

Student's name

Instructor's name

Course

Date

The History of Economic Science

Economics is a science that deals with such issues as the ways in which societies produce goods and how we consume those goods and services. Economics is a very important part of our everyday life (Beattie 2019). Yet, it is vital to mention that this science and its approaches have changed throughout the course of history which, in its turn, has had an impact on the way we live nowadays. Here are the most significant milestones throughout the history of economic science.

Adam Smith is considered the father of economics. He took ideas expressed by French writers and developed them into a thesis in which he described the way in which economy should work. In short, his ideas were as follows: government should not take any part in the field of business and there should be free market competition.

Then, Karl Marx shared his views of the way in which economics should work. He declared that the means of production were the most important element in any economy. He also predicted that free market business would grow bigger and more powerful (Beattie 2019).

The next important milestone is Keynesian economics. To put it simply, this is the economic scenario which the Federal Reserve follows in order to make certain the economy of a country is running smoothly. Milton Friedman, in his turn, highlighted the necessity to remove redundant controls which the government of the United States of America has imposed on the market. He suggested that having more capital in the system would help the economy of a country operate better and without any government interference.

Taking everything into consideration, one can differentiate two main streams in the course of the history of economic science: theoretical and practical. In regards to theoretical economics, the language of mathematics, computer modeling, and statistics are used in order to test out different concepts. Later on, these concepts helped economists understand the key elements of practical economics. As a result of that, it became easier to monitor various business cycles and booms that occur on the market, as well as contributed greatly to helping governments adjust to variables. The history of economic science described above demonstrates how many junctures economic thought has experienced throughout the course of its development.

All of these steps have been equally important in the process of development and have had a huge influence on the economic systems of the majority of countries. What is more, they have helped shape economies we see nowadays. By purchasing goods and using services, we become a part of the economic system. We are the ones who move it forward by creating a constant demand for new goods and services. Thus, consumers are an integral part of the economic system that drives businesses to change and adapt.

Works Cited

Beattie, Andrew. "The History of Economic Thought." *Investopedia*, Investopedia, 12 Mar. 2019, www.investopedia.com/articles/economics/08/economic-thought.asp.