

EC316 From the Study of Political Economy to the Science of Economics (Spring 2020)

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Office Hours: Thursdays, 12:30-2:00 p.m. or by appointment.

Course Description

The course will focus on the issues of the “proper” scope and methods of economic research as seen by different economists from the mid-nineteenth century through the twentieth century. Students who have successfully completed the Core Course “Origins of Political Economy” have the opportunity in this course to further follow the arc of social scientific analysis of economic affairs starting from the end of classical political economy (John Stuart Mill and Karl Marx). This will be followed by the early uses of so-called “marginal analysis” to the subject of consumer demand. The last third of the nineteenth century was also notable for the controversy that erupted between the advocates of the use of formal theory vs. those advocating historical study, i.e., the Menger-Schmoller Methodenstreit. Finally, the Keynesian and econometric revolutions of the mid-twentieth century with a brief examination of the so-called Austrian school as well as a sampling from heterodox critics of mainstream of economic science will round out the required course readings.

Requirements

Prerequisites

Students should have taken EC110 “Principles of Economics” or their equivalents before taking this course. Desired but not required: completion of IS303 “Origins of Political Economy”.

Course Readings

There is no textbook for the course. Thanks to the internet, almost all the readings are one click and a download away... (see next page)

Reading assignments will be selected from the following list [bracketed items are not required readings!]:

Begin your course reading here:

[1] **Hausman, Daniel M.** [Economic Methodology in a Nutshell](#). *Journal of Economic Perspectives*. Vol. 3, No. 2 (Spring, 1989), pp. 115-127.

A Few Mid-19th Century Thoughts

[2] **Mill, John Stuart.** [On the Definition of Political Economy and on the Method of Investigation Proper to It](#). Essay V in *Essays on Some Unsettled Questions of Political Economy* (London, 1844), pp. 120-164.

[3] **Marx, Karl.** Chapter 1, Sections 1-3 of [Grundrisse: Foundations of the Critique of Political Economy \(Rough Draft\)](#).

[4] **Jevons, William Stanley.** [The Future of Political Economy](#) (Introductory Lecture October 2, 1876 at University College, London), *The Fortnightly Review* vol. XX (New Series), 1876, pp. 617-631.

Methodenstreit

[5] **Friedrich Hayek.** [Introduction to Menger's Principles of Economics](#).

[6] **Menger, Carl.** [Investigations into the Method of the Social Sciences](#). (1985 English translation of 1883 German original). Read pp. 23-94 (Preface and Part I).

["Zur Methodologie der Staats- und Sozialwissenschaften" in *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft im deutschen Reich* 1883. *Irrthümer des Historismus in der deutschen Nationalökonomie*, 1884.]

[7] **Charles F. Dunbar.** [The Reaction in Political Economy](#). *Quarterly Journal of Economics*, Vol. I (October, 1886), pp. 1-27.

[8] **William J. Ashley.** [On the Study of Economic History](#). An Introductory Lecture delivered before Harvard University, January 4, 1893. *Quarterly Journal of Economics*. Vol. VII., No. 2; January, 1893.

A Pair of Classic Statements

[9] Keynes, John Neville. [*The Scope and Method of Political Economy*](#) (3rd ed., revised). London: Macmillan, 1904. Chapters I and II.

[10] Robbins, Lionel. [*An Essay on the Nature and Significance of Economic Science*](#). London: Macmillan, 1932. Chapters I, IV-VI.

A Founding Father of American Institutional Economics

[11] Veblen, Thorstein. The Preconceptions of Economic Science. *Quarterly Journal of Economics*.

I. Vol. 13, No. 2 (January, 1899), pp. 121-150.

II. Vol. 13, No. 4 (July, 1899), pp. 396-426.

III. Vol. 14, No. 2 (February, 1900), pp. 240-269.

Reprinted in Thorstein Veblen, [*The Place of Science in Modern Civilisation and Other Essays*](#) (New York, 1919).

Economics à la Cambridge, England

[12] Marshall, Alfred. [*The Present Position of Economics: An Inaugural Lecture*](#) (24 February, 1885). London: Macmillan, 1885.

[13] Marshall, Alfred. [*The New Cambridge Curriculum in Economics*](#). London: Macmillan, 1903.

[Groenewegen, Peter D. Alfred Marshall and the establishment of the Cambridge Economic Tripos. *History of Political Economy*. 20:4, November 1988.]

Mathematical Economics

[14] Irving Fisher. [*Cournot and Mathematical Economics*](#). *Quarterly Journal of Economics*, Vol. 12 (January, 1898), pp. 119-138.

[15] Paul Samuelson. [*Economic Theory and Mathematics—An Appraisal*](#). (with comment by Fritz Machlup) *American Economic Review*. Vol. 42, 1952: 56-69.

Very short: "[*Mathematical Method in political economy*](#)" By F. Y. Edgeworth. In *Palgrave's Dictionary of Political Economy* (2 pages)

[E. Roy Weintraub. *How Economics Became a Mathematical Science*. Durham, N.C.: Duke University Press, 2002.]

Keynesian Macroeconomics

[16] Keynes, John Maynard. [The General Theory of Employment](#). *Quarterly Journal of Economics*. Vol. 51, No. 2 (Feb. 1937), pp. 209-223.

[17] Leijonhufvud, Axel. Introduction of [On Keynesian Economics and the Economics of Keynes. A Study in Monetary Theory](#). New York: Oxford University Press, 1968.

A Taste of Austrian Economics

[18] Boettke, Peter J. [Austrian School of Economics](#). *The Library of Economics and Liberty* website.

[19] [Friedrich August Hayek \(1899-1992\)](#). *The Library of Economics and Liberty* website.

[20] Hayek, Friedrich. [Economics and Knowledge](#). *Economica* (February 1937).

[21] Hayek, Friedrich. Chapter 4. [The Use of Knowledge in Society](#). In *Individualism and Economic Order*. London: Routledge and Kegan Paul, 1949.

Econometrics/Business Cycles

[22] Jevons, W. Stanley. [Investigations in Currency and Finance](#). London: Macmillan, 1884. Chapters I, VI-VIII.

[23] Koopmans, T. C. [Measurement without theory](#). *Review of Economics and Statistics* 29 (August, 1947): 161-72.

[24] Vining, R. [Methodological issues in quantitative economics](#). (With [a reply by Koopmans](#) and [a rejoinder by Vining](#).) *Review of Economics and Statistics* 31 (May, 1949): 77-94.

Feminist Economics

[25] Nelson, Julie A. [Feminism and Economics](#). *Journal of Economic Perspectives*. Vol. 9, No. 2, Spring 1995: pp. 1331-148.

Art of Persuasion

[26] McCloskey, Deidre (Donald) N. [The Rhetoric of Economics](#). *Journal of Economic Literature* Vol. 21, No. 2 (June, 1983), pp. 481-517.

Schedule
(Reading assignments tentative)

	Tuesday 10:45 a.m. to 12:15 p.m.	Thursday 10:45 a.m. to 12:15 p.m.
Feb 2/4	Introduction/Course Mechanics	[1] Hausman
Feb 9/11	[2] J. S. Mill	[3] Marx
Feb 16/18	[4] Jevons	[5] Hayek intro to Menger
Feb 23/25	[6] Menger	[7] Dunbar; [8] Ashley
Mar 2/4	[9] J. N. Keynes	[10] Robbins
Mar 9/11	[11] Veblen	[1] Veblen, continued.
Mar 16/18	[12], [13] Marshall	[14] Fisher
Mar 23/25	[15] Samuelson	Review, Catch-up
Mar 30/Apr 1	<i>Spring Break</i>	<i>Spring Break</i>
Apr 6/8	[16] J. M. Keynes	[17] Leijonhufvud
Apr 13/15	[18] Boettke; [19] Hayek Biography; [20] Hayek	[21] Hayek

Apr 20/22	[22] Jevons	[22] Jevons, continued.
Apr 27/29	[23] Koopmans vs. [24] Vining	[25] Nelson
May 4/6	[26] McCloskey	Student Presentations
May 11/13	Student Presentations	<i>No class... Ascension Thursday Holiday</i>
May 18/20 Completion Week	<u>Final Exam</u> <u>10:45 a.m. to 12:15 p.m.</u>	

Note: Completion week is from May 18-20. Students are required to be on campus during completion week!

Academic Integrity

Bard College Berlin maintains the staunchest regard for academic integrity and expects good academic practice from students in their studies. Instances in which students fail to meet the expected standards of academic integrity will be dealt with under the Code of Student Conduct, Section 14.3 (Academic Misconduct) in the Student Handbook.

Attendance

Attendance at all classes is a crucial part of the education offered by Bard College Berlin. To account for minor circumstances, two absences from twice-per-week courses should not affect the participation grade or require documentation.

Bard College Berlin does not offer credit for any course in which a student has missed more than 30% of classes, regardless of the reasons for the absences, whether excused or unexcused.

The full Bard College Berlin attendance policy can be found in the Student Handbook, Section 2.8.

SPECIAL CONSIDERATIONS FOR SPRING 2021: Some students might need to begin the semester remotely due to travel restrictions caused by the pandemic. In addition, all students and instructors must refrain from in-person attendance if they are feeling ill. Instructors should make efforts to offer alternatives to in-person attendance where needed, including remote participation or asynchronous options.

Assessment and Grade Breakdown

Course grades will be based on

- Regular and active class participation [25%]
- Five preassigned abstracts of session readings together with five questions for class discussion (no more than 2 pages each). Best four of the six grades count toward the grade. [20%]
- A 20 minute end-of-semester presentation [15%]
- A 90 minute short-answer examination covering the readings [40%]

Policy on Late Submission of Written Work

Essays that are up to 24 hours late can be downgraded up to one full grade (from B+ to C+, for example). Instructors are not obliged to accept essays that are more than 24 hours late. Where an instructor agrees to accept a late essay, it must be submitted within four weeks of the deadline. Thereafter, the student will receive a failing grade for the assignment. Grades and comments will be returned to students in a timely fashion. Students are also entitled to make an appointment to discuss essay assignments and feedback during instructors' office hours.

Students receive mid- and end-of-semester grades for their seminar work. Students are entitled to make an appointment with an instructor to discuss seminar participation, or may be asked to meet with the instructor at any stage in the semester regarding class progress.