“A study of the history of ideas is a necessary preliminary to the emancipation of the mind.”

J.M. Keynes

“The ruling ideas are the ideas of the ruling class.”

Karl Marx

Main goals of the course:

1. Learn more about the most important economic theories of the past. Read the “great economists” of the past in the original.

2. Consider economic theories of the past from three different perspectives: neo-classical (Blaug, Schumpeter), institutional (Mitchell), and Marxian (Marx, Rubin, Dobb, Meek).

3. Learn more about the strengths and weaknesses of modern micro and macro from this historical perspective and by the method of “compare and contrast”.

4. Develop skills of critical thinking and theory appraisal.

5. Stimulate interest in further study of this subject.

6. Have good discussions.

Paper assignment

5,000 words

topic of your choice (with consultation)

topic proposal due March 11

final paper due Thursday, May 8

optional presentations, Thursday, May 1

Forum entries on Moodle

Topics from the readings that you want to discuss: due Monday, 10 pm

Reflections (2-300 words) – your choice of topic: due Friday noon

Grades

80% paper

20% class discussion
MAIN ORIGINAL SOURCES

http://www.econlib.org/library/Smith/smWN.html

http://www.econlib.org/library/Ricardo/ricP.html

Marx, Karl, *Capital*

Marshall, Alfred. *Principles of Economics*

http://www.marxists.org/reference/subject/economics/keynes/general-theory/

MAIN SECONDARY SOURCE


SECONDARY SOURCES ON LIBRARY RESERVE

Blaug, *Ricardian Economics* (1958)
Dobb, *Political Economy and Capitalism* (1945)
Dobb, *Theories of Value and Distribution* (1973)
Marx, *Theories of Surplus-Value*, vols. 1, 2, and 3 (1861-63)
Meek, *Economics and Ideology* (1967)
Ricardo, *Works and Correspondence of David Ricardo*, vol. 1 (1817/ 1952)
Rubin, *History of Economic Thought* (1929)
Steedman, *Marx after Sraffa* (1977)
Stigler, *Production and Distribution Theories* (1941)
Sweezy, *Theory of Capitalist Development* (1942)

All other readings besides these are on e-reserves on the course Moodle site.
ASSIGNED READINGS

ALTERNATIVE APPROACHES to the history of economic thought  Jan. 21
Blaug, Introduction: “Has Economics Progressed?”
Sraffa, “Advanced Theory of Value”
Schumpeter, History of Economic Analysis, Chapters 1 and 4
Mitchell, Types of Economic Theory, Volume 1, Chapter 1

SMITH: Growth and development  Jan. 21
Smith, Book 1, Introduction and Chapters 1-3; Book 2, Chapter 3
Blaug, Chapter 2 (pp. 33-43 and 53-54)

SMITH: Value and distribution and invisible hand  Jan. 28
Smith, Book 1, Chapters 4 (#12-18), 5, 6, 7, 8 (#1-22 and 51-56),
    Ch. 9 (#1-4), and Ch. 11 (#1-9 and #240-64); Book 4, Chapter 2 (#1-16)
Blaug, Chapter 2
Marx, Theories of Surplus Value, Vol. 1, pp. 69-103, 150-51; Vol. 2, pp. 216-35, 342-54

RICARDO  Feb. 4
Ricardo, Preface, Chapters 1, 2, 5, 6, 7 (#1-19), and 17 (#1-5)
Blaug, Chapter 4
Sraffa, Introduction
Marshall, Appendix I (#1-13); Book V, Chapter XV (last paragraph)
Schumpeter, History ..., Part III, Chapter 6 Section 5, pp. 590-604
Marx, Theories of Surplus Value, Vol. 2, 164-216, 236-50 and 373-425
Moseley, “Marx’s Critique of Ricardo”

DECLINE OF RICARDIAN ECONOMICS  Feb. 11
Blaug, Ricardian Economics, Chapters 8, 9, and 11
deMarchi, “The Empirical Content and Longevity of Ricardian Economics”
Schumpeter, History..., Part III, Chapter 6 Section 6, pp. 655-87
Meek, Economics and Ideology, “The Decline of Ricardian Economics in England”
Dobb, Political Economy, pp. 127-42.
Henry, The Making of Neoclassical Economics, Chapter 5
Rubin, A History of Economic Thought, Part Five
Marx, Theories of Surplus Value, Volume 3

MARX: Value and surplus-value  Feb. 25
Marx, Volume 1, Author’s Prefaces, Chapter 1 (Sections 1 and 2),
Chapters 4, 5, 6, 7, 8, 9, 10 (Sec. 1), and 11
Blaug, Chapter 7 (pp. 215-28 and 254-60)
Schumpeter, History ..., Chapter 6 Section 6, pp. 645-55
Bohm-Bawerk

MARX: Technological change and falling rate of profit Mar. 4
Marx, Volume 1, Chapters 12, 24 (Secs. 1 and 3), and 25 (Secs. 1-4)
Blaug, Chapter 7 (pp. 235-49 and 260-71)
Moseley, The Falling Rate of Profit in the Postwar US Economy, Chapter 1

MARX: Equal rates of profit and prices of production Mar. 11
Marx, Volume 3, Chapter 8 (#33-34) and Chapter 9 (#1-12)
Blaug, Chapter 7 (pp. 218-31, 265-68, and 274-75)
Bortkiewicz
Steedman
Moseley, Money and Totality, Chapters 1, 2, and 6
Moseley, “Marx’s Economic Theory: True or False?”

NEO-CLASSICAL MICROECONOMICS: Value Mar. 25
Graduate Microeconomics textbook
Blaug, Chapters 8, 9, and 10
Schumpeter, History ..., Part IV, Chapter 6, pp. 886-912, 1026-52
Mandler, Dilemmas in Economic Theory, Preface and Chapter 1
Dobb, Political Economy and Capitalism, pp. 142-84
Henry, The Making of Neoclassical Economics, Chapter 6
Benecourt and Guerrien, “Is There Anything Worth Keeping in Microeconomics?”

NEO-CLASSICAL MICROECONOMICS: Distribution Apr. 1
Graduate Microeconomics textbook
Blaug, Chapter 11 and 12
Schumpeter, History ..., Part IV, Chapter 6, pp. 912-944
Hunt, Chapter 16
Mandler, Dilemmas in Economic Theory, Chapter 2
Lazzarini, Revisiting the Cambridge Capital Controversy, Chapters 1, 3 and 4
Moseley, “The Marginal Productivity Theory of the Price of Capital in the Textbooks”
KEYNES: Critique of classical theory and intro to Keynes’ theory
   Keynes, Preface and Chapters 1, 2, 3, 4 and 19 (Section I)
   Blaug, Chapter 16 (pp. 651-61)  Apr. 8

KEYNES: Theory of aggregate demand and employment
   Keynes, Chapters 8 (I-III), 10 (I-III), 11, 16, 18, 19 (II-III), 22 (I-IV), and 24
   Blaug, Chapter 16 (pp. 653-61)
   Hansen, A Guide to Keynes
   Crotty, “Resurrecting the Radical Keynes”  Apr. 15

MODERN MACROECONOMICS: Counterrevolution
   Graduate Macroeconomics textbook
   Blaug, Chapter 16 (pp. 641-51 and 667-87)
   Mankiw, “Refresher Course”
   Quiggin, Zombie Economics, Chapter 3
   Solow, “Dumb and Dumber in Macroeconomics”
   Solow, “Is there a core of usable macroeconomics we should all believe in?”
   Kirman, “Economic Theory and the Crisis”
   Krugman, “How did Economics get it so Wrong?”
   Krugman, “The Anti-Scientific Revolution in Macroeconomics”
   Colander, “The Stories We Tell: A Reconsideration of AS/AD Analysis”
   Moseley, “Criticisms of Aggregate Demand and Aggregate Supply …”  Apr. 22

CONCLUSION: Has Economic Theory Progressed?
   Blaug, Introduction and Chapter 17
   Blaug, “Is there really progress in Economics”
   Schumpeter, History ..., Part IV, Chapter 6, pp. 1140-47
   Stigler, “The Process and Progress of Economics”
   Mandler, Dilemmas in Economic Theory, Chapter 8  Apr. 29

OPTIONAL PAPER PRESENTATIONS  Mar. 1