

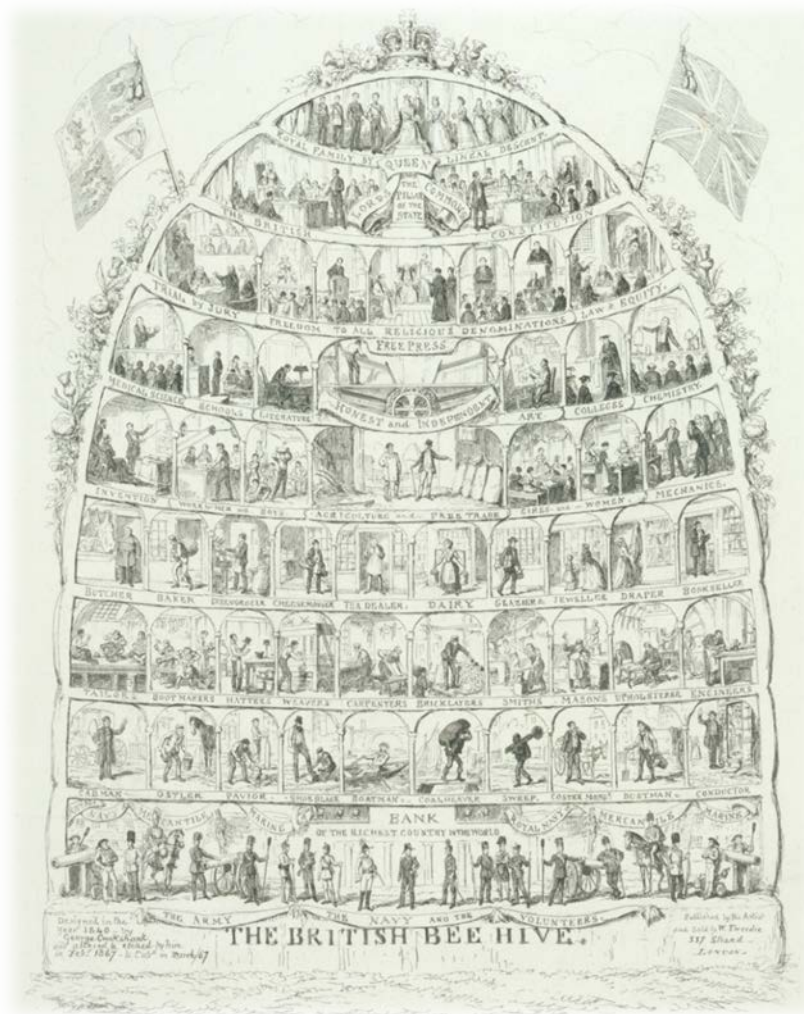
ETH ZÜRICH / D-GESS

GESCHICHTE DER MODERNEN WELT

HS 2017

SEMINAR

INTRODUCTION TO THE HISTORY OF ECONOMIC THOUGHT



Representation of the British Economy by George Cruikshank as 'The British Beehive,' 1867

Time

Monday, 15-17h

Venue

IFW A 34

Instructor

Dr. Nikolay Kamenov

nikolay.kamenov@graduateinstitute.ch

SHORT DESCRIPTION

The course offers a historical introduction to modern economic thought. It looks at texts of 'classical economics' as well as 'neo-classical', 20th century texts. In addition, the course addresses some modern contributions in the history of economics – in particular extra-European economic history – and their potential for the enrichment of mainstream economic thought.

AIM

The course is conceptualized as an introduction to the history of economic thought. It acquaints students with the basic tenets of the 'classical economics' through historical accounts of the work of 'worldly philosophers' as well as primary reading of authors such as Adam Smith, David Ricardo and Karl Marx. Further, the course introduces students to 'neoclassical economics' of the 20th century, again looking at authors of particular significance in the furtherance of economic debates such as John Maynard Keynes, Friedrich Hayek and Milton Friedman. The course, however, takes also a closer look at authors whose work is usually situated beyond conventional economic thought, such as Karl Polanyi. Additionally, the course devotes also time to some extra-European economic thought – drain theory, world system and dependency theory, etc. – and its implications/applications in the history of the 20th century. Finally, a particular attention will be paid to some important contributions in the extra-European history of economics and to specific notions such as 'commodity chains', 'divergences' and 'modernization'. Combining these various items, the course aims not simply at introducing students to the 'evolution' of economic thought, but more broadly to ongoing academic debates, political and ideological tensions as well as to critical interventions. The ambition of the course is to inspire through a historical approach and to enrich the 'understanding' of economic theory with a questioning of its underlying structures and tenets and, ultimately, to advance critical thinking among students interested in modern economics.

GRADING

The grading for the course would be based on a combination of class participation (**50%**) and assignment(s) (**50%**).

ATTENDANCE POLICY

To pass the course all students are expected to attend a minimum of 80% of the classes.

SESSION 1. Introduction to the course. What is economic thought and why should we study it historically?

- Roncaglia, Alessandro. The History of Economic Thought and its role in *The Wealth of Ideas: A History of Economic Thought*, Cambridge University Press, (2005), pp. 1-17

SESSION 2. Economics – ‘study of mankind in the ordinary business of life,’ a worldly philosophy or a moral science?

- Boulding, Kenneth E. Economics as a Moral Science in *The American Economic Review*, Vol. 59, No. 1 (1969), pp. 1-12
- Marshall, Alfred. Introduction in *Principles of Economics*, Macmillan (8th edition 1920) [1890], pp. 1-13
- Heilbroner, Robert. The Economic Revolution in *The Worldly Philosophers: The Lives, Times and Ideas of the Economic Thinkers*, Penguin (7th edition 1995) [1953], pp. 18-41

SESSION 3. Wealth and the Productivity of Labour – First Entries into Political Economy

- Smith, Adam. Chapter I-III in *An Inquiry into the Nature and Causes of the Wealth of Nations*, Oxford University Press (1993) [1776], pp. 11-30
- Adam Smith (1723–1790): Theories of Political Economy in Samuels, Warren J., Jeff E. Biddle and John B. Davis (eds.) *A Companion to the History of Economic Thought*, Blackwell (2003), pp. 94-111



William Clark, Loading Sugar in Antigua, 1823

SESSION 4. The Malthusian Problem.

- Groenewegen, Peter. From Optimism in Progress to Pessimism: Some Major Implications of Malthus' First Essay on Population (1798) for Attitudes to Growth and Welfare in *The Nineteenth Century in Classics and Moderns in Economics Volume I Essays on Nineteenth- and Twentieth-Century Economic Thought*, Routledge (2003), pp. 50-7
- Heilbroner, Robert. The Gloomy Presentiments of Parson Malthus and David Ricardo in *The Worldly Philosophers: The Lives, Times and Ideas of the Economic Thinkers*, Penguin (7th edition 1995) [1953], pp. 75-104
- Malthus, Parson. *An Essay on the Principle of Population, as It Affects the Future Improvement of Society: With Remarks on the Speculations of Mr Godwin, M. Condorcet, and other Writers*, Printed for J. Johnson, in St. Paul's Church-Yard (1798)

SESSION 5. Surplus Value and the Problem of Inequality

- Foley, Duncan K. The Theory of Capital and the Surplus Value in *Understanding Capital: Marx's Economic Theory*, Harvard University Press (1986), pp. 31-48
- Marx, Karl. Part III: The production of absolute surplus-value Chapter VII: The labour-process and the process of producing surplus-value, excerpts from *The Capital* [1867] in Medema, Steven G. and Warren J. Samuels (eds.) *The History of Economic Thought: A Reader*, Routledge (2003), pp. 385-96



NEWCASTLE-UPON-TYNE, FROM NEW BOTTLE, GATESHEAD.

William Miller, Newcastle in 1832

SESSION 6. Liberal School 1.0

- O'Brien, Denis P. International Trade in *The Classical Economists Revisited*, Princeton University Press (revised edition 2004) [1975], pp. 205-47
- Mill, John Stuart. Of the grounds and limits of the *laissez-faire* or non-interference principle in Medema, Steven G. and Warren J. Samuels (eds.) *The History of Economic Thought: A Reader*, Routledge (2003), pp. 353-67

SESSION 7. Marginal Theory and the Birth of Neo-Classical Economics

- Blaug, Mark. The Marginal Revolution in *Economic Theory in Retrospect*, Cambridge University Press (5th edition 1997), pp. 277-310
- Groenewegen, Peter. English Marginalism: Jevons, Marshall, and Pigou in Samuels, Warren J., Jeff E. Biddle and John B. Davis (eds.) *A Companion to the History of Economic Thought*, Blackwell (2003), pp. 246-61

SESSION 8. Imperialism, Colonialism and Their Counter Economic Thought

- Dasgupta, Ajit K. Dadabhai Naoroji and the Drain Theory in *A History of Indian Economic Thought*, Routledge (1993), pp. 74-86
- Lenin, Vladimir Ilyich. Concentration of Production and Monopolies in *Imperialism, the Highest Stage of Capitalism*, Progress Publishers (1963) [1916], pp. 667-76
- Kowalik, Tadeusz. The Historic Conditions of Capital in *Rosa Luxemburg: Theory of Accumulation and Imperialism*, Palgrave Macmillan (2014), pp. 103-11



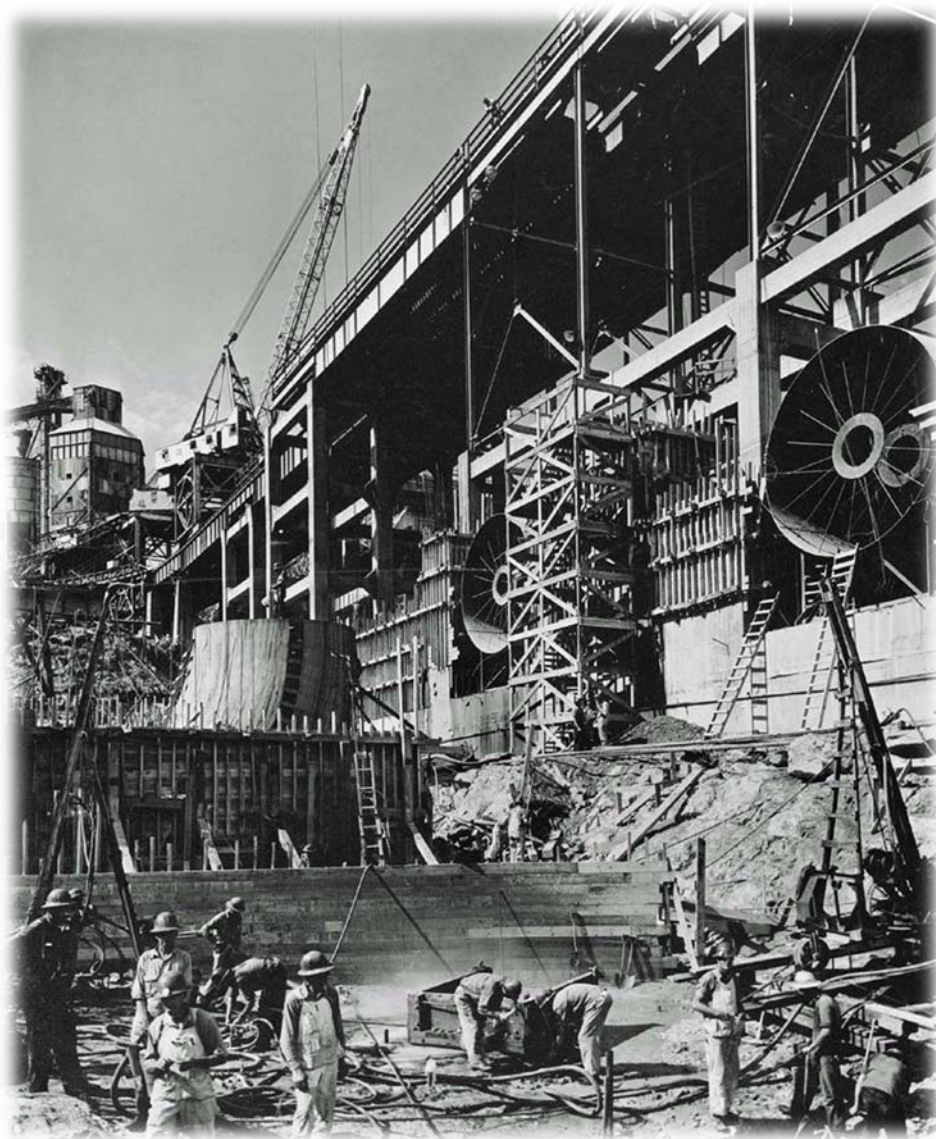
Photograph of a grain cart in Tamil Nadu (South India) in the 1870s

SESSION 9. Keynesian Economics and the Question of State Participation

- Roncaglia, Alessandro. John Maynard Keynes in *The Wealth of Ideas: A History of Economic Thought*, Cambridge University Press, (2005), pp. 384-415
- Vaggi, Gianni and Peter Groenewegen. John Maynard Keynes, 1883–1946: a New General Theory of Employment, Interest and Money in *A Concise History of Economic Thought: From Mercantilism to Monetarism*, Palgrave Macmillan (2003), pp. 297-307

SESSION 10. Alternatives – at the Cross-section of Anthropology, Sociology and Economics

- Block, Fred and Margaret S. Sommers. Beyond the Economistic Fallacy in *The Power of Market Fundamentalism: Karl Polanyi's Critique*, Harvard University Press (2014), pp. 44-72
- Polanyi, Karl. The Self-Regulating Market and the Fictitious Commodities: Labor, Land, and Money in *The Great Transformation: The Political and Economic Origins of Our Time*, Beacon Press (2001) [1944], pp. 71-80



Building a dam during the New Deal in the USA, 1930s

SESSION 11. Liberal School 2.0

- Hayek, Friedrich. The Present State of the Debate in Hayek, Friedrich (ed.) *Collectivist Economic Planning: Critical Studies on the Possibilities of Socialism*, Routledge & Kegan Paul (1935), pp. 201-43
- Meijer, Gerrit. Friedrich August Hayek (1899–1992) in Backhaus, Jürgen Georg (ed.) *Handbook of the History of Economic Thought: Insights on the Founders of Modern Economics*, Springer (2012), pp. 689-711
- Roncaglia, Alessandro. The Austrian School and its Neighbourhood in *The Wealth of Ideas: A History of Economic Thought*, Cambridge University Press, (2005), pp. 297-321

SESSION 12. Monetarism – If, How and Why Money Matters.

- Snowdon, Brian and Howard Vane. The Orthodox Monetarist School in *Modern Macroeconomics: Its Origins Development and Current State*, Edward Elgar (2005), pp. 163-218
- Screpanti, Ernesto and Stefano Zamagni. The Monetarist Counter-Revolution in *An Outline of the History of Economic Thought*, Oxford University Press (2nd edition 2005), pp. 335-45
- Hammond, J. Daniel. Origins of the Monetary Project in *Theory and Measurement: Causality Issues in Milton Friedman's Monetary Economics*, Cambridge University Press (1996), pp. 46-68



Milton Friedman with fresh one dollar bills

SESSION 13. The World of Economics – Commodity Chains, World System and Dependency Theory

- Wallerstein, Immanuel. The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis in *The Essential Wallerstein*, The New Press (2000) [1974], pp. 71-105
- Frank, Andre Gunder. Foreign Investment in Latin American Underdevelopment in *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*, Monthly Review Press Classics (2009) [1967], pp. 279-318

SESSION 14. Capital in the 21st Century.

- Piketty, Thomas. Income and Output in *Capital in the Twenty-First Century*, Harvard University Press, pp. 39-71
- Stiglitz, Joseph E. Rent Seeking and the Making of Unequal Society in *The Price of Inequality*, W. W. Norton & Company (2012), pp. 28-51



Container ship at the port of Hamburg, 2013