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The Worldly Philosophers

by Robert L. Heilbroner

Notes

→ Introduction:

Favorite Quote: “ When the Economists were done, what had been only a humdrum or a chaotic world, became an orderly society with a meaningful life history of its own.”

Heilbroner sets the stage for his book, painting the discipline of Economics with a grandeur that seems overwhelming and breathtaking, words you would usually use to describe a Renaissance painting. He also makes clear that his book will be predominantly a sort of “romp through the history of Economics”.

→ Chapter 1:

Things you should be noting:

- The notions of factors of production, gain and personal profit are as recent in the timeline of human development as Calculus. They are not concepts which have existed ever since the existence of Man; rather, they heralded the birth of the “modern Man”.
- There was no need for a framework of Economic Analysis because the world had conceptualized two ways of organizing production and consumption in society- custom and command.
- Not the intertwine of Philosophy, Politics and Economics :
 1. Custom/tradition- informed by religious principle, Ideological beliefs. Basically, Philosophy.
 2. Command- central authoritarian rule or Politics.



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- Initially, society was vehemently opposed to the notion of Profit/Gain/Usury- the merchant class was looked down upon.
- Heilbroner defines the development of the market system and defines it as “a mechanism to support an entire society”, not merely the exchange of goods and services.
- The development of the Market System was gradual, not sudden and was due to two main factors:
 1. “The gradual emergence of national political units in Europe”- Kingship overtook Feudal isolated social structures and centralized the authority. This reduced the power of the Manor and Guild, making industry standards national and uniform rather than differing from region to region within a country.
 2. “The slow decay of religious views under the skeptic and humanist enquiring views of the Italian Renaissance.”- allowed a reconsideration of empirical beliefs which had been ingrained into the social fabric, such as the attitude toward mercantilism.
- Important historical precipitators:
 1. *The Renaissance (1350-1660)*- signaled the weakening of restrictive and stifling religious principles.
 2. *The Scientific Revolution (1500-1700)* – Scientific principles were discovered in relation to industrial production and laid the foundation for the Industrial Revolution.
 3. *The Age of Exploration (15th-17th Centuries)* - signaled a rise in wealth via annexation and exploration/conquest of new territories under the Western world.
 4. *The Protestant Reformation (1500-1648)*- Profit, Interest and personal “gaine” were reconsidered and legitimized as social notions.

The Economic Book Worm- #1
Part 1.1



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