

# Doctoral Program in Economics



Academic year 2025/26

## History of Economic Analysis

**Happiness and Growth between individual interest and social choice: a journey through the economic ideas and their discontinuous evolution**

### Period:

Second term: January and February 2026

### Course hours:

20

### Teachers:

prof. Marco E. L. Guidi, course coordinator, 8 hours

prof. Francesca Dal Degan, 6 hours

dr. Alice Martini, 6 hours

### Exam methods:

Research paper

### How to prepare your final paper

- a. Choose one of the following working topics:
  - 1) A theme that has a historical link to the research project that you are developing for the Ph. D. course.
  - 2) A theme that was described and/or commented during the classes of the course by one of the three instructors.
- b. Send by **June 30, 2024** a notification of your choice and a synthetic outline of the work you plan to do. Please address your email to the three teachers.
- c. Read and study: you can use the references given in our lectures and/or in the syllabus as a starting point for the themes connected to those described by one of the instructors. If you are choosing a different theme, we will discuss the sources that you plan to use.
- d. Prepare your paper as you would do for a scientific symposium:

- 1) Include a 200-word abstract to describe the content of your paper.
- 2) Illustrate the method you adopted for your work, the main references used and your main findings (the text must be between 3000 and 5000 words).
- 3) Include a references' list at the end.

e. Send your file by **September 15, 2024**.

**Prerequisites:**

None

**Program:**

This course traces the evolution of two pivotal economic ideas – Happiness and Growth – taking into account the contribution of the most influential authors on these topics, including Aristotle, Bernard de Mandeville, Adam Smith and the Scottish Enlightenment, Antonio Genovesi, Pietro Verri, Cesare Beccaria and the Italian Enlightenment, Pierre Moreau de Maupertuis, Étienne Bonnot de Condillac, Adrien Helvétius and the French Enlightenment, Classical Utilitarianism from Jeremy Bentham to John Stuart Mill and Henry Sidgwick, early 19th-century neo-Smithian economics (Melchiorre Gioia, Jean-Baptiste Say, Jean-Charles Léonard Sismondi), Marginalist economics from Stanley W. Jevons to Francis Y. Edgeworth and Arthur Cecil Pigou, to arrive to some 20<sup>th</sup> century economists like John M. Keynes and Franco Modigliani.

The diachronic analysis of the methodological, theoretical and institutional issues of several approaches to economics will stimulate a comparative historical investigation on the concepts of happiness and growth crossing crucial questions such as the past and present status of the economic domain in society, the main characteristics of the economic science, the scientific status of economic laws, and the relationships between economics and other moral and social sciences. The course will also investigate the relationships between wealth, distribution and human well-being, and their variable combinations within different theories that came one after the other, continuously defining and re-defining the objects and the scopes of the economic science. Finally, some light will be shed on how the idea of economic growth started to be central in economic analysis during the 20<sup>th</sup> century, actually replacing the reflections on many of the previous concepts, that were labelled as lying outside the scope of the economic science itself.

Students will be guided to deal directly with the economists' texts which will be read and commented during classes.

More specifically, the course will deal with the following topics:

1. *Francesca Dal Degan* will deal with epistemological aspects of the relationship between the concepts of economic growth and happiness. Throughout the history of economic thought, the goals of growth and happiness intersected in different ways, sometimes as necessary and consubstantial to the economic choices, sometimes as unrelated trajectories and sometimes even as objectives peculiar to different sciences (Economics/Growth; Ethics or Politics/Happiness) (1hour). Thus, the relationship between economic growth and happiness will be analyzed within different traditions of thought starting with the consideration of Ancient Greece and Aristotle's economic ideas (1 hour); the Eighteenth Century Italian and Scottish contribution to identify ways of reconciling individual choices and social needs (2 hours); the analysis of Nineteenth Century economists, such as M. Gioia or J. C. L. Sismondi, who sought to clarify the principles for assessing individual and collective action in relation

to contexts and common interests (2 hours). In this perspective some important issues will be discussed:

- a. To what extent do the enlightened sovereign's will or the various wills of the single citizens influence economic choices and determine the shaping of reality?
  - b. Do economic actions reflect a set of natural laws, or are they rather the historical by-product of social evolution?
  - c. Are they the causal result of interactions taking place in a complex reality or rather the result of some exogenous coordination mechanisms?
2. *Marco Guidi* will deal with the analysis of the motives of human action in the Italian and French Enlightenment traditions and in Classical Utilitarianism, discussing some basic questions such as:
- a. whether the ultimate spring of deliberations lies in the removal of pain or in the expectation of pleasure (1 hour);
  - b. the quantitative asymmetries between the feelings of pain and pleasure (1 hour);
  - c. whether the differences between lower and superior types of pleasure are merely quantitative (Bentham) or of a qualitative and discontinuous nature (Mill) (1 hour);
  - d. the relationships between the hedonistic structure of human passions and the ethical principle of utility, and the controversial overlapping of two different definitions of this ethical principle (Greatest Happiness vs Enlightened Interest) (1 hour);
  - e. the distributional implications of the utilitarian approach (equal consideration of interests, sacrifice of minorities, egalitarianism vs inegalitarianism, demandingness) (2 hours);
  - f. The impact of the above described psychological and ethical theories on economic analysis will be examined taking into consideration the politico-economic works of such authors as Condillac, Verri, Bentham, Say, Mill, Jevons, Edgeworth and Pigou (2 hours).
3. *Alice Martini* will deal with the relationship between saving and economic growth in economic literature, with the specific focus onto the early 1950s' theories. The breakdown of the contents of this part will be as follows:
- a. What is saving? The classical view and marginalist thinkers (2 hours);
  - b. From Frank Ramsey to Keynes (and back?) (1 hour);
  - c. Harrod-Domar vs Solow-Swan (1 hour);
  - d. Franco Modigliani's Life Cycle Hypothesis:
    - I. Forerunners of LCH: Ramsey, Harrod, Duesenberry (1 hour);
    - II. The Model and its developments (1 hour).

### **Educational objectives**

The class is designed to implement students' critical and creative skills in order to acquire independent capacities of interpretation, contextualization and systematic reconstruction of economic pivotal concepts such as happiness (well-being) and growth, tracing the evolution from the early efforts at economic analysis to Twentieth Century economic thinking.

### **Bibliographical references**

1. First part:

- Aristotle, *Nicomachean Ethics*, translated by H. Rackham, Cambridge, MA: Harvard University Press, 1926.
- Mandeville, B., *Letter to Dion*, Liverpool, University Press of Liverpool, 1954 [London, J. Roberts, 1732].
- Mandeville, B., *The Fable of the Bees*, edited by F.B. Kaye, Oxford, Clarendon Press, 1924 [sixth edition, London, J. Tonson, 1732].
- Genovesi A., edited by F. Dal Degan, *Lezioni di economia civile*, Milano, Vita e pensiero, 2013;
- Shaftesbury, A. A. C., *Characteristics of Men, Manners, Opinions, Times*, Hildesheim, Georg Olms, 1978 [London: A. Bell, E. Castle, and S. Buckley, 1699].
- Hutcheson, F., *An Inquiry into the original of our Ideas of Beauty and Virtue, in two treatises, in which the principles of the late Earl of Shaftesbury are explained and defended, against the author of The Fable of the Bee*, in *Collected Works*, vol. 1, Hildesheim, Georg Olms, 1990 [London, J. Darby, 1725].
- Smith, A., *The Glasgow Edition of the Works and Correspondence of Adam Smith*, Oxford, Clarendon Press, 1976–1983 (6 vols.).
- Gioia, M., *Del merito e delle ricompense*, Milano, Pirotta, 1818.
- Say, J. B., *Olbie, ou Essai pour reformer les moeurs d'une nation*, Paris, Deterville, 1799.
- Say, J. B., *A Treatise on Political Economy*, Philadelphia, Grigg & Elliot 1832.
- Sismondi, J. C. L., *Nouveaux principes d'économie politique*, in Bridel P, Dal Degan F, and Eyguesier N (eds.), *OEuvres Economiques Complètes*, Vol. V, Paris, Economica, 2015.

2. Second part:

- Maupertuis, P. Moreau de, *Essai de Philosophie morale* [1749], in Id., *Oeuvres* (Lyon 1768), vol. 1, reprinted with an introduction by G. Tonelli, G. Olms, Hildesheim, 1965.
- Condillac, É. Bonnot de, *Le Commerce et le gouvernement considérés relativement l'un à l'autre, ouvrage élémentaire*, Amsterdam et Paris: Jombert et Cellot, 1776. English translation: *Commerce and Government Considered in their Mutual Relationship*, translated by Shelagh Eltis, with an introduction to his life and contribution to economics by Shelagh Eltis and Walter Eltis, Cheltenham (UK) and Northampton (MA, USA), Edward Elgar, 1997.
- Verri, P., 'Discorso sull'indole del piacere e del dolore', in Id., *Del piacere e del dolore ed altri scritti di filosofia ed economia*, R. De Felice ed., Milano, Feltrinelli, 1964.
- Verri, P., *Meditazioni sulla economia politica*, Livorno, nella Stamperia dell'Enciclopedia, 1772; critical edition in Pietro Verri, *Scritti di economia e finanza*, edited by Giuseppe Bognetti, Angelo Moioli, Pier Luigi Porta, and Giovanna Tonelli, Edizione Nazionale delle Opere di Pietro Verri, Roma, Edizioni di Storia e Letteratura, 2007, vol. 2, t. 2, pp. 391-670.
- Bentham, J., *An Introduction to the Principles of Morals and Legislation* [1789], J.H. Burns and H.L.A. Hart eds., London, Athlone P., 1970.
- Bentham, J., *Deontology, together with A Table of the Springs of Action and the Article on Utilitarianism* [1814-31], A. Goldworth ed., Oxford, Clarendon P., 1983.
- Say, J.-B., 'Essai sur le principe d'utilité', in J.-B. Say, *Mélanges et correspondances d'économie politique. Ouvrage posthume de J.-B. Say*, Ch. Comte ed., Paris Chamerot, 1833; critical edition in J.-B. Say, *Leçons d'économie politique*, G. Jacoud and Ph. Steiner eds, *Oeuvres complètes*, Vol. 4, Paris, Economica, 2003, pp. 130-54.
- Mill, J.S., *Principles of Political Economy* (1848), in *The Collected Works of John Stuart Mill*, J.M. Robson ed., Vols II-III, Toronto and London, University of Toronto Press and Routledge & Kegan Paul, 1969.

Mill, J.S. (1859), 'On Liberty', in *The Collected Works of John Stuart Mill*, Vol. XVIII, *Essays on Politics and Society*, J.M. Robson ed., Toronto and London, University of Toronto Press and Routledge & Kegan Paul, 1977, pp. 213-310.

Mill, J.S. (1861), 'Utilitarianism', in *The Collected Works of John Stuart Mill*, Vol. X, *Essays on Ethics, Religion and Society*, J.M. Robson ed., Toronto and London, University of Toronto Press and Routledge & Kegan Paul, 1969, pp. 203-59.

Sidgwick, H., *The Methods of Ethics* [1874], London, Macmillan, 1974.

Jevons, W.S., *The Theory of Political Economy* [1871], 4th edition, London, Macmillan, 1911.

Edgeworth, F.Y., *New and Old Methods of Ethics*, Oxford and London, Parker & Co., 1877.

Edgeworth, F.Y., 'The Hedonical Calculus', *Mind*, 4, 15, 1879, pp. 394-408.

Edgeworth, F.Y., *Mathematical Psychics*, London, Kegan Paul, 1881.

Pigou, A.C., *Wealth and Welfare*, London, Macmillan, 1912.

### 3. Third part:

- a) About the classics: Eltis, W., *The Classical Theory of Economic Growth*, second edition, Hampshire and New York: Palgrave, 2000;
- b) From marginalists to early 1950s: Martini, A. Spataro, L., *A Re-assessment of the relation between saving and economic growth from the marginalist thinkers to the debate of the 1950s*, in "History of Economic Ideas", 19, 2, 2021, pp. 143-173, and references therein.
- c) On the forerunners of the LCH of Franco Modigliani: Martini, A. Spataro, L., *The Contribution of Carlo Casarosa on the Forerunners of the Life Cycle Hypothesis by Franco Modigliani and Richard Brumberg*, in "International Review of Economics", 2022, forthcoming, and references therein.
- d) On the origins of the LCH of Franco Modigliani: Martini, A., *The Life Cycle Hypothesis of Modigliani and Brumberg: a historiographical assessment*, submitted for publication.
- e) General outlook:
  - i. Kurz, H. D., Salvadori, N., *Theories of economic growth: old and new*, in N. Salvadori (ed.), *The Theory of Economic Growth: A 'Classical' Perspective*, Cheltenham, Edward Elgar, 2003, pp. 1-22.
  - ii. Acemoglu, D. *Introduction to Modern Economic Growth*, Oxford, Princeton UP, 2009.