

Contending Economic Perspectives

ECON 288

Spring 2014 Syllabus

Instructor: Jonathan Cogliano

Office hours: Tuesdays 2:00-4:00pm
Wednesdays 10:00am-12:00pm
(or by appointment)

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Class Meetings: Tuesdays & Thursdays 9:00-10:15am
Althouse G08

Course Description:

This course provides an overview of heterodox economic bodies of thought by tracing out their historical evolution and appraising their core theories and methods. The particular bodies of thought, or perspectives, covered will be: Marxist/radical (MX), Feminist (FM), Austrian (AS), Institutionalist (IT), and Post-Keynesian (PK). These perspectives will be introduced, for the most part, in their historical context as we discuss two central themes: (1) the theory of value and how prices form, and (2) the socialism debate of the 20th century. Our discussion of these themes will bring us up to the modern era and allow us to examine the terrain on which these perspectives currently exist. Because these perspectives can overlap historically, the interventions made by each perspective in our central themes are tagged (see above) to maintain clear lines of demarcation (and overlap) in the discourse among these perspectives—think #tags.

Course Goals & Expectations:

The learning objectives for this course are as follows: (1) Substantive Knowledge: students should gain an understanding of the core concepts and chains of reasoning underlying different perspectives in economics. (2) Critical Analysis: students should be able to critically analyze the different explanations of economic phenomena found in the perspectives covered by evaluating the strengths and weaknesses of the explanations, as well as the assumptions, that underly each perspective. (3) Articulation and Application: students should be able to clearly articulate different explanations for a range of economic phenomena, demonstrating a grasp of how the perspectives apply to current or historical economic phenomena.

Expectations

Students will be expected to have full working knowledge of the material covered in the pre-requisite courses (ECON 111 & 112) and should be able to “hit the ground running” with the course material. Students will be expected to keep up with the readings, think about and criticize them, and develop

coherent, well-considered ideas/opinions on the readings. Thoughtfully forming, discussing, and defending these ideas will be one of the keys to success in class. It is also expected that students will be active participants in the classroom. If these expectations are not consistently met, in-class reading quizzes and additional assignments will be relied upon to ensure progression through the course material.

Course Texts:

Barone, Charles A. (2004). *Radical Political Economy: A Concise Introduction*. Armonk, NY: M.E. Sharpe, Inc.

Fine, Ben and Alfredo Saad-Filho (2010). *Marx’s Capital*, 5th edition. New York, NY: Pluto Press.

Foley, Duncan K. (2006). *Adam’s Fallacy*. Cambridge, MA: Belknap Press.

Lavoie, Marc (2009). *Introduction to Post-Keynesian Economics*. New York, NY: Palgrave Macmillan.

All required texts are part of the required reading for the course and must be acquired by students. Copies of the books are available for purchase at the College bookstore. Any readings from texts not listed above will be provided through Moodle.

Grading:

<u>Assignment</u>	<u>Weight</u>	<u>Date (tentative)</u>
Attendance & Participation	10%	
Reading Analyses	15%	
Discussion Questions	10%	
Group Presentations	15%	Apr. 29, May 1
Midterm Exam 1	15%	Feb. 25
Midterm Exam 2	15%	Mar. 27
Final Exam	20%	May 5, 2:00pm

Grade Scale:

The grading scale for final grades for the semester is as follows:

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F
Score	≥ 93	90-92	87-89	83-86	80-82	77-79	73-76	70-72	67-69	63-66	60-62	≤ 59

Participation

The class participation portion of the overall grade for the semester consists of attendance and participation in class discussions. Students should prepare for each class by doing the readings and thinking about the material in advance. Preparation requires that you have read and thought seriously about the assigned materials for each class. Participation in class means both sharing your

ideas (by talking) and respecting and engaging the ideas of your classmates by actively listening and responding respectfully. Students' meaningful participation in class is worth from 0-10 points and includes attendance, the quality and quantity of comments and questions, your attentiveness, and the seriousness with which you engage the course materials.

Attendance will be taken every class. If you are more than 10 minutes late to class you will be considered absent. Each unexcused absence in excess of two classes will result in a 2 point reduction in your final grade for the semester. For example, if you are absent 4 times (unexcused), then you will lose 4 points off your final grade—more than a third of a letter grade. Point deductions for unexcused absences can harm your grade beyond the 10 points allocated for participation and attendance.

Electronic Devices:

The use of cellphones or smartphones of any kind during class is *not* permitted. The use of tablet computers and laptops/notebooks for the purpose of taking notes is allowed. However, this is not license to use these devices for non-course related purposes during class (e.g. Facebook, personal e-mail, online shopping). If the use of approved devices becomes a distraction for the class then you may be asked to put them away.

Reading Analyses

Students are required to submit reading analyses periodically throughout the semester. Each analysis will be prompted with a set of questions that you will assess and analyze using the course readings. You are expected to be able to synthesize ideas across the readings in order to strengthen your analyses. Analyses will be evaluated in terms of the accuracy and clarity of your summaries, thoughtfulness, and the quality and depth of your engagement with the readings. Each analysis/brief should be no more than 2 pages in length, double-spaced, 1 inch margins around the page, and size 11 Times New Roman or similar font. Any direct quotes from, or reference to, sources, including course readings, should be properly cited and listed in a bibliography.

Discussion Questions

Twice during the semester students will be responsible for drafting 3-5 discussion questions for the class. These questions will be used as part of the regular class discussion and the students drafting the questions will aid in facilitating part of the class discussion. Discussion questions must be submitted to me by 8:00am the day before they will be used in class.

Group Presentations

At the beginning of the semester you will be assigned to a group that will be responsible for a particular perspective covered in class. Toward the end of the semester each group will present a summary of the perspective for which they are responsible. The summary will consist of describing the theoretical structure of the perspective, introducing the important figures, and covering contributions the perspective has made to the overarching discourse of economics. Each group's presentation must be accompanied by a write-up of their presentation.

Midterm Exams

The midterm exams are intended to be straight forward and test students on their understanding of the key concepts discussed in class and in the required readings. The exams will not be overly tricky or complicated, but will require a clear understanding of the general concepts behind the course topics.

Final Exam

The final exam, like the midterms, is designed to test students on their knowledge of material covered in class, the readings, and homeworks. However, the final exam will be designed to be more comprehensive of the material covered throughout the semester than the midterms.

Course Policies:

Attendance Policy

See course grading information above.

Electronic Devices

See course grading information above.

Late Assignments

All assignments must be turned in on time. Late assignments will not be accepted and will result in a zero unless inability to complete and submit the assignment is caused by a verified medical/family emergency.

Academic Honesty

Dickinson College's policies on academic integrity and honesty will be strictly enforced. Policies on cheating and plagiarism can be found in *The 2012-13 Community Standards*.

Accommodating Students with Disabilities

Dickinson College makes reasonable academic accommodations for students with documented disabilities, according to equal access laws. I am available to discuss the implementation of those accommodations. Students requesting accommodations must first register with Disability Services to verify their eligibility. After documentation review, Marni Jones, Director of Learning Skills and Disability Services, will provide eligible students with accommodation letters for their professors. Students must obtain a new letter every semester and meet with each relevant professor prior to any accommodations being implemented. These meetings should occur as soon as possible in the semester, and at least five days before any testing accommodations. Disability Services is located in Biddle House. Address inquiries to Stephanie Anderberg at 717-245-1734 or email disabilityservices@dickinson.edu. For more information, see the Disability Services website: www.dickinson.edu/disabilityservices.

Course Outline/Readings (tentative):

Readings should always be completed before class. Any readings listed with an asterisk (*) before them are considered optional readings and are meant to serve as a guide to further reading should a topic be of particular interest.

I.) Course Introduction

(a) Contending Perspectives & Economics Jan. 21

Chakraborty, A. (2013). "Mainstream economics is in denial: the world has changed". *The Guardian*, October 28, 2013.

Foley, D. K. (1975). "Problems vs. Conflicts: Economic Theory and Ideology". *American Economic Review* 65(2), pp. 231-236.

*Barone, C. A. (1991). "Contending Perspectives: Curricular Reform in Economics". *Journal of Economic Education* 22(1), pp. 15-26.

(b) The Perspectives & "Heterodoxy" Jan. 23

Foley: Preface

Lavoie: Introduction, Ch. 1: sections 1.1 & 1.2

Vaughn, K. I. (1994). *Austrian Economics in America*. Cambridge: Cambridge University Press: Ch. 1

Hodgson, G. M. (2004). *The Evolution of Institutional Economics*. London: Routledge: Ch. 1

II.) The Theory of Value

(a) Classical Political Economy (MX) Jan. 28

Foley: Chs. 1, 2

(b) Marx's Method and Commodity Production (MX) Jan. 30, Feb. 4

Fine & Saad-Filho: Chs. 1, 2, 3

Foley: Ch. 3, sections: "Historical Materialism", "The Commodity and the Theory of Value", and "Capitalist Exploitation"

(c) Marx's Circuit of Capital, Reproduction, Accumulation, and Crisis (MX) Feb. 6, 11

Fine & Saad-Filho: Chs. 4, 5, 6, 7, 9

Foley: Ch. 3, sections: "Accumulation and the Falling Rate of Profit" & "Primitive Accumulation"

- (d) Marx and Social Change (MX) Feb. 13
 Foley: Ch. 3, sections: “The Transition to Socialism”, “Marx and Proletarian Revolution”, “Marxist Theory and Social Change”
- (e) Feminist Critiques (FM) of Marx (MX) Feb. 18
 Folbre, N. (1982). “Exploitation comes home: a critique of the Marxian theory of family labour”. *Cambridge Journal of Economics* 6, pp. 317-329.
 Hartmann, H. I. (1979). “The Unhappy Marriage of Marxism and Feminism: Towards a more Progressive Union”. *Capital & Class* 3(2), pp. 1-33.
- (f) Austrian Roots (AS) & a Response to Marx (MX) Feb. 25
 Foley: Ch. 4, sections: “Adam’s Fallacy Needs New Shoes”, “Marginalism”, “Where Do Prices Come From?”, “Marginalism and Social Welfare”, “Marginalism and Time”
 Vaughn, K. I. (1994). *Austrian Economics in America*. Cambridge: Cambridge University Press: Ch. 2

III.) The Problems of the Early 20th Century

- (a) Veblen & the American Institutionalists (IT) Feb. 27, Mar. 4
 Foley: Ch. 4, section: “Veblen and Conspicuous Consumption”
 Commons, J. R. (1931). “Institutional Economics”. *American Economic Review* 21(4), pp. 648-657.
 Hodgson, G. M. (2004). *The Evolution of Institutional Economics*. London: Routledge: Chs. 6, 7, 8, 9
 *Ayres, C. E. (1951). “The Co-Ordinates of Institutionalism”. *American Economic Review* 41(2), pp. 47-55.
- (b) Keynes (PK) Mar. 6
 Foley: Ch. 5
 Harcourt, G. C. (2012). “The Cambridge Economic Tradition”. In G. C. Harcourt (Ed.), *The Making of a Post-Keynesian Economist*. Basingstoke: Palgrave Macmillan.
 Skidelsky, R. (1996). *Keynes*. Oxford: Oxford University Press.
 *Taylor, L. (2010). *Maynard’s Revenge*. Cambridge: Harvard University Press: Ch. 4.

IV.) Capitalism vs. Socialism (the Socialist Calculation Debate)

- (a) Mises, Hayek, & the Austrians (AS) Mar. 18, 20
 Vaughn, K. I. (1994). *Austrian Economics in America*. Cambridge: Cambridge University Press: Ch. 3

Hayek, F. A. (1945). "The Use of Knowledge in Society". *American Economic Review* 35(4), pp. 519-530.

*Hayek, F. A. (1948). *Individualism and Economic Order*. Chicago: University of Chicago Press: Ch. 7, "Socialist Calculation I: The Nature and History of the Problem".

*Hayek, F. A. (1948). *Individualism and Economic Order*. Chicago: University of Chicago Press: Ch. 8, "Socialist Calculation II: The State of the Debate".

*Hayek, F. A. (1948). *Individualism and Economic Order*. Chicago: University of Chicago Press: Ch. 9, "Socialist Calculation III: The Competitive Solution".

*Mises, L. (1920). "Economic Calculation In The Socialist Commonwealth". In F. A. Hayek (Ed.) *Collectivist Economic Planning*. London: Routledge.

(b) The Exile Scholars (MX,PK,IT)

Mar. 25, 27

Krohn, C. D. (1987). *Intellectuals in Exile*. Amherst: University of Massachusetts Press: Chs. 4, 6

Lange, O. (1936). "On the Economic Theory of Socialism: Part One". *Review of Economic Studies* 4(1), pp. 53-71.

Lange, O. (1937). "On the Economic Theory of Socialism: Part Two". *Review of Economic Studies* 4(2), pp. 123-142.

*Lerner, A. P. (1934). "Economic Theory and Socialist Economy". *Review of Economic Studies* 2(1), pp. 51-61.

*Lerner, A. P. (1936). "A Note on Socialist Economics". *Review of Economic Studies* 4(1), pp. 72-76.

*Lerner, A. P. (1937). "Statics and Dynamics in Socialist Economics". *Economic Journal* 47(186), pp. 253-270.

*Lerner, A. P. (1938). "Theory and Practice in Socialist Economics". *Review of Economic Studies* 6(1), pp. 71-75.

*Rutkoff, P. M. and W. B. Scott (1986). *New School: A History of The New School for Social Research*. New York: Free Press: Chs. 5, 6, 7

V.) Modern Era

(a) Austrian School Today (AS)

Apr. 1

Vaughn, K. I. (1994). *Austrian Economics in America*. Cambridge: Cambridge University Press: Chs. 6, 7, 8

*Snowdon, B., H. Vane, and P. Wynarczyk (1994). *A Modern Guide to Macroeconomics*. Cheltenham: Edward Elgar: Ch. 8, pages 351-367.

(b) Institutionalist Economics (IT)

Apr. 3

Hodgson, G. M. (2004). *The Evolution of Institutional Economics*. London: Routledge: Part V

Chang, H. J. (2002). "Breaking the mould: an institutionalist political economy alternative to the neo-liberal theory of the market and the state". *Cambridge Journal of Economics* 26, pp. 539-559.

(c) Feminist Economics (FM)

Apr. 8, 10

Ferber, M. A. (1995). "The Study of Economics: A Feminist Critique". *American Economic Review* 85(2), pp. 357-361.

Nelson, J. A. (1995). "Feminism and Economics". *Journal of Economic Perspectives* 9 (2), pp. 131-148.

Strassman, D. (2004). "Feminist Economics". In J. Peterson and M. Lewis (Eds.), *The Elgar Companion to Feminist Economics*. Cheltenham: Edward Elgar.

Standing, G. (1999). "Global Feminization Through Flexible Labor: A Theme Revisited". *World Development* 27(3), pp. 583-602.

Berik, G. and E. Kongar (2013). "Time Allocation of Married Mothers and Fathers in Hard Times: The 2007-09 US Recession". *Feminist Economics* 19(3), pp. 208-237.

*Beneria, L. (1995). "Toward Greater Integration of Gender in Economics". *World Development* 23(11), pp. 1839-1850.

*Harding, S. (1995). "Can feminist thought make economics more objective?". *Feminist Economics* 1(1), pp. 7-32.

*Klasen, S. and C. Wink (2003). "'Missing Women': Revisiting the Debate". *Feminist Economics* 9(2/3), pp. 263-299.

*Saunders, L. and W. Darity (2003). "Feminist Theory and Racial Economic Inequality". In M. A. Ferber and J. A. Nelson (Eds.), *Feminist Economics Today: Beyond Economic Man*. Chicago: University of Chicago Press.

(d) Post-Keynesian & Structuralist Macroeconomics (PK)

Apr. 15, 17

Lavoie: Chs. 4, 5

Taylor, L. (2004). "Structuralist Challenges to the Mainstream: Interview with Lance Taylor". *Challenge* 47(5), pp. 104-115.

Taylor, L. (2012). "Growth, Cycles, Asset Prices, and Finance". *Metroeconomica* 63(1), pp. 60-63.

Godley, W. and M. Lavoie (2007). "Fiscal Policy in a Stock-Flow Consistent (SFC) Model". *Journal of Post Keynesian Economics* 30(1), pp. 79-100.

*Barbosa-Filho, N. H. and L. Taylor (2006). "Distributive and Demand Cycles in the US Economy – A Structuralist Goodwin Model". *Metroeconomica* 57(3), pp. 389-411.

*Snowdon, B., H. Vane, and P. Wynarczyk (1994). *A Modern Guide to Macroeconomics*. Cheltenham: Edward Elgar: Ch. 8, pages 367-382

- (e) Marxian Economics (MX) Apr. 22
- Fine & Saad-Filho: Chs. 14, 15
- Barone: Chs. 2, 4, 6
- Foley, D. K. (2011). “The Political Economy of Output and Employment 2001-2010”. SCEPA Working Paper. Lecture prepared for Institute for New Economic Thinking conference at Bretton Woods, New Hampshire, April 8-10, 2011.
- Shaikh, A. (1998). “The Empirical Strength of the Labor Theory of Value”. In R. Bellofiore (Ed.), *Marxian Economics: A Reappraisal, Vol. 2*. New York: St. Martin’s Press.
- Shaikh, A. (2010). “The First Great Depression of the 21st Century”. In L. Panitch, G. Albo, and V. Chibber (Eds.) *Socialist Register 2011*. London: Merlin Press.

- (f) Broad Currents in “Heterodox” Economics (FM,MX,PK,IT) Apr. 24
- Nussbaum, M. (2003). “Capabilities as Fundamental Entitlements: Sen and Social Justice”. *Feminist Economics* 9(2-3), pp. 33-59.
- Cogliano, J. F. and X. Jiang (2013). “Agent-Based Computational Economics: Simulation Tools for Heterodox Research”
- Foley, D. K. (2011). “Socialist alternatives to capitalism I: Marx to Hayek”. Lecture prepared for the Havens Institute, University of Wisconsin, Madison, April 6-7, 2011.
- Foley, D. K. (2011). “Socialist alternatives to capitalism II: Vienna to Santa Fe”. Lecture prepared for the Havens Institute, University of Wisconsin, Madison, April 6-7, 2011.

VI.) Conclusion

- (a) Final Thoughts Apr. 29
- Foley: Ch. 6
- (b) Group Presentations Apr. 29, May 1

Further Reading on Contending Perspectives:

Below is a list of academic journals, websites, organizations, and other resources featuring the perspectives covered throughout the semester.

Academic Journals

Almost Exclusively Heterodox Content:

American Journal of Economics and Sociology
Cambridge Journal of Economics
Capital & Class
Contributions to Political Economy
European Journal of the History of Economic Thought
Feminist Economics
Forum for Social Economics
Historical Materialism
Journal of Economic Issues
Journal of Institutional Economics
Journal of Post Keynesian Economics
Metroeconomica
New Political Economy
Rethinking Marxism
Review of Austrian Economics
Review of Keynesian Economics
Review of Political Economy
Review of Radical Political Economics
Review of Social Economy

Occasional Heterodox Content:

History of Political Economy
Journal of Economic Behavior & Organization
Journal of Economic Dynamics and Control
Journal of Economic Geography
Journal of Economic Interaction and Coordination
Journal of Economic Methodology
Journal of the History of Economic Thought
Manchester School
Review of Behavioral Economics
Review of International Political Economy

Websites, Think Tanks, & List-Servs

Heterodox Economics Newsletter: www.heterodoxnews.com

Institut für Makroökonomie und Konjunkturforschung (IMK): www.boeckler.de/index_ink.htm

Institute for New Economic Thinking (INET): www.ineteconomics.org

Mercatus Center: mercatus.org

Political Economy Research Institute (PERI): www.peri.umass.edu

Schwartz Center for Policy Analysis (SCEPA): www.economicpolicyresearch.org

Triple Crisis Blog: triplecrisis.com

Union for Radical Political Economics List-Serv

Professional Organizations/Associations

Association for Heterodox Economics

Association for Institutional Thought

Association for Social Economics

International Association for Feminist Economics

International Initiative for Promoting Political Economy

History of Economics Society

Society for the History of Economics

Union for Radical Political Economics