**History of Economic Doctrines II**

**Economics 7601**

This course is devoted to the history of ideas. Two important assumptions are made, namely: economic ideas do not proceed in a smooth fashion, so that economic knowledge at the frontier is not a repository of all past learning; also, it is presumed that historically determined social and economic conditions affect the evolution of economic ideas. The jumps and the succession of revolutions and periods of consolidation in the history of ideas are then studied in four different historical periods: the Marginalist Revolution during the height of the British dominance; the turbulent inter-war period, also known as the years of high theory associated to the Keynesian Revolution; the attempts to re-establish the validity of the surplus approach during the so-called Golden Age; and, last but not least, the resurgence of what may be termed ‘vulgar’ economics, following Marx, in the last quarter of the 20th century of which the ‘neoliberal’ pro-corporate globalization approach is the most notorious representation.

Most courses on history of thought concentrate on the theory of value and distribution. Although we will pay attention to value and distribution, questions related to accumulation, and the level of activity will also be central to our discussion. In particular, the distinction between the surplus approach and the rise of supply and demand theories, and the role of the principle of effective demand and the Keynesian Revolution will be central for the ideas discussed in the course. The perspective taken in this course emphasizes the possibility of building an alternative to the dominant marginalist approach on the basis of what can be referred to as classical-Keynesian approach.

Readings will rely extensively on commentaries and in a few cases on original sources. One book is useful and covers most, but not all, topics, namely: Screpanti and Zamagni (2005), An Outline of the History of Economic Thought, 2nd Edition (referred to as SZ) Attendance is required and participation in class will be encouraged. There will be one take home midterm worth 50 per cent of the final grade, and a take-home final term paper on a topic chosen in consultation with the instructor worth 50 per cent. Office hours will be announced in class, but I am available in my office for informal discussions. If you need to schedule an appointment or discuss some special need e-mail me at vernengo@economics.utah.edu.

Part I Why Do We Care about the History of Ideas

1. The Methodology of Social Sciences

Caldwell (1982) ch. 5; McCloskey (1983); Lawson (1989); SZ pp. 1-15

2. Is there Progress in Economics?

Coats (1969); DeVroey (1975); Pasinetti (2002)

Part II Social Conflict and Marginalism

3. The Surplus Approach: a brief summary

Garegnani (1984); Vianello (1987)

4. From Surplus to Marginalism

Bharadwaj (1976) ch. 1; Lunghini (1998); SZ ch. 3 and 5;

5. The Marshallian Synthesis

Bharadwaj (1978); SZ ch. 6

Part III Depression and the Years of High Theory

6. Sraffa and the Marshallian System

Sraffa (1926); Mongiovi (1996); SZ ch. 8.1 and 8.5

7. The Principle of Effective Demand

Keynes (1936) chs 2, 6, 14, and18; Amadeo (1989) chs. 2-5 and 7; Pivetti (1991) ch. 9; SZ ch. 7

8. Price Flexibility and Full Employment

Keynes (1936) ch.19; Kalecki (1944); Patinkin (1987);

9. Multiplier and accelerator dynamics: cycles and growth

Kalecki (1933); Kaldor (1940); Hicks (1950) pp. 56-64; Besomi (2001); Fiorito and Vernengo (2010)

Part IV A Pyrrhic Victory in the Golden Age?

10. The Revival of the Surplus Approach

Sraffa (1960) chs. 1 to 5 and Appendix D; DeVivo (2003); Kurz and Salvadori (2004)

11. The Capital Debates

Sraffa (1960) ch. 12; Samuelson (1962); Samuelson (1966); Garegnani (1970); Kurz and Salvadori (1995) chs. 13 and 14

12. Effective Demand in the Long Run

Serrano (1995); Garegnani and Palumbo (1998); Vernengo and Rochon (2001)

13. Marx and Keynes after Sraffa

Garegnani (1978-9); Vernengo (2001); Camara and Vernengo (2011)

Part V Globalization and the Return Vulgar Economics

14. General Equilibrium and the classical-Keynesian Alternative

Garegnani (1976); Petri (2003); SZ ch 10.1 and 10.2

15. Post-Walrasian Economics: A New Paradigm?

Stiglitz (1993); SZ ch 12

16. Is the Mainstream no more?

Colander et al. (2004); Vernengo (2010)

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