

ECON 4560: History of Economic Thought.

Fall 2023

Instructors: Fernando Arteaga and Andrej Svorenčík

Dates MW 13:45-15:15

Location: MCNB 286-

1. Course overview

Is the market price a just price? Why may a centralized command economy work within firms but not across societies? Why is capital 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 examine and discuss these and many other important perennial micro and macroeconomic questions. The emphasis will be put on exploring these issues from 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 a complement to 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 shared pool of knowledge in our profession. The class is organized in a topical rather than chronological way. We will survey several themes: from technical issues like the Cambridge capital controversies to more epistemic and normative questions like trying to answer 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 George Mason University. His research focuses on economic history, the economics of institutions, and development economics.

Andrej Svorenčík (AS) hails from Slovakia. He received a doctorate in economics from the University of Utrecht. For his work on the history of experimentation in economics, he was awarded the Joseph Dorfman Best Dissertation Prize of the History of Economics Society. He also received the Best Book Award from the European Society for the History of Economic Thought.

The best way to reach us is via email arteaga@sas.upenn.edu & asvo@sas.upenn.edu. We usually answer questions via email within half a day. We also have the following office hours.

FA: Monday 10:00-12:00, PCPSE Room 533

AS: Tuesday 14:00-15:00, location TBA or (ideally) via zoom

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.

Students who are interested to read a textbook on the history of economic thought are welcome to consult this book:

- Alessandro Roncaglia (2017) A brief history of economic thought. Cambridge University Press.

4. Class structure

The class will be organized around four components:

- i) 14 in-person lecture sessions starting on August 30.
- ii) Five debate sessions, where we will discuss specific readings.
- iii) Two review sessions, where we will summarize what we have covered in the lectures in preparation for the first and second midterm. An one final feedback session at the end of the semester.
- iv) A visit to the special collection library where you will be able to look at and touch seminal first edition books authored by the scholars we will be talking about in class.

In addition, we will hold office hours.

4.1. Lectures

The tentative dates and contents of each lecture are:

- **Lecture 1, August 30:** Administrative Session
- **Lecture 2, on September 6:** The scope of economics [AS]
- **Lecture 3 & 4, on September 13 & 18:** What is a price? [FA]
- **Lecture 5 & 6, on September 20 & 25 :** The rise of market societies and the importance of trade [FA]
- **Lecture 7 & 8, on October 02 & September 27:** Population and wages [FA]
- **Lecture 9 & 10, on October 09 & 11:** Before classical economics [AS]
- **Lecture 11, on November 06:** Capital as engine of growth? [FA]
- **Lecture 12, on November 13 :** How our understanding of Money and Banks has developed through time [FA]

- **Lecture 13, on November 20:** Transformations of economics in the 20th century [AS]
- **Lecture 14, on November 27:** Economics and policy-making [AS]

4.2. Library Visit

There will class visits to the Special Collections located in Van Pelt Library (top floor). Students will be divided into four groups with the following schedule:

- **October 23:** Group 1 [AS]
- **October 25:** Group 2 [AS]
- **October 30:** Group 3 [AS]
- **November 01:** Group 4 [AS]

4.3. Debate Sessions

There will be five debate sessions to discuss the readings for that day. We will randomly divide the class into two groups of half the class size each. The discussion will last 40 minutes. The first group will be in session from 13:45 to 14:25. The second group will be in session from 14:30 to 15:15.

The meeting times and contents of each recitation are as follows:

- **Debate 1, September 11:** What is economics? [AS]
- **Debate 2, October 04:** The fate of capitalism [FA]
- **Debate 3, November 08:** Is socialism feasible? [FA & AS]
- **Debate 4, November 15:** Gold, dollars, & bitcoin [FA]
- **Debate 5, November 29:** Economists and their role in society [AS]

4.4. Review sessions & Midterms

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

- **First Midterm Review session, October 16.**
- **First Midterm, October 18.**
- **Second Review session, December 04.**
- **Second Midterm, December 06.**
- **Feedback Session, December 11.**

If you have a problem with the dates of the midterms, please let us know before September 12. After September 12, 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: debate participation, library visit participation, and two midterms.

5.1. Debate participation

We expect you to participate in the debate sessions discussing the readings (offering comments, asking questions about them, etc.). Class participation contributes up to 40 points to the final grade.

We will have an online text participation forum through Ed Discussion. Ed Discussion is a course management tool that you may find helpful in being in touch with me or our TA. One of its big perks is that it allows for class anonymity. So, for example, in the lectures and debate sessions, you can participate in real-time by typing questions if you prefer. The use of this software is not a requirement. It is just another tool that you may use if you desire. The course's main communication channel will remain Canvas and the in-person classes.

5.2. Library Visit

We are going to have a special session visiting the library. You are required to attend. At the end of the session, you will receive a handout to fill out. Together they represent up to 10 points of the final grade.

5.3. Midterms

There will be two closed-book midterms. Each contributes up to 25 points to the final grade. Each midterm will consist of three to four questions. As we get closer to the exam, we will present some examples of each type of question.

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** December 1.

The grade will be equal:

$$\text{Points} = \text{library visits} + \text{class participation} + \text{midterm} + \text{final exam}$$

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: Economists and their role in society
 1. Michael Bernstein (2001)."Epilogue" In: *A Perilous Progress. Economics and Public Purpose in Twentieth-Century America* Princeton University Press. pp. 185-194.
 2. Michael Bernstein (2008). "A Brief History of the American Economic Association." In: *The American Journal of Economics and Sociology*, 67.5, pp 1007–1024.