

ECO 3303

History of Economic Ideas

Randall Holcombe

Fall 2010

OFFICE HOURS: Tuesday and Thursday 2:00 - 3:30, or by appointment.
Office location: 162 Bellamy Building. E-mail address: holcombe@fsu.edu

TEXTBOOK: Harry Landreth and David C. Collander, *History of Economic Thought*, 4th ed.
Also, see <http://cepa.newschool.edu/het/> for original writings.

COURSE OBJECTIVES: (1) To understand how economics has developed over the past 300 years from a branch of moral philosophy into an independent discipline. (2) To explore the influence of economic conditions of the times on the development of economic ideas, and the influence of economic ideas on economic policy. (3) To use the knowledge of the history of economic ideas to better understand contemporary economics. (4) To develop writing and critical thinking skills.

GRADING: Final grades will be based on a mid-term examination worth 30 percent of your grade, a paper worth 35 percent of your grade, and a final examination worth 35 percent of your grade. The examinations will be composed of essay and short-answer questions. The mid-term will be on Thursday, October 21, and the final examination will be on the regularly-scheduled final examination period for the course, which is Thursday, December 9, from 7:30-9:30am. Your papers are due November 23, at the end of the class period. Papers handed in after the end of the class period are late. One letter grade will be deducted from your paper grade for each day it is handed in late. Hard copies of your paper must be handed in. Electronic submission (such as via e-mail) is not acceptable.

PAPERS: Your paper should be about the influence of an economist on the development of economic ideas. You may discuss the life and times of the economist you select, and should focus on how that economist influenced the people at the time the economist worked, and how the economist's work has influenced later ideas. Papers should be typed, double-spaced, and about 20 pages in length. Your paper must reference all sources you use, and must place in quotation marks any material you copy verbatim from another source. List all web addresses for internet sources, and list the origin of any print sources you use that are not available in the FSU libraries. You should refer to the original writings of the person or people you choose as subjects. Much original material can be found at <http://cepa.newschool.edu/het/>.

You must include a list of references at the end of your paper. List only the references you actually used. If you quoted or cited one source as used in another, list the source you actually used in your list of references. All references must include an explanation of where you obtained the reference. For references from Strozier library, include the call number. For references from the internet, include the complete URL, so I can locate it from my computer. Other references must include an explanation of how you obtained them. Occasionally I check references, and if you cannot verify where you obtained the references in your paper, I will assign your paper a grade of zero. I also check some papers to see if they were plagiarized from internet or other sources. Copying any source without citation is academic dishonesty.

You must hand in two copies of a proposal of one or two pages on September 7 briefly explaining your topic. The proposals will not be graded separately, but will be included in your paper's grade.

HONOR CODE: You are expected to write your own papers and do your own work on exams.

DISABLED STUDENTS: Students with disabilities requesting academic accommodations should register with the Student Disability Resource Center, and provide a letter from SDRC indicating what accommodations are requested.

COURSE OUTLINE: The course will follow the attached outline. Each section of the outline shows the readings you are to do from the book. You are responsible for the material in the reading, even if it is not covered explicitly in class.

-Course Outline-

History of Economic Ideas

1. The methodology of economics
 - A. Models used as analogies to the real world
 1. Maps as models
 2. Uses and limits of models to understand real economic phenomena
 - B. Economics is the youngest of the sciences (Ludwig von Mises)

Reading: Chapter 1

2. Three centuries, three major issues in the history of economic ideas
 - A. 18th century: How is wealth created?
 - B. 19th century: What determines value?
 - C. 20th century: What are the properties of economic equilibrium?

Reading: Chapter 2

3. Before Adam Smith
 - A. The creation of economic society
 - B. Mercantilists
 - C. Physiocrats and Francois Quesnay (1694-1774)
 - D. Other economists
 1. Richard Cantillon (1680-1734)
 2. Sir William Petty (1623-1687)
 3. John Locke (1632-1704)
 4. David Hume (1711-1776)
 5. Spanish economists (1750-1800)

Reading: Chapter 3

4. Adam Smith (1723-1790)
 - A. *The Wealth of Nations*
 - B. The industrial revolution

Reading: Chapter 4

5. Classical economics I: Thomas Robert Malthus (1766-1834) and David Ricardo (1772-1823)

Reading: Chapter 5

6. Classical economics II
 - A. Jean-Baptiste Say (1776-1832)
 - B. Jeremy Bentham (1748-1832)
 - C. Hermann Heinrich Gossen (1810-1858)
 - D. Henry George (1839-1897)

E. John Stuart Mill (1806-1873)
Reading: Chapter 6

7. Utopian Socialism

- A. Robert Owen (1771-1858)
- B. Claude Henri de Rouvroy de Saint-Simon (1780-1825)
- C. Charles Fourier (1772-1837)

8. Karl Marx (1818-1883)
Reading: Chapter 7

9. The Marginal Revolution

- A. Ends the search for determinants of value; begins the search for properties of equilibrium
- B. Independent discoveries of marginal analysis
 - 1. Carl Menger (1840-1921)
 - 2. William Stanley Jevons (1835-1882)
 - 3. Leon Walras (1834-1910)

Reading: Chapters 8, 9, 11

10. Alfred Marshall (1842-1924)
Reading: Chapter 10

11. 20th century innovators

- A. Institutional economics
 - 1. Thorstein Veblen (1857-1929)
 - 2. Wesley Clair Mitchell (1874-1948)
 - 3. John R. Commons (1862-1945)
- B. Imperfect competition
 - 1. Edward Chamberlin (1899-1967)
 - 2. Joan Robinson (1903-1983)
- C. Joseph Schumpeter (1883-1950)
- D. Knut Wicksell (1851-1926)
- E. Philip Wicksteed (1844-1927)
- F. Vilfredo Pareto (1848-1923)
- G. A.C. Pigou (1877-1959)
- H. Irving Fisher (1867-1947)
- J. John R. Hicks (1904-1989)

Reading: Chapter 12

12. John Maynard Keynes (1883-1946)
Reading: Chapter 15

13. The Austrian school

- A. Carl Menger
- B. Eugen von Bohm-Bawerk (1851-1914)
- C. Ludwig von Mises (1881-1973)
- D. Friedrich Hayek (1899-1992)
- E. Murray Rothbard (1926-1995)
- F. Israel Kirzner (1930-)

Reading: Chapter 13

14. Planning versus markets

- A. The Chicago school and monetarism
 - Milton Friedman (1912-2006)
- B. The development of mathematical welfare economics

Paul Samuelson (1915-2009)

Reading: Chapter 14

15. The methodology of modern economics
 - A. Economic man: Politics and Economics
 - B. Mathematical modeling
 - C. Econometrics
 1. Methodological positivism
 2. National income accounting
 - D. Emphasis on characteristics of equilibrium

Reading: Chapters 16-17