

# History of Economic Thought – Reading List – Spring 2025

## E. Somanathan

### Class 1 - Introduction

### Class 2 - Adam Smith

Heilbroner, R. (1999). Introduction. In *The Worldly Philosophers* (7th ed.). Simon & Schuster.

Heilbroner, R. (1999). The Wonderful World of Adam Smith. In *The Worldly Philosophers* (7th ed.). Simon & Schuster.

Smith, A. (1776). Of the Division of Labor; Of the Principle which gives Occasion to the Division of Labor; That the Division of Labor is Limited by the Extent of the Market. In *An Inquiry into the Nature and Causes of the Wealth of Nations* (Book 1, Ch. 1-3). Wordsworth Edition.

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### Class 3 - Adam Smith

Blaug, M. (1996). Adam Smith. In *Economic Theory in Retrospect* (5th ed., pp. 59-63). Cambridge University Press.

Smith, A. (1776). Of Restraints upon the Importation from Foreign Countries of such Goods as can be Produced at Home. In *An Inquiry into the Nature and Causes of the Wealth of Nations* (Book 4, Ch. 2). Wordsworth Edition.

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### Class 4 - Malthus

Malthus, T. R. (1798). *An Essay on the Principle of Population* (Ch. 1-2). Oxford University Press.

Heilbroner, R. (1999). The Gloomy Presentiments of Parson Malthus and David Ricardo. In *The Worldly Philosophers* (7th ed., pp. 1-6, 13-17). Simon & Schuster.

DeLong, J. Bradford (2020). [Economic Growth's Absence in the Malthusian Agrarian Age](#) (Lecture 5, Slides 8-16).

Blaug, M. (1996). Malthus. In *Economic Theory in Retrospect* (5th ed., pp. 65-67, 72-76). Cambridge University Press.

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### **Class 5 - Ricardo**

Heilbroner, R. (1999). The Gloomy Presentiments of Parson Malthus and David Ricardo. In *The Worldly Philosophers* (7th ed., pp. 17-26). Simon & Schuster.

Blaug, M. (1996). Ricardo's System. In *Economic Theory in Retrospect* (5th ed., pp. 85-93). Cambridge University Press.

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### **Class 6 - Marx**

Heilbroner, R. (1999). The Inexorable System of Karl Marx. In *The Worldly Philosophers* (7th ed.). Simon & Schuster.

Blaug, M. (1996). Marxian Economics. In *Economic theory in retrospect* (5th ed., pp. 274-275). Cambridge University Press.

Marx, K., & Engels, F. (1848). Bourgeois and Proletarians; Proletarians and Communists. In *Manifesto of the Communist Party*.

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### **Class 7 - The Marginal Revolution & the Beginning of Modern Microeconomics**

Blaug, M. (1996). The Marginal Revolution. In *Economic Theory in Retrospect* (5th ed., pp. 277-282). Cambridge University Press.

Hicks, J. R. (1939). Utility and Preference; The Law of Consumer's Demand. In *Value and Capital* (Ch. 1-2). Oxford University Press.

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### **Class 8 - General Equilibrium and Welfare**

Weintraub, E. Roy (1977). General Equilibrium Theory. In *Modern Economic Thought*. Oxford: Basil Blackwell.

Bowles, Samuel (2004). Utopian Capitalism: Decentralized Coordination. In *Microeconomics: Behavior, Institutions, and Evolution* (Ch. 6). Princeton University Press.

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### **Class 9 - Welfare**

Sen, Amartya K. (1977). Personal Utilities and Public Judgments: Or What's Wrong with Welfare Economics? *The Economic Journal*, 87(345), 537-558.

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## **Class 10 - Information**

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

Akerlof, G. A. (1970). The Market for Lemons: Quality Uncertainty and the Market Mechanism. *Quarterly Journal of Economics*, 84(3), 488-500.

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## **Class 11 - Information-based Critique of the First Welfare Theorem**

Stiglitz, J. E. (1994). Critique of the First Fundamental Theorem of Welfare Economics. In *Whither Socialism?* (Ch. 3). MIT Press.

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## **Class 12 - Anti-Competitive Behaviour**

Stiglitz, J. E. (1994). Competition. In *Whither socialism?* (Ch. 7). MIT Press.

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## **Class 13 – Innovation; Changes in Modern Economic Thought**

Stiglitz, J. E. (1994). Innovation. In *Whither Socialism?* (Ch. 8). MIT Press.

Somanathan, E. (2005). Recent Revolutions in Economic Theory. (Review of Microeconomics: Behaviour, Institutions and Evolution by Samuel Bowles). *Economic and Political Weekly*, 40: 22/23.

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## **Class 14 - Keynesian Macroeconomics I**

Heilbroner, R. (1999). The Heresies of John Maynard Keynes. In *The Worldly Philosophers* (7th ed.). Simon & Schuster.

Keynes, J. M. (1930). *The Great Slump of 1930*. Accessed in April 2025 at <https://www.gutenberg.ca/ebooks/keynes-slump/keynes-slump-00-h.html>

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## **Class 15 - Keynesian Macroeconomics II**

Keynes, J. M. (1936). The Principle of Effective Demand. In *The General Theory of Employment, Interest, and Money* (Ch. 3, Sec. 2-3). London: Macmillan.

Hicks, J. R. (1937). Mr. Keynes and the "Classics": A Suggested Interpretation. *Econometrica*, 5(2), 147-159.

Kalecki, M. (1943). Political Aspects of Full Employment. *The Political Quarterly*, 14(4), 322–331.

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### **Class 16 – Post-Lucasian Macroeconomic Thought**

Mankiw, N. G. (1990). A Quick Refresher Course in Macroeconomics. *Journal of Economic Literature*, 28(4), 1645-1660.

Krugman, P. (2009). How did Economists get it so Wrong? *The New York Times Magazine*.

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### **Class 17 - Finance, Markets, and Macroeconomics I**

Keynes, J. M. (1936). The State of Long-Term Expectation. In *The General Theory of Employment, Interest, and Money* (Ch. 12). London: Macmillan.

Shleifer, Andrei (2000). Are Financial Markets Efficient? In *Inefficient Markets* (Ch. 1). Oxford University Press.

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### **Class 18 - Finance, Markets, and Macroeconomics II**

Roell, S. (2009). *Economic Theory and the Financial Crisis: A Reading List*. (An Interview with Eric Maskin). Accessed in April 2025 at <https://fivebooks.com/best-books/economic-theory-financial-crisis-eric-maskin/>

Sethi, Rajiv (2009). *The Economics of Hyman Minsky*. Accessed in April 2025 at <https://rajivsethi.blogspot.com/2009/12/economics-of-hyman-minsky.html>

Nagraj, A. (2020). Understanding India's Economic Slowdown. *The India Forum*. Accessed in February 2025 at <https://www.theindiaforum.in/article/understanding-india-s-economic-slowdown>

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### **Class 19 – Crony capitalism**

Guriev, S. (Interviewer) & Zingales, Luigi (2019). The Capture of Politics by Business [Video]. *State of the Union 2019 Conference, European University Institute*. Accessed in April 2025 from <https://www.youtube.com/live/nSL1ktxKlbg?t=5582s>

Ranade, Ajit (2018). Review of 'The Billionaire Raj' by James Crabtree. *The Hindu*. Accessed in April 2025 at <https://www.thehindu.com/books/books-reviews/the-billionaire-raj-a-journey-through-indias-new-gilded-age-review-the-rise-of-bollygarchs/article24995895.ece>

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## **Class 20 – China’s Growth**

Qian, Yingyi (2003). Introduction, and Chapter 1, pp 1-60. In *How Reform Worked in China*. MIT Press.

Qian, Yingyi (2003). Federalism, Chinese Style: The Political Basis for Economic Success in China. In *How Reform Worked in China* (pp. 201-235). MIT Press.

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## **Class 21 - Social Security and Public Expenditure**

Lindert, Peter H. (2004). Patterns and Puzzles; Findings (Chapters 1-2). In *Growing Public: Social Spending and Economic Growth since the Eighteenth Century* (pp. 3-36). Cambridge University Press.

Lindert, Peter H. (2004). Social Transfers in the Second and Third Worlds (Chapter 9). In *Growing Public: Social Spending and Economic Growth since the Eighteenth Century* (pp. 210-223). Cambridge University Press.

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## **Class 22 - Distributional Issues**

Bharti, N. K., Chancel, L., Piketty, T., & Somanchi, A. (2024). Towards Tax Justice and Wealth Redistribution in India: Proposals Based on Latest Inequality Estimates. *Economic and Political Weekly*, 59(21).

Milanovic, Branko (2019). The Contours of the Post-Cold War World; Liberal Meritocratic Capitalism. In *Capitalism, Alone: The Future of the System that Rules the World* (Ch 1-2). Harvard University Press.

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## **Class 23 - Endogenous Preferences and Happiness**

Galbraith, J. K. (1958). The Dependence Effect (Chapter 11). In *The Affluent Society*. Houghton Mifflin Harcourt.

Galbraith, J. K. (1958). The Theory of Social Balance (Chapter 17). In *The Affluent Society*. Houghton Mifflin Harcourt.

Scitovsky, Tibor (1974). Can Changing Consumer Tastes Save Resources? In *Economic Growth and Resources: Volume 4* (Ch. 4, pp. 34-45). Macmillan.

Layard, Richard (2006). Happiness and Public Policy: A Challenge to the Profession. *The Economic Journal*, 116(510).

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#### **Class 24 – Environmental Issues**

Boulding, K. E. (1966). The Economics of the Coming Spaceship Earth. In Jarrett, H., Ed., *Environmental Quality in a Growing Economy, Resources for the Future*. Johns Hopkins University Press, Baltimore, 3-14.

Solow, R. M. (1991). *Sustainability: An Economist's Perspective* (J. Seward Johnson Lecture in Marine Policy). Marine Policy Center.

Raworth, Kate (2012). *A Safe and Just Space for Humanity: Can We Live within the Doughnut?* Oxfam Discussion Papers. Oxfam International. Accessed in April 2025 at <https://policy-practice.oxfam.org/resources/a-safe-and-just-space-for-humanity-can-we-live-within-the-doughnut-210490/>

Somanathan, E. (2019). Shooting at the Wrong Target (Book Review of “Post-Growth Thinking in India: Towards Sustainable Egalitarian Alternatives”). *Ecology, Economy and Society–The INSEE Journal*, 2(1), 151–154.

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#### **Class 25 – Empirical Turn in Economics**

Angrist, J. D., & Pischke, J.-S. (2010). The Credibility Revolution in Empirical Economics: How Better Research Design is Taking the Con out of Econometrics. *Journal of Economic Perspectives*, 24(2), 3-30.

Scheiber, Noam (2007, May 7). Freaks and Geeks: How *Freakonomics* is Ruining the Dismal Science. *The New Republic*. Accessed in April 2025 at <https://newrepublic.com/article/62561/freaks-geeks>

Drèze, Jean (2020). Policy beyond evidence. *World Development*, 127, 104797.

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