

# ECON 4560: History of Economic Thought.

Fall 2024

**Instructor:** Fernando Arteaga

**TAs:** Matthew Fagerstrom & Jacob Hall

**Dates** MW 13:45-15:15

**Location:** MCNB 286-7

## 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, such as trying to answer the proper role of an economist.

## 2. Instructors

A few words about us. Fernando 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. Jacob Hall is a Postdoctoral Fellow at UPenn's economics department. His research is in economic history and medieval political economy. Matthew J. Fagerstrom is a first-year PhD student in the economics department at the University of Pennsylvania

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

JH: TBA      MF: TBA

### 3. Readings

We will mainly read journal articles. All of them will be available to download in Canvas. They can also be downloaded from JSTOR or alternative academic repositories, all of which can be accessed through the Penn Library.

Students who are interested in reading 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.

For discussions of economists' contributions, I recommend using Wikipedia to understand their biographies and major works. Additionally, I suggest the following book, which covers some (but not all) of the economists we will be discussing in class.

- Joseph Schumpeter (1951) Ten great economists from Marx to Keynes. Oxford University Press

### 4. Class structure

The class will be organized around four components:

- i) 15 in-person lecture sessions starting on August 28.
- 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 midterms.
- iv) Four discussion sessions, where we will debate who is “the most interesting economist in history.”

In addition, we will maintain office hours.

#### 4.1. Lectures

The tentative dates and contents of each lecture are as follows:

- **Lecture 1, August 28:** Administrative Session
- **Lecture 2, on September 4:** The scope of economics
- **Lecture 3, on September 9:** Morality and Economics
- **Lecture 4 & 5, on September 16 & 18:** What is a price?
- **Lecture 6 & 7, on September 23 & 25 :** The rise of market societies and the importance of trade

- **Lecture 8 & 9, on October 02 & October 07:** Population and wages
- **Lecture 10 & 11, on October 21 & October 23:** Capital as engine of growth?
- **Lecture 12 , on October 28:** How economics became a mathematical, statistical, and experimental discipline
- **Lecture 13 , on October 30:** Economics and Policy-making
- **Lecture 14 & 15, on November 04 & 06 :** How our understanding of Money and Banks has developed through time

#### 4.2. 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?
- **Debate 2, September 30:** The fate of capitalism
- **Debate 3, October 9:** Is socialism feasible?
- **Debate 4, November 11:** Gold, dollars, & bitcoin
- **Debate 5, December 2:** Economists and their role in society

#### 4.3. Discussion around the “The Most Interesting Economist in History.”

In the second part of the semester, we will have four sessions dedicated to debating who is the most interesting economist in history. Using information discussed in class and other secondary sources, we will create a tournament bracket where students will vote and provide reasons for their choices. Each session will focus on a specific historical period. We will follow the same debate guidelines as before, with the class divided into random groups. Each group will meet for 40 minutes.

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

- **Discussion 1, November 13:** Economics Pre-History
- **Discussion 2, November 18:** Economics of the Marginal Revolution
- **Discussion 3, November 20:** Economics in the formalization period
- **Discussion 4, November 25:** Economics in the modern era

#### 4.4. Review sessions & Midterms

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

- **First Midterm Review session, October 14.**
- **First Midterm, October 16.**
- **Second Review session, December 04.**
- **Second Midterm, December 09.**

If you have a problem with the dates for the midterms, please let us know before September 10. After September 10, 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 four items: debate and discussion participation, reading reports, a final discussion report on who the most interesting economist is to you, and two midterms.

#### 5.1. Reading reports on the debates

Five written reading reports are due by 10.15 am EST on the day listed on the specific debate session. Reports will be 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 of the class. The digital copy should be delivered through Canvas and in 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 grade each report out of five points for a total of 25 points. We will post an example of a written report in Canvas as a guide on how to prepare it.

#### 5.2. Discussion Report on the most interesting economists in history

After we complete the live discussions on the most interesting economists in history, students will need to replicate the exercise, filling in the results of each bracket. Each student will write a one-page essay explaining how they arrived at their conclusions, highlighting the reasons for their choices. More details will be provided via Canvas. The **discussion report must be submitted by 10:15 am EST on December 4.** You will need to deliver two copies of the report: a physical copy due at the beginning of class and a digital copy. This report will account for five points of your final grade.

### 5.3. Debate participation

We expect you to participate in the debate and discussion sessions (offering comments, asking questions about them, etc.). Class participation contributes up to 30 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 when contacting our TA or me. One of its great benefits 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 required. 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.

### 5.4. Midterms

There will be two closed-book midterms. Each contributes up to 20 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 the type of questions asked.

## 6. Grading standards

Students taking the course for a letter grade will receive grades A through D or F. Students taking 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). Incomplete is given only under exceptional circumstances and requires satisfactory completion of a substantial part of the course. Any incomplete must be arranged **before** December 1.

The grade will be equal:

Points = reading reports+final discussion report+class participation+first midterm+second midterm

The mapping of points into letter grades is given by:

Points Achieved	Letter Grade	Points Achieved	Letter Grade
97 - 100	A +	72 - 75.75	C +
93 - 96.75	A	68 - 71.75	C
88 - 92.75	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: MacMillan 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.