

Lecture 1: Introduction

Introduction, Ancient and Medieval Economics; Accounting

The present overview of the lecture is the first of a series of similar messages. They can be read at (or downloaded from) the course homepage at

<https://web.econ.ku.dk/keiding/underv/HET/HistTheory.html>

where they will appear some days before the lecture.

The outlines give a brief summary of what happens in the lecture, with brief comments on what is important in the textbook and what is not.

From time to another (actually, quite often) I shall move away the textbook (otherwise there would even less reason for attending the lectures). In some cases, the topics discussed will be presented also in a *lecture note* at the course homepage. All additional material is of course voluntary (not assumed known at the exam).

We begin the lecture with a few practical things – textbook, course homepage, handouts and lecture notes, voluntary assignments and what particularly concerns everybody: exam. This will not take too much time, and anyway most of it will be repeated as we proceed over the semester.

Our textbook is

R.B.Ekelund, R.F.Hébert: A History of Economic Theory and Method, 6th edition, Waveland Press, 2014.

It has turned out that the printed version is out of stock, but electronic versions should be within reach. There are very many alternative texts, and it may be worthwhile occasionally to look in some of these, for example Sandmo (2010) or Vaggi and Groenewegen (2003). A very different alternative is Hunt and Lautzenheiser (2011) which may be consulted from time to another, as indicated on the homepage.

All textbooks begin with some general considerations of what it is all about – what are we studying and why? Chapter 1 in our text is fortunately very short, and anyway we skip it and begin directly with the subject matter in Chapter 2. You may however read it anyway, it is nice as a general overview and introduction.

Chapter 2 gives one of the reasons that Ekelund&Hebert (in the following EH) is considered as one of the best textbooks – other texts ignore much of the prehistory, leaving it with a few remarks on Aristotle and the scholastics and their condemnation of paying interests on loans.

HE begins with Greek authors much earlier than Aristotle, you don't need to know details, but pay some attention to the treatment of Xenophon and Plato, just to notice that many notions of economics came around already at this time. We spend some time on the exchange model of Aristotle.

The chapter mentions both Chinese and Arab contributions. They are perhaps not very far-reaching at this stage, but it is worth noticing that important developments took and still take place outside of what is considered as mainstream. This is followed by a treatment in much detail of the contributions of the scholastics (which in their turn were initiated after the influence of the Arabs who followed up on the Greek tradition). You are not supposed to remember the many different contributors (except Thomas of Aquinas), but the discussion of the tricky questions of usury and interest payments (pp.29-35) is important and should be known in outline.

We conclude the lecture with a detour dealing with *Accounting*. It may not be considered as economics, but on the other hand, one never knows, and there are many examples where progress in economic thinking was inspired by impulses from elsewhere.

Accounting is an old discipline, having roots in ancient times but being particularly developed in the late middle ages, where it became essential for keeping track of the business carried out by merchants trading in the orient. This goes also for one of the main tools of accounting, namely *double-entry bookkeeping*.

We read: EH, chapter 2.

References

- Hunt, E.K. and M.Lautzenheiser: History of Economic Thought: A Critical Perspective, Sharpe, Armonk New York, 2011.
- Sandmo, A.: Economics Evolving: A History of Economic Thought, Princeton University Press, 2010.
- Vaggi, G, and P.Groenewegen, A Concise History of Economic Thought, Palgrave Macmillan, 2003.