

## History of Economic Thought

Code: 102316  
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OT	3	2
2501573 Economics	OT	4	0

The proposed teaching and assessment methodology that appear in the guide may be subject to changes as a result of the restrictions to face-to-face class attendance imposed by the health authorities.

### Contact

Name: Francesc Xavier López Andrés  
Email: FrancescXavier.Lopez@uab.cat

### Use of Languages

Principal working language: catalan (cat)  
Some groups entirely in English: No  
Some groups entirely in Catalan: Yes  
Some groups entirely in Spanish: No

### Prerequisites

It recommends to have completed at least *Introduction to the Economy, Microeconomics* and *Macroeconomics*.

### Objectives and Contextualisation

The course introduces each school of economic thought, its top authors and exposes his contribution to the Economic Science: the classical Political Economy and its Marxist variant, Marginalism, Institutionalism, keynesian economics and contemporary currents of economic thought.

### Competences

Business Administration and Management

- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Contextualise economic problems in historical terms.
- Demonstrate initiative and work individually when the situation requires it.
- Demonstrate knowledge of the interrelationships between different economies, the role of national and international economies, their evolution and the consequences that may be produced for the company.
- Identify the economic agents that make up an economy, understanding how they have been interrelated to date, how they are currently interrelated and forecast futures according to new circumstances and their influence on a specific company.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.

- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Value ethical commitment in professional practice.

#### Economics

- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Contextualise economic problems in historical terms.
- Demonstrate initiative and work individually when the situation requires it.
- Demonstrate knowledge of the interrelationships between different economies, the role of national and international economies, their evolution and the consequences that may be produced for the company.
- Identify the economic agents that make up an economy, understanding how they have been interrelated to date, how they are currently interrelated and forecast futures according to new circumstances and their influence on a specific company.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Value ethical commitment in professional practice.

## Learning Outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Analyse the labour markets and the international flows of workers in the different phases of contemporary economic growth.
3. Assess ethical commitment in professional activity.
4. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
5. Demonstrate initiative and work independently when required.
6. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
7. Identify the main causes of periods of economic stability, recession and crisis, on a regional, national and international scale.
8. Identify the problems of economic agents on the basis of different historic experiences.
9. Organise work, in terms of good time management and organisation and planning.
10. Recognise the main social, economic and institutional problems faced by developing countries.
11. Relate finance and policy, in the different phases of contemporary economic growth.
12. Relate finances and policy, in the different phases of contemporary economic growth.
13. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
14. Summarise the different experiences of economic development, on a regional, national and international scale.

## Content

### Part I. Introduction

1. Economic activity. Economic thought: how it appears. Evolution of the concept of Economic Science: Economy of manorial system, Political Economy and Economics (without nothing more). The most significant schools of economic thought. The method of Economic Science.

2. The first schools of economic thought. Pre-Scientifics: the Greek philosophers, the scholastics, the school of Salamanca, Mercantilism. First steps in the scientific method: the Physiocracy -Quesnay, Turgot-, the Pre-Classical -Petty, Law, Cantillon.

## Part II. The Classics

### The authors

3. Adam Smith: *The Theory of Moral Sentiments* and *The Wealth of Nations*. Thomas R. Malthus: *An Essay on the Principle of Population*.
4. David Ricardo: *On the Principles of Political Economy and Taxation*. J. Stuart Mill: *Principles of Political Economy*. Karl Marx: *Das Kapital*.

### Review of subjects

5. Quantitative theory of the money. The precedents: School of Salamanca, John Law and the financial bubble in 1720. Smith and Marx on the origin and the uses of the money: history of the national monetary systems and of the international payments.
6. Theory of value (I). Value in use and value in exchange. Measure of value in exchange. Systems of exchange. Price and measure of value in exchange. Nominal prices and real prices. The base of real value: the commodity pattern in Smith and Ricardo senses. Consequences to compute the real values: the commodity pattern composed of Sraffa and the bundle of commodities.
7. Theory of value (II). Regulation of the value in exchange. The short term: Smith's market price and Say's law. Mill's market price. On a long-term basis: the natural price. Production prices and labour theory in Ricardo and Marx.
8. Theory of the Public Finance. Revenue and expenses of the State. Origin and nature of the revenue and public expenses. Disequilibriums. Smith on the deficit and the public debt. Progressive taxes and Regressive taxes.
9. Theory of the exchange: pure theory of the international trade. The gains of the trade: Smith's absolute advantage vs. Ricardo's relative advantage. Opportunity cost. Protectionist arguments. The balance of payments.
10. Economic systems. Smith and Marx's theories on the evolution of the systems: Historical Materialism. Main features of the capitalism as Marx: origin, evolution and final prospects of the capitalism. Origin of the surplus. Laws of the capitalist accumulation.

## Part III. Neoclassical School

### The authors

11. Main features of Neoclassical School. William Stanley Jevons: *The Theory of Political Economy*. Francis Ysidro Edgeworth: *Mathematical Psychics*.
12. Léon Walras: *Éléments d'Économie Politique Pure*. Alfred Marshall: *Principles of Economics*. Carl Menger and the Austrians. United States: John Bates Clark. The second and the third generation: Arthur C. Pigou, Vilfredo Pareto & John R. Hicks.

### Review of subjects

13. Utility Theory and Exchange Theory (I). The value in use: Daniel Bernoulli's moral value. Smith criticised by De Quincey. The Bentham's utility and John S. Mill's Utilitarianism. Cardinal utility and preferences. Ramsey and Von Neumann on the utility under risk.
14. Utility Theory and Exchange Theory (II). The exchange. Jevon's Theory of the lever. Edgeworth's bilateral exchange: the theory of the haggling and the institutional arbitration. The core of an exchange economy. Walras' models of general equilibrium.
15. Production and consumption. Marshall's analysis of the production and of the consumption: isoquants, cost curves, supply and demand curves. Equilibrium and stability. Elasticity. Kinds of commodities. Income and substitution effect. Giffen goods.

16. Theories of markets and distribution. Marshall's analysis of the markets. The consumer and producer surplus. Aggregate surplus in perfect competition and monopolistic markets. Factor markets. The neoclassical theory of distribution. The labour market and the involuntary unemployment. The loanable funds doctrine. The Walrasian entrepreneur and the profits.

17. The three stages of the Welfare Economics (I). a) Pigou's Economics of Welfare. Welfare and the distribution of the wealth. The best type of market. Private and social results: external economies and diseconomies. Bergson's social welfare optimality conditions.

18. The three stages of the Welfare Economics (II). b) The New Welfare Economics. Pareto's comparison criterion. The compensation principle of Kaldor and Scitovsky. c) An Axiomatic approach to Welfare Economics: Arrow's impossibility theorem. Social Choice Theory. Dobb: a critique of Welfare Economics.

#### Part IV. Heterodox economists and dissident thought

##### The authors

19. Early radicals: John A. Hobson, Rosa Luxemburg and the theory of the capitalist imperialism. British defenders of Welfare State. American institutionalism: Veblen, Commons and the economic functions of a state.

20. John Maynard Keynes: *The General Theory of Employment, Interest and Money*. Joseph A. Schumpeter: economic development and *Business Cycles*.

##### Review of subjects

21. Theory of Employment, Interest and Money (I). Macroeconomic variables and macroeconomic relationships. Expected variables and observed variables. Reasons for involuntary unemployment. The aggregate consumption function and the aggregate investment function. The investment multiplier.

22. Theory of Employment, Interest and Money (II). Keynesian determination of rate of interest. Liquidity preference and monetary supply. Expectations mechanism and reformulated expectations. Government and Central Bank: fiscal policy and monetary policy. Demand inflation and cost inflation. The distorted transmission of The General Theory: the IS-LM model.

#### Part V. Recent developments in economic thought

23. How Economics became a mathematical science (Weintraub). Currents in macroeconomic thought development: The Neo-Ricardians and Post-Keynesians (Piero Sraffa, Joan Robinson, Roy Harrod); b) the bastard Keynesians and the Neoclassical Synthesis through the IS-LM model (Paul A. Samuelson, James Tobin); c) Monetarist (Milton Friedman); d) Radical economics in America (Paul M. Sweezy & Paul Baran); e) New Classical School (Robert E. Lucas); f) Neo-Keynesians (Jean-Pascal Benassy, Joaquim Silvestre).

## Methodology

Teaching will be offered on campus or in an on-campus and remote hybrid format depending on the number of students per group and the size of the rooms at 50% capacity.

In-person classes and tutoring sessions. The teacher recommends a lot to the students the contact since the first classes through the tutoring sessions and the explicit commitment -before the third week- on if they opt for the continuous assessment. In that case it demands the continued presence of the student.

The proposed teaching methodology may undergo some modifications according to the restrictions imposed by the health authorities on on-campus courses.

## Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
In-person classes	33	1.32	2, 1, 7, 5, 14
Presentations and works	13	0.52	2, 1, 4, 5, 8, 7, 6, 9, 10, 11, 12, 13, 14, 3
Type: Supervised			
Tutoring sessions	7.5	0.3	4, 5, 8, 9, 10, 11, 12, 13, 3
Type: Autonomous			
Study and development of subjects	88	3.52	2, 1, 4, 5, 8, 7, 6, 9, 10, 11, 12, 14, 3

## Assessment

### Continuous assessment

The grade of course is the weighted average on three partial grades. The first one is obtained with a short work -maximum 6 pages- agreed with the teacher and chosen among the included in the list of 12 subjects transcribed at the bottom (weight: 25%). The second partial grade is obtained of a partial written examination concerning lessons 1 to 10 of programme (weight: 25%). The exam will be held towards the first week of November. The third grade is obtained of a final written examination of 4 subjects among the 12 in the list, plus an additional subject out of list (weight: 50%).

The student that do not opt for the continuous assessment will obtain the grade exclusively on the final written examination.

### Re-evaluation

All students are required to perform the evaluation activities. If the student's grade is 5 or higher, the student passes the course and it cannot be subject to further evaluation. If the student grade is less than 3.5, the student will have to repeat the course the following year. Students who have obtained a grade that is equal to or greater than 3.5 and less than 5 can take a second chance exam. The lecturers will decide the type of the second chance exam. When the second exam grade is greater than 5, the final grade will be a PASS with a maximum numerical grade of 5. When the second exam grade is less than 5, the final grade will be a FAIL with a numerical grade equal to the grade achieved in the course grade (not the second chance exam grade).

### Not evaluable students

A student who does not perform any evaluative task is considered "not evaluable", therefore, a student who performs a continuous assessment component can no longer be qualified with a "not evaluable".

### List of subjects

1. The origin and the uses of the money (Smith, Marx) and the quantitative theory of the money from the School of Salamanca until Friedman. The theory of Keynes of the liquid assets.
2. A measure of the value in exchange: nominal prices and real prices. Smith, Ricardo and Sraffa on the commodity pattern. Fundaments of the CPI.
3. Regulation of the value in exchange in the short term (Smith, De Quincey, Mill, Marshall) and in a long-term basis (Smith, Ricardo, Marx).
4. On the value in use under certain (Bentham, J.S. Mill, Jevons, Edgeworth, Pareto and Hicks & Allen) and on the value in use under risk (D. Bernoulli, Ramsey and Von Neumann & Morgenstern).
5. Considerations on the public finances, the deficit and the public debt (Smith, Ricardo, Malthus, Keynes).

6. Theories on the origin of the surplus. a) Based on the production (physiocrats, Marx) b) based on the exchange (Turgot, Dupuit, Marshall).
7. The evolution of the capitalism: Marx, Veblen and Schumpeter on characteristics of the capitalism. Marx, Hobson and Rosa Luxembourgh on primitive accumulation, capitalist accumulation and imperialism.
8. Comparison between the theories of Turgot, Ricardo, Jevons and Edgeworth of the bilateral exchange. The step of the bilateral exchange in the markets (Jevons, Marshall, Edgeworth).
9. Theories on the distribution: the classical theory (Smith, Ricardo, Marx). The neoclassic theory of the marginal productivity of the factors (Marshall, J.B. Clark). The neoclassic theory of the haggling (Edgeworth).
10. The three stages of the Economy of the Welfare (Pigou, Bergson, Samuelson, Arrow). Critics.
11. How the neoclassical economists and Keynes treated the involuntary unemployment and the rate of interest.
12. Theories on the economic fluctuations (Malthus, Marx, Aftalion, Keynes, Schumpeter).

#### Calendar of assessment activities

The dates of the different proofs of evaluation (partial exams, classroom exercises, homework assignments,...) will be announced well in advance during the semester.

The date of the final examination is scheduled in the calendar of examinations of the Faculty.

"The schedule of assessment tests may not be modified, unless there is an exceptional and duly justified reason why an assessment act cannot be carried out. In this case, the persons responsible for the qualifications, after consulting the teachers and the affected student will propose a new program within the corresponding academic period."

#### **Section 1 of Article 115. Calendar of the activities of evaluation (UAB Academic Regulations)**

Students of the Faculty of Economy and Business Studies that in accordance with the previous paragraph need to change a date of evaluation have to present the request filling up the document Application rescheduling tests

See [https://eformularis.uab.cat/group/deganat\\_feie/reprogramacio-proves](https://eformularis.uab.cat/group/deganat_feie/reprogramacio-proves)

#### Procedure for reviewing grades

Coinciding with the final exam will be announced the day and medium on which the final grades will be published. In the same way, the procedure, place, date and time of the revision of exams in accordance with the regulations of the University will be informed.

#### Recovery Process

"To participate in the recovery process, students must have previously been assessed in a set of activities that represent a minimum of two thirds of the total grade of the subject or module." **Section 3 of Article 112. Recovery (UAB Academic Regulations).** Students must have obtained an average grade of between 3.5 and 4.9.

The date of this test will be scheduled in the calendar of examinations of the Faculty. The student who presents and passes it will pass the subject with a grade of 5. Otherwise he will keep the same grade.

#### Irregularities in evaluation acts

Without prejudice to other disciplinary measures deemed appropriate, and in accordance with current academic regulations, "in the event that the student commits any irregularity that may lead to a significant variation in the grade of an assessment act, this assessment act will be graded with 0, regardless of the disciplinary process that may be instructed in 0 ". **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations)**

The proposed evaluation activities may undergo some changes according to the restrictions imposed by the health authorities on on-campus courses.

## Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exam	50+25	3.5	0.14	2, 1, 4, 5, 8, 7, 6, 9, 10, 11, 12, 13, 14, 3
Work and oral presentation	25	5	0.2	2, 1, 4, 5, 8, 7, 6, 9, 10, 11, 12, 13, 14, 3

## Bibliography

### Basic and complementary readings

- Barbé, Lluís. *Curs d'Introducció a l'Economia (I) L'Escola Clàssica*. Servei de Publicacions UAB. 1991
- Barbé, Lluís. *Curs d'Introducció a l'Economia (II) L'Escola Neoclàssica, Keynes i Schumpeter*. Servei de Publicacions UAB. 1992
- Els dos llibres anteriors tenen una versió en castellà: Barbé, Lluís. *El curso de la Economía*. Ariel/Servei de Publicacions UAB. 1996
- Estapé, Fabià. *Introducción al pensamiento económico. Una perspectiva española*. Espasa-Calpe. 1990
- Galbraith, John K. *Historia de la Economía*. Ariel. 1998

### To consult specific topics

- Argemí, Lluís. *Las raíces de la ciencia económica*. Barcanova. 1987
- Argemí, Lluís. *Història del pensament econòmic*. EDIUOC. 2001
- Argemí, Lluís. *Història del pensament econòmic a Catalunya*. EUMO. 2005
- Barber, William J. *Historia del pensamiento económico*. Alianza. 1994
- Blaug, Mark. *Teoría económica en retrospectiva*. Fondo Cultura Económica. 1985
- Blaug, Mark. *Grans economistes d'abans de Keynes*. Proa. 1997
- Blaug, Mark. *Grans economistes després de Keynes*. Proa. 1999
- Etxezarreta, Miren. (coord) *Crítica a la economía ortodoxa*. Servei de Publicacions UAB
- Ekelund, Robert B. Jr.; Hébert, Robert F. *Historia de la Teoría Económica y de su método*. McGraw-Hill. 1992
- Felderer, Bernhard; Homburg, Stefan. *Macroeconomics & New Macroeconomics*. Springer. 1992
- Fuentes Quintana, Enrique. (dir) *Economía y economistas españoles*. Galaxia Gutenberg. 1999-2004
- Heilbroner, Robert. *The worldly philosophers*. Penguin. 1991
- Landreth, Harry; Colander, David. *Historia del pensamiento económico*. McGraw-Hill. 2010
- Madden, Kirsten; Seiz, Janet; Pujol, Michèle. *A bibliography of female economic thought up to 1940*. Routledge, 2004
- Perdices, Luís. *Historia del pensamiento económico*. Síntesis. 2003
- Perdices, Luís; Gallego, E. *Mujeres economistas: las aportaciones de las mujeres a la ciencia económica y a su divulgación durante los siglos XIX y XX*. Ecobook. 2007
- Pujol, Michèle A. *Feminism and anti-feminism in early economic thought*. Aldershot, 1992
- Rodríguez Braun, Carlos. *Grandes economistas*. Piràmide. 2006
- Roncaglia, Alessandro. *La riqueza de las ideas*. Premsas Universitaries de Zaragoza. 2007
- Roncaglia, Alessandro; Sánchez Hormigo, Alfonso. *Economistas clásicos*. Síntesis. 2011
- Rothbard, Murray N. *Historia del pensamiento económico*. Unión Editorial. 1999
- Rubirola, Miquel. *Keynesianismos. Una inmersión rápida*. Tibidabo ediciones, 2017
- Schumpeter, Joseph A. *Diez grandes economistas: de Marx a Keynes*. Alianza. 1971
- Schumpeter, Joseph A. *Historia del Análisis Económico*. Ariel. 1994
- Screpanti, Ernesto.; Zamagni, Stefano. *Panorama de historia del pensamiento económico*. Ariel. 1997

- Spiegel, Henry W. *El desarrollo del pensamiento económico*. Omega. 1996
- Velarde, Juan. *Economistas españoles contemporáneos. Primeros maestros*. Espasa-Calpe. 1990

#### Classical works

- Smith, Adam. (1776) *Una investigació sobre la naturalesa i les causes de la riquesa de les nacions*
- Ricardo, David. (1817) *Principis d'Economia Política i tributació*
- Marx, Karl. (1867) *El capital*
- Jevons, William S. (1871) *La teoria de l'Economia Política*
- Edgeworth, Francis Y. (1881) *Psíquica Matemàtica*
- Marshall, Alfred. (1890) *Principis d'Economia*
- Veblen, Thorstein. (1904) *La teoria de l'empresa de negocis*
- Robinson, Joan. (1933) *Economia de la competència imperfecta*
- Schumpeter, Joseph A. (1934) *La teoria del desenvolupament econòmic*
- Keynes, John M. (1936) *La teoria general de l'ocupació, l'interès i el diner*
- Ostrom, Elinor. (1990) *El govern dels béns comuns*