

# ECON-274: History of Economic Thought

**Instructor:** Fernando Arteaga

**TA:** Ricardo Vieira Mato

**Dates** TR 13:45-15:45 <sup>1</sup>

**Location:** STIT B21

## 1. Course overview

Is the market price a just price? Why a centralized command economy may work within firms but not across societies? Why capital is a troublesome concept to define? Why do central banks monopolize the issue of currency? Is credit, money? Should economics study non-economic aspects of social life? Is economic growth the responsibility of the State? This course will study and discuss these and many other important perennial micro and macroeconomic questions. The emphasis will be put on exploring these issues through a historical perspective. We will address how intellectuals of the past approached these topics, and more importantly, we will assess how they still influence the way we think about economics today.

The class serves as complement of standard economics courses. The aim is to broaden the student's understanding of economic issues—by reflecting on how past thinkers, and the debates in which they were involved, created the current common pool of knowledge in our profession. The class is organized in a topical rather than chronological way. We will survey several themes: from some technical issues like the Cambridge capital controversies to more epistemological questions like trying to answer what is the proper role of an Economist.

## 2. Instructors

A few words about us. Fernando (FA) is originally from Mexico. He received a B.Sc. in Economics from UNAM in Mexico City, Mexico. He got his Ph.D. in Economics from the George Mason University. His research focuses on economic history, the economics of institutions, and development economics. Ricardo Vieira Mato (RVM) is a fifth year PhD student in Economics at UPenn and his research interests are in macroeconomics. He is originally from Portugal.

The best way to reach us is via email [arteaga@sas.upenn.edu](mailto:arteaga@sas.upenn.edu).

Office hours:

FA: Tuesday 12:00-13:30, PCPSE Room 533

RVM: Wednesday, 13:30-15:30, PCPSE 208

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<sup>1</sup>We will start online for the first two weeks. Please be attentive of the University's most recent guidelines, as this may change at any point in time during the semester.

### 3. Readings

We will mainly be reading journal articles. All of them will be available to download in Canvas. In addition, they can also be downloaded from either JSTOR or alternative academic repositories, all of which can be accessed through Penn library.

### 4. Class structure

In anticipation of unexpected contingencies, the course is organized to minimize potential disruptions in the transition between virtual and in-person formats. As of today (January 1st), the course will begin online and move to an in-person format on January 25. However, changes may occur at any time.

The class will be organized around four components:

- i) One *asynchronous* recorded administrative lecture where we will describe the rules we will follow and introduce the course.
- ii) 16 in-person lecture sessions starting in January 25, and one *asynchronous* recorded lecture of approximately 100 minutes for the prior week. If in-persons classes get suspended, we will replace them with asynchronous recorded lectures and synchronous virtual Q&A Sessions.
- iii) Five debate sessions, where we will discuss specific readings and your reading reports. If in-persons classes get suspended, we will replace them with synchronous virtual Q&A Sessions.
- iv) Two review sessions, where we will summarize what we have covered in the lectures in preparation for the midterm and final exams. If in-persons classes get suspended, we will replace the review sessions with synchronous virtual Q&A Sessions, and the exams may be of a take-home format.

In addition, we will hold office hours. Details will be announced via Canvas.

#### 4.1. Lectures

The tentative dates and contents of each lecture are:

- **Lecture 1, posted on January 13:** Administrative [Recorded]
- **Lecture 2, posted on January 18:** The Scope of Economics [Recorded]
- **Lecture 3 & 4, on January 25 & 27:** Price Theories
- **Lecture 5 & 6, on February 1 & 8:** Trade Theories
- **Lecture 7 & 8, on February 10 & 15:** Wage Theories
- **Lecture 9 & 10, on February 22 & 24:** Capital Theories

- **Lecture 11 & 12, on March 1 & 22:** Money Theories
- **Lecture 13 & 14, on March 29 & 31:** Firm Theories
- **Lecture 15 & 16 , on April 5 & 12:** Technology Theories
- **Lecture 17 & 18, on April 14 & 19:** Institutional Theories

#### 4.2. Debate Sessions

There will be five debate sessions, where the class will discuss the readings for that day. The meeting times and contents of each recitation are:

- **Debate 1, February 3:** What is economics?
- **Debate 2, February 17:** The fate of capitalism
- **Debate 3, March 3:** Is socialism feasible?
- **Debate 4, March 24:** Gold, dollars, & bitcoin
- **Debate 5, April 7:** The scope of economics

#### 4.3. Exam & Review sessions

There will be two open-book exams, and two review sessions before each. The dates are the following:

- **First Midterm Review session, March 15.**
- **First Midterm, March 17.**
- **Second Review session, April 21.**
- **Second Exam, April 26**

If you have a problem with the dates of the midterms, please let me know before January 30. After January 30, we will NOT accommodate your requests. Note that travel, job interviews, or non-emergency family matters are NOT acceptable reasons to re-arrange the exam.

## 5. Course requirements and grades

The evaluation of this class will be based on three items: reading reports on the readings, class participation, and two exams.

### 5.1. Reading reports on the debates

There are five written reading reports due by 1:45 pm EST on the day listed below based on your reading of the articles listed in Section 8. You will deliver two copies of the written report: a physical copy, and a digital one. The physical copy will be due by the beginning the class. The digital copy should be delivered done through Canvas with a PDF format. Please, **DO NOT** send the report in a format different than pdf or by email. Also, note that we will be *strict* in enforcing that late reports will get a zero grade unless covered by a University-wide policy exemption.

We will be very strict in checking the format and subtracting points for mistakes. You should write your reading report on Arial 12 font, double space, and be of a MAXIMUM length of two pages (we will not read beyond second page). All of the reports should be individual. If you happen to discuss the topics in the report with any classmate, you should clearly and explicitly mention who you talked with in the references section or somewhere in the text. Be aware that canvas will verify the text authenticity.

The report should be divided in three sections: a) A summary of the text of roughly three paragraphs that briefly answers what are the readings about? b)An analysis of roughly three paragraphs that briefly discusses the critical points, the strengths, and weak arguments in the texts. c) A future direction section, of roughly one paragraph, where you should be creative, making suggestions to address unanswered aspects and limitations, propose future studies addressing the same research problem in a different setting, re-assessing and expanding theory etc.

The dates and content of the reading reports are:

- **Reading report 1, February 3:** Debate 1: What is economics?
- **Reading report 2, February 17:** Debate 2: The fate of capitalism
- **Reading report 3, March 3:** Debate 3: The feasibility of socialism
- **Reading report 4, March 24:** Debate 4: Gold, dollars, & bitcoin
- **Reading report 5, April 7:** Debate 5: The scope of economics

We will grade each report out of ten points, for a total of 50 points. We will post in Canvas an example of a written report to have a guideline on how to prepare it and a rubric.

### 5.2. Class participation

We expect you to participate in the debate sessions discussing the readings (offering comments, asking questions about them etc.). You can also participate in the lecture sessions. Class participation will be graded over 20 points.

### 5.3. Exam

There will be two open-book midterms. They will be graded over a 15 points base each. Each midterm will consist of essay and short questions. As we get closer to the exam, we will present some examples of each type of questions.

## 6. Grading standards

Students taking the course for a letter grade will receive grades from A through D or an F. Students that take the class on a Pass/Fail basis need at least a D+ to pass the class. Poor performance is not a valid reason for an incomplete (I). An incomplete is given only under exceptional circumstances and requires the satisfactory completion of a substantial part of the course. Any incomplete must be arranged **before** April 10.

The grade will be equal:

$$\text{Points} = \text{total grade in written reports} + \text{class participation} + \text{midterm} + \text{final exam}$$

The mapping of points into letter grades is given by:

Points Achieved	Letter Grade	Points Achieved	Letter Grade
96 - 100	A +	72 - 75.75	C +
92 - 95.75	A	68 - 71.75	C
88 - 91.75	A -	64 - 67.75	C -
84 - 87.75	B +	60 - 63.75	D +
80 - 83.75	B	56 - 59.75	D
76 - 79.75	B -	less than 56	NP

## 7. Common policies

Finally, note that all common set of policies for courses taught in the department of economics apply unless superseded by the rules above. You can find such policies at <https://economics.sas.upenn.edu/undergraduate/course-information/course-policies>.

## 8. Bibliography

- Debate 1: What is economics?
  1. Lionel Robbins (1932). "Chapter 1: The Subject Matter of Economics" In: *An Essay on the Nature and Significance of Economic Science*. London: MacMilland and Co.
  2. James M Buchanan (1964). "What Should Economists Do?" In: *Southern Economic Journal* 30.3, pp. 213-222
  
- Debate 2: The fate of capitalism.
  1. Joseph Schumpeter (1991). "Can Capitalism Survive?" In: *Joseph Schumpeter. The Economics and Sociology of Capitalism*. Ed. by Richard Swedberg. Princeton, NJ: Princeton University Press, pp. 298-315
  2. Albert O. Hirschman (2013). "Rival Views of Market Society" In: *The Essential Hirschman*. Ed. by Jeremy Adelman. Princeton, NJ: Princeton University Press, pp. 214-243
  
- Debate 3: The feasibility of socialism.
  1. Ludwig von Mises (1951) "Chapter III: The Organization of Production under Socialism" In: *Socialism, An Economic and Sociological Analysis*. Translated by J. Kahane. New Haven, CT: Yale University Press, pp 128 - 150
  2. John Roemer (1992) "Can there be Socialism after Communism?" In: *Politics & Society* 20.3, pp.261-276
  
- Debate 4: Gold, dollars, & bitcoin.
  1. Milton Friedman & Anna J. Schwartz (1987) "Has Government Any Role in Money?" In: *Money in Historical Perspective*. Chicago, IL: University of Chicago Press, pp. 289-314
  2. Jesús Fernández-Villaverde (2018) "Cryptocurrencies: A Crash Course in Digital Monetary Economics" In: *The Australian Economic Review* 51.4, pp.514-526
  
- Debate 5: The scope of economics.
  1. Thorstein Veblen (1909) "The Limitations of Marginal Utility". In: *Journal of Political Economy* 17.9, pp. 620-636
  2. Deirdre McCloskey (1995) "The Economics of Choice: Neoclassical Supply and Demand" In: *Economics and the Historian* Ed by Thomas Rawski. Los Angeles, University of California Press, pp. 122-158.