

Economics 490

Directed Readings: Economic Methodology

Professor Garrett Jones

Syllabus

Modern economics and the methodology of economists: A quick introduction (3 weeks)

Robert Fogel, *Railroads and American Economic Growth*, introductory material and chapter 1.

Finn Kydland and Edward Prescott, "Rules rather than discretion: The inconsistency of optimal plans," *Journal of Political Economy*, v. 85, 1977 (omit sections IV and V).

George Akerloff, "The market for lemons," *Quarterly Journal of Economics*, v. 84, 1970; also acknowledgements and chapter 1 of Akerloff, *An economic theorist's book of tales*.

Milton Friedman, "Methodology of Positive Economics" (in Hausman)

Robert Solow, "Science and Ideology in Economics" (in Hausman)

Partha Dasgupta, "Modern Economics and its Critics" (in Maki)

History of economic thought: Marginalism to the present (2 weeks)

Backhouse, *The Ordinary Business of Life*, prologue; chapter 8 through the end of the text.

The philosophy of modern economics: An overview (4 weeks)

Hausman, *The Inexact and Separate Science of Economics*

Reader's Choice: Two articles from Hausman, ed., *Philosophy of Economics*

Is empirical economics possible? (1 week)

Nancy Cartwright, "The limits of causal order, from economics to physics," (in Maki)

Kevin Hoover, "Econometrics and Reality," (in Maki)

The rhetoric of economics (4 weeks)

Deirdre McCloskey, *The Rhetoric of Economics*, second edition

Uskali Maki, "Diagnosing McCloskey," *Journal of Economic Literature*, v. 333, 1995.

Robert Solow, "Comments from Inside Economics," in Arjo Klammer et. al, *The Consequences of Economic Rhetoric*, 1988.

Donald McCloskey, "Modern Epistemology Against Analytic Philosophy: A Reply to Mäki," *Journal of Economic Literature*, v. 333, 1995.

Course Requirements

For each unit, write a paper whose length is roughly four times that of the number of weeks the unit lasts. 50% of course grade; weight of each essay will be proportional to length of unit.

Topics to be announced later.

During finals week, take a written final examination, which will be in essay format: 40% of course grade.

Course participation: Discuss readings with Professor Jones every other week, either in person, via telephone, or via e-mail. Professor Jones will arrange mandatory office visits to cover the more technical material in units 1, 3 and 5. 10% of course grade.