

ECON 401 TOPICS IN THE NATURE OF ECONOMIC ENQUIRY 2005

ADMINISTRATION

Staff: Paul Tompkinson, Room RH 403, Ext. 5737

Course objectives

The course has two primary objectives

1. To consider some central themes in economic methodology. Some of the material considered will develop issues that were raised in MMCA 401.
2. To develop student facility with the exposition and evaluation of arguments.

Course Material

As the course is designed to facilitate critical thought by the students themselves the prescribed reading is restricted to one or two chapters or papers per week. Your emphasis should be on getting to grips with and evaluating, in detail the arguments presented in the readings. However, you may need to refer to some basic texts occasionally for explication of key concepts. A list of such references is given below, Blaug (1992) is strongly recommended as a good survey of economic methodology.

Timetable:

9-30 to 11-20 on Wednesdays. in RH G01. In general these sessions will consist of a presentation (with distribution of written notes of about 1000-1500 words) by a student, of the material listed below. It is vital that all students carefully read the material in advance of each session and come prepared to talk about it.

Assessment:

Students are required to give two presentations of the topics to be covered in weeks 3 to 11. For both presentations students should distribute notes to the class of about 1000-1500 words. These notes should be comprehensible to anyone who has not read the paper and should state clearly the central conclusion(s) of the paper along with the arguments used by the author to reach these conclusions.

Students are also required to write a review essay of. M. Rabin, 2002, "*A perspective on Psychology and Economics*, *European Economic Review*, 46.657-685. [A copy will be provided]

Your essay should satisfy the following conditions

1. It should contain a clear summary of the material. A clear summary is one such that a reader who had not read the work you are reviewing but who had read your summary would have an accurate idea of the contents of the work being reviewed.
2. It should present those arguments/explanations which you consider to be the most important ones
3. It should present an evaluation of these central arguments/explanations.
4. It should state clearly why you do or do not or not you accept the author's central conclusion (s).

Also note

5. Essays should be typed and written in good English, that is not in note form, and should include a properly referenced bibliography
6. Essays should not exceed 2000 words. Only the first 2000 words of an essay will be marked.
7. You should, as far as is possible, express the ideas in your own words. Extensive quoting or near quoting usually indicates a lack of comprehension

Final marks for the course will be based on:

1. Class presentations and accompanying notes [5%]
2. Essay [35%,]
3. A two-hour examination [60%.]

Essay Due Date: 5 October 2005. Late work will be accepted without penalty with good reason (e.g. a medical certificate) and prior permission. In other cases 5 marks will be deducted from the student's mark (out of 100) for each day, or part day, the assignment is late.

Term's Requirement: Satisfactory completion of all written work.

Study Time: It is expected that students will devote about 10-12 hours a week of independent study to this course.

Grievance Procedures: These are given on the Economics Department notice board located on the fourth floor of the Murphy building.

WEEKLY DISCUSSION READINGS

In this section references which state only the author's name, and possibly the year of publication are reprinted in the Course Handbook. References given in full are not included in the Course Handbook. References enclosed by parentheses are supplementary or background reading.

Week beginning 4 July

R. E. Backhouse

Week beginning 11 July

D. M. Hausman,

Week beginning 18 July

U. Maki (1994)

Week beginning 25 July

K. J. Arrow,

M. Blaug,

[Frank, R. H., 1994, "Cognitive Limitations and Consumer Behaviour", Ch. 8 in *Microeconomics and Behaviour*, New York, McGraw Hill.]

S. Hargraves Heap

R. H. Thaler

Week beginning 1 August

R. Sugden

[R. Gardner, 1995, "Evolutionary Stability and Bounded Rationality", Ch. 8 in *Games for Business and Economics*, New York, Wiley.]

Week beginning 8 August

B. Hamminga,

Week beginning 29 August

H. Lind

Week beginning 5 September

R. Sugden, 2000, "Credible Worlds: The Status of Theoretical Models in Economics", *Journal of Economic Methodology*, 7, 1-32. [A copy will be provided]

[G. A. Akerlof, 1970, "The Market for Lemons": Quality Uncertainty and the Market Mechanism" *Quarterly Journal of Economics*, 84, 488-500.

T. C. Schelling, 1978, *Micromotives and Macrobehaviour*, New York, Norton.]

Week beginning 12 September

W. Milberg

[W. J. Samuels]

Week beginning 19 September

U. Maki (1996), Sections 1, 2, 3, 4, 6, 10, 11

Week beginning 26 September

U. Maki (1996), Sections 1, 2, 5, 7, 8, 9, 11

Week beginning 3 October

Review of course material

REFERENCES

ECONOMIC METHODOLOGY: TEXTS/MONOGRAPHS

- R. E. Backhouse, 1997, *Truth and Progress in Economic Knowledge*, 1997, Edward Elgar, Cheltenham.
- M. Blaug, 1980, 1982, *The Methodology of Economics or How Economists Explain*, 2nd edition, 1992, Cambridge, Cambridge University Press [HB 131 C147B]
- S. C. Dow, 2002, *Economic Methodology*, Oxford, Oxford University Press.
- G. Fox, 1997, *Reason and Reality in the Methodology of Economics*, Cheltenham, Edward Elgar
- D. M. Hausman, 1992, *The Inexact and Separate Science of Economics*, New York, Cambridge University Press [HB71 H376]
- D. N. McCloskey, 1994, *Knowledge and Persuasion in Economics*, Cambridge University Press.
- A. Rosenberg, 1993, *Economics - Mathematical Politics or Science of Diminishing Returns?*, Chicago, Chicago University Press. [HB72 R813 E].

ECONOMIC METHODOLOGY: READINGS

- R. E. Backhouse (Ed.), 1994, *New Directions in Economic Methodology*, London, Routledge.
- W. Balzer and B. Hamminga (eds.), 1989, *Philosophy of Economics*, Dordrecht, Kluwer.
- B. J. Caldwell, 1993, *The Philosophy and Methodology of Economics, Volumes I-III*, Aldershot, Elgar [HB 34 P568]
- M. A. Ferber and J. A. Nelson, (Eds), 1993, *Beyond Economic Man*, Chicago, The University of Chicago Press.
- S. Hargreaves Heap, M. Hollis, B. Lyons, R. Sugden and A. Weale, 1992, *The Theory of Choice: A Critical Guide*, Oxford, Blackwell, [HB 846.8 T396]
- D. Hausman, (ed.), 1994, *The Philosophy of Economics: An Anthology*, Second Edition, Cambridge, Cambridge University Press.
- S. G. Medema and W. J. Samuels (Eds.), 1996, *Foundations of Research in Economics: How Do Economists Do Economics*, Cheltenham, Edward Elgar.

PHILOSOPHY OF SCIENCE/SOCIAL SCIENCE TEXTS AND READINGS

- R. Boyd, P. Gasper, and J. D. Trout (Eds.), 1993, *The Philosophy of Science*, Cambridge Mass, MIT Press.
- A. F. Chalmers, 1982, *What is This Thing Called Science?* Second Edition, St. Lucia, University of Queensland Press [Q175 C438W].
- A. C. Grayling, (ed.), 1995, *Philosophy*, Oxford, Oxford University Press.
- M. Hollis, 1994, *The Philosophy of Social Science*, Cambridge, Cambridge University Press,
- M. Martin and L. C. McIntyre (Eds.), 1994, *Readings in the Philosophy of Social Sciences*, Cambridge Mass, MIT Press.
- A. Rosenberg, 1995, *Philosophy of Social Science*, Second edition, Boulder, Westview Press.

REPRINTS

1. K. J. Arrow, 1987, "Economic Theory and the Hypothesis of Rationality", pages 69-74 from J. Eatwell, M. Milgate and P. Newman (eds.), 1987, *The New Palgrave Dictionary of Economics*, London, Macmillan. **P1**
2. R. E. Backhouse, 1997, Ch. 2, "Why Methodology?" from R. E. Backhouse, 1997, *Truth and Progress in Economic Knowledge*, 1997, Edward Elgar, Cheltenham. **P8**
3. M. Blaug, 1992, Ch. 15, "The Rationality Postulate" from M. Blaug, 1992, *The Methodology of Economics or How Economists Explain*, 2nd edition, 1992, Cambridge, Cambridge University Press. **P17**
4. A. Gibbard and H. R. Varian, 1978, "Economic Models, *Journal of Philosophy*, 665-683 [see also the comments by R. M. Dancy and A. Rosenberg] **P20**
5. S. Hargreaves Heap, 1998, "Rational Choice", pages 400-404 from J. B. Davis, D. W. Hands and U. Maki (eds), *The Handbook of Economic Methodology*, Cheltenham, Elgar. **P30**
6. B. Hamminga, 1982, "Neoclassical Theory Structure and Theory Development", in von W. Stegmüller, W. Balzer and W. Spohn (eds.) *Philosophy of Economics*, Springer-Verlag, Berlin. **P33**
7. D. M. Hausman, 1989 "Economic Methodology in a Nutshell", *Journal of Economic Perspectives*, 3, 115-127. **P41**
8. H. Lind, 1992, "A Case Study of Normal Research in Theoretical Economics", *Economics and Philosophy*, 8, 83-102. **P48**
9. U. Maki, 1994, "Reorienting the Assumptions Issue", Ch. 12 in R. E. Backhouse (ed.), 1994, *New Directions in Economic Methodology*, London, Routledge. **P59**
10. U. Maki, 1996, "Two Portraits of Economics", *Journal of Economic Methodology*, 3, 1-38. **P70**

11. W. Milberg, 1996, "The Rhetoric of Policy Relevance in International Economics", *Journal of Economic Methodology*, 3, 237-260. **P90**
12. R. Posner, 1995, "Ronald Coase and Methodology", from *Overcoming Law*, Harvard, Harvard University Press. **P102**
13. W. J. Samuels, 1980, "Economics as a Science and its Relation to Policy: The Example of Free Trade", *Journal of Economic Issues*, 14, 163-85. [Reprinted in M. Blaug (ed.) *James Wilson Isaac Butt, T. E. Cliffe Leslie*, 1991, Aldershot, Elgar] **P112**
14. R. Sugden, 2001, "The Evolutionary Turn in Game Theory," *Journal of Economic Methodology*, 8, 113-120. **P124**
15. R. H. Thaler 1996, "Doing Economics Without Homo Economicus", from S. G. Medema and W. J. Samuels (eds.), 1996, *Foundations of Research in Economics: How Do Economists Do Economics*, Cheltenham, Edward Elgar. **P134**

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at: www.vuw.ac.nz/policy/StudentConduct.

The policy on Staff Conduct can be found on the VUW website at: www.vuw.ac.nz/policy/StaffConduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

www.vuw.ac.nz/policy/AcademicGrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.

Plagiarism is not worth the risk.

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct (www.vuw.ac.nz/policy/studentconduct) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning

- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

Find out more about plagiarism and how to avoid it, on the University's website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

Student Support

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/ or email student-services@vuw.ac.nz.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email education@vuwsa.org.nz