

THE HISTORY OF ECONOMIC THOUGHT

(ECON 210)

Professor: Humberto "Bert" Barreto
Office Hours: MWF 8:30 – 9:30 AM and 3:00 – 4:00 PM and by appointment
You are always welcome if my door is open. I usually answer email/text pretty quickly.

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Course Materials:

Heilbroner, Robert L., *The Worldly Philosophers*, 7th edition (1999). Also available in the link below.
Buy a 3-ring binder for 3-hole punched handouts.

Daily readings at <http://academic.depauw.edu/~hbarreto/courses/HistEcon/index.html>

Password: _____

Please bring your binder (with readings) to class every day and Heilbroner, if needed.

Course Description:

This course surveys the history and development of economic theories. We will be examining the ideas and predictions of famous economists. Robert Heilbroner describes this course well when he writes:

It is this search for the order and meaning of social history that lies at the heart of economics. Hence, it is the central theme of this book. We are embarked not on a lecture tour of principles, but on a journey through history-shaping ideas. We will meet not only pedagogues on our way, but many paupers, many speculators, both ruined and triumphant, many mobs, even here and there a grocer. We shall be going back to rediscover the roots of our own society in the welter of social patterns that the great economists discerned, and in so doing we shall come to know the great economists themselves—not merely because their personalities were often colorful but because their ideas bore the stamp of their originators. (*The Worldly Philosophers*, p. 16-17)

Instead of looking at the sayings of famous dead economists in the abstract, we will attempt to see what issues in their lives prompted them to develop their theories. We will look at only a few of the most important theories in detail—concentrating especially on predictions concerning the future of the capitalist system.

We will find out that Smith was not anywhere as free market as you would think, while Marx actually said, "capitalism is the most productive system known to man." As for Keynes, he never used IS/LM curves and snarled, "I am not a Keynesian." In addition to these three greats, we will also explore the works of David Ricardo, Joseph Schumpeter, and Frank Knight.

Course Goals:

A primary goal of this course is to familiarize you with some of the great economists of the past and their theories. By taking this course, you will see that economics is not monolithic. There are schools and heretics—most Econ majors do not know this.

Another important goal is to explain the current state of economics as a discipline. We will see when, how and why economics became so mathematical.

A third goal is to see how economics has tried to explain the market system. Capitalism is a modern invention and no one knows how and why it works. When we study the major economists listed on the final page, we will focus on what they had to say about capitalism.

Since this is a W course so we will read and write—a lot!

Course Grading:

Your final grade will be the result of your performance on graded work according to the following distribution:

	<u>Share of Final Grade</u>
Class Participation	10% (missing class is a huge problem)
Homework Assignments	20%
Two Papers	15% each
Two In-class Essays	20% each

W-cert: C- or better final grade in the course.

Course Style:

You will read something for each class—and often write something—and then we will discuss it in class. This is a much less lecture-oriented class than the usual economics course. We will have a lot of discussion. I will try to keep things interesting by varying the delivery. We will see video and do other activities beyond the usual chalk-and-talk.

Your Responsibilities:

I expect you to be engaged and attentive. Ask questions whenever you are unsure of something I said. Stop me if you missed what I said.

If you know you will be absent from a class, please let me know in advance. If you unexpectedly miss class, please let me know what happened via email.

No matter the reason for missing class, you are responsible for turning in the assigned homework that is due and the one due next time. Therefore, if you miss class, no matter the reason, please get the homework assignment from a friend or email me and I will provide it.

ENJOY!!!

Course Topics:

Chapter 1: Introduction

Chapter 2: Pre-Smithian Economics

Chapter 3: **Adam Smith**

PAPER 1

Chapter 4: **David Ricardo**

Chapter 5: **Karl Marx**

Essay 1 Friday, March 18 (last day before spring break)

Chapter 6: The Neo-Classical School

Chapter 7: **John Maynard Keynes**

PAPER 2

Chapter 8: **Joseph Schumpeter**

Chapter 9: **Frank Knight**

Chapter 10: **Conclusion**

Essay 2 Thursday, May 18, 8:30 AM

You must write both essays, in class, at these assigned times.
Please see me immediately if you have a conflict.

Accommodation:

It is the policy and practice of DePauw University to provide reasonable accommodations for students with properly documented disabilities. Written notification from Student Disability Services is required. If you are eligible to receive an accommodation and would like to request it for this course, please contact Student Disability Services. Allow one week advance notice to ensure enough time for reasonable accommodations to be made. Otherwise, it is not guaranteed that the accommodation can be provided on a timely basis. Accommodations are not retroactive. Students who have questions about Student Disability Services or who have, or think they may have, a disability (psychiatric, attentional, learning, vision, hearing, physical, medical, etc.) are invited to contact Student Disability Services for a confidential discussion in Union Building Suite 200 or by phone at 658-6267.

“Bert, I am overwhelmed. What do you want from me?”

I want you to be an *engaged student*, be

- 1) Attracted to your work
- 2) Persist despite obstacles
- 3) Show visible delight in accomplishing work