Course Description

This sophomore tutorial is an intensive course in the intellectual history of political economy. It will focus on exposing students to the great figures in the development of our discipline through a careful reading of their major works. Through this experience, students will not only improve their understanding of economic reasoning and analysis, but also gain a unique appreciation of how modern economics evolved into its present form.

The first third of the course is devoted to classical economics. To set the scene for the rise of modern political economy, we will briefly discuss political debates on foreign trade and the national economy and early efforts at economic analysis in the 17th and 18th centuries, covering Mun, Petty, Hume, and Quesnay. We will then spend four weeks reading major works by Smith, Ricardo, Malthus, Say, Mill, and Marx. This section of the course will pay particular attention to classical ideas of price and value, distribution and social classes, population growth, economic growth and long-run trends, gluts and economic crises, the economic role of the state, and international trade.

The second third of the course covers the rise of neoclassicism. We will read works by Jevons, Menger, Marshall, Edgeworth, Cournot, Walras, Pareto, Pigou, and others. In the process, we will seek to understand the new vision, tools of analysis, and assumptions that defined neoclassical economics, and we will relate this material both to the first part of the course and to what students have learned in their intermediate theory classes. Among other topics, we will discuss marginalism, general equilibrium, and welfare economics.
The final third of the course will cover the first half of the twentieth century. This was a time of revolutionary politics and economic crisis, and we will study at length the critiques of Marxist and liberal writers, as well as conservative responses. This section of the course will begin with early twentieth-century Marxist critiques and interpretations of imperialism, world war, and fascism. Next, we will review the socialist calculation debate, including contributions by Lange, Mises, and Hayek. We will then cover Veblen and institutional economics, Chamberlin and Robinson’s theories of imperfect competition, the Keynesian revolution and the response of the economics profession, including papers by Viner, Hicks, and Hansen, and finally the work of Joseph Schumpeter. This final third of the course will focus on the relationship between political debates and economic thinking and on criticism of the assumptions and outlook of neoclassicism.

While this is not a course in the philosophy and methodology of economics, these issues will surely arise, and we will conclude the course by considering what the history of economic thought can contribute to methodological reflection and a philosophical scrutiny of economics. Inevitably, a one-semester course will leave out many major thinkers and important topics in the history of economic thought. If students have particular interests not covered in the class, these might make ideal topics for final research papers.

Course Requirements and Grading

Book response papers, 10%
You will be required to read four chapters of Robert Heilbroner’s *The Worldly Philosophers* before the first and second halves of the class. This is intended as light reading to provide you with a general overview of the great economists we will be discussing in the weeks that follow. After you do the reading, please write a 2-3 page response briefly summarizing one or two major ideas of the economists discussed in each chapter. You should pay particular attention to how political debates and new economic or social developments influenced each writer’s outlook. Conclude by offering an assessment of what importance, if any, these writers’ ideas have for economics today. Your assignments will cover chapters 3-6 and 7-10, respectively. The first response is due on the first day of class, February 9, and the second is due on April 4.

Class participation, 15%
Because the sophomore tutorial program is centered on discussion rather than lecture, active participation is extremely important. You will be expected to come to class prepared to thoughtfully discuss the assigned readings, and I will not hesitate to call on students. This portion of your grade is weighted heavily – it counts for as much as a paper – and will include at least one class presentation in which you will lead the class’s discussion of a particular day’s readings.

Paper 1, 15%
The first 6-8 page paper assignment will be distributed in class on March 2 and will be due in class on March 14. I will have a special office hour for the assignment on March 9 from 4-6. If you would like feedback before submitting your paper, please come at that time instead of emailing me drafts.
Econometric exercise, 10%

Halfway through the course, we will spend one lecture on econometrics. You will then complete a problem set that will help you to understand important ideas in econometrics and statistics and will give you a chance to work with the statistical software Stata. You are encouraged to work in small groups, but students must submit individual responses. I expect you to do your best to answer the questions by consulting the assigned reading, your notes from lecture, and your textbooks, but the assignment is not intended to be frustrating, and you should feel free to ask me for help. The assignment will be distributed on March 14 and is due on March 23.

Paper 2, 15%

The second 6-8 page paper assignment will be distributed in class on April 6 and will be due in class on April 18. I will have a special office hour on April 13 from 4-6.

Research paper, 35%

The largest component of your tutorial grade is the final research paper. This grade will consist of a presentation of your research (10%) and the final 12-18 page paper itself (25%). The final paper is intended to be an independent, creative research project on a subject in the history of economic thought that you found particularly interesting. Your research should make extensive use of both primary and secondary sources. Paper topics will not be assigned, but you are encouraged to discuss your ideas with me in advance and to submit a prospectus. You should begin thinking about a topic as soon as possible, and you can come discuss ideas or paper proposals with me during a special office hour on April 27 from 4-6. Presentations to the class will be on Monday, May 8, during Reading Period, and your final papers will be due on Friday, May 12. Your paper should be finished by the time you present, and you should then take advantage of feedback from your classmates to make final improvements before submitting your paper.

Course Policies

Readings

You must do the assigned reading before coming to class. The majority of the readings assigned for this class are extremely important writings by the great economists who shaped our discipline. Reading these selections is the focus of this course and an experience that I think you will appreciate in your future studies. In addition, I have assigned several more recent journal articles, and these will be major topics in class discussion. Finally, you will note that we are using as “textbooks” both Mark Blaug’s *Economic Theory in Retrospect* and Joseph Schumpeter’s *History of Economic Analysis*. Both books are classics, but both lean a bit toward what Schumpeter calls “economic analysis,” which he distinguishes from “history of economic thought” and “systems of political economy.” As a result, I will try to fill in what is missing from those texts with Heilbroner’s book and with background information in class. You should purchase the seventh edition of the Heilbroner book and the fifth edition of the Blaug book immediately. I realize that the reading load is heavy, but the sophomore tutorial is designed to be a time-consuming course, and I think that you will find the reading interesting and rewarding in the long term.
Written assignments

Improving your writing skills is an important goal of this course. The paper assignments will require you to demonstrate understanding of economic arguments and models, to comfortably use the terminology of economics, and to use evidence and logical arguments to support your views and to criticize those of other writers. Papers should be well-written and free of grammatical errors. If you need additional help with your writing, please consider visiting the Harvard Writing Center on the Garden Level of the Barker Center. All assignments should be submitted by email as Microsoft Word attachments.

Attendance

Full attendance is required of all students, and absences not cleared in advance will affect your grade. Please come to class on time, as we have much to discuss.

Office hours

I will not be holding regular weekly office hours, but I am always available for a meeting if you want to further discuss the week’s reading, talk about economics, or get help with an assignment. You can call or email me any time to set a time to meet. In particular, Monday 1-2:30, Tuesday 4-6, and Wednesday 2-2:30 are good times. I would also like to arrange to meet each student for lunch in the early weeks of the class. Finally, I will hold several office hours before major assignments are due at the times noted in the previous section.
Reading List
History of Economic Thought
Economics 970
David A. Mericle

Note: Students are by no means expected to read everything on this list. At the end of each class, I will discuss the next class’s readings. I will explain why I have included them, point out which are central and should be read by everyone, and suggest which others students might enjoy. I have not distinguished certain readings as required below because I want students to have some choice in what they read, and because in some weeks students will be asked to read different pieces.

Assignment: Book response paper 1 on chapters 3-6 of The World Philosophers.

1. Introduction to the course: Why study the history of thought? (February 9)

Due: Book response paper 1.

2. Political debates on foreign trade and the national economy and the origins of political economy (February 14)
- Thomas Mun, England’s Treasure by Forraign Trade, or The Ballance of our Forraign Trade is The Rule of our Treasure, chapters 1-4, 20-21, 1664.
3. Adam Smith (February 16)
   o Blaug, chapter 2.

4. David Ricardo and Thomas Malthus (February 21)
   o Blaug, chapters 3 and 4.
   o Schumpeter, 250-266, 469-483.

5. Say’s Law and the Debate on Gluts (February 23)
   o Blaug, chapter 5.
   o Schumpeter, 615-625.
6. **John Stuart Mill (February 28)**
- Blaug, chapter 6.
- Schumpeter, 407-415, 527-534.

7. **Classical growth theory: The long-run visions of Smith, Ricardo, Malthus, and Mill (March 2)**

Assignment: Paper 1.

8. **Karl Marx: The labor theory of value, surplus value, commodity fetishism, and the source of profit (March 7)**
- Karl Marx, *Capital*, Volume 1, chapter 1, sections 1, 2, 4; chapters 6-7; chapter 9, section 1; chapter 12, 1867.
- Blaug, chapter 7.

9. **Karl Marx: The accumulation of capital, the transformation problem and the tendency of the rate of profit to fall (March 9)**
- Karl Marx, *Capital*, Volume 1, Chapter 25, Sections 1-3, 1867.
10. **Short course in econometrics and Stata (March 14)**
- Esther Duflo, handout on empirical methods

Due: Paper 1.
Assignment: Empirical exercise.

11. **The policies and politics of classical political economy (March 16)**

12. **Jevons and Menger (March 21)**
- Blaug, chapter 8.
13. Marshall and Edgeworth (March 23)

- Blaug, chapters 9 and 10.
- Schumpeter, 833-840, 920-924.

Due: Empirical exercise.

Assignment: Book response paper 2 on chapters 7-10 of The World Philosophers.


SPRING BREAK

14. Walras and Cournot (April 4)

- Blaug, chapter 13, pp. 549-569.
- Schumpeter, 954-971, 998-1026

Due: Book response paper 2.
15. Social welfare and the nature of utility (April 6)
   o Blaug, chapter 13, 570-585.
   o Schumpeter, 858-861, 1062-1073.

Assignment: Paper 2.

16. Early 20th-century Marxian political economy: monopoly, finance capitalism, imperialism, world war, and fascism (April 11)
   o Leon Trotsky, preface to *The War and the International*, 1914.

17. The socialist calculation debate (April 13)
   o Schumpeter, 985-990.
18. **Thorstein Veblen (April 18)**
- Blaug, chapter 17, section 5.

Due: Paper 2.

19. **E.H. Chamberlin and Joan Robinson (April 20)**
- Schumpeter, 972-978, 1150-1152


22. Joseph Schumpeter (May 2)

23. **Conclusion: What relevance does the history of economic thought have to the philosophy and methodology of economics? (May 4)**

- Blaug, chapter 17.

*Research presentations (May 8)*

*Final research paper due (May 12)*