to bring your own bluebooks for the exams. The exams will consist of multiple choice questions. **I will only arrange for make-up exams for university excused absences cleared with me PRIOR to the exam. At my discretion, I may allow makeups in other cases, but these makeups will be provided during finals week.**

Presentation

Each student will be expected to give a 20-minute lecture (presentation) on the topic assigned for his or her term paper. The dates of these presentations will be on November 7, 12, 14, 19, 21, 26, and December 3 and 5.

Participation

In recent years I have used class response systems such as iClicker or Top Hat for participation. This semester I will not be doing that. I will not be taking attendance, but I will be keeping notes on each student with regard to his/her participation in class. This does not mean that students have to speak in every class to get full participation credit, but failure to participate in any discussions throughout the semester and/or consistent disruptive behavior throughout the semester will result in a low participation grade. In addition, the evaluations for the presentations turned in by students will count towards the participation grade.

Grading Scale

A	[90-100+
B	[80-90)
C	[70-80)
D	[60-70)
F	<60

Appeals

Students will have the right to appeal a grade within two weeks of receiving feedback on a given assignment/exam. Any appeal beyond two weeks will be ignored regardless of any negligence on the part of the instructor.

Laptop Policy: I will allow laptops and other devices as long as these do not distract from others in the class. I reserve the right to request that these be put away.

Communication: During the semester it will be important for me to inform you of announcements or important changes to the course. You should regularly check your email. If you do not use your UTEP account, you should have it forwarded to the account that you do use on a regular basis. Please properly include ECON 3310 in the subject line if you want me to read and/or respond to your message.

Note: Incompletes will not be given for poor performance in this class. Also, note that it is the student's responsibility to ensure proper registration for the course. Failure to do so will result in no grade. If you feel like you are unable to complete the coursework due to a personal hardship, please come see me ***before*** the final exam and we can discuss this possibility. However, after the final exam, I will not issue an incomplete regardless of the reason.

Attendance: Attendance is required. Students that attend class are likely to do better than those who do not. If students miss a class, they are responsible for all material covered in class.

Student Conduct: Students should participate in class discussions and ask questions if they arise. Students are expected to arrive to class on time, remain in class until the class is dismissed, and to refrain from private conversations and outside reading materials during class.

Getting Help: Please feel free to visit me during my office hours to ask questions or discuss the course material in more detail. If you are unable to come during these times or you really feel like you need to visit me, send me an email, give me a call, or just stop by. ***If you are struggling, please do not wait until it is too late to get help!!!!*** Also, if at any time you have a suggestion as to how the class could be improved, please feel free to discuss this with me. Such feedback would be appreciated by me and possibly other members of the class.

That said, I will not attend to any emails, visits, or phone calls begging for grade changes. Nothing short of legitimate appeals with regard to grading will be honored. I will give a maximum of a week to contest the results of an exam after which the grade will stand.

Academic Integrity: The University of Texas at El Paso prides itself on its standards of academic excellence, UTEP faculty and students must strive to achieve excellence based on the quality of work produced by the individual. In the classroom and in other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of scholastic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that the members of this

academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards. Violators will be reported to the dean of students.

Students with disabilities: If you are or think you might be a person with a documented learning disability and anticipate needing any type of accommodation in order to participate in this class, please register with the Center for Accommodations and Support Services in Room 106 of the East Union Building. The phone number is (915) 747-5148.