Course Syllabus:
History of Economic Thought
UVM EC 195/Fall 2009/RM L403 Lafayette

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Required Texts:*

* Adam's Fallacy (Paperback edition), Duncan Foley
* The Worldly Philosophers (Revised 7th edition), Robert Heilbroner
* New Ideas from Dead Economists (2nd revised edition), Todd Buchholtz

Recommended Text:**

** History of Economic Thought: A Critical Perspective (Updated 2nd edition), E. K. Hunt

* Required texts have been ordered by UVM's bookstore and should be available by start of classes. New and used editions, meanwhile, are available through a number of online book vendors, such as Amazon.com and CampusBooks.com. There will be assigned readings that will be placed on reserve which will supplement reading assignments from the required texts. Most of the readings placed on reserve will be available online (see learning methodology section below for more on online resources).

** Recommended text will be placed on reserve.

Course Objectives:

One of the most important objectives of this course is to provide students with an understanding of how and why new economic ideas and theories emerge historically. To achieve this goal of understanding the development of economic thought, we will need to keep one eye on the watershed events and social transformations that preoccupied each of the great economic thinkers. Specifically, we want to ask: How did historical events influence development of new thinking about society and economics.
A second objective and emphasis in this course relates to a central question in economic thought – what is value? What is this thing called value? It is not an easy question to answer and we will spend a great deal of the semester exploring how such a seemingly simple question could become so contentious amongst economists. We will explore the “evolution” of views on value beginning with pre-classical thought, continuing through the classical economists, and ending with neo-classical thinkers. Theories of value have significant implications politically, a dimension that will be fully explored.

A third learning focus will be on the question of distribution – who gets what and why from the economic pie? Here it is important to pay attention to why some social classes get bigger slices than others and how the distribution of income impacts prospects for economic growth. We will trace theories of distribution (and value) of all the great thinkers and explore the implications of, and problems with, such theories.

Finally, there will be some off-the-beaten-path explorations of the unique contributions the major thinkers have made to the study of economics that are not necessarily connected to the objectives outlined above. Generally speaking, the aim of the course is to foster development of a broad grasp of the main schools of economic thought – old and new – and provide students with an understanding of the important current and historical economic debates.

**Learning Methodology:**

With a subject as vast as the history of economic thought, and with so little time in a 3-credit course, we will need to develop an efficient methodology for learning – and one that helps students achieve the objectives outlined above. Reading assignments and related class lectures, therefore, will need to be approached with a detective's mindset, looking for the important clues to getting the story right and not fixating on unnecessary details.

To help students parse the important details from the unimportant, I created a set of essential study questions to use while reading and attending lectures. These questions (see below) should be kept in mind when reading and participating in lectures. This will help keep the learning process more organized and productive. The questions below should thus frame the focus of your attention throughout the course.
Study Guide Questions:

1. How did economic/social/political events shape development of each school of economic thought?
2. What value concept underlies each theory or school of economic thought? How do they differ? How are they the same?
3. Who gets what and why from the economic pie according to each school of economic thought?
4. What key assumptions are made by each school of economic thought? How do these assumptions reflect bias, if any?
5. Is there a major social problem being targeted for solution by each school of economic thought? What is it?
6. Where do the roots of a theory or school of economic thought lead politically? Ideologically?
7. Who appears to gain from a theory or school of economic thought? Who appears to lose, if anybody?
8. What implicit and explicit conclusions are reached about individuals and markets by each school of economic thought?

When readings are assigned, it is expected that students be able to prepare for class using the above questions as a means of preparation. This will allow for more informed discussion of the readings during class. Readings will be assigned from required texts (and recommended text if any) at the end of each lecture/discussion. Occasionally, additional readings will be assigned from non-required text and articles. Readings will be largely non-technical and the load will be reasonable.

Online Resources:

Reading assignments will be placed on reserve and generally be available at New School University's History of Economic Thought (HET) website. The URL is http://cepa.newschool.edu/het/index.htm. The HET pages at NSU's website are a valuable resource that can save students lots of time, so be sure to take advantage of them.

Course Outline:*** (Readings will be assigned at end of each class)

I. Introduction: Pre-Classical Thinking About Economics: Week 1
   
   A. Aristotle's questions
   B. Mercantilist thought
   C. Quesnay and the Physiocrats
II. The Emergence of Classical Economics (Surplus Value/Objective Value): Weeks 2-4

A. Adam Smith's Wealth of Nations
B. David Ricardo's Principles
C. Malthus's Essay on Population
D. Karl Marx's Das Kapital

III. The Rise of Neo-Classical Economics (Marginalist/Subjective Utility): Weeks 5-7

A. Subjective utility value theory
B. Jevons, Menger, Walras and Marshall
C. General equilibrium economics

IV. The Challenge of Keynesian Unorthodox Economics (Market Failure/Uncertainty): Weeks 8-9

A. Keynes on economic disequilibrium
B. The General Theory of Keynes
C. The Keynesian synthesis

V. The Chicago School of Economics: Weeks 10-11

A. Lucas and the rational expectations model
B. Fama and efficient markets theory
C. Friedman and “The Chicago Boys”
D. Becker's Human Capital

VI. Heterodox Economics: Ideas from Inside The Economic Thought Vortex: Weeks 12-13

A. Neo-Ricardian/post-Keynesian
B. Classical and Neo-Marxian approaches
C. Behavioral economics
D. Institutionalist critique
E. Schumpeter's views

VII. The Future of Economic Thought: Week 14

A. The end of economics?
B. Towards a new economics
C. Spotting the next shift in economic thought

*** The instructor reserves the right to alter the course outline at any time.
Grading Policy:

Grades will be based on two mid-term exams (20% each), a final exam (30% and non-cumulative), class participation (10%), and a research paper (20%). The research paper needs to be typed and appropriately referenced (using footnotes or endnotes with consistent elements of style in referencing).

Research Paper Expectations: Students will be required to examine any three of the study guide questions listed above and provide thorough answers based on assigned readings and material presented in lectures. The papers are due on the day of the final exam. Late papers lose 10% of their value automatically, no exceptions.

Attendance Expectations: Students are required to attend every class and will be held responsible for material presented in class. Exams will be based on readings and material presented in lectures. Also, class participation counts as 10% of the final grade, as indicated above. If students miss class, it is their responsibility to acquire the material presented and assigned in that class.

UVM Code of Academic Integrity:

Violations of the UVM's Code of Academic Integrity are any acts which would have the effect of unfairly promoting or enhancing one's academic standing within the entire community of learners. Such acts are serious offenses and will not be tolerated. Any suspected violations of the Code will be forwarded to the Center for Student Ethics & Standards.

Go to http://www.uvm.edu/~uvmppg/ppg/student/acadintegrity.pdf to read the Code of Academic Integrity.

UVM Diversity Statement:

The University of Vermont holds that diversity and academic excellence are inseparable. An excellent university, particularly one that is a public land grant, needs to actively seek to provide access to all students who can excel at the institution, without respect to their backgrounds and circumstances, including, among other differences, those of race, color, gender, gender identity or expression, sexual orientation, national and ethnic origin, socioeconomic status, cultural and/or geographic background, religious belief, age, and disability. There is, moreover, a compelling
national interest in a higher education sector rich in diversity and opportunity, and a clear state interest in making the educational benefits of this diversity and opportunity accessible to all.