Central European University

Department of Economics

1. Name of Course: History of Economic Thought

2. Lecturer: Professor Julius Horvath, Ph.D.

3. No. of Credits (no. of ECTS credits): 2 CEU credits (4 ECTS)

4. Semester or Time Period of the course: Winter Term 2013

5. Pre-requisites: No special pre-requisites are required. This course is accessible to anyone with an under-graduate background in social sciences or economics.

6. Course Level: Master level class.

7. Course Outline: This course presents systematic review of the history of economic thinking and economic analysis.

8. The goals of the course: The main goal of this course is to provide students with understanding of historical evolution of economic thought. In other words, this course tries to explain how economic thinking got to be where it is today. In addition students are also led to formulate their own research question in the topic of their interest. This course does not examine what happened in the past but rather a history of theories about how the economy worked in the past.

9. The learning outcomes of the course: The syllabus covers wide ranging areas. In this course students are able to understand some historically important articles and concepts of the political economy and economics. They acquire a broad understanding of the evolution of economic thinking in the period of last more than two thousand years. The emphasis is on theoretical aspects, on societal milieu however issues relevant to policy are also considered.

10. More detailed display of contents:

   Syllabus Topics
   - Economic Aspects of Traditional Religions
   - Greek and Medieval Thought
   - Transformation Period
   - Western Europe before Smith
   - Smith, Ricardo, Marx, Veblen, Keynes, Schumpeter
   - Friedman, Hayek, Buchanan
   - Non-Mainstream Thought

11. Assessment: Presence 15%, three position papers 15%; 70% final paper.
Syllabus

Introduction
On Power of Ideas; Robbins-Schumpeter-Stigler on Teaching History of Thought; History of the Terms Oikonomike, Economics, and Political Economy; To Whom Economists Speak To; Stories of Economists; History of Economic Thought as an Intellectual Discipline; How Important are Biographical and Context Elements in History of Economic Thought; Simplifications and Pedagogy; Collective Work and Individuals;

Economic Aspects in Traditional Religions
Rise of Civilization; Ancient Thought; Old Testament and New Testament on Work Ethics and Ownership; Early Christian Attacks on Wealth and Money; Old Testament and New Testament on Care for Poor, on Just Price, on Specialization, on Interest Rate;

Greeks
Greek Thinkers: Homer, Hesiod, Xenophon, Socrates; Plato's Blueprint for an Ideal State; Plato's Economics; Aristotle's Economic Writings; Use and Exchange Value; Aristotle on Private Property; Natural and Just; Aristotle On Money, On Commerce and Justice; Aristotle on Acquisition of Wealth;

Medieval Economic Thinking
Roman Law; The Early Christianity; Wealth, Beggary and Sufficiency: the Mendicant Solutions; Help the Poor: Get Rid of Superfluities; Private Property versus Communal Property; Scholastic Thought; Albert the Great; Just Price in Scholastic Economics; St. Thomas Acquinas on Commerce, Property, Fraudulent Behavior, and Usury;

The Transformation Period
Modernity Begins; The Idea of Glory and Its Downfall; The Principle of Countervailing Passions; Money Making and Commerce; The Role of Providence in Social and Economic Matters before Adam Smith; XVII-XVIII Century Providential Elements in Economics; Discussion on Whether Providence Favors Trade among Nations; Providence and Observed Inequality;

Mercantilists
Political Economy Emerges; Eminent Mercantilists; Mercantilist Wage Theory; Mercantilist’ Monetary Theories; Reasons for Wanting More Bullion;

Birth of Macroeconomics: Petty, Law, Thornton, Cantillon, Hume, Turgot, Quesnay
Petty's Medical Beginnings; Idea of the Royal Society, Petty's Work; Petty's National Income Concept; John Law’s Life; Law’s Contribution to Macroeconomics; John Law and the Mississippi System; Cantillon's Life; Beginning of Modeling; Cantillon’ Effect; Hume’s Specie Flow Mechanism;
Smith
Life; Hume-Smith Friendship; Smith on Market; Smith on Government; Contribution to Political Philosophy; Smith on Value, Market and Competition; Productive and Unproductive Labor; Books of Wealth of Nations;

Ricardo, Malthus
Ricardo's Principles of Political Economy; Ricardo on Rent; Malthus on Population; Ricardo and Malthus on Under-Consumption; Bullion Controversy; Say’s Law,

Utopians, Marx
Utopian Socialists; Marx' Life; Communist Manifesto; Dialectical Materialism; Marx on Classical Economists; Struggle between Classes; Marx’ Tone of Writing; Das Kapital; Exploitation; Marx on Movement of the Capitalist Economy; Schumpeter’s Interpretation of Marx; Marx’ Interpretation of History;

German (Historical) Thinking
Johann Gottlieb Fichte, Friedrich List, Goethe’s Faust, Wilhelm Roscher; Older Historical school Karl Knies and Bruno Hildebrand; Gustav Schmoller; Methodenstreit

Austrians, Marginalists
Jevons, Menger; Walras;

Keynes
Keynes Life; On Depression; Intellectual and Human Characterization; Cambridge Civilization;

Schumpeter
Life; First Books; Schumpeter and Keynes; Capitalism, Socialism and Democracy; Methodology;

Hayek
Vienna, England in the 1930s; Anti-Socialist; Main Contribution; Money;

Veblen
Life, Teacher, Reformer, Theory of Leisure Class,

Chicago: Knight, Friedman, Stigler, and Others

Buchanan, Samuelson

Non-Mainstream XX Century Economic Thought
Boulding, Kornai, Dobb, Georgescu-Roegen, Polanyi, Catholic Social Thought, Myrdal, Rueff

Ideas on Capitalism in Western Thought
Sources of Intellectual Contempt of Bourgeois Society, Arguments in Favor of Capitalism,

Modern Critique of the Mainstream