

# Political Economy and the History of Economic Thought

Vienna University of Economics and Business  
PI 5173, Summer Semester 2020

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## Course Description:

This course introduces students to political economy and the history of economic thought. We will cover the core ideas in various schools of economic thought, positioning them in the historical and institutional context in which they were developed. In particular, we will cover some economic ideas from the ancient world and the middle ages; the enlightenment; the emergence of and main ideas in classical political economy (Adam Smith, David Ricardo, Thomas Malthus, and others); Marx, Mill, and Keynes; European versus American economic thought through history; the rise of mathematical economics; economic theories around state-managed economies versus socialism; Austrian economics; behavioral economics; and the future of economics.

## Goals of the course:

Students in this class will have an excellent understanding of the development of economic thought over time, and be able to contextualize their economics education in the historical development of what has been understood as “economics.”

## Requirements:

- **Literature**

All students need a copy of Roger E. Backhouse’s “The Penguin History of Economics.” There are a number of copies available for class participants to loan from the library.

- **Attendance and participation**

- Attendance and participation are mandatory.
- Every missed class will result in the loss of 7 points, regardless of the reason for the absence. Unfortunately, I cannot make exceptions to this rule.
- Attendance in the first class gives you a more or less default 5 points :)
- Students are responsible for all course material, even if they have missed a class.
- Participation in class discussion is one of the three core elements of the students’ grade for the class. Each week, students will have the opportunity to achieve 7 points for the week, based on their answers to questions and the quality of their contributions to discussion.

- **Pecha Kucha**

- Each student should prepare and give one Pecha Kucha presentation on a related topic of their choice.
- A pecha kucha is a presentation of 20 slides, each 20 seconds long, i.e. a total of 6 minutes, 40 seconds.
- Topics should be a slightly more in-depth summary of a particular issue that comes up in the Backhouse book. In other words, it should be something that was at least mentioned in Backhouse, and that you then do a bit of research on and present to the rest of the class.
- Students can receive anywhere from 0-33 points for the assignment – that is, it's an opportunity for eight points of extra credit! You'll get that opportunity by presenting before the last day of class.
  - \* 15 April: max. 33 points
  - \* 22 April: max. 29 points
  - \* 29 April: max. 25 points
- *The challenge to the extra credit is that you have to have read all of the Backhouse book by the time you do your presentation.*
- Pecha Kucha presentations will be graded on their content (did it cover what Backhouse says, and go beyond? How well did it do so? = 15 points) and their form (did it completely stick to the 20x20 format? I will grade this very strictly!! = 10 points).
- Students can choose the day on which they want to present.
- Some ideas for a topic (but please feel free to come up with your own!)
  - \* Referring to these ideas in the history of economic thought: theory of value; growth; division of labor; free markets/trade; Vienna; prices; luxury goods/consumption; ethics; profit maximization; human nature; ...
  - \* Referring to the development of economics: mathematization; the rise and fall (and distorted resurrection) of Keynes; role of Europe vs. US; ...
  - \* Others: Political Economy; schools of economic thought (institutional, behavioral, Marxian, post-Keynesian; feminist; ecological; Austrian; neoclassical; classical;...); the role of economists in society; ...
  - \* Whatever else you want!

- **Final Paper**

In the final paper for the course, students will reflect on the state of economics today, as they have been learning it thus far in their studies. The assignment is to describe their own classes thus far and to put them in the context of the ideas of political economy and history of economic thought that we have discussed all semester. The paper should be double-spaced, 12-point font, 8-12 pages long. The paper should refer to academic literature, including selected books and papers covered in other classes, to make an argument about how your education is positioned in the scheme of “economics” today (which schools of thought are you being taught?) and throughout history (how does your education fit into the development of the field of economics)? In the essay, students should give a critical reflection on the advantages and disadvantages of the economics education they are receiving. Grading for the paper:

- Clear and succinct presentation of the main ideas, concepts, questions, methodology, and pedagogy regarding “what is economics?” that the student has been taught thus far :: 9 points
- Thoughtful and accurate reflection on how this presentation of “economics” relates to both today’s political economy and the history of economic thought :: 9 points
- Critical reflection on the advantages and disadvantages of understanding “economics” in this way :: 9 points
- Correct spelling, grammar, punctuation, length, and citations :: 8 points

Papers can be written alone, or in groups of up to three students.

**Point system:**

Class participation	40
Pecha Kucha	25 (plus opportunity for extra credit)
Final Essay	35

**Grading scale:**

$\geq 90$	1
80-89	2
65-79	3
50-64	4
$< 50$	5

### Topics and reading assignments:

Date	Topic; Reading
11 March	<ul style="list-style-type: none"><li>• Introduction to the class</li><li>• Backhouse pp. 1-9</li></ul>
25 March	<ul style="list-style-type: none"><li>• Early Societies and Economics</li><li>• Backhouse pp. 11-65</li></ul>
1 April	<ul style="list-style-type: none"><li>• 17th and 18th centuries</li><li>• Backhouse pp. 66-130</li></ul>
15 April	<ul style="list-style-type: none"><li>• Classical PE; European and American Economics</li><li>• Backhouse pp. 132-210</li><li>• First day for Pecha Kuchas</li></ul>
22 April	<ul style="list-style-type: none"><li>• Issues in Economics, 1898-present</li><li>• Backhouse pp. 211-287</li><li>• Second day for Pecha Kuchas</li></ul>
29 April	<ul style="list-style-type: none"><li>• Contemporary Economics</li><li>• Backhouse pp. 288-328</li><li>• Final day for Pecha Kuchas</li></ul>
11 May	<ul style="list-style-type: none"><li>• by 14:00 - essays due; bring them printed out to the Department of Economics (D4, 2nd floor). The front desk will be open until 14:00; late papers thus cannot be accepted. Check the department's website to look for front desk times to bring your paper earlier.</li><li>• For every day the essay is late, there will be a reduction of 10 points.</li></ul>