

History of Economic Thought

Wednesday 8.15-10 (weekly), starting Oct. 18

Thursday 16.15-18.00 (biweekly – please note the exception), starting Nov. 2

Prof. Dr. Elisabeth Allgoewer

office hours: Wednesday, 11.00-12.30, room 2108, VMP 5, entrance B (please sign up with sekretariat-iwwt@wiso.uni-hamburg.de)

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Current information and course material is available through STiNE.

Outline

Adam Smith's *An Inquiry into the Nature and Causes of the Wealth of Nations* can be placed at the origin of the development of economics as a separate academic discipline. This course traces topics in the history of economic thought from this starting point into the 20th century. It provides insights into major lines in the development of economics, draws attention to the changing methods of analysis and to shifting definitions of the subject matter. A theme running through the course is the role of the state/the government in the economy and how economists argued in favor of their visions of this role.

The first part of the course is devoted to classical political economy with a focus on Adam Smith's contributions and on John Stuart Mill's economics. The dominance of the classical school becomes increasingly challenged in the second half of the 19th century and eventually gives way to a plurality of approaches to economic analysis. Controversies about the basic principles of economics as a field of scientific study make the decades around the turn to the 20th century a fascinating period in the history of economic thought. In the remainder of the course aspects of these controversies are presented and discussed.

These debates take place as economics establishes itself as an independent academic discipline. The number of positions at universities across Europe and the United States increases significantly, bringing about professionalization and specialization within the field. The modern appearance of economics emerges. By the mid-20th century a new "mainstream" was established with general equilibrium analysis and the neoclassical synthesis as central building blocks. Studying the controversies accompanying the emergence of this mainstream allows us to better understand its characteristics. By shedding light onto alternative visions of economic analysis the implications of the dominating approach to economics become clearer. On the background of the topics dealt with in this course, the relevance of the history of economic thought to current debates in economics will become clear.

18.10.	Introduction and overview
CLASSICAL POLITICAL ECONOMY	
25.10.	Adam Smith: an introduction to his work
01.11.	
02.11	Seminar session: Adam Smith
08.11.	Further topics in Classical Political Economy
15.11.	
22.11.	
23.11.	Seminar session: John Stuart Mill
CONTROVERSIES	
29.11.	Wealth and welfare, liberty and equity?
30.11.	Seminar session: tba
06.12.	Coordination: market system or central planning?
13.12.	
14.12.	Seminar session: Friedrich August von Hayek
20.12.	Crises and cycles
10.01.	
11.01.	Seminar session: John Maynard Keynes
17.01.	Keynesianism and Monetarism
24.01.	
25.01.	Seminar session: Milton Friedman
31.01.	(buffer)
01.02.	Seminar session: making the pieces fit together...

Course Structure

The weekly Wednesday sessions will be predominantly lectures – with room for questions and occasional short group work. The Thursday sessions will be seminar sessions with group work, presentations and plenum discussions of designated readings. All students prepare the required readings for all seminar sessions – a set of guiding questions, made available through STiNE, will help you focus your reading.

Attendance and active participation is expected.

Note: the Thursday sessions start on November 2nd. They are biweekly with one exception in November.

Course material

The lecture notes and readings will be available in advance through STiNE.

Course Credits

Oral exam, 20 minutes. For dates see STiNE.

Optional assignment during the semester

Everybody is welcome to prepare sheets designed for a short presentation on the readings of the seminar sessions and to hand them in for grading and comments. This opens the possibility of improving the final grade by up to 0,7 grade points at equal weighting of the exam grade and the grade for the submitted presentation sheets. The sheets cover (one of) the secondary readings for the seminar sessions and are **due before the respective session takes place**. Given the number of participants in the course not everybody will get a chance to present in class: the presenter will be determined during the session by throwing a dice. All presentations submitted before the deadline will be graded and considered for improvement of the final grade.

Guidelines: You will need to read all the readings for the respective seminar session thoroughly (i.e. read the primary source(s) – at least – once, read the secondary source(s) – at least – twice). Please prepare 5 overhead sheets:

sheet 1: Title of the text you are presenting/discussing. Your full name.

sheets 2-4: What are key claims/insights of the secondary text? What does the author add in view of the interpretation of the primary source?

sheet 5: Your critique/your assessment. (E.g. does the secondary text offer a convincing interpretation of the primary source? Are the claims concerning the primary source legitimate? Do you share the author's interpretation of the primary source? What does the author neglect? What do you consider important – and why? Which additional aspects should be considered?)

The (didactical) aims of preparing presentation sheets are twofold:

- focused reading, thorough understanding and pointed presentation of key arguments of a (lengthy) scholarly text – in the (very) limited space of a few sheets.
- train formulating your own (academic) assessment of scholarly contributions, practice to criticize, evaluate, add to a debate.

Deadline: Wednesday (14.00) before the seminar session. **Please send your presentation as PDF to sekretariat-iwwt@wiso.uni-hamburg.de.**