A short note on textbooks

There is a large supply of textbooks which can be used for a course like ours, many of them of high quality. In the present term, we use Ekelund and Hébert (2014), which I have found to be the one with fits best with our course, but several others could have been chosen as well. Actually, I changed to this one a couple of years ago from Vaggi and Groenewegen (2003), and before that I have used Sandmo (2010). They are all telling largely the same story, but of course they may vary in their emphasis on details. Another text which covers this material and adds something about economic thought outside the Western Hemisphere is Srivastava (1992).

According to Sandmo, there are (at least) three possible approaches to the History of Economics,

(i) seeing the development of economic theory in the context of general social and economic development,

(ii) interpreting economic theory against the general background of philosophical development, and

(iii) considering the internal development of economic theory as a consequence of observed shortcomings of previous theories,

and Sandmo opts for the third alternative. We follow largely the same approach but there will be occasional detours, see below.

It may however be useful from time to another to adapt other approaches. An good example of this is Caspari (2024), who uses (i) and even manages to do this in a nice compact form, in contrast to older and established texts which tend to be unnecessarily lengthy (occasional references to German economists of the past is an additional valuable feature). A mixture of (i) and (ii) can be found in Hunt and Lautzenheiser (2011) dealing with capitalism from its birth and to present days. Wethics,e shall try to get inspired from all the different approaches. Still another approach – or perhaps rather an alternative organization of the material – is presented in Dupont (2017), which is a history of economic ideas (ethics, property rights, prices, money, public finance etc.) rather than a single history of economics.

All textbooks begin with some general considerations of what it is all about, and here we get into the problem of defining economic science: The by now classical attempts by Robbins (economics is the science of using scarce resources to satisfy human needs) and Marshall (economics is the study of ordinary business) are not particularly good, and they are becoming outdated with the appearance of many specialized fields of economics (such as health economics, development economics, tourist economics, you name it...). The boundaries to other social sciences, such as Operations Research and Game Theory are not well-defined, and what about Accounting? Most texts will leave out some of this subfields, in some cases we shall supplement with some comments which are not in the texts.

References

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