The History of Economic Thought
Lecture, 2009/2010 (60 hours)

Timetable: Autumn and Spring Semesters – Thursdays, 1:15–2:50 PM, Room F (Room E in Spring Semester)

Instructor: Michał Brzeziński

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Email is a best mean of communication with me. I read email regularly and I try to respond quickly.

Course webpage: Go to: http://coin.wne.uw.edu.pl/mbrzezinski and choose (from the top menu the following options: “Teaching” and further “History of Economic Thought (lecture)”).

Beside syllabus, I will post slides for lectures on the webpage.

Course objectives

The main purpose of the course is to acquaint the student with the evolution of economic ideas and major theories in the history of economic thought. The evolution of economic thought is traced from the ancient Greek philosophers to the end of the 20th century, concentrating on the two and a quarter centuries since the publication of Adam Smith Wealth of Nations in 1776. The course will focus on classical economics, the ideas of the Marginalist Revolution, neo-classical and institutional economics, the Keynesian Revolution and Monetarist Counter-revolution and in the final section the dispute between Real Business Cycle Theory and The New Keynesian Macroeconomics. These ideas and theories will be examined within their original historical, social and political context and they will also be related to the scientific, philosophical and cultural ideas of the time. The course will develop an insight into the evolution of economics and will provide an opportunity for better understanding of the nature of economic science.

Teaching methods

Lectures
There will be an 1.5-hour lecture each week. You are encouraged to ask questions at any time in lectures. For each lecture I will provide PPT slides covering the main points, which will be published on the course web page (see above). If you have questions that you do not wish to raise in lectures, whether about the course organization or about material covered, you are welcome to come to see me during my Office Hours or use email.

Assessment
One final 1 hour exam in the June exam period will consist of test questions. I will provide you sample questions later in Summer semester.
Textbook

The lectures are based on a following textbook:


You can also use the 3rd edition of the book. Both editions are available in the Department of Economics Library.

Course outline (main topics)

I. Introduction and the beginnings of economics

1. Economics and its history
   Why study the history of economics? Benefits from studying the history of thought. Broad chronology of main events in the history of economics.

2. Early economic thought
   Xenophon and economics. Aristotle: economics vs. chrematistics; exchange, money and value; justice in exchange and distribution. Thomistic economics: theory of value, the just price doctrine, theory of money.

3. Mercantilism and the Physiocracy

II. Classical Economics

4. Freedom and the wealth of nations: Adam Smith
   Smith: the causes of the wealth of nations; theory of value; measures of value; the theory of distribution: wage, profit and rent; the theory of production: economic resources and capital; productive and unproductive labor; money and revenues of state; the social philosophy of the *Wealth of Nations*.

5. Distribution and growth of wealth: David Ricardo
   The subject of Ricardian economics: the distribution of wealth. Theory of exchange value: labor time; the cost of capital; the influence of distribution of exchange relations; invariable measure of value. Fundamental laws of distribution. Accumulation of the capital and economic growth. Money and international trade.

6. Crises or stability of the economy: Malthus vs. Say
7. The synthesis and decline of classical economic: J. St. Mill
The development of economics after Ricardo. Mill: the economics of liberal institutions – the role of government, private property and competition; theory of value, laws of production and distribution; static vs. dynamic analysis; the social philosophy – social liberalism.

III. Against Classical Economics

8. Dialectical development of capitalism: Karl Marx

IV. The marginalist revolution

9. The beginnings and development of marginalist analysis.

V. Neoclassical Economics


11. General equilibrium theory: L. Walras
Outline of general equilibrium model. The premises of formalization of the model. Model in mathematical form.

VI. Heterodox economics

12. Institutionalism and historical schools
Institutionalism: T. Veblen; the criticism of neoclassical economics, institutional analysis of capitalism; the theory of leisure class; stability and development of capitalism. Historical School.

13. The Austrian School of Economics

VII. Modern economics: mainstream current

14. Modern microeconomics
Formalist revolution in economics. The role of mathematics in economics. Progress in general equilibrium theory. The rise of game theory and other approaches: microeconomics since 1980s.
15. Modern macroeconomics before Keynes.
Growth theory, theory of the general level of prices, business cycle theories.

16. Macroeconomics of unemployment: Keynesian revolution

17. Macroeconomics after Keynes.

VIII. Other issues in modern economics

18. Development of empirical methods in modern economics
The rise of econometrics. The Cowles Commission approach to econometrics and its decline. Experimental economics.

Radical economics; modern institutionalists; Post-Keynesians, neo-Austrians, public choice advocates; feminist economics.