

**History 1067**  
**An Introduction to the History of Economic Thought**  
**Fall 2018-2019**

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Office hours: Tu 2-4, CGIS S-424, and by appointment

Head TF: Ian Kumekawa

Office hours: W 2-4, CGIS S-417, and by appointment

Meeting time: Tu,Th, 10:30-11:45

Course website: <https://canvas.harvard.edu/courses/12625>

### **Course Description**

The course provides an introduction to the history of economic thought, from Huan K'uan to Adam Smith, Karl Marx and Paul Samuelson; and to economic concepts in historical perspective, from the state and the market to natural resources and financial crises.

### **Grading**

There will be a midterm exam (30%), a cooperative project (20%), and a final paper (30%). Section participation will count for 20% of the final grade.

### **Readings**

Course readings will be uploaded to the course website under the Readings folder. All readings are free on Harvard e-Resources or the following online repositories:

- [JSTOR](#).
- [Online Library of Liberty](#).
- [Marxists Internet Archive](#).
- [The Economist Historical Archive](#).

### **WEEK 1**

#### **Lectures**

- **Introduction** Tuesday September 4
- **The Rāmāyana, Aristotle, and Huan K'uan** Thursday September 6

#### **Readings:**

- Vālmīki, *Rāmāyana*, trans. Robert P. Goldman (New York: New York University Press, 2005), pp. 65-77. (see scan)
- Huan K'uan, *Discourses on Salt and Iron: A Debate on State Control of Commerce and Industry in Ancient China*, trans. Esson M. Gale (Leyden: E.J. Brill, 1931), pp. 6-11. (see scan)

- Aristotle, *Politics*, in [Aristotle in Twenty-Three Volumes](#), vol. 23, trans. H. Rackham (Cambridge: Harvard University Press, 1932), pp. 37-51.

## WEEK 2

### Lectures

- **The Economy** Tuesday September 11
- **"The Economists:" Quesnay and Turgot** Thursday September 13

### Readings

- François Quesnay, [The Zig-Zag](#) ("Tableau Économique," 1758)
- A.R.J. Turgot, "In Praise of Gournay" (1759), in [The Turgot Collection](#), pp. 99-127.

## WEEK 3

### Lectures

- **The State** Tuesday September 18
- **Adam Smith** Thursday September 20

### Readings

- Adam Smith, [An Inquiry into the Nature and Causes of the Wealth of Nations](#) (1776), Book 1, chs. 1-3, 10 (only Part II); Book 4, ch. 2.
- James Buchanan, "The Justice of Natural Liberty" in *Adam Smith and Modern Political Economy*, ed. Gerald P. O'Driscoll, Jr (Ames: University of Iowa Press, 1979).

## WEEK 4

### Lectures

- **The Market** Tuesday September 25
- **Malthus, Ricardo and Condorcet** Thursday September 27

### Readings

- Thomas Malthus, [An Essay on the Principle of Population](#) (1798), ch. 1.
- David Ricardo, [On The Principles of Political Economy and Taxation](#) (1817), ch. 5: "On Wages."
- Marie-Jean-Antoine-Nicolas Caritat, Marquis de Condorcet, *Outlines of an Historical View of the Progress of the Human Mind* [1795] (Philadelphia, 1796), Tenth Epoch, trans. Keith M. Baker in *Daedalus* 113 (2004): 65-82.

## WEEK 5

### Lectures

- **Free Trade and Protection** Tuesday October 2
- **Liberals: Marcet, List, Bastiat** Thursday October 4

### Readings

- Jane Marcet, [\*John Hopkins's Notions on Political Economy\*](#) (1833), essays 1,2, 8.
- Frédéric Bastiat, [\*Economic Sophisms\*](#) (1845), first series, chs. 13, 18 and 19.
- Friedrich List, [\*The National System of Political Economy\*](#) (1841), Book 2, ch. 11: "Political and Cosmopolitical Economy."
- [Open Letter to President Trump and Congress](#), May 3, 2018. See also full signatory list of economists.
- Possible additional reading (TBA).

## WEEK 6

### Lectures

- **Crises of Finance and Capital** Tuesday October 9
- **Karl Marx** Thursday October 11

### Readings

- Karl Marx & Friedrich Engels, [\*Manifesto of the Communist Party\*](#) (1848), ch. 1.
- Karl Marx, "[Critique of the Gotha Program](#)" (1875).
- Walter Bagehot, [\*Lombard Street: A Description of the Money Market\*](#) (London, 1873), chs. 1 and 2.
- Jonathan Levy, [\*Freaks of Fortune: The Emerging World of Capitalism and Risk in America\*](#) (Cambridge: Harvard University Press, 2014), pp. 231-264 (chapter 7).

## WEEK 7

### \*[Outlines of Collaborative Projects Due](#) (midnight, Friday October 19)

### Lectures

- **Midterm Exam** Tuesday October 16
- **The Financial Press / The Economist** – Thursday October 18

### Readings

- *The Economist* Digital Archive in [Gale NewsVault](#) (Exercise on sources)

## WEEK 8

### Lectures

- **The German Historical School** Tuesday October 23
- **The Marginalists** Thursday October 25

### Readings

- Wilhelm Roscher, [\*Principles of Political Economy\* \(1878\), vol. 1](#), pp. 77-92.
- Carl Menger, "Economy and Economic Goods," [\*Principles of Economics\*](#), transl. James Dingwall and Bert F. Hoselitz (1871) (New York, 1976), pp. 77-113.
- Alfred Marshall, *Principles of Economics*, Book 1, Chapter 1, §1, available at <http://www.econlib.org/library/Marshall/marP1.html#Bk.I,Ch.I>

- Emma Rothschild, "[Political Economy](#)," in *The Cambridge History of Nineteenth-Century Political Thought*, ed. Gareth Stedman Jones and Gregory Claeys (Cambridge: Cambridge University Press, 2011), pp. 748-779.

## WEEK 9

### Lectures

- **W.E.B Dubois, Dadhabai Naoroji and Economic Statistics** Tuesday October 30
- **Economic Development** Thursday November 1

### Readings

- Naoroji, Dadabhai, [Sir M. E. Grant Duff's views about India](#) (1887).
- W. E. B. Dubois, "[The Economic Future of the Negro](#)," *Publications of the American Economic Association*, 3rd Series, vol. 7, no. 1 (1906), pp. 219-242.
- Abhijit Banerjee and Esther Duflo, *Poor economics: a radical rethinking of the way to fight global poverty* (New York, 2011), pp. 1-16.
- W.W. Rostow, "The Stages of Economic Growth," *The Economic History Review*, New Series 12, no. 1 (1959): 1-16.

## WEEK 10

### Lectures

- **Rationality** Tuesday November 6
- **Reformers and Socialists: Luxemburg, Lenin, Webb** Thursday November 8

### Readings

- Amartya Sen, "[Rational Fools: A Critique of the Behavioral Foundations of Economic Theory](#)," *Philosophy and Public Affairs* 6, no. 4. (Summer, 1977), pp. 317-344.
- Rosa Luxemburg, [Reform or Revolution](#) (1900), Introduction, Chapter 4 (Capitalism and the State)
- V.I. Lenin, [The State and Revolution](#) (1918), Chapter 1.
- Beatrice Potter Webb, "The Sweating System", *Charity Organisation Review* 4, no. 37 (January 1888), pp. 1-16.

## WEEK 11

**\*Collaborative Project Due** (midnight, Wednesday November 14)

### Lectures

- **Economic Policy** Tuesday November 13
- **John Maynard Keynes and F.A. Hayek** Thursday November 15

### Readings

- J.M. Keynes, [\*The General Theory of Employment, Interest and Money\*](#) (London: Palgrave Macmillan, 1936), chs. 12, 18.
- F.A. Hayek, "[The Use of Knowledge in Society](#)," *American Economic Review* 35, no. 4 (September 1945), pp. 519-530.
- John Kenneth Galbraith, *The Age of Uncertainty* (Boston: Houghton Mifflin, 1977), pp. 197-226.
- Angus Burgin, [\*The Great Persuasion: Reinventing Free Markets Since the Depression\*](#) (Cambridge: Harvard University Press, 2012), pp. 186-214.

## WEEK 12

### Lectures

- **Economics in the Twentieth Century: Arrow, Pigou, Samuelson;** Tuesday November 20
- **Thanksgiving - NO LECTURE,** Thursday November 22

### Readings

- A.C. Pigou, *Wealth and Welfare*, Part 1, Chapter 1 and Conclusion, pp. 3-11, 487-488, available at: <https://archive.org/details/cu31924032613386>.
- Paul A. Samuelson, *Economics* (New York, 1948), pp. 570-583: "The Dynamics of Speculation and Risk."
- Axel Leijonhufvud, "[Life Among the Econ](#)," *Western Economic Journal* 11, no. 3 (September 1973), pp. 327-337.
- Kenneth Arrow, *Social Choice and Individual Values* (New Haven 1963), pp. 1-21
- (OPTIONAL) Ian KumeKawa, [\*The First Serious Optimist: A.C. Pigou and the Birth of Welfare Economics\*](#) (Princeton: Princeton University Press, 2017), pp. 61-82.
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## WEEK 13

### Lectures

- **Nature and Inequality** Tuesday November 27
- **Economic Choices** Thursday November 29

### Readings

- Thomas Piketty, [\*Capital in the Twenty-First Century\*](#) (Cambridge: Belknap Press, 2014), pp. 1-27, 30-33.
- Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, "[The Top 1% in Historical and International Perspective](#)," *Journal of Economic Perspectives* 27, no. 3 (Summer 2013), pp.3-20.
- [The Stern Review](#), pp. 1-40

## WEEK 14

### Lecture

- **The Market and the State** Tuesday December 4

### Readings

- Daniel T. Rodgers, [\*Age of Fracture\*](#) (Cambridge: Harvard University Press, 2011), pp. 41-76.
- Frank H. Knight, "Economic Theory and Nationalism," in *The Ethics of Competition and Other Essays* (New York, 1935), pp. 277-283, 318-326.
- Possible additional reading (TBA).

**\*Final Papers Due:** Midnight, Monday December 10