Economics 600
History of Economic Thought

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Office: Econ. 102
Office hours: MWF 3:15-4:15

SYLLABUS

"(I)t seems that economic science has not yet solved its first problem--what determines the price of a commodity?"

Joan Robinson, An Essay on Marxian Economics, p. 79

This course is designed to cover certain topics in the history of economic thought. This of course is a very broad subject, and so to handle it during one semester we will have to confine ourselves to dealing with only one or two areas of concern in depth, touching lightly on a few others, and ignoring many topics, which hopefully if they are of concern to people will be able to be treated independently with the help of the material we study here and in other courses. We will start by considering some fundamental issues in philosophy of science and in defining the subject matter and concerns of economics and then we will investigate the history of thought concerning the working of a capitalist economy mainly by examining differing schools of thought on the determination of value, distribution, growth, and fluctuations in such an economy. The pace of the course and the depth into which we go on any particular topic will be uneven because of the magnitude of our task. The reading list given below is long and has been chosen with the purpose of covering certain points as economically (believe it or not) as possible (the secondary sources) and of giving you a flavor of the work of certain thinkers (the primary sources). My advice is to read as much as you can without worrying about whether or not you understand it. Some understanding hopefully will come in class and as you do your written assignments; this will come more easily if you have at least looked at the reading assigned.

The assignments required to receive a grade in the course are three five-page essays plus a final exam. Each essay and the exam count 1/4 of your grade. The essays are not to exceed five (8 1/2 x 11 in.) pages, except that a sixth page will be allowed for footnotes only, and in fact any other extra pages will be thrown away prior to grading. Late papers will be tolerated but penalized (1/3 of a letter grade off if the essay is handed in within one week late; 2/3 of a letter off if late over one week). The questions to be answered in the essays are:

#1--How can the labor theory be made an adequate conception of the determination of value in a capitalist economy? (due 2 class days after we finish Topic IV)

#2--How can the utility theory be made an adequate conception of the determination of value in a capitalist economy? (due 2 class days after we finish Topic V)

#3--What do Keynes' and Kalecki's theories of macroeconomic fluctuations have to say to the labor theory and utility theory of value? (due on the day of the final exam)

The following books should be available for purchase in the bookstore:

Maurice Dobb, Theories of Value and Distribution since Adam Smith
Michal Kalecki, Selected Essays on the Dynamics of the Capitalist Economy
Homa Katouzian, Ideology and Method in Economics
John Maynard Keynes, The General Theory of Employment, Interest, and Money
Herbert Marcuse, Reason and Revolution
David Ricardo, The Principles of Political Economy and Taxation
Adam Smith, The Wealth of Nations
Piero Sraffa, The Production of Commodities by Means of Commodities
Robert Tucker, The Marx-Engels Reader
George Zinke, The Problem of Malthus: Must Progress End in Overpopulation?
All assigned readings outside of these books should be available at Kinko's Copy Center across the street for you to purchase.

The divisions of the course and the reading assignments are as follows:

I. Philosophy and economics
   Axel Leijonhufvud, "Life Among the Econ"
   Karl Popper, "Science: Conjectures and Refutations"
   Katouzian, Chaps. 2, 3, 4
   Marcuse, Preface, Part I: Introduction and Chaps. 4, 5, and Part II: Chap. 2, pp. 323-360
   David Levine, Economic Theory, Prologue

II. Some pre-classical economics
   Ronald Meek, The Economics of Physiocracy, Introduction and the "Tableau Economique": the "Analysis"
   Paul Sweezy, The Theory of Capitalist Development, Appendix A
   Joseph Schumpeter, History of Economic Analysis, Part II, Chap. 7
   Thomas Mun, "England's Treasure by Foreign Trade"
   Keynes, Chap. 23

III. Classical economics
   David Hume, three extracts from Political Discourses
   Dobb, Chaps. 2, 3
   Smith, Book One (omit pp. 282-350)
   Bernard Mandeville, The Fable of the Bees, Preface and "The Grumbling Hive"
   Lucio Colletti, "Rousseau as Critic of Civil Society" and "Mandeville, Rousseau, and Smith"
   George Gilder, "The Heroes of Growth"
   Zinke, the whole book
   Ricardo, Chaps. 1-8, 30-31
   Sraffa, Chaps. 1-4

IV. Marx
   Marcuse, Part II, Chap. 1
   Dobb, Chap. 6
   Tucker, pp. 3-6, 107-109, 167-318
   Sweezy, Chaps. 5, 6, 7
   Josef Steindl, Maturity and Stagnation in American Capitalism, Chap. 14
   Joan Robinson, "Marx and Keynes"

V. Neoclassical economics
   Dobb, Chap. 7
   Stanley Jevons, The Theory of Political Economy, Chaps. 1, 2, 3
   Carl Menger, Principles of Economics, Chap. 3
   Eugen von Bohm-Bawerk, Capital and Interest, Vol. II, Book II, Chap. 2, and Book IV, Chap. 1
   Leon Walras, Elements of Pure Economics, Chaps. 1, 3, 10, 11, 12, 16, 18, 20, 35
   Alfred Marshall, Principles of Economics, Book I, Book V, Chaps. 1-5, 15, Appendix I
   Thorstein Veblen, "The Limitations of Marginal Utility"
   Levine, Economic Studies, Chaps. 6, 7
   Sraffa, Chaps. 6, 12
   Robinson, "Capital Theory Up-to-Date"
   Paul Samuelson, Economics, Appendix to Chap. 30
   Donald Harris, "Profits, Productivity, and Thrift"
VI. The Austrian School
Lawrence White, "Methodology of the Austrian School"
Ludwig von Mises, "The Science of Human Action"
Friedrich von Hayek, "The Use of Knowledge in Society"
Friedrich Lutz, "On Neutral Money"

VII. Keynes, Kalecki, and on beyond
Dobb, Chaps. 8, 9
Keynes, Chaps. 1-5, 16, 18, 22, 24
Kalecki, Chaps. 1, 5, 9, 12, 13, 14
Nina Shapiro, "The Revolutionary Character of Post-Keynesian Economics"
Harris, "The Price Policy of Firms, the Level of Employment, and the Distribution of Income in the Short Run"
Tracy Mott, "Kalecki's Principle of Increasing Risk and the Relation between Mark-up Pricing, Investment Fluctuations, and Liquidity-Preference"
Levine, "Production Prices and the Theory of the Firm"
____, "Aspects of the Classical Theory of Markets"
Robinson, "Marx, Marshall, and Keynes"
____, "Michal Kalecki"
____, "A Lecture Delivered at Oxford by a Cambridge Economist"
____, "Prices and Money"