

Western Washington University
Economics 303: History of Economic Thought
Winter 2009

Professor

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Office Hours: Tuesday & Thursday, 3:00-5:00 pm
Or by appointment

"How selfish soever man may be supposed, there are evidently some principles in his nature which interest him in the fortune of others and render their happiness necessary to him though he derives nothing from it except the pleasure of seeing it."

-Adam Smith, *The Theory of Moral Sentiments*

"It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages."

-Adam Smith, *The Wealth of Nations*, Book I Chapter II

Official Course Description:

Prereq: ECON 206 and 207. Development of economic thought from the Greek philosophers to the present. Emphasis on the micro, macro and critical traditions in economics following Adam Smith.

Unofficial Course Description:

This is a reading-intensive class and it is also a class designed to help sharpen your writing skills and is therefore designated a WP1 class. This will not be a course about studying each scholar independently of the others and independently of modern economics. The entire objective of this class will be to locate the fingerprints of the great scholars on modern economic theory so that we end up having a better understanding of those theories themselves. Do not make the mistake of reading Ricardo or Smith or Marx just for the sake of reading them – but I hope that, together, we can trace their influences on later writers and on the emergence of modern economic theory.

Course Objectives: Specifically, our learning objectives include acquiring critical thinking skills through our readings/discussions and developing written and verbal communications skills. Through all of these, we will come to appreciate the significance of economics and the history of the discipline. Upon completion of the course, students should be able to describe basic schools of thought in the development of the discipline of economics and locate the imprint of the history of economic thought and methods on current economic theory.

Expected Learning Outcomes: Core skills to be learned include the ability to approach issues critically and express economic arguments in writing. Analytical and conceptual development is an important element. Moreover, students are expected to understand the significance of economic thought through the study of its development and relate it to a variety of issues including ethical and global issues related to market economies, the influence of political, social, legal, regulatory, environmental and technological issues.

Textbooks

Required: (1) *The Evolution of Economic Thought* (7th ed.) by Stanley Brue and Randy Grant
(2) *The Essential Adam Smith*, Edited and with Introductory Readings by Robert L. Heilbroner
(3) *Economical Writing* by Deirdre McCloskey

While good, the main textbook is not a substitute for reading the original writings (or at least excerpts) of many of the economists we will study. Thankfully, rather than having you purchase lots of books, the History of Economic Thought website at McMaster University makes most of the original writings we will reference available to you free-of-charge online. You can access the website here: <http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/>

Assessment

Midterm Exam	20%	[Tuesday, February 3]
Final Exam	20%	[Monday, March 16 at 8am]
Essay	25%	[Proposal: Jan 20; Outline: Feb 10; Final: March 10]
Quizzes (4)	20%	
Class Participation	15%	

Total Possible Points = 400. Course grades will be assigned on a standard 10-point scale although +/- grades may be used for those on the border between two grades.

The WWU Academic Dishonesty Policy is found in Appendix D of the 2008-09 University Bulletin. Anyone found to be in violation of these policies (i.e. cheating or plagiarism) will be given a score of zero on the assignment/exam and/or a grade of F for the class. That student may also be subject to further disciplinary action from the university.

Midterm and Final Exam: These exams will each be worth 20% of your final grade. Makeup exams will only be given for valid (and documented) reasons and must be scheduled in advance with the instructor (either in person, via email or over the phone). If you have a sudden illness, even the day of the exam, you are required to contact the instructor. If you cannot call, you should have a friend or family member do so.

I will not give a makeup exam to anyone who notifies me AFTER the exam has started that they were unable to take the exam. It is your responsibility to ensure that I am properly notified. *In addition to notification*, a student may be asked for a medical excuse from **Student Health Services, 650-3400**. If a student has a personal or family emergency they should contact **Office of Student Life--Student Assistance, 650-3706** before the exam. Office of Student Life will then contact me (under strict confidentiality requirements).

If you miss the final exam for a valid reason, you will receive an incomplete grade (K) and will be required to take a makeup final exam at a date to be determined by the professor (but which will come after the close of the quarter). If you miss the final exam (or anything else) for a less than valid reason, you will receive a zero on the exam.

Essay: A significant part of your grade (and the WP1 component of the course) is a 10-15 page essay. I will provide you with details on the essay assignment in a separate document.

Quizzes: You will have six in-class quizzes throughout the quarter so it is important that you keep up with the readings and the in-class material. At the end of the quarter, I will drop your two lowest quiz scores but no makeup quizzes will be given (this is why I drop your two lowest – you are allowed to miss those two without it impacting your grade).

Class Participation: As noted above, this is a lecture *and* discussion class. Your grades will reflect that fact through the participation component. It is easy to do well here – do the assigned work before class and come prepared. If you do that, you will be able to ask and answer questions. Note that you do not have to ace every question I ask you to do very well here but you *do* have to make an effort and provide answers that show you have prepared for the discussion. I will sometimes ask for a short written reaction piece to a particular assigned reading at the beginning of the class on that subject. These will count toward your participation grade for the class.

Topics and Readings

*Required readings

All others are optional supplementary readings

(BG=Your textbook by Brue and Grant)

Introduction to the class/Plato and Aristotle

Bonus Chapter available at <http://brue.swlearning.com>:

BG: "Economic Ideas from Ancient Greece"

Medieval Economic Thought/ Scholastics

Bonus Chapter available at <http://brue.swlearning.com>:

*BG: "Economic Thought from Biblical Times to the Protestant Reformation"

* "In Praise of Usury" *The Economist*, August 2, 2007 – E-Reserve

Mercantilism

*BG, Chapter 2

*Thomas Mun, "The Balance of Trade Argument" – E-Reserve

*Curtis P. Nettels, "British Mercantilism and the Economic Development of the Thirteen Colonies," *Journal of Economic History* (Spring, 1952) –E-reserve

Quesnay & the Physiocrats

*BG, Chapter 3

Quesnay's Tableau Economique: <http://cepa.newschool.edu/het/essays/youth/tableau.htm>

Adam Smith and the Theory of Moral Sentiments

*Robert Heilbroner, *The Essential Adam Smith*, pp. 57-110

*BG, pp. 61-65

Nava Ashraf, Colin F Camerer and George Loewenstein, "Adam Smith, Behavioral Economist," *The Journal of Economic Perspectives*. (Summer 2005) – E-reserve

Adam Smith and the Wealth of Nations, Part I

*BG, pp. 65-82

*Wealth of Nations, Book I in Robert Heilbroner, *The Essential Adam Smith*

Adam Smith and the Wealth of Nations, Part II

*Wealth of Nations, Book II in Robert Heilbroner, *The Essential Adam Smith*

Thomas Malthus

*BG, Chapter 6

*Buchholz, *New Ideas From Dead Economists*, Chapter 3: "Malthus: Prophet of Doom and Population Boom" – E-reserve

Thomas Malthus, "An Essay on the Principle of Population":

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/malthus/popu.txt>

David Ricardo

***BG, Chapter 7**

***Buccholz, *New Ideas From Dead Economists*, Chapter 4: “David Ricardo and the Cry for Free Trade” – E-reserve**

David Ricardo, *On the Principles of Political Economy and Taxation*:

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/ricardo/Principles.pdf>

John Stuart Mill, Jean-Baptiste Say and Jeremy Bentham

***BG, Chapter 8**

***Buccholz, *New Ideas From Dead Economists*, Chapter 5: “The Stormy Mind of John Stuart Mill” – E-reserve**

Karl Marx

***BG, Chapters 9 and 10**

***Robert Heilbroner, “The Inexorable System of Karl Marx” (Chapter 6 in *The Worldly Philosophers*) – E-reserve**

Karl Marx, *Capital*

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/marx/cap1/index.html>

Neoclassicals

***BG, Chapters 12 and 13**

Alfred Marshall and Irving Fisher

***BG, Chapters 15 and 16**

Neoclassicals: Imperfect Competition

***BG, Chapter 17**

Thorstein Veblen and Institutionalism

***BG, Chapter 19**

Theory of the Leisure Class, Chapter 4, “Conspicuous Consumption”:

<http://socserv2.mcmaster.ca/%7Eecon/ugcm/3ll3/veblen/leisure/chap04.txt>

Keynes and Modern Macroeconomics

***BG, Chapters 21-22**

N. Gregory Mankiw, “The Macroeconomist as Scientist and Engineer” – E-Reserve