UCLouvain

lecon2065

2023

History of Economic Thought

5.00 credits	30.0 h	Q1

This learning unit is not being organized during this academic year.

This learning unit is not open to incoming exchange students!

Teacher(s)	Pensieroso Luca ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	It is supposed that graduate students have already had some general introduction to the history of economic theories. Therefore this course will rather deal with special topics to be studied in depth. Possible topics are: the evolution of the meaning of equilibrium in economic theory; evolving conceptions of rationality in economic theory; the history of macroeconomics; controversies over involuntary unemployment in economic theory., the history of welfare theory, etc.
Learning outcomes	**At the end of this learning unit, the student is able to :** 1 This course belongs to the group of critical courses aiming at complementing the technical education offered to our master students with a more philosophical, methodological and historical reflection. It should help students to get a broader per-spective in an age of specialization and emphasis on technical skills. Moreover, it should also alert them to the fact that pro-gress in economic theory, however elusive it may be, goes along with controversies and scientific revolutions.
Evaluation methods	30%: participations. Students will be evaluated for the quality of their interventions, and the frequency of attendance to class. 20%: homework. During the term, students will write two short essays (1 page) about a subject assigned by the teacher. 50%: take-home exam. Students will write a short paper (5 pages) on a subject of their choice. The content of the paper should be focused on one specific and possibly original idea or question closely related to the material seen during the course.
Teaching methods	The course will take a seminar form, with each class devoted to reading and commenting one or more seminal papers. Students are expected to have read the material in advance. Most of the class time will be devoted to clarifying the papers under exam and drawing comparisons among different authors.
Content	This course focuses on the history of Macroeconomics from Wicksell and Keynes to contemporary authors. As such, it can be seen as a companion course to Advanced Macroeconomics I (LECON 2121), Advanced Macroeconomics II (LECON 2122), and Research Seminar I: Macroeconomics (LECON 2161). The aim is to complete the technical skills of graduate students with deeper knowledge of the origin and evolution of macroeconomic ideas over time.

Bibliography	Chari V. V., P. J. Kehoe and E. R. McGrattan (2009), “New Keynesian Models: Not Yet Useful for Policy Analysis”, American Economic Journal: Macroeconomics, Vol. 1, pp. 242-266. Friedman M. (1968), “The Role of Monetary Policy”, American Economic Review, Vol. 58, pp. 1-17. Hicks J. R. (1936), “Mr Keynes and the “Classics”: A Suggested Interpretation”, Econometrica, Vol. 5, pp. 147-159. Keynes J. M. (1936), The General Theory of Employment, Interest, and Money, Palgrave Macmillan, London. Lucas R. E. Jr. (1977), “Understanding Business Cycles”, in Studies in Business Cycle Theory, pg. 215-239, the MIT Press. Lucas R. E. Jr. (1978), “Unemployment Policy”, American Economic Review, Vol. 68, pp. 353-357. Lucas R. E. Jr. (1980), “Methods and Problems in Business Cycle Theory”, Journal of Money, Credit and Banking, Vol. 12, pp. 696-715. McCallum B. T. and E. Nelson (1999), “An Optimizing IS-LM Specification for Monetary Policy and Business Cycle Analysis”, Journal of Money, Credit and Banaking, vol. 31, pp. 296-316. Modigliani F. (1944), “Liquidity Preference and the Theory of Interest and Money”, Econometrica, Vol. 12, pp. 45-88. Prescott E. C. (1986), “Theory Ahead of Measurement”, Federal Reserve Bank of Minneapolis Quarterly Review, Vol. 10, pp. 9-22. Prescott E. C. (1986), “Response to a Skeptic”, Federal Reserve Bank of Minneapolis Quarterly Review, Vol. 10, pp. 28-33. Smets F. and R. Wouters (2003), “An Estimated Dynamic Stochastic General Equilibrium Model of the Euro Area”, Journal of the European Economic Association, vol. 1, pp. 1123-1175. Summers L. H. (1986), “Some Skeptical Observation on Real Business Cycle Theory”, Federal Reserve Bank of Minneapolis Quarterly Review, Vol. 10, pp. 23-37. Tobin J. (1969), “A General Equilibrium Approach to Monetary Theory”, Journal of Money, Credit and Banking, Vol. 1, pp. 15-29. Wicksell K. (1898), Interest and Prices, Macmillan, London 1936. (You can also download a free pdf file here: http://archive.org/details/interestandprice033322mbp) Wicksell K. (1907), “The Influence of the Rate of Interest on Prices”, Economic Journal, 17, 213-220. **Additional readings** Athreya, K. B. (2013), Big Ideas in Macroeconomics, MIT Press. Barnett W. A. and R. Solow (2000), “An Interview with Franco Modigliani”, Macroeconomic Dynamics, Vol. 4, pp. 222-256. Blanchard, O. J. (2008), “The State of Macro”, Working Paper 14259, National Bureau of Economic Research. Chari V. V. and P. J. Kehoe (2006), “Modern Macroeconomics in Practice: How Theory is Shaping Policy”, Journal of Economic Perspectives, Vol. 20, pp. 3-28. Chari V. V. and P. J. Kehoe (2008), “Response to Solow”, Journal of Economic Perspectives, Vol. 22, pp. 247-250. Christiano L. J., M. Eichenbaum and C. L. Evans (2005), “Nominal Rigidities and the Dynamic Effects of a Shock to Monetary Policy”, Journal of Political Economy, Vol. 113, pp. 1-45. Colander, D. (1999), “Conversations with James Tobin and Robert Schiller on the “Yale Tradition” in Macroeconomics”, Macroeconomic Dynamics, Vol. 3, pp. 116-143. De Vroey M. (2016), A History of Macroeconomics, from Keynes to Lucas and beyond, Cambridge University Press, Cambridge, UK. De Vroey M. (2004), Involuntary Unemployment, the Elusive Quest for a Theory, Routledge, London. De Vroey M. (2000), “IS-LM à la Hicks versus IS-LM à la Modigliani”, History of Political Economy, Vol. 32, pg. 293-317. De Vroey M. and P. Malgrange, “The History of Macroeconomics from Keynes’s General Theory to the Present”, Discussion Paper 2011-28, IRES, Université catholique de Louvain. Garegnani P. (1978), “Notes on Consumption, Investment and Effective Demand: I”, Cambridge Journal of Economics, Vol. 2, pg. 335-353. Garegnani P. (1979), “Notes on Consumption, Investment and Effective Demand: II”, Cambridge Journal of Economics, Vol. 3, pg. 63-82. Goodfriend M. and R. G. King (1997), “The New Neoclassical Synthesis and the Role of Monetary Policy”, in NBER Macroeconomics Annual 1997, Vol. 12 pp. 231-296. Hansen A. H. (1953), A Guide to Keynes, McGraw-Hill. Harrod R. F. (1939), “An Essay in Dynamic Theory”, Economic Journal, Vol. 49, pp. 14-33. Keynes J. M. (1937), “The General Theory of Employment”, Quarterly Journal of Economics, Vol. 51, pp. 209-223. Solow R. M. (1956), “A Contribution to the Theory of Economic Growth”, Quarterly Journal of Economics, Vol. 70, pp. 65-94. Solow R. M. (2002), “From Neoclassical Growth Theory to New Classical Macroeconomics”, in Advances in Macroeconomic Theory, edited by Jacques Drèze, Palgrave Macmillan, London, 2003. Solow R. M. (2008), “The State of Macroeconomics”, Journal of Economic Perspectives, Vol. 22, pp. 243-246. Woodford M. (1999), “Revolution and Evolution in Twentieth-Century Macroeconomics”, mimeo (downloaded on June 13th 2012 from Woodford’s homepage at Columbia, http://www.columbia.edu/~mw2230/)
Other infos	Students should have a working knowledge of Macroeconomics, Microeconomics and Mathematics for Economists at the undergraduate level. Intellectual curiosity and a critical mind are crucial for enjoying the class and eventually succeeding in the final evaluation.
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)

Program title	Acronym	Credits	Prerequisite	Learning outcomes
Certificat d'université en éthique et société	ETES9CE	5		
Master [120] in Economics: Econometrics	ETRI2M	5		
Master [60] in Economics : General	ECON2M1	5		
Master [120] in Ethics	ETHI2M	5		
Master [120] in Economics: General	ECON2M	5		