

# The History of Economic Policy in the Context of a History of Economic Thought.

Erik S. Reinert, January-February 2002.

## 1. Introduction. Methodology and Toolboxes: The Different Kinds of Economics.

Readings: The Other Canon, 'Two Different Ways of Understanding the Economic World and The Wealth and Poverty of Nations (3 pages), Bruce Henderson, Boston Consulting Group, Perspectives on Strategy (1998): 'Business Thinking', BCG, pp. 260-263.

## 2. Theories of History: Learning, Technological Change and Economic Development.

Erik Reinert: 'Karl Bücher and the Geographical Dimensions of Techno-Economic Change: Production-Based Economic Theory and the Stages of Economic Development'. Albert O. Hirschman: 'The Passions and the Interests', pp. 9-31+132-135.

## 3. The Renaissance and Duty-Based Systems: From Economic Anthropology to Statecrafting and Nation-Building. The Failure of Spain's 16<sup>th</sup> Century Policies.

Readings: Reinert & Daastøl, 'Exploring the Genesis of Economic Innovations: The Religious Gestalt-Switch and the Duty to Invent as Preconditions for Economic Growth', pp- 1-24 (= 233-264). Gustav Schmoller: 'The Mercantile System and its Historical Significance', particularly pp. 1-17, 29-36, 49- 80,

## 4. Mercantilism, Colbertism and Cameralism: Economic Growth as Activity-Specific, 'Good' and 'Bad' Trade, The Role of Cities and Diversity, Scale and Synergies.

Readings: Antonio Serra, 'A Brief Treatise' (1613), (Monroe pp. 145-167), Daniel Defoe, 'A Plan of English Commerce' (1730) pp. 126-135, Philipp von Hornick, 'Nine Principal Rules of National Economy', from 'Austria Over All if She Only Will (1684), (Monroe pp. 223-227).

## 5. The 18<sup>th</sup> Century and the Mandevillean Revolution; Physiocracy and Adam Smith.

Reading: Eric Roll on Adam Smith, 'A History of Economic Thought', pp. 138- 173.

## 6. The Economic Policies of the 19<sup>th</sup> Century: List & USA vs. English Theory and English Practice.

Readings: Alexander Hamilton, 'Report on the Manufactures', Friedrich List: 'Introduction to the National System of Political Economy'. Optional: Reinert, 'Raw Materials in the History of Economic Policy, or, why List (the Protectionist) and Cobden (the Free Trader) Both Agreed on Free Trade in Corn.'

## 7. The Economic Effects of 1848: Marx and Socialism, The *Kathedersozialisten* and the *Verein für Sozialpolitik*, The German Historical School.

Reading: Roll pp. 303-311, Robert Heilbroner: 'The Inexorable System of Karl Marx'.

## Taming US Capitalism: Veblen and American Institutionalism.

Reading: Robert Heilbroner: 'The Savage Society of Thorstein Veblen'.

## 8. Joseph Alois Schumpeter & Creative Destruction: Readings: Reinert & Reinert:

'Creative Destruction in Economics: Nietzsche, Sombart, Schumpeter.' Reinert: 'The Role of Technology in the Creation of Rich and Poor Countries: Underdevelopment in a Schumpeterian System'.

**9. The Short 20<sup>th</sup> Century: Fordism and Keynesianism/Technological Change and Financial Crises.** Readings: Heilbroner: 'The Heresies of John Maynard Keynes', Perez: 'Technological Change and Financial Crises', particularly pages 1-15 & 38-70.

**10. Globalisation, Wealth Polarisation, and Marginalisation.** The Strategies of Ireland, Finland & The United States vs. a 'Morgenthau Plan' for Parts of the Second and Third Worlds.

Readings: 'Perspectives on Strategy from The Boston Consulting Group', pp 9-24, 35-37. Reinert: 'Free Trade as a Morgenthau Plan: a Case Study of Mongolia in the 1990's'. Henry Clay, 'Speech on American Industry.' (1824).