Instructor:
Professor Julius Horvath, Ph.D.
Department of Economics Central European University
Spring 2015, MA level Course, 2 credit,
Course e-learning site: http://ceulearning.ceu.hu/
Office hours: after the class

Course Description
Master level class; no special pre-requisites are required; this course is accessible to anyone with an under-graduate background in social sciences or economics; this course presents review of the history of economic thinking and economic analysis; course covers the following topics: Introduction, Great Religions and the Origins of Economic Thought; Greek and Medieval Thought; Transformation Period; Western Europe before Smith; Smith, Ricardo, Marx; Emergence of Macro-economics, Veblen, Keynes, Schumpeter; Friedman, Hayek; Non-Mainstream Thought

Learning Outcomes
The main goal of this course is to provide students with understanding of historical evolution of economic thought. In other words, this course tries to explain how economic thinking got to be where it is today. In addition students are also led to formulate their own research question in the topic of their interest. We will discuss to a certain extent economic history, since understanding what was going on in the economy in past helps to understand how people conceptualized the economy.
The syllabus covers wide ranging areas. In this course students are able to understand some historically important articles and concepts of the political economy and economics. They acquire a broad understanding of the evolution of economic thinking in the period of more than two thousand years. The emphasis is on societal milieu however issues relevant to policy are also considered.
By the end of this course student will be able to evaluate different streams of economic thinking as well some personalities who had an impact of history of economic thought.

Course Requirements
- 15% of the final grade; presence in the course
- 20% of the final grade: a position paper on the article chosen by the instructor; not more than 1 page; position paper analyzes the article, evaluates the most important issue(s) in the article
- 65% of the final grade; final paper, maximum 6 pages; 1.5 space, topic approved by the instructor

COURSE SCHEDULE

Introduction
On Power of Ideas; Robbins-Schumpeter-Stigler on Teaching History of Thought; History of the Terms Oikonomike, Economics, Political Economy; To Whom Economists Speak To; Stories of Economists; History of Economic Thought as an Intellectual Discipline; How Important are Biographical and Context Elements in History of Economic Thought; Simplifications and Pedagogy; Collective Work and Individuals;

Literature
Dimand, Robert W., The Creation of Heroes and Villains as a Problem in the History of Economics, History of Political Economy, 2007, 39, 76-95

Economic Aspects in Traditional Religions

Literature
Gordon, Barry, The Economic Problem in Biblical and Patristic Thought, E. J. Brill, 1989,
Finley, M.I. The Ancient Economy, University of California Press, Berkeley and Los Angeles 1973

Greeks, Plato, Aristotle
Greek Thinkers: Homer, Hesiod, Xenophon, Socrates; Plato’s Blueprint for an Ideal State; Plato’s Economics; Aristotle’s Economic Writings; Use and Exchange Value; Aristotle on Private Property; Natural and Just; Aristotle On Money, On Commerce and Justice; Aristotle on Acquisition of Wealth;

Literature
Schumpeter, Joseph A., History of Economic Analysis, Edited from Manuscript by Elizabeth Boody
Schumpeter , New York, Oxford University Press, 1954, Fifth printing 1963, Chapter 1, Graeco-Roman Economics,
Steven G. Medema and Warren J. Samuels, Routledge, 2003, pp. 5-13
Aristotle, Nicomachian Ethics, Book V, Part 5, in History of Economic Thought: A Reader, edited by Steven
Gordon, Barry, Aristotle and Hesiod: the Economic Problem in Greek Thought, Review of Social Economy,
Vol LXIII, September 2005, 395-404
Petrochilos, George A., Kalokagathia: The Ethical Basis of Hellenic Political Economy and Its Influence from
Plato to Ruskin and Sen, History of Political Economy, 34:4, 2008
the American Philosophical Society, 96, 1952,

Medieval Economic Thinking
The Early Christianity; Wealth, Beggary and Sufficiency: the Mendicant Solutions; Help the Poor: Get Rid of Superfluities; Private Property versus Communal Property; Scholastic Thought; Just Price in Scholastic Economics; St. Thomas Aquinas on Commerce, Property, Fraudulent Behavior, and Usury;

Literature
Schumpeter, Joseph A., History of Economic Analysis, Edited from Manuscript by Elizabeth Boody
Schumpeter , New York, Oxford University Press, 1954, Fifth printing 1963, Chapter 2, The
Scholastic Doctors and the Philosophers of Natural Law,
Aquinas, Thomas, Summa Theologica, Second Part of the Second Part, Questions 77 and 78, 1267-1273,
The Transformation Period

Modernity Begins; The Principle of Countervailing Passions; Money Making and Commerce; The Role of Providence in Social and Economic Matters before Adam Smith; XVII-XVIII Century Providential Elements in Economics; Whether Providence Favors Trade among Nations; Providence and Observed Inequality;

Literature:

Mercantilists

Political Economy Emerges; Eminent Mercantilists; Mercantilist Wage Theory; Jean Bodin; Mercantilist’ Monetary Theories; Reasons for Wanting More Bullion;

Literature
Viner, Jacob, Studies in the Theory of International Trade, 1937
Munn, Thomas, England’s Treasures by Forraign Trade or the Ballance of our Forraign Trade is the Rule of our Treasure, 1664, in History of Economic Thought: A Reader, edited by Steven G. Medema and Warren J. Samuels, Routledge, 2003, pp. 32-44

Birth of Macroeconomics: Petty, Law, Cantillon, Hume, Turgot, Quesnay

Petty’s Medical Beginnings; Idea of the Royal Society, Petty’s Work; Petty’s National Income Concept; John Law’s Life; Law’s Contribution to Macroeconomics; John Law and the Mississippi System; Cantillon’s Life; Beginning of Modeling; Cantillon’ Effect;

Literature

**Adam Smith**
Life; Hume-Smith Friendship; Smith on Market; Smith on Government; Contribution to Political Philosophy; Smith on Value, Market and Competition; Productive and Unproductive Labor; Books of Wealth of Nations;

**Literature**
Butler, Eamonn, Adam Smith – a Primer, The Institute of Economic Affairs, 2007

**Classical Economists, Ricardo, Malthus, Hume**
Ricardo’s Principles of Political Economy; Ricardo on Rent; Malthus on Population; Ricardo and Malthus on Under-Consumption; Hume’s Specie Flow Mechanism; Bullion Controversy; Say’s Law,

**Literature**

**Utopians, Marx and Radicals**
Utopian Socialists; Marx’ Life; Communist Manifesto; Dialectical Materialism; Marx on Classical Economists; Struggle between Classes; Marx’ Tone of Writing; Das Kapital; Marx on Movement of the Capitalist Economy; Schumpeter’s Interpretation of Marx; Marx’ Interpretation of History;

**Literature**
German Historical Thinking

Johann Gottlieb Fichte; Friedrich List; Goethe’s Faust; Wilhelm Roscher; Older Historical school Karl Knies and Bruno Hildebrand; Gustav Schmoller;

Caldwell, Bruce, Chapter 2 The German Historical School, in Bruce Caldwell, An Intellectual Biography of F.A. Hayek, The University of Chicago Press, 2004


Hicks, John, “Revolutions” in Economics, in Method and Appraisal in Economics, edited by S. Latsis, Cambridge University Press, 1976


Keynes

Keynes Life; On Communist Russia; On Depression; Intellectual and Human Characterization; Cambridge Civilization;

Literature


Internet Quotations from Bradford de Long Homepage

Schumpeter
Life; First Books; Schumpeter and Keynes; Capitalism, Socialism and Democracy; Methodology;

Literature:
Swedberg, Richard, Joseph A. Schumpeter, His Life and Work, Polity Press 1991
Schumpeter, Joseph A. Capitalism, Socialism, and Democracy, London, Allen and Unwin 1943
Schumpeter, Joseph A., Science and Ideology, the American Economic Review, March 1949, Volume 39, Number 2, pp. 345-59

Hayek
Family Background; Vienna, England in the 1930s; Anti-Socialist; Main Contribution; Money;

Literature
Ebenstein, Alan, Friedrich Hayek, A Biography, Palgrave, 2001

Veblen
Life, Teacher, Reformer, Theory of Leisure Class,

Literature
Riesman, David, Thorstein Veblen, A Critical Study of an American Thinker of Wide Influence The Scribner Library, 1953, Charles Scribner’s Sons

Friedman, Samuelson

Literature
Overtveld, Johan van, The Chicago School, Agate Chicago, 2007

**Non-Mainstream Economic Thought**
Boulding, Dobb, Georgeschu-Roegen, Michael Polanyi, Kornai, Catholic Social Thought

Literature
Stanford Philosophy of Economics (2008), First published Fri Sep 12, 2003, revisions Tue Feb 26 2008
Lawson, Tony, Really Reorienting Modern Economics, INET Conference, King’s College, April 8-11, 2010
Fooley, Duncan K., “Mathematical Formalism and Political-Economic Content,” INET Conference, King’s College, April 8-11, 2010

**Thinking about Socialist Economies**
Socialist Calculation Debate, Interpretation of Socialist Economies; Interpretation of Transition
Learning outcomes are user-friendly statements that tell students what they will be able to do at the end of a period of time. They are measurable and quite often observable. Learning outcomes are usually discussed within the context of program-wide assessment, but they can be valuable components of any class because of the way they sharpen the focus on student learning. Learning outcomes: state in clear terms what it is that your students should be able to do at the end of a course that they could not do at the beginning.