

CEL/ECN 394

Classical to Modern Economic Thought

School of Civic and Economic Thought and Leadership/Economics
Arizona State University
Spring 2020

Class Time & Place: TTh Noon-1:15pm; Tempe – WHALL 260

Office Hours: Tuesdays, 1:30 – 4:30 pm; or by appointment

Instructor of Record: Ross B. Emmett (Office: CPCComm 490B)

Contact: Ross.Emmett@asu.edu or through Canvas

Brief Description: History of economic doctrines, theories of mercantile and classical economics, Marxian economics, neoclassical and institutional economics, Keynesian economics, Austrian economics and public choice economics, development and growth theories, modern micro- and macro-economics.

Prereqs: ECN 211 (Macro), ECN 212 (Micro), MAT 211

Textbooks:

- Backhouse, Roger E., *The Ordinary Business of Life: A History of Economics, from the Ancient World to the Twenty-First Century* (Princeton University Press, 2002).
- Medema, Steven G., *The Hesitant Hand: Taming Self-Interest in the History of Economic Ideas* (Princeton University Press, 2009).

Other required readings are identified on the course reading schedule and are available via the course's Canvas site.

Learning Objectives and Life Abilities to Be Developed

1. Critical thinking, independent learning, and intellectual curiosity. You should prepare each of the readings for our meetings and have questions ready. In class, you should stay engaged, raising questions, taking notes, and joining in discussion. Daily Memos provide a starting point for meeting this objective, but it is carried through by interaction in class and by written assignments. Liberal education requires an active approach to learning.
2. Critical thinking, identifying conflicting assumptions, and dealing with disagreement. People disagree for good reasons. They have different assumptions, different methods of evaluating truth claims, different weights applied to the same evidence, and different ethical stances. One of the reasons for studying the history of economics is to see the different assumptions and disagreements that earlier thinkers had, as well as their different approaches to both the science and the art of economics.

3. Critical thinking and good judgment. Think ahead to the questions and issues that may be raised, and the opportunities they provide for critical insights you will be ready to appropriate and perhaps even provide. Listen to your classmates, their insights and questions will help you make better judgments about ideas. And seek ways to assist them to participate better?
4. Critical thinking and interdisciplinarity. Each school of economic thought comes with specific tools, insights, areas of focus, and rules of analysis. How can these schools be placed into a conversation with each other? What can we learn from each? How do they relate?
5. Humanizing the subject matter. Economics is often considered distant from real people; focusing on selfishness and money. By telling the story of the “worldly philosophers” — the economists, and also writing a paper about one specific person, the abstract study of economics is coupled with the story of economists’ lives.

Assessment and Grade Policy

Your final grade will be determined on the following basis:

Participation	11%
Topic Papers (4 out of 6 topics; each worth 11%)	44%
“Biography of an Economist” paper	20%
Research Paper	25%
Daily Memos (min. requirement is 17 memos)	(see instructions)

Grading Scale:

(4.33) A+	97-100	(2.67) B-	80-84
(4.0) A	94-97	(2.33) C+	76-80
(3.67) A-	90-94	(2.0) C	70-76
(3.33) B+	87-90	(1.0) D	60-70
(3.0) B	84-87	(0.0) E	0-60

Late Paper Policy: For the topic, biographical, and research papers, the due date specified on the syllabus is the last possible date on which you can turn the paper in for full credit, unless you have made other arrangements more than 24 hours before the paper’s deadline with the professor. In most cases, turning one of these papers in late will result in a 5% penalty per day. You can, of course, always submit any of these papers early! 😊

Course Assignments

Participation (11% of final grade)

Most class periods will be spent in a combination of lecture and discussion of the assigned reading; hence, it is important that everyone has read the material for the day. Your participation grade will reflect your participation in class discussion. If you are not present in class, you cannot participate; if you are continually absent, your participation mark will necessarily be zero.

Here is a rough guide to my grading of participation: 60% or lower for frequent absences with no or very minimal comments/questions made in class; 67% for occasional class comments/questions and a lot of absences; 73% for no comments/questions in class even if attending regularly; 82% for good attendance and some contributions; 85% for good attendance and good contributions that show familiarity with the readings; 90% for showing familiarity with the readings, leadership in the direction of class discussion occasionally and attending regularly; 95% for regularly moving class discussion forward by providing productive comments based on the readings that contribute to discussion and also help others to enter/participate in the conversation.

My practice is to inform you around the middle of the semester how I would evaluate your participation to that point. While you can discuss this grade with me, the best way to have an impact on the final grade is to change your participation during the latter half of the course. I will finalize the grade at the end of classes.

Daily Memos

Daily memos ensure that the assigned reading has been read by a majority of the students participating in the day's discussion. Prior to class, you will write a two-page (typed, double-spaced) memo that addresses the following: **a)** What political economy issues does the assigned reading address? What answers does the author provide to these questions? *This is the most important section of the memo*; and **b)** your favorite quotation from the reading, with a paragraph-length explanation of its relevance to our discussions.

In order to assist me in reading your memo, please use the following headers to separate the two issues: **Questions** and **Favorite Quotation**.

Please submit daily memos as you enter the classroom on the day of class. To ensure that we can keep track of your memos over the semester, please put the following information on separate lines at the top (left) of your memo: Your name; MC 241; and the Date of Class for which you're turning in the memo. If you wish to number your memos, you may add a line which reads "Memo #__", but don't forget to date the memo. A one-line title often helps to identify the reading you are commenting on.

Your professor will grade daily memos on a check, check-minus system. As long as you turn in at least 17 memos that receive a check, your final grade will be determined by the other components of the course requirements, as indicated above. If you do not turn in 17 acceptable daily memos, your final grade will decrease .03 (on the 4-point scale) for every missed memo or check-minus received. (If you never turn in a memo, 0.50 would be deducted from your final grade.) Daily memos will be returned at least once a week.

Three Notes About Daily Memos:

a) Memos are turned in at the beginning of a class period. Those who are not in class (not matter what the reason) or who arrive significantly late need not prepare a memo for that day. There is no need to appeal for permission to turn in a memo on a day you know you will miss. (I know that everyone has legitimate reasons for missing some classes, and have compensated for that in setting the minimum number.) Simply ensure that you prepare memos for the days you are in class. If you are in the hospital for more than two weeks, please contact me while in the hospital to make arrangements.

b) If in doubt about whether you can complete an acceptable memo on a particular date, you should not turn a memo in, because a check-minus is no better than a missed memo. You simply need 17 acceptable daily memos on record by the end of the term.

c) An “acceptable” memo roughly translates to at least a 2.5 on the 4-point scale and meets the format requirements.

Topic Papers (4 short papers; 11% each; 44% of the final grade)

You will write short papers (4-5 pages each) on four of the following topics:

- 1) What is a “fair” or “just” price in a market? What conditions other than being the price available in a market did Aquinas and other medieval scholars think it required? (Due: January 26 before 11 pm)
- 2) Were mercantilists opposed to foreign trade? What was their policy objective? Why did Smith oppose them? (Due February 2 before 11 pm)
- 3) Discuss the tension in classical political economy between Smithian optimism regarding sustained economic growth and Malthusian pessimism regarding the outlook for the poor. (Due February 23 before 11 pm)
- 4) Was Marx a critic of capitalism, a supporter of capitalism, or both? (Due March 1 before 11 pm)
- 5) Who won the Socialist Calculation Debate? (Due April 12 before 11 pm)
- 6) In your estimation, which is more important: market failure or government failure? (Due April 26 before 11 pm)

All topic papers are to be turned in on Canvas’s submission site for the relevant assignment. Note that each short paper opportunity has a different deadline. Once the deadline is past, you may not write on that topic without *prior* arrangement with the professor.

Your short papers should follow normal academic practices for papers: a) they should have an argument that addresses the topic or question; b) they should cite the appropriate references from the sources we study in the course; c) they may, if you decide it necessary, include material you have gleaned from sources outside those used in the course; and d) they should be well-written. A list of sources used in the paper should be included at the end of the paper, following normal citation practices.

Each of your four short papers will count 11% in the final grade; taken together the papers comprise 44% of your final grade. The policy regarding late papers is as relevant here as it is elsewhere in the course.

Research Paper (25% of final grade)

Each student will write a paper of approximately 15 pages on a topic in the history of economic thought. In order to ensure you are on the right path in writing the paper, students will meet with the professor in small groups of 2-3 students after spring break to discuss topics and requirements.

Topics can range across any of the schools, groups, and approaches to economics we cover in the course. The paper can interpret those topics in terms of their economic, historical, philosophical and even political importance. The paper may not be another biography of an economist (see the “biography of an economist” assignment above!), nor can it focus solely on non-economic issues (for example, on Karl Marx’s political activism, or JM Keynes’ role in the arts). But the paper may focus on only a portion of an economist’s work (JM Keynes on probability theory, for example, without looking at his macroeconomics), or on a specific topic that a school of economists developed (public choice theory, for example, or monetarism, and not the Virginia or Chicago Schools more generally).

Your research paper should be turned in on Canvas’ submission site for the paper before 11 pm on April 19th to obtain full credit for the assignment.

Biography of an Economist Paper (20% of final grade)

Each student will read one of the biographies of economists included on the list available on Canvas, and write a 7-8 page paper that introduces and discusses the economist’s career and work. Your paper should address the following points, but may include additional material. Craft your paper as an introduction to the person and their work. Be sure to address the following questions, but do not treat these as the outline of your paper.

- a) What led the person to become an economist?
- b) What was the person’s background for becoming an economist?
- c) What did the person contribute to the discipline of economics? (this may be the longest section of the paper you write)
- d) What did the person believe the study of economics contributed to themselves and humanity?
- e) What did you learn about economics and economists from the biography?

The questions from b, c, and d will form the basis for your grade on the paper. Sections a and e provide some personal perspective, both on the economist you examine and yourself, and I look forward to reading them. The paper must be turned in on Canvas’ submission site for the paper before 2 pm on May 5th.

Course Expectations

What you can expect from me

My pedagogical goal in this course is to provide a structured environment in which you can learn about the history of economics as a discipline and the history of economic thought. Experience in various university settings has taught me that students learn best

from a combination of reading, listening to short lectures, participating in focused discussion, and writing. That is the environment I expect to provide you in this course.

CEL/EC 394 asks us to engage responsibly ideological viewpoints that may be different than our own. Being responsible about our own ideological viewpoints means that we have to put in the hard work of constructing a defense of our political, social, and economic view of the world. Questioning our assumptions, and learning to defend them, is essential to this task. In our readings, lectures, and discussions, you can expect to be asked to “get inside” views of the world that may be unfamiliar and potentially discomfoting, or disagree with the assumptions of your own ideology. I plan to model how one can engage such views responsibly.

I will be on time and will try to maximize our use of the time we have.

Lectures will focus on key issues from the readings that need expansion. They will be coupled with discussions that allow you to raise questions you have about the readings and the ideas you’re encountering, as well as point your attention to key tensions or challenges in the readings and lectures.

You have a right to clear explanations of the expectations for assignments, and to prompt and adequate feedback about your performance. Information regarding my expectations for tests and papers will be provided in class and/or in the “How I Grade Papers” brief available on Canvas. Individual feedback can be provided if you come to talk about your performance during my office hours.

Your performance during university will be enhanced by contact outside the classroom with your professors. I welcome you to stop by my office early in the term to introduce yourself. Because of my Center Director responsibilities, it is hard to maintain a consistent office hour appointment. However, I can make appointments and welcome your emails suggesting times that work for you. Meeting with me occasionally during the term to discuss questions you have about the class can even increase your participation grade!

What I expect of you

I expect you to attend class, to have read the assigned material in advance, and to come with questions prepared to ask during our discussion.

I expect you to engage responsibly ideological viewpoints that may be different than your own. Being responsible about our own ideological viewpoints means that we have to put in the hard work of constructing a defense of our political, social, and economic view of the world. Questioning our assumptions, and learning to defend them, is essential to this task. In our readings, lectures, and discussions, I expect that you will “get inside” views of the world that may be unfamiliar and discomfoting, or that disagree with the assumptions of your own ideology. View this as an exercise in learning responsible ideology.

I expect you to read the syllabus materials available on Canvas, to ask questions if anything is unclear, and to follow the reading schedule for class meetings. I expect you to write daily memos, to complete the other assignments on time, and to ask for assistance in preparing them well before the due date.

I expect you to treat others with the same respect you expect from them. This version of the “Golden Rule” extends beyond your classmates to the individuals whom

you are studying. That also means I expect you to respect the rights of those whose ideas you utilize in writing your papers. Acknowledging the sources of your own ideas is an integral part of participation in a civil democratic society, especially in the academic context. That dreaded p-word – plagiarism – is ultimately an issue of respect. University policies regarding academic dishonesty will be enforced in this course. For more information, see the ASU Student Honor Code (<https://provost.asu.edu/academic-integrity/honor-code>) and the Academic Integrity tutorial (https://www.asu.edu/lib/tutorials/storyline/academic-integrity/story_html5.html).

University-wide Course Policies

Attendance

Attendance at all class meetings is expected; participation in discussion is used to monitor it (see participation grade explanation earlier). Frequent late arrival and early departure are strongly discouraged; please notify your instructors in advance, should it be necessary to miss all or part of a class meeting.

- Information on excused absences related to religious observances/practices that are in accordance with ACD 304-04: "Accommodations for Religious Practices": <http://www.asu.edu/aad/manuals/acd/acd304-04.html>
- Information on excused absences related to university sanctioned events activities that are in accord with ACD 304-02: "Missed Classes Due to University-Sanctioned Activities": <http://www.asu.edu/aad/manuals/acd/acd304-02.html>

Academic Integrity

Academic honesty is expected of all students in all examinations, papers, projects and discussion. The possible sanctions include, but are not limited to, appropriate grade penalties, course failure (indicated on the transcript as a grade of E), course failure due to academic dishonesty (indicated on the transcript as a grade of XE), loss of registration privileges, disqualification and dismissal. For more information, see <http://provost.asu.edu/academicintegrity>

Students with Disabilities

Students who believe they will need disability accommodations in this class but have not registered with the Disability Resource Center should contact DRC immediately. The DRC Tempe office is located on the first floor of the Matthews Center Building. DRC staff can also be reached at: 480-965-1234 (voice) or 480-965-9000 (TTY). For additional information, visit: <http://www.asu.edu/studentaffairs/ed/drc>

Expected classroom behavior

Be sure to arrive on time for class. Excessive tardiness will harm your participation grade. Phone disruptions can be minimized by using airplane mode during class time. Take notes during discussion sessions on paper; any lectures the professor does will be accompanied by Powerpoints that may be made available ahead of time on Canvas (you could print them and write notes on each page).

Policy against threatening behavior

All incidents and allegations of violent or threatening conduct by an ASU student (whether on-or off campus) must be reported to the ASU Police Department (ASU PD) and the Office of the Dean of Students. If either office determines that the behavior poses or has posed a serious threat to personal safety or to the welfare of the campus, the student will not be permitted to return to campus or reside in any ASU residence hall until an appropriate threat assessment has been completed and, if necessary, conditions for return are imposed. ASU PD, the Office of the Dean of Students, and other appropriate offices will coordinate the assessment in light of the relevant circumstances.

Technology

You will need the following technology in order to complete the work for this course:

- A reliable computer and stable high-speed internet access
- Access to the ASU Library online; especially useful will be the EconLit database
- Adobe Acrobat Reader
- Microsoft Word (if you use Google Docs, please save the file as a Word document (.docx) for submission – and do not share the Google Doc with me!)

Please be sure to back up all of your work in case of a technology failure. If you have any technology-related difficulties, please contact the ASU Help Desk at 480-965-6500.

Remember: keep copies of all your assignments; back up all of your work!

Title IX Reporting Notice

Title IX is a federal law that provides that no person be excluded on the basis of sex from participation in, be denied benefits of, or be subjected to discrimination under any education program or activity. Both Title IX and university policy make clear that sexual violence and harassment based on sex is prohibited. An individual who believes they have been subjected to sexual violence or harassed on the basis of sex can seek support, including counseling and academic support, from the university. If you or someone you know has been harassed on the basis of sex or sexually assaulted, you can find information and resources at <https://sexualviolenceprevention.asu.edu/faqs>.

Policy on Sexual Discrimination

Arizona State University is committed to providing an environment free of discrimination, harassment, or retaliation for the entire university community, including all students, faculty members, staff employees, and guests. ASU expressly prohibits discrimination, harassment, and retaliation by employees, students, contractors, or agents of the university based on any protected status: race, color, religion, sex, national origin, age, disability, veteran status, sexual orientation, gender identity, and genetic information.

As a mandated reporter, I am obligated to report any information I become aware of regarding alleged acts of sexual discrimination, including sexual violence and dating violence. ASU Counseling Services is available if you wish to discuss any concerns confidentially and privately - <https://eoss.asu.edu/counseling>.

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Reading and Assignment Schedule

All material not found in the two textbooks – Backhouse, *The Ordinary Business of Life*, and Medema, *The Hesitant Hand* – is available on Canvas or via links provided below.

January 14: Course Introduction: The Past through the Lens of the Present; The Present through the Lens of the Past (Backhouse, Prologue)

January 16: Mercantilism: Past and Present?

“Trade is a Kind of Warfare” and “Mercantilist Thought” (available on Canvas)

January 19: Last day to enroll in class; Last day to drop class

January 21: Backhouse, ch. 1: “The Ancient World”; & ch. 2: “The Middle Ages”; Aquinas, *Summa Theologica*, Question 77 (available on Canvas)

January 23: Backhouse, ch. 3: “Modern World View”; & Medema, ch. 1; and “Economic Theory” of the School of Salamanca, <https://plato.stanford.edu/entries/school-salamanca/#EconTheo>

January 26, before 11 pm: Paper for Topic #1 Due (if you are writing on that topic: you must write 4 topic papers)

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

January 28: Backhouse, ch. 4: “Science, Politics and Trade in 17C England”

January 30: Backhouse, ch. 5: “Absolutism/Enlightenment in 18C France”

February 2, before 11 pm: Paper for Topic #2 Due (if you are writing on that topic: you must write 4 topic papers)

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

February 4: Backhouse, ch. 6: “The Scottish Enlightenment of the 18th C”

February 6: **NO CLASS! Attend Deirdre McCloskey event**

February 11: Medema, ch. 1: “Adam Smith and His Ancestors”

February 13: Smith, *Wealth of Nations*, chapters 1-3 (available on Canvas)

February 18: Backhouse, ch. 7: “Classical Political Economy, 1790-1870,” pp. 132-47

February 20: Backhouse, ch. 7: “Classical Political Economy, 1790-1870,” pp. 147-65

February 23, before 11 pm: Paper for Topic #3 Due (if you are writing on that topic: you must write 4 topic papers)

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

February 25: Waterman, "The Evolution of 'Orthodoxy' in Economics: From Adam Smith to the Samuelsons" (pdf file available on Canvas)

February 27: Medema, ch. 2: "Harnessing Self-Interest," pp. 26-42

March 1, before 11 pm: Paper for **Topic #4** Due (if you are writing on that topic: you must write 4 topic papers)

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

March 3: Backhouse, ch. 8: "The Split Between History and Theory in Europe"

March 5: Medema, ch. 3: "Marginalizing the Market: Marshall, Pigou and the Pigouvian Tradition"

March 8-14: Spring Break – No Classes

Meeting times for small group discussions of research paper topics and research will be available after spring break.

March 17: David Levy and Sandra Peart, "The Secret History of the Dismal Science,"

Parts 1-3: <https://www.econlib.org/library/Columns/LevyPeartdismal.html>;

<https://www.econlib.org/library/Columns/LevyPeartdismal2.html>;

<https://www.econlib.org/library/Columns/LevyPeartdismal3.html>

March 19: Backhouse, ch. 9: "The Rise of American Economics, 1870-1939"

March 24: Backhouse, ch. 10: "Money and the Business Cycle, 1898-1939"; &

Keynes, "The End of *Laissez-faire*" (on Canvas)

March 26: Backhouse, ch. 11: "Econometrics and Mathematical Economics, 1930 to Present"

March 31: Guest: Tyler Cowen in class

April 2: Backhouse, ch. 12: "Welfare Economics and Socialism, 1870 to the Present."

April 5: Course withdrawal deadline

April 7: The Socialist Calculation Debate

April 9: Backhouse, ch. 13: "Economics and Policy: 1939 to Present"

April 12, before 11 pm: Paper for **Topic #5** Due (if you are writing on that topic: you must write 4 topic papers)

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

April 14: Backhouse, ch. 14: "Expanding the Disciplines: 1960 to Present"

April 16: Medema, ch. 4: "Marginalizing Government II: From *La Scienza della Finanze* to Wicksell

April 19: Research Paper Due before 11:00 pm to Canvas Dropbox.

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

April 21: Medema, ch. 5: "Coase's Challenge"; and R. H. Coase, "The Problem of Social Cost"

(<https://www-jstor-org.ezproxy1.lib.asu.edu/stable/724810>; you will have to sign in to ASU Library to use)

April 23: Medema, ch. 6: “Marginalizing Government II: The Rise of Public Choice Analysis”

April 26 before 11 pm: Paper for Topic #6 Due (if you are writing on that topic: you must write 4 topic papers)

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.

April 28: Medema, ch. 7: “Legal Fiction: The Coase Theorem and the Evolution of Law and Economics”

April 30: Course wrap-up

May 5, before 2 pm: Biography of an Economist paper

Online submission of doc, docx, or pdf file. Turnitin plagiarism review is available for student review prior to submission. You can submit, check Turnitin for plagiarism issues, fix those, and then update submission.