

HISTORY OF ECONOMIC THEORIES

Course code	ECO103
Compulsory in the programmes	<i>Economics and Data Analytics</i>
Level of studies	<i>Undergraduate</i>
Number of credits	<i>6 ECTS (48 in-class hours + 2 hours mid-term + 6 consultation hours + 2 exam hours, 104 individual work hours)</i>
Course coordinator (title and name)	<i>Adomas Klimantas</i>
Prerequisites	<i>none</i>
Language of instruction	<i>English</i>

THE AIM OF THE COURSE:

The History of Economic Theories course consists of two parts – the theoretical and empirical. The former aims to equip students with the historical knowledge of history’s most influential economic ideas in order to promote argumentative skills, critical thinking, and a deeper understanding behind the evolution of modern economic thought. The latter provides students with knowledge on actual macroeconomic developments in history in relation to the theories examined in the first part.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Learning objectives for BSc in Social Science	Assessment methods	Teaching methods
CLO1. Understand the basic theories from the history of economic thought and apply it to modern economic thinking	ELO 1.1 ELO 1.2	Presentation, mid-term exam	Lectures, seminars, individual study, self-study in groups
CLO2. Identify the historical context of the current trends in economic theories	ELO 1.1 ELO 1.2	Presentation, mid-term exam	Lectures, seminars, solving exercises, self-study
CLO3. Construct and organize arguments in the context of the history of economic thought	ELO 4.1 ELO 4.2 ELO 4.3	Presentation, mid-term exam	Lectures, seminars, solving exercises, self-study
CLO4. analyze and compare different arguments with regards to economic theories	ELO 4.1 ELO 4.2	Presentation, mid-term exam	Lectures, seminars, solving exercises, self-study
CLO5. Being aware of the major developments in European economy before the industrial revolution, after its onset through the 20th century crises and disasters until today	ELO1.1	Presentation, final exam	Lectures, seminars, solving exercises, self-study
CLO6. Understanding how major economic developments in Europe shaped macroeconomic thought and how different streams of economic thought influenced real economic policy and its outcomes	ELO 1.1 ELO 1.2	Presentation, final exam	Lectures, seminars, solving exercises, self-study

CLO7. Being able to critically assess the impact of major crises, transformations, revolutions and other events on Europe’s economy, on the economies of individual countries and on the well-being of an average European. Also being able to draw lessons that Europe should or have learned from these major events.	ELO1.1 ELO1.2 ELO2.1	Presentation, final exam	Lectures, seminars, solving exercises, self- study
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ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

COURSE OUTLINE

Topic no.	Topic	In-class hours	Readings
1	Introduction, precursors of Classical Economic Thought and Adam Smith Chinese & Greek philosophy, Scholasticism, Mercantilism, Physiocracy and and Smith's comprehensive theories on history, sociology, value, and economic welfare; traces the development from early economic nationalism to the first systematic treatment of market economies.	4	Landreth and Colander: Ch. 2-4
2	Classical Economics and Its Critics: Ricardo, Malthus, Mill and Marx Population theory, Ricardian theory of rent and distribution, post-Ricardian developments, Millian Economics, Utilitarianism, and Marx's comprehensive critique and analysis of capitalism, showing the evolution and internal critiques of classical political economy.	4	Landreth and Colander: Ch. 5-7
3	The Marginalist Revolution and Neoclassical Economics Jevons, Menger, Marshall's synthesis and the development of marginal productivity theory, including theories of profits and interest.	4	Landreth and Colander: Ch. 8-10
4	Institutional and Historical Critics of Neoclassical Economics and the Austrian school The methodological controversy among historical schools, Veblen's analysis and criticism of neoclassical economics, and the Austrian critique of neoclassical economics and socialism, presenting major alternative approaches to economic analysis.	4	Landreth and Colander: Ch. 12-13
5	Modern Economic Thought Keynesian theory challenging the self-adjusting market concept, the development of macroeconomic policy frameworks and the current state of mainstream economic theory including Monetarism, New Keynesian economics, and New Classical economics, alongside Modern Monetary Theory (MMT) and other recent developments challenging conventional economic beliefs.	4	Landreth and Colander: Ch. 15, 17; Sandelin and Trautwein: Ch. 7
	Mid-term exam	2	

	Topics 1-5		
6	Practical discussion and introduction to history of economic growth Practical discussion activities in relation to economic theories and introduction to measures of long-run economic growth.	4	Lecture materials
7	Economic growth before the Industrial revolution Ancient, medieval and early modern economic progress, stagnation and empirics of Malthusian theory	4	Persson (2015), chapters 2-5.
8	The 1st and 2nd Industrial Revolutions, 1770-1913 Origins, rise of Britain, catch up of peripheries, implementation of laissez faire policies across Europe	4	Persson (2015), chapters 6, 9
9	European economy between the wars: the great inflations, the Great depression Collapse of laissez faire, failed post-WWI reconstruction of the unregulated trade, empirical origins of Keynesian thought, recovery and growth before WWII	4	Berend (2016), chapter 2
10	Radical economic regimes in post-WWII Europe The implementation of extreme anti-classical economic policies among 'fascists' and the centrally planned economies	4	Berend (2016), chapters 3-4
11	Western Europe after WWII: mixed economy, welfare state, integration and return to liberal economics Implementation of Keynesian economic theories in post-WWII Europe, results and collapse, the rise of neo-liberal economic deregulation	4	Berend (2016), chapters 5-6
12	The Great Recession of 2008 & modern developments since 2008 Collapse of deregulated neo-liberal order, failure of austerity and latest economic growth trajectories	4	Berend (2016), chapter 6 and lecture materials
		Total: 50 hours	
	CONSULTATIONS	6	
	FINAL EXAM Topics 6-12	2	

FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 20%</i>	
Group presentation and discussion	20
<i>Individual Components 80%</i>	

Midterm exam	40
Final exam	40
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

(Provide short descriptions and grading criteria of each assignment)

1. The mid-term test (40%) will include the topics 1-5. All the materials that were covered during the lectures and seminars are relevant for the mid-term exam (including the articles presented by students).
2. The final exam will account for 40% of the final grade. The final exam will include topics 6-12. All the materials that were covered during the lectures and seminars are relevant for the exam (including the articles presented by students).
3. Group presentation and discussion grade (20%). Students will be asked to prepare a presentation on a selected topic and discuss it with another group. Grading system of group presentation will be explained in the beginning of the course.

RETAKE POLICY

If the final (cumulative) mark of the course, including final exam score, is insufficient, students will be allowed to exercise their right of retake. The retake exam will cover all lectures and case-discussion topics discussed in class during the course. It will be held during the last week of the exam session and will replace the **80%** of exams (midterm and final). Acquired scores from all assignments will be summed up and the final (cumulative) grade will be given. The lecturer reserves the right to choose the form of the exam. Group presentation grade is not included in the retake and may not be retaken.

ADDITIONAL REMARKS

For each seminar, a paper will have to be read by students in advance. (papers will be uploaded 5 working days in advance.)

Studying solely from slides/ course book is not considered to be a sufficient preparation for the exam.

Bonus points. Students will receive up to 0.5 extra (grade) points for active participation and seminar tasks.

Specific rules apply for presentations.

- a. Presentations can neither be re-scheduled nor be retaken.
- b. In case of serious reasons, individual students may be allowed to switch with another student. Students are responsible for arranging the changes and must inform the lecturer **MINIMUM 1 week** in advance.

Due to the dynamic nature of the content of the course, lecture content, student assignments and additional material can be adjusted during the course. In case of unforeseen events the schedule will also be adapted. The lecturer is trying to include actual and relevant materials – therefore the reading list may differ. Slide handouts and readings will be prepared for each class and available for download. The slides are the intellectual property of teaching instructor and students may not distribute or duplicate these notes without written consent.

REQUIRED READINGS

1. Landreth and Colander (2001) *The History of Economic Thought*; 4th Ed: 2001
2. Sandelin and Trautwein (2023) *A Short History of Economic Thought*
3. Persson, K. G. and Sharp, P. (2015) *An Economic History of Europe: Knowledge, Institutions and Growth, 600 to the Present*. Cambridge: Cambridge University Press.
4. Berend, T. I. (2016) *An economic history of twentieth-century Europe : economic regimes from laissez-faire to globalization*. Second edition. Cambridge: Cambridge University Press.

ADDITIONAL READINGS

1. Hunt and Lautzenheiser; *History of Economic Thought – A Critical Perspective*, 3rd Ed: 2011
2. Additional articles and readings will be announced and be available during the course

ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management

Programmes:

*International Business and Communication,
Business Management and Marketing, Finance,
Industrial Technology Management*

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science

Programmes:

*Economics and Data Analytics,
Economics and Politics*

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper