

CONCLUSION

Orienting an economy toward human need and effort in a way that satisfies human needs induces more socially productive economic activity is a perfectly practical goal. The problem for mainstream NC economists is that this is a fundamentally value-based or moral goal that *cannot* be derived from an amoral or immoral theoretical apparatus.

If economists began to view themselves properly again as *moral philosophers* deriving best practices from widely understood and agreed upon moral values conducive to *human well-being*, based on evidence from societies and economies that have been most successful at this, rather than trying to explain away success that does not fit NC ideological precepts, the profession could rise above its current lap-dog apologetic status and become the vital and essential moral social science that humanity in the early twenty-first century so desperately needs.

Such an economics would forthrightly condemn, as the best of the classical political economists such as Smith, Ricardo, Marx, Veblen, George, and Keynes did, *unearned income* for unproductive *rentier* activity and rewards for the already obscenely wealthy that serve no social purpose, arguing that resources should be directed toward real needs, with motivational resources for productive effort that are just sufficient to induce such effort and not more (Baiman 2014). Can there really be any morally justifiable argument against minimizing the advantages of inherited external ownership (or wealth) and reducing, as much as possible, the advantages of inherited *internal ownership* (or genetic endowment) subject to supporting overall

productivity and well-being with optimal but not excessive incentives for entrepreneurship, discovery, and the cultivation and utilization of individual skills and talents to benefit others? (Roemer 1988). Can one really make a moral case that some humans should be able to control and benefit from the labor of armies of other, often low paid and impoverished, people because they can directly or indirectly afford to *rent* their labor, while these workers (who are generally better off than the masses of *unemployed*—another indispensable component of neoliberal capitalism—with no formal income at all) have no alternative but to *sell* their labor to them?¹ Is there any question that such an economics as a branch of *scientific moral social philosophy* would be strongly supportive of social democracy, democratic socialism, and ideal communism as feasible within a democratic society?

The only way that the current *capitalist* (“to each according to what they and the instruments they own – including the labor of other people – produce”), as opposed to *democratic socialist* (“from each according to their ability, and to each according to their need,”), economics can be justified is through an *ends justifies the means* argument common to NC economics and conservative thought more generally. This is the 18th century Adam Smith rationale that postulates that self-interest and the use of the labor of others for one’s own gain is justified because, though it is based on patently unethical, undemocratic, and exploitative relationships, *it delivers the goods*. The claim is that capitalism fosters innovation, growth and prosperity that supports *human well-being* and *political democracy, overall and in the long run*, and there is no other practical economic system that will do this.

But even if this, *means justify the ends*, thinking were supportable,² where is the evidence for this particular claim that evil produces good?

The Chinese *market opening* cannot, for example, be used as a good historical example as China is practicing its own—highly politically repressive (see Fingleton 2008; Mann 2007; Navarro 2008)—version of the *Asian*

¹That is can undemocratic class power based on ownership of capital and the *renting of labor be justified*? This is the pretence of NC economics, though, as discussed in chap. 4, it is hard to see how labor or *labor power* can be separated from the will and well-being of the humans who deploy it (Ellman 2004).

²Hahnel and Albert (1990), for example, make a strong case that capitalist individualist and competitive *means* that sanction the human exploitation of other humans, or *the treatment of others as means and not ends* for those with a Kantian bent, reinforce the worst aspects of human behavior and thus produce *ends* that, however *prosperous* in market-based consumer-values terms, generate increasingly brutal and barbaric societies that tolerate widespread exploitation, poverty, and inequality, and undermine the most valuable aspects of human behavior and life in general.

Model of state capitalism that is not free-market capitalism and, certainly, not a good example of an *advanced* democratic economy and society like those of Northern Europe and the Mondragon Cooperatives, which also provide direct *existing* highly successful counter examples to the claim that *there is no alternative* (TINA) to capitalism (Schweickart 1993, 2011).

The collapse of Soviet style *central planning* cannot be used as supporting evidence, as the most advanced and successful capitalist Social Democracies do *not* attempt to do away with markets, but rather try to tightly constrain, regulate, and guide them through political means to directly serve the goal of human well-being. And by almost every indicator—empowerment of women, political participation, the breadth and depth of public political debate, and the empowerment of citizens rather than money—these societies are much *more* democratic than the USA and the UK (Hill 2010, Part Five).

So a properly moral *mainstream economics* would be a *democratic socialist* (neo-Marxist, Left post-Keynesian, radical political economics) economics, rather than the current NC *capitalist* economics. And this kind of economics would not be, and is not, an *ideology* but a true *economic science* based on a generally accepted, scientifically grounded, basic understanding of what is good for human well-being—satisfying need, rewarding effort, caring for the environment, and fostering economic democracy—unlike the *truly ideological* mainstream or NC economics that now masquerades as *amoral* economic science, but is based on, and attempts to justify, morally unsupportable capitalist values like the sanctioning of *rentier* exploitation.³

Economics cannot be a *value-free* natural science, as it is inherently a *moral* science. The real question is whether it should be based on scientifically supportable moral values that foster human well-being, or be a thinly disguised system of capitalist apologetics that pretends to be amoral. Only the former, that is democratic socialist economics—referred to as *radical political economics* in the USA and UK—can be justified as scientific in the sense that it explicitly attempts to improve social and human well-being based on widely shared values of social equity, democracy, and solidarity,

³ As the most forthright NC's will occasionally openly admit. For example, a fellow member of the Ethical Humanist Society of Chicago (a person who is thus otherwise publicly committed to secular humanistic values) and faculty member of the University of Chicago Business School once stated in a public debate with me on these issues, that: "Of course, my job is to promote capitalism."

rather than pretending to be amoral but in practice functioning as a fundamentally *immoral legitimation theory* for capitalism.

What purpose does the persistence of extraordinary levels, for a wealthy and advanced economy, of clearly unmet human needs and aspirations, due to poverty, unemployment, lack of health care and educational opportunity, housing, and even food, serve, even as unheard of wealth and economic and political power is showered on a tiny minority and their families and heirs?

Is there any way to reasonably justify this kind of late-capitalist, *rentier-based*, global neofeudalism?

There is not. There is no reason and no excuse for us not to do better.

Only by sticking its collective head in the sand and refusing to allow basic human morality to *intrude* in any way, can mainstream neoclassical economic thinking pretend that the current, largely unfettered, market capitalist status quo is justifiable.

APPENDIX A

Consider an enterprise that produces $q_i = 1, 2, 3, \dots, n$ goods and sells them at prices p_i to households with income y who buy $q_i(p_1, \dots, p_n, y)$ and have consumer surplus $S(p_1, \dots, p_n, y)$. If N denotes the total number of households in the market, $f(y)$ the relative density function for the numeric share of households by income, and $u'(y)$ marginal social utility of household income (assumed to decline with increasing income/wealth), then aggregate consumer welfare, or total weighted consumer surplus, W , will be (Baiman 2001, (2.2), p. 206):

$$W = N \int_0^{\infty} S(p_1, \dots, p_n, y) u'(y) f(y) dy \quad (\text{A1})$$

And aggregate consumption of good i will be (∞ could be replaced with maximal income \hat{y} , but ∞ is the value that is used in the papers) (Baiman 2001, (2.3), p. 206):

$$Q_i = N \int_0^{\infty} q_i(p_1, \dots, p_n, y) f(y) dy \quad (\text{A2})$$

Following Feldstein we define the *distributional characteristic* of good i as the marginal utility of income weighted, average of aggregate household utility from the consumption of good i (Feldstein 1972, p. 33) (Baiman 2001, (2.10), p. 207):

$$R_i = \frac{N}{Q_i} \int_0^{\infty} q_i(y) u'(y) f(y) dy \quad (\text{A3})$$

Diminishing marginal utility from increases in income will cause R_i to be greater for goods consumed relatively more by low-income households for which $u'(y)$ is larger than for goods with a relatively larger share of high-income consumers for which $u'(y)$ is smaller. In other words, the greater the income elasticity of demand, that is the more demand there is from higher income consumers, the lower the value of R_i .

For constant income elasticity of demand household consumption, $q_i(y) = b_i y^{\alpha_i}$, with marginal utility of income $u'(y) = y^{-\eta}$ where η is a policy determined elasticity of marginal utility of income with respect to income, and lognormal income distribution with \bar{Y} = mean of $\log(y)$ and variance $\sigma_{\bar{Y}}^2$, Feldstein estimates that (Feldstein 1972, p. 35)⁴

$$R_i = \exp \left[-\eta \bar{Y} + \left(\frac{1}{2} \right) (\eta^2 - 2\alpha_i \eta) \sigma_{\bar{Y}}^2 \right] \quad (\text{A4})$$

Note that according to (A4) for any given positive value of η (assuming similar variances $\sigma_{\bar{Y}}^2$), goods with higher income elasticities of demand α_i , and goods whose consumers have higher average incomes \bar{Y} will have lower R_i .

Subject to these definitions, Baiman (2001, p. 208 and 206, Eqs. 2.13 and 2.5) provides a complete proof that, when cross-price effects are negligible,⁵ total weighted CS, or W in (A1), is maximized subject to⁶.

$$C(Q_1, \dots, Q_n) - \sum_i p_i Q_i = \delta_0 \quad (\text{A5})$$

where δ_0 is a (negative) constant that fixes the overall level of (positive) profit for the firm when the *Progressive Ramsey Pricing* formula:

⁴Baiman (2001; 216; Footnote 19) mistakenly adds a constant to this formula. This, however, does not affect the subsequent derivations.

⁵See (Baiman 2001, Appendix B) for analogous but more complex formulas when cross-price effects are not negligible.

⁶Specifying the profit constraint in this way is necessary for a positive Lagrangian multiplier $\lambda > 0$ in Eq. (A6) below—see (Baiman 2001, p. 215–6, Footnote 17).

$$\frac{(p_i - mc_i)}{p_i} = \frac{1}{E_i} \left(\frac{\lambda - R_i}{\lambda} \right) \quad (\text{A6})$$

is satisfied, where $E_i > 0$ is (defined as positive) own price demand elasticity for good i , $\lambda > 0$ is a constant Lagrange multiplier, and $\lambda - R_i > 0$ (Baiman 2001, p. 208).⁷ Note that Eq. (A6) reverts back to the standard *flat* Ramsey pricing formula (10.1) when income distributions of customers of product segments i are identical (so that the parameters in Eq. (A4) are equal across product segments i), or when the marginal utility of income does not decline ($\eta = 0$), as in both of these cases from Eq. (A4) $R_i = c = \text{constant}$, so that:

$$\frac{(p_i - mc_i)}{p_i} = \frac{1}{E_i} \left(\frac{\lambda - R_i}{\lambda} \right) = \frac{1}{E_i} \left(\frac{\lambda - c}{\lambda} \right) = \frac{1}{E_i} k$$

Where k is constant across all goods i : $k = \left(\frac{\lambda - c}{\lambda} \right)$.

Finally, (Baiman 2002, Equation 5, p. 315) determines when Eq. (A6) stipulates that CS maximization requires “progressive pricing” *in the usual sense* that prices relative to marginal costs for goods consumed more by lower income consumers are lower than prices relative to marginal costs for goods consumed more by higher income consumers. This is not obvious from Eq. (A6) as there may be cases in which the Ramsey inverse-elasticity *efficiency* effect may override the direct-elasticity *equity* effect whereby a larger R_i (generally corresponding to a lower E_i) produces a lower $(p_i - mc_i)/p_i$.

The question is when does $R_i/R_j > 1$ imply that: $(p_i - mc_i)/p_i < (p_j - mc_j)/p_j$, or: $\hat{p}_i < \hat{p}_j$? (where $\hat{p}_i = (p_i - mc_i)/p_i$ for all i). It turns out that the necessary and sufficient condition for this is that (Baiman 2002, Eq. (5), p. 315)⁸:

⁷Formulas (12–14, 372), (12:38; 378), (12–58, 388) and (15–25; 470) in Atkinson and Stiglitz (1980), and Feldstein (1972; 33) Eq. (6a), are equivalent, or generalizations, of Eq. (A6) above. However, as is noted in the text above, these derivations are incomplete as, even though the consumer welfare term in the maximand is clearly *convex* in price, they do not include a demonstration that second order conditions requiring that the *constrained* maximand, including (A5), be *concave* in price. This proof is necessary to *maximize* the Lagrangian.

⁸Note that Eq. (2.15) in (Baiman 2001; 208) is erroneous. Equation (5) in (Baiman 2002: 315) is the correct replacement formula. This error was pointed out by Vincent Snowberger – see Baiman (2002) Footnote 2.

$$\frac{1}{\hat{p}_i} - E_i < \frac{R_i}{R_j} \left(\frac{1}{\hat{p}_i} - E_j \right) \quad (\text{A7})$$

The following are different ways in which weighted CS maximization requires that prices be “*progressive in the usual sense*” or that $R_i/R_j > 1$ imply that $\hat{p}_i < \hat{p}_j$ for all products i of a monopolistic single *firm*, or entire economy, operating under a fixed profit constraint:

(a) when $E_i \geq E_j$, for example when price elasticities of demand in normal price ranges for products consumed more by lower-income consumers are greater or equal to those products consumed more by higher-income consumers, *progressivity in the usual sense* always holds. In particular, if $E_i \approx E_j$ can be approximated by a constant elasticity E *progressivity in the usual sense* always holds.

(b) When $E_i < E_j$ (the most interesting case), if E_i does not get *too small* relative to (R_i/R_j) and E_j as determined by Eq. (A7), *progressivity in the usual sense* holds. It turns out that, given the very unequal income and wealth distributions of capitalist economies, even when E_i is *substantially lower* than E_j , Eq. (A6) has to stipulate a very high markup over marginal-costs \hat{p}_i before Eq. (A7) is violated, *so that even in this case, Eq. (A6) will generally dictate that “pricing progressivity in the usual sense” must be followed if (static) welfare optimality is to be obtained.* This can be demonstrated as follows.

Using Eq. (A4) above, for any policy determined $\eta > 0$, conservatively assuming consumers of goods i and j have roughly equal *income* elasticities of demand α_i , and that the distribution of household incomes of these consumers have roughly equal variance $\sigma_{\bar{y}}^2$, we have:

$$\frac{R_i}{R_j} = \frac{\exp(-\bar{Y}_i)}{\exp(-\bar{Y}_j)}$$

But since for a log normal distribution the actual mean \bar{y} has the following relationship to the mean of $\log(y)$, or \bar{Y} ,

$$\bar{y} = \exp\left(\bar{Y} + \frac{\sigma_{\bar{Y}}^2}{2}\right)$$

Under the assumption of roughly equal variance:

$$\frac{R_i}{R_j} = \frac{\bar{y}_j}{y_i}$$

Where \bar{y}_i are the actual means (not the log means) of household incomes for consumers of goods i and j , respectively.

So if we assume that good i is consumed mostly by consumers in the two *lowest* quintiles of household income (quintiles 4 and 5), which in 2006 (in 2007 dollars) had an average after-tax income of \$20,200, and good j is consumed mostly by consumers in the second highest quintile of household income (quintile 2) with average after tax income of \$74,700 (Wolff 2010, p. 46), we have:

$$\frac{R_i}{R_j} = \frac{R_{4-5}}{R_2} = \frac{\$74,700}{\$20,200} = 3.698$$

So that in this case, even if $E_2 = 1$ and $E_{4.5} = 0.5$, from Eq. (A7): for welfare maximization, prices for goods i and j will be *progressive in the usual sense* as long as:

$$P_{4-5} < 0.84$$

So that as long as the markup over marginal cost for good i is less than $5.25 = 1/(1-0.84)-1$, or 525%, prices for goods i and j will be progressive in the usual sense. Thus in most cases, for static welfare maximization, even with large price elasticity differences, static consumer welfare maximizing prices will be *progressive in the usual sense*.

If we do the same calculation using 2007 *wealth* distribution (Wolff 2010, p. 46), we have (again in 2007 dollars)⁹:

$$\frac{R_i}{R_j} = \frac{R_{4-5}}{R_2} = \frac{\$291,000}{\$2,200} = 132.3$$

And:

$$\overbrace{p_{4-5}} < 0.96$$

So that as long as the markup over marginal cost for good i is less than $24 = (1/(1-0.96))-1$, or 2,400%, prices for goods i and j need to be progressive in the usual sense. Thus *in almost every case*, for static welfare maximization, even with large price elasticity differences, prices will be progressive in the usual sense.

(c) Finally, Eq. (A7) provides a condition for the static welfare optimality of *flat* markup pricing under the (usual) downward sloping demand curve, average-costs higher than marginal-costs, conditions. In this case

$\hat{p}_i = \hat{p}_j$ is welfare optimal *if and only if* $1/\hat{p}_i - E_i = R_i/R_j \left(1/\hat{p}_i - E_j \right)$ holds. This can be derived from Eq. (A7) with equalities instead of inequalities (Baiman 2002; 316). Thus, *in almost every case, even flat marginal pricing, not to mention “standard” Ramsey “inverse-elasticity” regressive pricing, is suboptimal*. Thus even a modification of the NC “inverse elasticity” Ramsey pricing doctrine encapsulated in (10.1) that stipulated that static welfare maximization occurs when prices *are proportional* to marginal cost would be wrong in any market where average costs are higher than marginal costs, that is, *in almost all markets*.

⁹I am using (Wolff 2010) household income distribution data so that income and wealth data come from the same source.

APPENDIX B

DESIGN YOUR OWN UTOPIA¹⁰

Assume that you are a member of an Executive Committee of elected representatives with the power to restructure your nation's economy so that it allocates economic resources to working adults in a way that is as fair to individuals, and as beneficial to society, as possible. Assume also that your committee is *omnipotent* in the sense that it has detailed knowledge that allows for an accurate measurement of the level of each of the criteria below for each working adult. In other words assume that you have yearly data for all the people in your country (remember, you are omnipotent!) that measures:

- (a) The value of the services or products that they produced.
- (b) The amount of time and effort they spent.
- (c) Their level of need.
- (d) The value of their property or wealth.
- (e) The social status of their parents (e.g. "caste" or "nobility" level; or racial or ethnic background if this is tied to social status.)

¹⁰Adapted from an Instructor's Manual edited by Mehrene Larudee for the 2nd edition of an introductory economics text: *Understanding Capitalism* by Samuel Bowles and Richard Edwards (1993: New York, Harper Collins). A new 2005 third edition of this text has been published by Oxford University Press with Frank Roosevelt added as a coauthor. Jayadev (2014) is listed as the author of an Instructor's Manual for the 3rd edition of this text (Bowles et al. 2005) that includes a similar exercise.

- (f) How much they have received as a result of luck.

Given this data, you want your staff (who will work out all the details of *how* to do this) to set up an economy that will allocate resources based on the criteria listed below with weights, or levels of importance, given to each criteria so that the sum of the weights adds up to 100 %. You also want to be able to explain your choice of weights to your staff.

<i>Criteria for allocating resources</i>	<i>Weight or importance</i>
(a) Inherited social status	_____
(b) Luck	_____
(c) Need	_____
(d) Productivity	_____
(e) Property or wealth	_____
(f) Time or effort	_____
Sum of weights:	<u>100 %</u>

BIBLIOGRAPHY

- Albert, M., & Hahnel, R. (1991). *The political economy of participatory economics*. Princeton: Princeton University Press.
- Allen, B. W., Doherty, N. A., Weigelt, K., & Mansfield, E. (2013). *Managerial economics: Theory, applications, and cases* (8th ed.). New York: W.W. Norton.
- Anderberg, D., Rainer, H., Wadsworth, J., & Wilson, T. (2013). Unemployment and domestic violence: Theory and evidence. *Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labor* (IZA). Discussion Paper No. 7515. Retrieved July, from <http://ftp.iza.org/dp7515.pdf>
- Appelbaum, B. (2015, January 9). Windfall for taxpayers coming to end. *New York Times*.
- Archer, R. (1995). *Economic democracy: The politics of feasible socialism*. Oxford: Oxford University Press.
- Arrighi, G. (2005). Hegemony unravelling I and II. *New Left Review*, 32(33), March, April, May and June.
- Arrow, K. (1951/1963). Social choice and individual values (2nd ed.). New Haven: Yale University Press.
- Arrow, K., & Bowles, S. (Eds.) (2000). *Meritocracy and economic inequality*. Princeton: Princeton University Press.
- Atkinson, A. B., & Stiglitz, J. (1980). *Lectures on public economics*. New York: McGraw Hill.
- Backhouse, R. E. (2006). *Economics since the Second World War*. University of Birmingham. Retrieved March, from <http://www.grammatikhilfe.com/CPNSS/events/Abstracts/HISTORYofPoswarScience/Econsince1945.pdf>
- Baiman, R. (1997). A proposal for Democratic Constitutional Reform in Cuba. Presented June 17, 1997, at the *VII Encuentro en Holguin con Filósofos Norteamericanos*, Universidad de Holguin, Cuba, and on June 23, 1997, at the

- IV Conferencia Internacional de Ciencias Sociales y Humanisticas*, Universidad de Camaguey, Cuba.
- Baiman, R. (1999, Winter). Market socialism: The debate among socialists by David Schweickart, James Lawler, Hillel Ticktin, Bertell Ollman. *Science & Society*, 63(4), 518–522.
- Baiman, R. (2000). Why the emperor has no clothes: The neoclassical case for price regulation. In B. Baiman, & D. Saunders (Eds.), *Political economy and contemporary capitalism: Radical perspectives on economic theory and policy*. New York: M. E. Sharpe.
- Baiman, R. (2001). Why equity cannot be separated from efficiency: The welfare economics of progressive social pricing. *Review of Radical Political Economics*, 33, 203–221.
- Baiman, R. (2002). Why equity cannot be separated from efficiency II: When should social pricing be progressive. *Review of Radical Political Economics*, 34, 311–317.
- Baiman, R. (2006, Winter). Unequal exchange without a labor theory of prices: On the need for a global Marshall plan and a solidarity trading regime. *Review of Radical Political Economics*, 38(1), 71–89.
- Baiman, R. (2010a, September). Toward a new political economy for the U.S. *Review of Radical Political Economics*, 42(3), 353–362.
- Baiman, R. (2010b). The infeasibility of free trade in classical theory: Ricardo's comparative advantage parable has no solution. *Review of Political Economy*, 22(3), 419–437.
- Baiman, R. (2014). Unequal exchange and the Rentier economy. *Review of Radical Political Economics*, 46(3), 353–362.
- Baiman, R. (2011b). *Eisenhower era income tax rates on the upper 10 % of families would immediately erase the federal deficit*. Chicago Political Economy Group Working Paper 2011–2. Retrieved May, from <http://www.cpegonline.org/workingpapers/CPEGWP2011-2.pdf>
- Baiman, R. (2012a). *Self-adjusting "free trade": A generally mathematically impossible outcome*. Available from author, submitted for publication.
- Baiman, R. (2012b). *A 2012 May Day manifesto: 'Left Structuralism' versus 'LiberalCyclicalism'*, May. Chicago Political Economy Group (CPEG), see: <http://www.cpegonline.org/documents/MayDayManifesto.pdf>
- Baiman, R. (2015a). *The Taylor/Piketty four fundamental laws: A radical/post-Keynesian Macroeconomic Consensus?*, January. Unpublished paper available from the author.
- Baiman, R. (2015b). National Note. *CPEG Notes* (Vol. 1, Issue 2). Retrieved March, from <http://www.cpegonline.org/wp-content/uploads/2015/06/Vol-I-No-2-CPEG-Notes-FINAL-May-2015a.pdf>
- Baiman, R. (2016a). The limits of free trade in neoclassical theory: From Heckscher-Ohlin to unequal exchange. Chapter in forthcoming *The Global Free Trade*

- Error: The Infeasibility of Ricardo's Comparative Advantage Theory*, by R. Baiman. New York: Routledge.
- Baiman, R. (2016b, January). Globally sustainable and balanced International Trade Based on Exchange-Rate adjustment is mathematically unstable and therefore economically infeasible. Chapter in forthcoming *The global free trade error: The infeasibility of Ricardo's comparative advantage theory*, by R. Baiman. New York: Routledge.
- Baumol, W. J., & Bradford, D. (1970, June). Optimal departures from marginal cost pricing. *American Economic Review*, 60(3), 265–283.
- Bentham, J. (1818). Church of Englandism and its catechism examined. Published by Jeremy Bentham. London.
- Blanc, L. (1851). In C. Joubert (Ed.), *Plus de Girondins*. Paris: Passage Dauphine.
- Blecker, R. (1999). *Taming global finance*. Washington, DC: Economic Policy Institute.
- Blinder, A. S., Canetti, E., Lebow, D., & Rudd, J. B. (1998). *Asking about prices: A new approach to understanding price stickiness*. New York: Russell Sage Foundation.
- Boulding, K. (1969). *American Economic Review*, 59(1), 1–12.
- Bowles, S., & Gintis, H. (1993). A political and economic case for the democratic enterprise. *Economics and Philosophy*, 9, 75–100.
- Bowles, S., & Gintis, H. (2008). The evolutionary basis of collective action. In D. A. Wittman, & B. R. Weingast (Eds.), *The Oxford handbook of political economy*. Oxford: Oxford University Press.
- Bowles, S., Gintis, H., & Wright, E. O. (1998). *Recasting egalitarianism: New rules for communities, states, and markets*. London: Verso Press.
- Bowles, S., Edwards, R., & Roosevelt Jr., F. (2005). *Understanding capitalism: Competition, command, and change*. New York: Oxford University Press.
- Carlsen, L. (2013, November 24). Under NAFTA Mexico suffered and the U.S. felt it's pain. *New York Times*.
- Carnevlae, A., & Strohl, J. (2010). *Rewarding strivers: Helping low-income students succeed in college*. New York: The Century Foundation Press.
- Chang, H.-J. (2002). *Kicking away the ladder: Development strategy in historical perspective*. London: Anthem Press.
- Chang, H.-J. (2008). *Bad Samaritans: The myth of free trade and the secret history of capitalism*. New York: Bloomsbury Press.
- Chase, E. P. (2000). The P-R-I-C-E of full employment, by Elmer P. Chase. In B. Baiman, & D. Saunders (Eds.), *Political economy and contemporary capitalism*. M.E. Sharpe.
- Chiang, A. C. (1984). *Fundamental methods of mathematical economics* (3rd ed.,). New York: McGraw Hill.
- Coase, R. H. (1960). The problem of social cost. *Journal of Law and Economics*, 3(1), 1–44.

- Colander, D. (1994). *Macroeconomics* (2nd ed.). New York: Irwin/McGraw-Hill.
- Colander, D. (1998). *Macroeconomics* (3rd ed.). New York: McGraw-Hill.
- Colander, D., & Landreth, H. (1998). Political influence on the textbook Keynesian revolution: God, man and Lorie Tarshis at Yale. In O. F. Hamouda & B. B. Price (Eds.), *Keynesianism and the Keynesian revolution in America: A memorial volume in Honour of Lorie Tarshis* (pp. 59–72). Cheltenham: Edward Elgar. Conn, Matt. 2004.
- Conn, M. (2004, March 24). Loyalty Day celebration set for return to Medford. *The Wausau Daily Herald*.
- Cook, B. (2008). *National, regional and local employment policies in Sweden and the United Kingdom*. Working Paper No. 08–05. October. Centre of Full Employment and Equity (COFEE). Retrieved from <http://e1.newcastle.edu.au/coffee/pubs/wp/2008/08-05.pdf>
- Cozzi, G., McKinley, T., & Michell, J. (2014). Can conventional macroeconomic models prevent persistent stagnation in the European Union. Policy Brief No. 5, *Center for Development Policy and Research* (CDPR). Retrieved from <http://www.feps-europe.eu/assets/b2ba4b96-ba66-4f87-aeaf-d91bd91e1eed/201411-pb5-cozzi-mckinley-michellpdf.pdf>
- Cripps, F., & Godley, W. (1976, November). A formal analysis of the Cambridge Economic Policy Group Model. *Economica (New Series)*, 43(172), 335–348.
- Crotty, J. (2011, March). *The realism of assumptions does matter: Why Keynes-Minsky theory must replace efficient market theory as the guide to financial regulation policy*. Political Economy Research Institute (PERI), Working Paper 255.
- Daly, H. (1997). *Beyond growth*. Boston: Beacon Press.
- Democracy at Work. (2013). Website data updated January 10, 2013. Accessed February 12, 2015 from <http://www.democracyatwork.info/studies/mondragon/>
- Devine, P. (1988). *Democracy and economic planning: The political economy of a self-governing society*. Boulder: Westview Press.
- Dobb-Frank Wall Street Reform and Consumer Protection Act. (2010). Retrieved January 5, from http://www.cftc.gov/ucm/groups/public/@swaps/documents/file/hr4173_enrolledbill.pdf. Downloaded 8/27/2015.
- Dorman, P. (2001). Waiting for the echo: The revolution in general equilibrium theory and the paralysis in introductory economics. *Review of Radical Political Economics*, 33(1).
- Dornbusch, R., Fischer, S., & Samuelson, P. (1977). Comparative advantage, trade, and payments in a Ricardian model with a continuum of goods. *American Economic Review*, 67(5), 823–839.
- Duke, N. (2000). For the rich it's richer: Print experiences and environments offered to children in very low- and very high-socioeconomic status first-grade classrooms. *American Educational Research Journal*, 37(2), 441–478.

- Dumenil, G., & Levy, D. (2004). *Capital Resurgent*. Cambridge, MA: Harvard University Press.
- Dymski, G., Epstein, G., & Pollin, R. (1993). *Transforming the U.S. financial system: Equity and efficiency for the 21st century*. New York: M. E. Sharpe.
- Eatwell, J., & Taylor, L. (2000). *Global finance at risk*. New York: New Press.
- Ellerman, D. (1992). *Property and contract in economics: The case for economic democracy*. Cambridge, MA: Basil Blackwell Publishers.
- Ellerman, D. (2007). On the role of capital in “capitalist” and in labor-managed firms. *Review of Radical Political Economics*, 39(1), 5–26.
- Ellman, M. (2004). Economic lessons from the transition: The basic theory re-examined. *Comparative Economic Studies*, 46(4), 570–571.
- Erixon, L. (2008). *The Rehn-Meidner plan: It's rise, challenges, and survival*. Stockholm: Department of Economics, Stockholm University.
- Evans, D. (2008). *FDIC may need \$150 billion bailout as more banks fail (Update3)*. New York: Bloomberg News. Retrieved September 25, from <http://www.bloomberg.com/apps/news?sid=amZxIbcjZISU&pid=newsarchive>
- Feldstein, M. (1972). Distributional equity and the optimal structure of public prices. *American Economic Review*, 62, 32–36.
- Felkerson, J. (2011). *\$29,000,000,000,000: A detailed look at the Fed's bailout by funding facility and recipient*. Levy Institute Working Paper #698. Retrieved December, from http://www.levyinstitute.org/pubs/wp_698.pdf
- Ferber, M. A., & Nelson, J. A. (Eds.) (1993). *Beyond economic man: Feminist theory and economics*. Chicago: University of Chicago Press.
- Findlay, R. (1995). *Factor proportions, trade, and growth*. Cambridge, MA: MIT Press.
- Fingleton, E. (2008). *In the Jaws of the Dragon: America's fate in the coming era of Chinese Dominance*. New York: St. Martin's Griffin.
- Fletcher, I. (2009). *Free trade doesn't work: Why America needs a tariff*. Washington, DC: U.S. Business & Industry Council.
- Friedman, M. (1953). *Essays in positive economics*. Chicago: University of Chicago Press.
- Friedman, M. (1962). *Capitalism and freedom*. Chicago: University of Chicago Press.
- Friedman, M. (1963). *Inflation causes and consequences*. New York: Asia Publishing House.
- Friedman, H. (2012). The American myth of social mobility. *Huffington Post*. Retrieved July 16, from http://www.huffingtonpost.com/howard-steven-friedman/class-mobility_b_1676931.html
- Gaillbraith, J. K. (2014, Spring). Kapital for the twenty first century?. *Dissent*.
- Garbade, K. D. (2014). *Direct purchases of U.S. treasury securities by Federal Reserve Banks*. Federal Reserve Bank of New York Staff Reports No. 684.

- Geoghegan, T. (2014). *Only one thing can save us: Why America needs a new kind of labor movement*. New York: The New Press.
- Georgescu-Roegen, N. (1999). *The entropy law and economic processes*. iUniverse Inc.
- Gilens, M., & Page, B. I. (2014, September). Testing theories of American politics: Elites, interest groups, and average citizens. *Perspectives on Politics*, 12(3), 564–581.
- Ginsburg, H. (1982). How Sweden combats unemployment among young and older workers. *Monthly Labor Review*, 105(10), 22–27.
- Gintis, H. (2009). *Game theory evolving: A problem centered introduction to modeling strategic interaction*. Princeton University Press.
- Godley, W., & Lavoie, M. (2007). *Monetary economics: An integrated approach to credit, money, income, production and wealth*. New York: Palgrave Macmillan.
- Godley, W., Izurieta, A., & Zezza, G. (2004, August). Prospects and policies for the U.S. economy. In *Strategic analysis*. New York: Levy Institute at Bard College.
- Goldsmith, A., & Diette, T. (2012). Exploring the link between unemployment and mental health outcomes. *American Psychological Association SES Indicator*. Retrieved April, from <http://www.apa.org/pi/ses/resources/indicator/2012/04/unemployment.aspx>
- Goodwin, D. (2001). The way we won: America's economic breakthrough during World War II. *American Prospect*. Retrieved December 19, from <http://prospect.org/article/way-we-won-americas-economic-breakthrough-during-world-war-ii>
- Goodwin, N., Nelson, J. A., & Harris, J. (2009). *Macroeconomics in context*. Armonk: M. E. Sharpe.
- Gordon, R. (2012). *Is U.S. economic growth over? Faltering innovation confronts the six headwinds*. NBER Working Paper No. 18315. Retrieved August, from <http://www.nber.org/papers/w18315>
- Gould, E. (2015). *2014 continuous a 35 year trend of broad based wage stagnation*. February 19. Issue Brief #393. Washington, DC: Economic Policy Institute.
- Granqvist, R., & Lind, H. (2004, Fall). Excess burden of an income tax: What do mainstream economists really measure?. *Review of Radical Political Economics*, 37(4).
- Habermas, J. (1975). *Legitimation crisis*. Boston: Beacon Press.
- Habermas, J. (1990). *Moral consciousness and communicative action* (C. Lenhardt & S. W. Nicholsen, Trans.) Cambridge, MA: The MIT Press.
- Hahnel, R., & Albert, M. (1990). *Quiet revolution in welfare economics*. Princeton: Princeton University Press.
- Hancock, K. (2013). *Australian wage policy: Infancy and adolescence*. Adelaide: University of Adelaide Press.
- Hanlon, S. (2011, May 5). Big oil's misbegotten tax gusher: Why they don't need \$70 billion from taxpayers amid record profits. *Think Progress*.

- Harkinson, J. (2009). How the Nation's Only State-Owned Bank became the Envy of Wall Street, March 27. *Mother Jones*.
- Harris, S. (2010). *The moral landscape: How science can determine human values*. New York: Free Press.
- Harris, N. B. (2014). The chronic stress of poverty: Toxic to children. *The Shriver Report*. Retrieved January 12, from <http://shriverrreport.org/the-chronic-stress-of-poverty-toxic-to-children-nadine-burke-harris/>
- Hartmann, T. (2010). *Unequal protection: How corporations became "people" and how you can fight back* (2nd ed.). San Francisco, CA: Berrett-Koehler Publisher.
- Harvey, D. (2003). *The new imperialism*. New York: Oxford University Press.
- Harvey, D. (2007). *A brief history of neoliberalism*. New York: Oxford University Press.
- Heilbroner, R. L. (1992). *The worldly philosophers: The lives, times and ideas of the great economic thinkers* (6th ed.). New York: Touchstone/Simon & Schuster.
- Helper, S., Krueger, T., & Wial, H. (2012). *Why does manufacturing matter? Which manufacturing matters? A policy framework*. February. Brookings Metropolitan Policy Program.
- Heymann, J., Rho, H. J., Schmitt, J., & Earle, A. (2009, May). *A comparison of paid sick day policies in 22 countries*. Center for Economic and Policy Research (CEPR).
- Hill, S. (2010). *Europe's promise: Why the European way is the best hope in an insecure age*. Berkeley: University of California Press.
- Hill, R., & Myatt, T. (2010). *The economics anti-textbook: A critical thinkers guide to micro-economics*. Halifax and London: Fernwood Publishing and Zed Books.
- Hirschman, A. O. (1970). *Exit, voice, and loyalty: Responses to decline in firms, organizations, and states*. Cambridge, MA: Harvard University Press.
- Howard, A. (2009). "Codetermination" from website of American Studies at the University of Virginia. <http://xroads.virginia.edu/~ma98/pollklas/thesis/codetermination.html>. Last updated 9/01/2009. Accessed 26 Aug 2015.
- Huber, E., & Stephens, J. (2001). *Development and crisis of the welfare state: Parties and policies in global markets*. Chicago: University of Chicago Press.
- Hume, D. (1742). *Essays, moral, political, and literary* (Republished 1987). Indianapolis: Liberty Fund Inc.
- Inman, P. (2015). Where did the Greek bailout money go? *The Guardian*. Retrieved June 29, from <http://www.theguardian.com/world/2015/jun/29/where-did-the-greek-bailout-money-go>
- Isaacs, J. (2008). *International comparisons of economic mobility*. PEW/Brookings report based on 1998–2001 data from the International Social Survey Program. Retrieved from http://www.brookings.edu/~media/research/files/reports/2008/2/economic%20mobility%20sawhill/02_economic_mobility_sawhill_ch3.pdf
- Jayadev, A. (2014). *Instructors manual for 3rd edition of understanding capitalism by Bowles, Edwards, and Roosevelt*. University of Massachusetts at Boston. Retrieved from

- <http://sttpml.org/wp-content/uploads/2014/08/UnderstandingCapitalismInstructorsManual.pdf>
- Kahn, A. E. (1993). *The economics of regulation*. Cambridge, MA: MIT Press.
- Kahneman, D. (2011). *Thinking fast and slow*. New York: Macmillan.
- Kalecki, M. (1971). *Selected essays on the dynamics of the capitalist economy*. Cambridge: Cambridge University Press, Cambridge, U.K.
- Kant, E. (1785). *Groundwork of the metaphysics of morals*. Cambridge University Press (2012). Cambridge, U.K.
- Keen, S. (2011). *Debunking economics* (2nd ed.,). Pluto Press, London, U.K.
- Keynes, J. M. (1924). *A tract on monetary reform*. London: Macmillan and Co. Ltd..
- Keynes, J. M. (1936). *The general theory of employment, interest, and money*. London: Macmillan/Cambridge University Press.
- Kiefer, D., & Rada, C. (2014). Profit maximizing goes global: The race to the bottom. *Cambridge Journal of Economics*, First published online September 29, 2014.
- Kim, J. (2011). How modern banking originated: The London goldsmith bankers' institutionalization of trust. *Economic History*, 53(6) 939–959.
- Klein, N. (2008, June 24). *Shock doctrine: The rise of disaster capitalism* (1st ed.). New York: Macmillan/Picador.
- Klein, N. (2014). *This changes everything*. New York: Simon & Schuster.
- Kochhar, R., Fry, R., & Taylor, P. (2011). *Wealth gaps rise to record highs between whites, blacks, hispanics*. Pew Research Social & Demographic Trends. Retrieved from <http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/>
- Kornai, J. (1986). The soft budget constraint. *Kyklos*, 39, 3–30.
- Kornai, J., Haggard, S., & Kaufman, R. R. (2001). *Reforming the state: Fiscal and welfare reform in post-socialist countries*. Cambridge: Cambridge University Press.
- Koshiro, K. (1984, August). Lifetime employment in Japan: Three models of the concept. *Monthly Labor Review*, 107, 34–35
- Krashen, S. (2002). Poverty has a powerful impact on educational attainment, or, don't trust Ed trust. *Substance*. Retrieved February, from <http://www.fairtest.org/poverty-has-powerful-impact-educational-attainment-or-dont-trust-ed-trust>
- Krassa, M., & Radcliff, B. (2014). Does a higher minimum wage make people happier. *Washington Post*. Retrieved May 14, from <http://www.washingtonpost.com/blogs/monkey-cage/wp/2014/05/14/does-a-higher-minimum-wage-make-people-happier/>
- Krugman, P. (1996). Ricardo's difficult idea. Published on MIT website: <http://web.mit.edu/krugman/www/ricardo.htm>. Downloaded 8/272015.
- Krugman, P. (2012a). Where the productivity went. *The New York Times*. Retrieved April 28, from <http://krugman.blogs.nytimes.com/2012/04/28/where-the-productivity-went/>

- Krugman, P. (2012b, February 28). What ails Europe?. *The New York Times*.
- Krugman, P. (2014, June 22). The big green test. *The New York Times*.
- Krugman, P. (2015a). TPP at the NABE. *The New York Times*. Retrieved March 11, from <http://krugman.blogs.nytimes.com/2015/03/11/tpp-at-the-nabe/>
- Krugman, P. (2015b). The case for cuts was a lie, why does Britain still believe it?: The austerity delusion. *The Guardian*. Retrieved April 29, from <http://www.theguardian.com/business/ng-interactive/2015/apr/29/the-austerity-delusion>
- Kuttner, R. (1996). *Everything for sale*. New York: Alfred A. Knopf.
- Larudee, M. (1993). *Instructor's manual for the 2nd edition of understanding capitalism by Samuel Bowles and Richard Edwards*. New York: Harper Collins.
- Lavoie, M. (2005). A Primer on Endogeneous Credit Money in *Modern Theories of Money: The Nature and Role of Money in Capitalist Economics*. Cheltenham, U.K.: Edward Elgar.
- Lavoie, M. (2009). *Introduction to post-Keynesian economics*. New York: Palgrave Macmillan.
- Lee, F. (1998). *Post Keynesian price theory*. Cambridge: Cambridge University Press.
- Lerner, A. P. (1944). *The economics of control*. New York: Macmillan.
- Levy, J. (2015). In U.S., uninsured rate dips to 11.9 % in first quarter. Gallup Well-Being. Retrieved April 13, from <http://www.gallup.com/poll/182348/uninsured-rate-dips-first-quarter.aspx>
- Locke, J. (1690). *Second treatise on government*. New York: Barnes & Noble Publishing.
- Loth, R. (2015). *The greatest investors: George Soros*. From Investopedia website. Retrieved from <http://www.investopedia.com/university/greatest/georgesoros.asp>. Downloaded 8/27/2105.
- Lusvardi, W. (2011). Bryson's troubled part in the California electric crisis. *California Watchdog*. Retrieved August 5, from <http://www.calwatchdog.com/2011/08/05/brysons-troubled-part-in-ca-electricity-crisis/>
- MacEwan, A. (1999). *Neo-Liberalism or democracy?* New York: Zed Books.
- Malthus, T. R. (1798). *An essay on the principle of population*. London: J. Johnson is St. Paul's Church Yard.
- Mankiw, N. G. (2008). *Principles of microeconomics* (5th ed.,). New York: Worth Publishers.
- Mann, J. (2007). *The China fantasy: How are leaders explain away Chinese repression*. New York: Viking.
- Mansfield, E. (1994). *Microeconomics: Theory and applications* (8th ed.,). New York: W.W. Norton and Co..
- Marglin, S. (1984). *Growth, distribution, and prices*. Cambridge: Harvard University Press.
- Marglin, S., & Schor, J. (1992). *The golden age of capitalism: Reinterpreting the post-war experience*. Oxford: Clarendon Press.
- Marshall, A. (1890). *Principles of economics*. London: Macmillan and Co.

- Marx, K. (1859). *A contribution to the critique of political economy. Preface*. Moscow: Progress Publishers, 1977.
- Marx, K. (1863). *Theories of surplus value*. Moscow: Progress Publishers.
- Marx, K. (1867). *Capital* (Vol. I). Moscow: Progress Publishers.
- Marx, K. (1875). *Critique of the Gotha program*. Moscow: Progress Publishers, Republished 1970.
- Marx, K. (1984). In F. Engels (Ed.), *Capital* (Vol. III). London: Penguin, First published 1894.
- Marx, K., & Engels, F. (1848). *Manifesto of the Communist Party*. Marx/Engles Selected Works Vol. I (1969). Moscow: Progress Publishers.
- Mill, J. (1808). *Commerce defended. An answer to the arguments by which Mr. Spence, Mr. Cobbett, and Others, have attempted to Prove that Commerce is not a source of National Wealth*. London: C. and R. Baldwin.
- Mills, G. T., & Rockoff, H. (1983). Business attitudes toward wage and price controls in World War II. *Business and Economic History*, 12.
- Minsky, H. (1982). *Can it happen again?: Essays on instability and finance*. Armonk: M. E. Sharpe.
- Mirowski, P. (2001). *Dream machines: Economics becomes a Cyborg science*. Cambridge University Press.
- Morrissey, M. (2013). *Private-sector pension coverage fell by half over two decades*. Economic Policy Institute Working Economics Blog. Retrieved January 11, from <http://www.epi.org/blog/private-sector-pension-coverage-decline/>
- Mutari, E. (2000). A primer on feminist political economy. In B. Baiman, & D. Saunders (Eds.), *Political economy and contemporary capitalism: Radical perspectives on economic theory and policy*. New York: M. E. Sharpe.
- Navarro, P. (2008). *The coming China wars: Where they will be fought and how they can be won*. London: FT Press.
- Nell, E. J. (1967). Theories of growth and theories of value. *Economic Development and Cultural Change*, 16, 15–16.
- Nell, E. J. (Ed.) (1980). *Growth, profits, and property: Essays in the revival of political economy*. Cambridge University Press.
- Nell, E. J. (1992). *Transformational growth and effective demand*. New York: New York University Press.
- Nell, E. J. (1996). *Making sense of a changing economy*. London and New York: Routledge.
- Nell, E. J. (1998). *The general theory of transformational growth*. New York: Cambridge University Press.
- Nell, E. J. (2006). The simple theory of aggregate demand. *Cambridge Journal of Economics*, 30(4).
- Neuman, S., & Celano, D. (2001). Access to print in low-income and middle-income communities. *Reading Research Quarterly*, 36(1), 8–26.
- OECD. (2010). *Economic policy reforms going for growth*. Retrieved from <http://www.oecd.org/tax/public-finance/chapter%205%20fgf%202010.pdf>

- Oil Change International. (2015). Front page of website downloaded 8/27/15: <http://priceofoil.org/thepriceofoil/global-warming/>
- Palley, T. I. (2008a). Keynesian models of deflation and depression revisited. *Journal of Economic Behavior & Organization*, 68(1), 167–177.
- Palley, T. I. (2008b). *Endogenous money: Implications for the money supply process, interest rates, and macroeconomics*. August. Political Economy Research Institute (PERI), Working Paper 178. Retrieved from http://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1149&context=peri_workingpapers
- Palley, T. I. (2013a). *Money, fiscal policy, and interest rates: A critique of Modern Monetary Theory*. Author's working paper. Retrieved January, from http://www.thomaspalley.com/docs/articles/macro_theory/mmt.pdf
- Palley, T. I. (2013b). *Gattopardo economics: The crisis and the mainstream response of change that keeps things the same*. Working Paper 112, Institut für Makroökonomie und Konjunkturforschung Macroeconomic Policy Institute. Retrieved April, from http://www.boeckler.de/pdf/p_imk_wp_112_2013.pdf
- Parramore, L. (2015). What Thomas Piketty and Larry Summers don't tell you about income inequality. Institute for New Economic Thinking and *Huffington Post*. Retrieved February 6, from http://www.huffingtonpost.com/lynn-parramore/what-thomas-piketty-and-l_b_6630688.html
- Phillips, M. (2013). The high price of a free college education in Sweden. *The Atlantic*. Retrieved May 31, from <http://www.theatlantic.com/international/archive/2013/05/the-high-price-of-a-free-college-education-in-sweden/276428/>
- Pieper, U., & Taylor, L. (1998). *The revival of the liberal creed: The IMF, The World Bank, and Inequality in a Globalized Economy*. New York: CEPA Working Paper Series 1, WP 4. Retrieved January, from <http://www.economicpolicyresearch.org/scepa/publications/workingpapers/1998/cepa0104.pdf>
- Piketty, T. (2014). *Capital in the twenty-first century*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Pizzigati, S. (2013). “Remember when people had pensions?” Too much: A commentary on excess and inequality. *Featured News*. Retrieved September 7, from <http://toomuchonline.org/remember-when-people-had-pensions/>
- Polanyi, K. (1944). *The great transformation*. New York: Beacon.
- Porter, M. (1990). The Competitive Advantage of Nations. *Harvard Business Review*, March/April 68(2), 73–91.
- Ramsey, F. (1927). A contribution to the theory of taxation. *Economic Journal*, 37, 47–61.
- Rawls, J. (1971). *A theory of justice*. Cambridge, MA: Harvard University Press.
- Ray, R., Sanes, M., & Schmitt, J. (2013). *No vacation nation revisited*. Center for Economic and Policy Research (CEPR). Retrieved May, from <http://www.cepr.net/documents/publications/no-vacation-update-2013-05.pdf>
- Reardon, S. F. (2013). No rich child left behind. *New York Times*. Retrieved April 13, from http://opinionator.blogs.nytimes.com/2013/04/27/no-rich-child-left-behind/?_php=true&_type=blogs&r=0

- Reinert, E. (2007). *How rich countries got rich and why poor countries stay poor*. New York: Public Affairs.
- Ricardo, D. (1817). *On the principles of political economy and taxation* (3rd ed.). London: John Murray (1821).
- Ricardo, D. (1971). *The works and correspondence of David Ricardo, Vol. II. Notes on Malthus's principles of political economy*. Cambridge: Cambridge University Press.
- Richardson, H. W. (1969, October). The economic significance of the depression in Britain. *Journal of Contemporary History*, 4(4), 3–19.
- Riddell, T., Shackelford, J., Schneider, G., & Stamos, S. (2011). *Economics: A tool for critically understanding society* (9th ed.,). New York: Addison-Wesley.
- Robbins, L. (1932). *An essay on the nature and significance of economic science*. London: Macmillan.
- Robeyns, I. (2013). Economics is a moral science. Post on blog: *Out of the Crooked Timber of Humanity no Straight Thing Was Ever Made*. Retrieved October 31, from <http://crookedtimber.org/2013/10/31/economics-as-a-moral-science/>
- Robinson, J. (1962, September). Review of H.G. Johnson's money, trade and economic growth. *Economic Journal*, LXXII 287, 690–692.
- Rochman, B. (2011). Unemployed men are more likely to divorce. *Time Magazine*. Retrieved July 11, from <http://healthland.time.com/2011/07/11/unemployed-men-are-more-likely-to-divorce/>
- Roemer, J. E. (1988). *Free to lose: An introduction to Marxist philosophy*. Cambridge: Harvard University Press.
- Roemer, J. E. (1994). *A future for socialism*. Cambridge: Harvard University Press.
- Sackrey, C., Schneider, G., & Knoedler, J. (2013). *Introduction to political economy* (7th ed.,). Boston: Dollars and Sense.
- Samuelson, P. (1966). A summing up. *The Quarterly Journal of Economics*, 80(4), 568–583.
- Samuelson, P. (1971). Understanding the Marxian Notion of exploitation: A summary of the so-called transformation problem between Marxian values and competitive prices. *Journal of Economic Literature*, 9(2), 399–431.
- Schiller, B. R. (2013a). *The macroeconomy today* (13th ed.,). New York: McGraw-Hill Irwin.
- Schiller, B. R. (2013b). *The macroeconomy today* (13th ed.,). Burr Ridge: Irwin/McGraw-Hill.
- Schumpeter, J. (1942). *Capitalism, socialism, and democracy*. New York: Harper & Row.
- Schweickart, D. (1993). *Against capitalism: Studies in Marxism and social theory*. Cambridge University Press.
- Schweickart, D. (2011). *After capitalism* (2nd ed.,). Lanham: Rowan & Littlefield.
- Sen, A. (1987). *On ethics and economics*. Oxford: Blackwell Publishing.

- Sigurjonsson, F. (2015). *Monetary reform: A better monetary system for Iceland*. Report commissioned by the Prime Minister of Iceland, March, Edition 1.0, Reykjavik, Iceland. Retrieved from <http://www.forsaetisraduneyti.is/media/Skyrslur/monetary-reform.pdf>
- Simon, H. (1976). From substantive to procedural rationality. In S. J. Latsis (Ed.), *Method and appraisal in economics*. Cambridge: Cambridge University Press.
- Singer, P. (1999). *Practical ethics*. Cambridge University Press.
- Smith, A. (1759). *The theory of moral sentiments* (6th ed.). London: A. Millar. 1790.
- Smith, A. (1776). *An inquiry into the nature and causes of the wealth of nations*. New York: Modern Library. Republished 1994.
- Social Security. (2013a). *Social security programs throughout the world: The United States of America*. Social Security Administration (SSA) and The International Social Security Association (ISSA). Retrieved from <http://www.ssa.gov/policy/docs/progdesc/ssptw/2012-2013/americas/united-states.pdf>
- Social Security. (2013b). *Social security programs throughout the world: Sweden*. Social Security Administration (SSA) and The International Social Security Association (ISSA). Retrieved from <http://www.ssa.gov/policy/docs/progdesc/ssptw/2012-2013/europe/sweden.pdf>
- Sraffa, P. (1926). The law of returns under competitive conditions. *Economic Journal*, 36, 535–550.
- Sraffa, P. (1960). *Production of commodities by means of commodities: Prelude to a critique of economic theory*. Cambridge: Cambridge University Press.
- Steinberg, I. S. (1993). Economics: Value theory in the spirit of Bentham. In B. Parekh (Ed.), *Jeremy Bentham: Critical assessments*. New York: Routledge.
- Stevenson, B., & Wolfers, J. (2008). *Economic growth and subjective well-being: Reassessing the Easterlin Paradox*. Institute for the Study of Labor (IZA), Discussion Paper No. 3654. Retrieved August 2008, from <http://ftp.iza.org/dp3654.pdf>
- Stiglitz, J. (1996). *Whither socialism*. M.I.T. Press.
- Stiglitz, J. (2002). *Globalization and its discontents*. New York: W. W. Norton.
- Stiglitz, J. E., Sen, A., & Fitoussi, J.-P. (2009). *Report by the Stiglitz commission on the measurement of economic performance and social progress*. CMEPSP, Paris. Retrieved from <http://www.stat.si/doc/drzstat/Stiglitz%20report.pdf>
- Stretton, H. (1999). *Economics: A new introduction*. New York: Pluto Press.
- Swedish Association of Public Housing. (2015). *Public housing in Sweden*. Web publication accessed 8/31/15: http://www.sabo.se/om_sabo/english/Sidor/Publichousing.aspx
- Swedish Institute. (2015). *10 things that make Sweden family friendly*. Web publication: <https://sweden.se/society/10-things-that-make-sweden-family-friendly/>. Dated 2013–2015. Accessed 8/30/2015.

- Swedish Pensions Agency. (2015). *How you earn your retirement pension*. Web Publication accessed 8/31/2015: http://www.pensionsmyndigheten.se/HowYouEarnYourRetirementPension_en.html
- Taleb, N. N. (2010). *The black swan: the impact of the highly improbable* (2nd ed.,). London: Penguin.
- Tanfani, J. (2012). Richard Hart: Paul Ryan's political, economic mentor. *Los Angeles Times*. Retrieved August 15, from <http://articles.latimes.com/2012/aug/15/news/la-pn-rich-hart-paul-ryans-political-mentor-20120815>
- Tassava, C. (2008). *The American Economy during World War II*. EH. Net Encyclopedia, edited by Robert Whaples. Retrieved February 10, from <http://eh.net/encyclopedia/the-american-economy-during-world-war-ii/>
- Taylor, L. (2004a). *Reconstructing macroeconomics: Structuralist proposals and critiques of the mainstream*. Cambridge, MA: Harvard University Press.
- Taylor, Q. P. (2004b, Winter). An original omission? Property in Rawls's political thought. *The Independent Review*, VII(3), 387–400.
- Taylor, L. (2010). *Maynard's revenge: The collapse of free market economics*. Cambridge, MA: Harvard University Press.
- Taylor, L. (2014, May). *The triumph of the Rentier? Thomas Piketty vs. Luigi Pasinetti and John Maynard Keynes*. Center for Economic Policy Analysis, New School for Social Research.
- Thierer, A. (2010). Who'll really benefit from net neutrality regulation?, *CBS News*. Retrieved December 21, from <http://www.cbsnews.com/news/opinion-wholl-really-benefit-from-net-neutrality-regulation/>
- Thrope, J. (2015). The next worry, a deflationary slump like Japan. *Financial Post*. Retrieved July 6, from <http://www.financialpost.com/analysis/story.html?id=80453d8f-0110-4999-a295-c6f5469eb155>
- Tough, P. (2014). Who gets to graduate. *New York Times*. Retrieved May 15, from <http://www.nytimes.com/2014/05/18/magazine/who-gets-to-graduate.html>
- Tuckness, A. (2012). Locke's political philosophy. In E. N. Zalta (Ed.), *The Stanford encyclopedia of philosophy* (Winter 2012 Edition). Retrieved from <http://plato.stanford.edu/archives/win2012/entries/locke-political/>
- Varian, H. R. (1992). *Microeconomic analysis* (3rd ed.,). New York: W. W. Norton.
- Varoufakis, Y. (2014). Egalitarianism's latest foe: a critical review of Thomas Piketty's Capital in the Twenty-First Century. *Real-World Economics Review*, 69. Retrieved from <http://www.paecon.net/PAEReview/issue69/whole69.pdf>
- Veblen, T. (1899). *Theory of the leisure class: An economic study in the evolution of institutions*. New York: Macmillan.
- Vernengo, M. (2000). What do undergrads really need to know about trade and finance. In R. Baiman, H. Boushey, & D. Saunders (Eds.), *Political economy and contemporary capitalism*. M.E. Sharpe: Armonk.

- Visser, J. (2006). Union membership statistics in 24 countries. *Monthly Labor Review*, 1. Retrieved from <http://www.bls.gov/opub/mlr/2006/01/art-3full.pdf>
- Vogel, N. (2000). How California's consumers lost with electricity deregulation. *Los Angeles Times*. Dec. 9.
- Vohs, K. D. (2013, August 30). The poor's poor mental power. *Science*, 341, 969–970.
- von Bohm Bawek, E. (1884). *Capital and interest. Vol I: History and critique of interest theories*. Republished 1958 by Libertarian Press.
- Walras, L. (1877). *Elements of Pure Economics*. Reprint 1954 New York: Irwin.
- Weeks, J. (2014). *Economics of the 1 %: How mainstream economics serves the rich, obscures reality and distorts policy*. London: Anthem Press.
- Wen, Y., & Jing, W. (2014). *Withstanding great recession like China*. Research Division of the Federal Reserve Bank of St. Louis. Working Paper 2015–007. Retrieved March, from <https://research.stlouisfed.org/wp/2014/2014-007.pdf>
- Whyte, W. F., & Whyte, K. K. (1991). *Making Mondragord: The growth and dynamics of the worker cooperative complex*. Ithaca: Cornell University Press.
- Wiatrowski, W. J. (2012). The last private industry pension plans: a visual essay. *Monthly Labor Review*. Retrieved December, from <http://www.bls.gov/opub/mlr/2012/12/art1full.pdf>
- Williams, J. C. (2012). Monetary policy, money, and inflation. *Federal Reserve Bank of San Francisco Economic Letter*. Retrieved July 9, from <http://www.frbsf.org/economic-research/publications/economic-letter/2012/july/monetary-policy-money-inflation/>
- Wolff, E. N. (2010, March). *Recent trends in household wealth in the United States: Rising debt and the middle-class squeeze- an update to 2007*. Levy Institute of Economics Working Paper No. 589.
- Wray, R. (2012). *Modern monetary theory: A primer on macroeconomics for Sovereign Monetary Systems*. New York: Palgrave Macmillan.
- Wright, J. (2003). *The \$300 billion question: How much do high-income countries subsidize agriculture?*. Center for Economic and Policy Research. Retrieved December, from <http://www.cepr.net/publications/reports/the-300-billion-question-how-much-do-high-income-countries-subsidize-agriculture>

INDEX¹

A

Abramovich, Roman, 224
ADASM *See* aggregate demand and aggregate supply model (ADASM)
Adverse Childhood Events (ACEs), 45
agent, household-business conflation and, 222n3
aggregate demand (AD)
 Keynesian/PK view of, 141
 in Nordic countries, 166n31
 stimulation measures and, 168
aggregate demand and aggregate supply model (ADASM), 146–52
 breakdown in, 155
 classical view of, 141–3, 141f
 feasibility of, 149
 SDM short-run disequilibrium and, 146–9
 social choices and, 124–5
aggregate supply curve, 139–68
 defined, 139
 with Keynesian, intermediate, classical regions, 157f

agricultural imports, in developing countries, 199
agriculture
 19th-century, analyses based on, 108
 price stabilization and, 128
airlines, deregulation of, 246
Albert, M., 225
asset neutrality proposition, 10, 127
“austerity” policies, Krugman and, 145n7

B

bailouts, 192
 of banks *versus* homeowners/businesses, 89
 in California, 240
balance of payments deficits,
 protectionist *versus* nonprotectionist measures and, 197
banking
 alternate systems of, 175
 private, market-led, 189 *see also* Central Banks; Federal Reserve System

¹Note: Page numbers followed by ‘f’, ‘t’ and ‘n’ refer to figures, tables and notes.

Baumol, William, 250n18
 Bentham, Jeremy, 67, 67n12
 Bernstein, Jered, 22n39
 Bezemer, 21
 birth control, Orthodox religions
 and, 33
 Blanc, Luis, 84
 borrowers, Stretton typology of, 183–4
 Botero, Giovanni, 262
 Bowles, Samuel, 64–5, 64n9, 127,
 253, 285n10
 Bretton Woods agreement, 190
 collapse of, 189

C

California, utility bailouts in, 240
 Cambridge Capital Controversy, 223n5
 Canada, single payer health care
 system in, 247
 capital
 global tax on, 8
 and power over labor, 83
 capitalism
 class mobility and, 11
 and evolution toward oligopoly, 83
 immoral outcomes of, 7
 oligopoly as “natural” tendency of, 107
 structural problems of, 85
 and tendency toward concentration/
 centralization, 121
 carbon tax, Krugman and, 232n2
 Carter Administration, deregulation
 and, 20–1
 Central Banks
 democratizing, 87–9
 financial deregulation and, 189
 government borrowing and, 179–81
 and lack of accountability, 126
 see also Federal Reserve System
 CEO-to-average worker compensation
 ratio, 29
 China, “one-child” policy of, 34n12

class mobility, capitalism and, 11
 class monopoly, omission in NC
 economics, 83
 climate change, and private ownership
 of natural resources, 131
 Coase Theorem, 132
 Colander, David, 141n4
 Colbert, Jean Baptiste, 262
 comparative advantage
 critiques of, 196
 free trade and, 195
 Hume’s Species Flow Mechanism and,
 202 *see also* Ricardian parable
 consumer sovereignty, 81
 consumer surplus (CS), 232
 defined, 99
 corporal punishment
 negative outcomes of, 37, 37n20
 in public schools, 37
 corporate decision making,
 democratizing, 87–9 *See also*
 stakeholder corporate firms
 corporate personhood doctrine, 222n3
 corporations, privately owned, *versus*
 European stakeholder form, 82
 credit, SDM paradigm and, 181
 credit creation, alternate systems of, 187
 credit market, supply and demand
 model of, 143f
 Cuba, democratic socialist constitution
 of, 43–4
 Cuomo, Mario, 220
 currency devaluation, balance of
 payments deficits and, 197

D

Davis, Gray, 21
 DCM (demand and cost model), 94, 234
 costs decrease/increase in, 108–19,
 115f, 116f
 demand decrease/increase in,
 108–19, 112f, 114f

equilibrium in, 117–9
 possible price and quantity
 outcomes, 111f
 social choice implications of,
 119–23, 120f
versus supply and demand model, 93
 deflation, fear of, 155
 demand and cost model (DCM) *See*
 DCM (demand and cost model)
 demand curve, and independence of
 supply, 95
 democracy
 PCFM and, 80–3
 social *versus* individual choices in, 81
 see also economic democracy;
 social democratic societies
 Denmark, UN World Happiness index
 and, 32, 32n8
 deregulation *See* financial regulation/
 deregulation; telecom deregulation
 “Design Your Own Utopia”
 workshops
 criteria used in, 254
 Left Group in, 256, 257t, 261–71
 outcomes of, 255, 257t
 Right Group in, 256, 258, 260
 developing countries, agricultural
 imports in, 199
 Devine, Pat, 260
 diminishing marginal productivity
 (DMP), 19th-century basis of, 108
 diminishing returns assumption,
 76n3, 77n7
 disequilibrium adjustment problem
 Keynesian/PK critique of, 152–6
 SDM short-run, 146–9
 short-run, 144–6, 146f
 alternative NC ADASM, 149–52,
 150f, 152f
 distribution, productivity and capital
 ownership principle and, 76
 Dobb-Frank Act of 2010, 189

E

economic crisis, and immorality of
 economic structure, 69
 economic democracy, 157, 168
 environmental benefits of, 260n10
 economic growth, unsustainability of, 33
 economic methodology, post-
 Keynesian, 62–4
 economic moral principles, universal
 values and, 47
 economic policy, behavioral and brain
 science and, 49
 economic regulation, 177–8
 economic system, Bowles, et al.,
 definition of, 65
 economics
 conventional definition of, 58
 general approach in US, 67
 morality and, 44–7
 prevalent schools of, 68
 as traditional moral philosophy, 53
 values basis of, 66
 economics departments, institutional
 history of, 13n32
 economy, sustainable efficiency and
 fairness of, 13
 education, poverty and, 45
 Edwards, Richard, 64, 253
 effective demand, principle of, 63
 efficiencies of scale, Walmart and, 107
 efficiency
 NC definition of, 12
 neutral, value-free definition of, 222
 optimal market system and, 223
 effort
 versus productivity, 255
 Utopia workshop valuations of, 253,
 254, 257t
 Ellerman, David, 82n11, 261
 employment
 full, NC economists’ view of, 143
 public policies/programs and, 168

environmental sustainability, 70
 equilibrium
 in demand and cost model, 117–9
 macroeconomic, pre-Keynesian view of, 149
 equity
 marginal cost equal price rule and, 220
 second best NC theory and, 241–3
 and separation from efficiency, 221–9
 equity neutrality, Ramsey pricing and, 238
 Europe, co-determination laws in, 82
 evolutionary economics, 69
 export banks, 188
 externalities, 75
 banking and, 175
 defined, 131
 fractional reserve monetary system and, 175
 negative *versus* positive, 131
 extraction industries, supply curves and, 127

F

falling rate of profit (FROP) tendency, 134, 134n34
 farmer banks, 188
 Federal Deposit Insurance Corporation (FDIC), 177
 federal jobs program, lack of support for, 60
 Federal Open Market Committee (FOMC), 179
 Federal Reserve System
 administrators of, 183
 banks comprising, 60
 board of governors appointments and, 126n26
 influence of, 179 *see also* Central Banks
 feminist economics, 69
 finance capital, world economy and, 134
 financial crash of 2007 *See* Lesser Depression of 2007

financial regulation/deregulation
 post-WWII, 189–92
 types of, 190–1
 Fingleton, Eamonn, 263
 First Fundamental Theorem of Welfare Economics, 224n8, 234
 Fisher Debt effect, 152
 Fletcher, Ian, 263
 Four Freedoms, Roosevelt and, 28, 29n2
 fractional reserve monetary system
 externalities and, 175–9
 illusions of, 185
 regulations of, 177
 free trade, 195–217
 empirical critiques of, 197–200
 market-led, viability of, 197
 mathematical infeasibility of, 216–7
 NC economics and, 195
 responses to supporting arguments, 208–12
 Ricardian parable and, 200–7
 Friedman, Milton, 46, 77, 190
 capitalist motto of, 262
 on inflation, 143
 fundamentalist religions, corporal punishment and, 37

G

Galbraith, John Kenneth, 145, 195n2
 game theory, 231n1
 social choice hierarchy and, 124–5
 welfare maximization and, 223n6
 Gates, Bill, 5
 General Equilibrium Welfare Theory
 hegemony of, 223n6
 ideological message of, 231
 invalidity of, 223
 and second best theory, 237–9
 General Theorems of Welfare Economics (GTWE), 221–4
 key assumptions of, 221–2

German General Co-determination Act of 1976, 87
 Germany, union-employer training programs in, 132n31
 ghost curve ideology *See* supply curve
 Gintis, Herb, 64n9, 126, 127, 223n6
 global warming, US policies and, 33
 Godley, Wynne, 21
 government borrowing, Central Bank and, 179–81
 Great Depression, 144
 “automatic” market forces and, 168
 Great Recession of 2008, 153, 154n19

H

Ha Joon Chang, 263
 Habermas, Jurgen, 47
 Hamilton, Alexander, 263
 Hamiltonian integration, 149n13
 Harris, Sam, 17, 27, 30, 36
 Hart, Richard, 94n2
 health, poverty and, 45
 Heilbroner, Robert, 67n13
 heterodox economics, 13–4, 14n32
 market role in, 68
 position of, 13–4
 production focus of, 65
 realist epistemology of, 55
 structural/organic ontology of, 55
 universal morality and, 28
 university Ph. D programs in, 254n3
 see also radical economics
 Hightower, Jim, 262
 Hill, Stephen, 263
 Hobbes, Thomas, 10
 housing banks, 188
 human relationships, emphasis on, 41
 Hume, David, 36, 37, 39, 48, 67n12
 Hume’s Law, 36–8
 Hume’s Species Flow Mechanism, 202, 203

I

import substitution, post-WWII
 initiation of, 197
 income inequality, poverty and, 45
 income mobility elasticity, 46
 increasing costs assumption, 76n3
 indifference curve, 222, 222n4
 inflation, root cause of (Friedman), 143
 inherited privilege, 5
 coexistence with extreme poverty, 29
 initial endowment redistribution,
 Pareto optimality and, 224
 interest rates
 adjustments of, Keynesian view of, 154
 Fed’s control of, 181
 International Monetary Fund (IMF),
 free trade and, 199
 intolerance, tolerance of, 38–9
 inverse-elasticity pricing formula, 236
 See also Ramsey pricing theorem
 investment, democratizing, 87–9
 Isoquant curve, 222, 222n4
 Izurieta, Alex, 21

J

James, LeBron, 78, 258
 Japan, “lifetime” employment system
 in, 132n32
 Jordan, Michael, 78, 258

K

Kahn, Alfred, 219, 220, 240
 Kalecki, Michal, 54, 145n8, 159
 macroeconomic fallacies and, 140
 macroeconomic modeling of,
 161–5, 162f
 and paradox of costs, 164
 and paradox of productivity, 164
 and paradox of thrift, 164
 Kaleckian cross, 161, 164f

Kaleckian Labor Market Model, 162
 Keleckian economics, *versus*
 Keynesian, 62
 Keynes, John Maynard, 53, 54, 62,
 68, 134
 on euthanasia of rentiers, 134
 on macroeconomic anchors, 168
 macroeconomic fallacies and, 140
 macroeconomic modeling of,
 160–1, 160f
 Keynesian cross, 161, 162f
 Keynesian economics, in US,
 166n30
 Keynes-Ramsey dynamic optimization
 model, 140n3
 Klein, Naomi, 34
 Krugman, Paul, 56, 145n7, 195n2,
 232n2

L
 labor, capital's power over, 81
 labor commodity proposition,
 10, 126
 labor market, as buyer's market, 126
 labor movement, increased strength
 of, 156
 Laffemas, Barthelemy de, 262
 land rent, classical political economist
 views of, 133
 Larudee, Mehrene, 254
 Lavoie, Marc, 55, 57, 162
 Lesser Depression of 2007, 14, 21, 56,
 154, 168
 employment-to-population ratio
 and, 60
 liberty, negative *versus* positive notions
 of, 80–1
 List, Fredrick, 262
 literacy, poverty and, 45
 Locke, John, 12, 40, 78

M
 macro analysis, *versus* micro analysis, 159
 macroeconomic allocations, market
 determination of, 84–6
 macroeconomic modeling
 Kaleckian, 161–5
 Keynesian, 160–1, 160f
 macroeconomics
 aggregate demand and aggregate
 supply model in (*see* aggregate
 demand and aggregate supply
 model [ADASM])
 individualist version of, 140
 key problem of, 157
 macroeconomy
 Federal Reserve influence on, 179
 finance/money in, 63
 imposition of SDM PCFM on, 156
 independent supply and demand
 and, 147
 Marshallian economists and, 148
 manufacturing, 19th-century, analyses
 based on, 108
 marginal cost equal price rule, and
 omission of equity, 220
 marginal productivity distribution
 principle, 80
 market
 as construction of social policy, 8
 in demand and cost model, 94
 macroeconomic allocations and,
 84–6
 in NC *versus* heterodox economics, 68
 optimal, efficiency and, 223
 removing economy from, 84
 market failure, externalities and public
 goods and, 131
 market forces, “objective”, 103
 market outcomes, morality of, 30
 market overrides, examples of, 88
 Marshall, Alfred, 94, 108, 225n9

- Marshallian cross, 148–9, 148n12, 151, 156, 161, 166, 183
- Marshallian economics, macroeconomy and, 148
- Marx, Karl, 48n29, 54, 58, 69, 259 and capitalism's tendency toward concentration/centralization, 121 "Holy Trinity" of, 127n28 land rent and, 133 on returns on wealth *versus* real economic growth, 11n30 socialist motto of, 261 unequal exchange ideology and, 82
- Marxist economics, 69
- Meade, James, response to Ricardian parable, 212–5
- means of production, class monopoly over, 261
- Meidner plan, 265
- mercantilist trade policies, 263
- Methodological Individualism and Rational Action (MIRA), 54, 68, 140, 140n3, 149n13
- micro analysis, *versus* macro analysis, 159
- microeconomics, post-Keynesian, 64
- Mill, James, Say's Law and, 142
- Mill, John Stuart, 12
- minimum wage, current value of, 86
- Minsky, Human, 63
- Mirrlees, James, 250n18
- Modern Monetary Theory (MMT) school, 63
- Mondragon Cooperative Corporation, 260n9
- monetary policy, post-Keynesian, 63
- money
 as fictitious commodity, 174
 introduction of, 142
 as public good, 174–5
 SDM paradigm and, 181
 social construct of, 173
 money creation, alternate systems of, 187–8
 money markets, separate, 188
 money neutrality, long-run, 142
 money supply, Fed's control of, 181
 monopolistically competitive firms, 109
 monopoly firms, 109
 moral relativism, pluralistic culture-based, 38
 Moral Sciences Tripos, 53
 morality
 in context of science, 27
 economics and, 44–7
 evidence-based, 47
 opposing positions on, 29
 philosophy and science of, 27–49
 scientific grounding of, 17
Morality of Radical Economics
 goal of, 14–18
 outline of, 18
- N**
- NAFTA (North American Free Trade Agreement), 195n2
- natural resources, supply curves for, 130
- need
 increased resource allocation for, 264
 socialist emphasis on, 261
 Utopian workshop valuation of, 235, 254, 257t *see also* social spending
- neoclassical economics
 author's encounters with, 19–22
 automatic macroeconomic adjustments and, 64
 and claim to value neutrality, 9, 13, 47–9, 53, 220
 consumption and scarcity focus of, 58
 convexity assumption in, 76n3

- neoclassical economics (*cont.*)
 and DMP principle, 108
 five hypotheses of, 149–51
 founders of, 6n19
 ideological prison of, 80
 ideological summary of, 12
 immorality charge and, 62
 individualist ontology of, 55
 influence on public policy, 20
 instrumentalist epistemology of, 55
 market allocation and, 60
 and morality of market outcomes, 30
 position of, 9–12
 procedural/bounded rationality of, 57
 reform proposals and, 67
 rentier economy and, 135
 social welfare optimization in, 232–4
 substantive rationality of, 55
 values of, 69
- Neo-Keynesian economic models,
versus NC model, 11
- Neo-Marxist economic models, *versus*
 NC model, 11
- New York State Public Service
 Commission, 219–20
- Nixon, Richard, wage controls and, 89
- Nonaccelerating Inflation Rate of
 Unemployment (NAIRU), 139
- O**
- Obama, Barak, 22n39
- OECD *See* Organisation for Economic
 Co-operation and Development
 (OECD)
- oligopolistic firms, 109
- oligopoly
 capitalism trend toward, 107
 as “natural” tendency of capitalism,
 107
- opportunity costs, NC focus on, 58–9
- Organisation for Economic
 Co-operation and Development
 (OECD)
 financial deregulation and, 190
 social spending in countries of, 265,
 266f
- ownership, internal *versus*
 external, 258
- P**
- Palley, Thomas, 56
- paradox of thrift, 162
- Pareto Optimality, 66, 66n11, 119
 equity and, 222
 ideological implications of, 223
 initial endowment redistribution
 and, 224
 PCFM outcomes and, 234
 welfare optimality and, 222
- Patacki, George, 21
- patriarchy, traditional religions and, 34
- pension funds, deregulation and, 191
- perfectly competitive free market
 (PCFM)
 as representative of NC economy, 75
 democracy and, 81
 in NC economic theory, 107
 market pricing and, 133
 Pareto Optimality and, 234
 pre-Keynesian NC view of, 141
versus liberty and democracy, 80–1
see also SDM (supply and
 demand model)
- Persky, Joe, 22
- Phillips curve, 156–8, 158f
- Pigou effect, 150
- Piketty, Thomas, 133n33
 on global tax on capital, 8
 on inherited privilege, 5
 wealth tax proposal of, 11n30

PK economics *See* post-Keynesian economics
 Polanyi, Karl, 8
 political economy
 classic, class basis of, 140n2
 defining, 65–6
 Popper, Karl, 39
 post-Keynesian economics, 55
 macro-and microeconomics in, 56, 64, 68
 methodological focus of, 64
 role of *finance and money*, 63
 poverty
 concentrations of, 4
 elimination of, 89
 impacts of, 45
 price controls, 89
 price discrimination rule, Ramsey
 pricing and, 238
 price equals marginal cost
 condition, 226
 price setting, in demand and cost
 model, 108–10
 price signals, 95
 price stabilization
 in agriculture, 128
 Keynesian economics and, 64
 principle of effective demand, 63
 private sector, public impacts of,
 83n12
 privilege *See* inherited privilege
 producer surplus (PS), 232
 defined, 99
 production, price equals marginal cost
 condition and, 226
 production possibilities frontier (PPF),
 58, 59f
 productivity
 defined, 256n4
 versus effort, 255, 256
 Friedman's emphasis on, 259
 as Utopia workshop criterion, 254
 Utopia workshop valuations of, 253,
 254, 257t

property
 capitalist emphasis on, 259
 classic liberal theory and, 78
 property-labor conflation problem, 78
 protectionist measures, 197
 public banking, 188
 “Public Choice” school, 122n24
 public goods, market failure and,
 131–3
 public investment funds, no/reduced
 interest rates and, 187
 public policies, employment
 maintenance and, 168
 public schools, corporal punishment
 in, 37

Q

quantitative Easing policies, 88

R

race, distribution of wealth and, 77
 radical economics
 big-tent definition of, 13
 general methodological points in,
 62–4
 morality of, 219–29
 position of, 13–14
 universal values and, 17 *see also*
 heterodox economics
 Ramsey effect, 243n11
 Ramsey pricing paradox, 242
 Ramsey pricing theorem, 149n13,
 235, 236n7, 238n8, 239–50
 Ravitch, Diane, 6
 Rawls, John, 40–4, 47, 54, 57
 Real Business Cycle (RBC) model,
 140n3
 recession, post-WWII, employment-
 to-population ratio trends, 61f
 Reich, Robert, 195n2
 Reinert, Erik, 262
 religions, patriarchy and, 34

- rentier economy, 5n15
 Keynes and, 8, 134
 NC economics and, 6n21, 133
 new, 133–5
 Ricardo and, 133
- reserve banking, fractional *See* fractional
 reserve monetary system
- Ricardian parable
 free trade and, 200, 202, 211, 212
 logical flaws in, 201
 neglect of flaws in, 207 *see also*
 comparative advantage
- Ricardo, David, 107
 and comparative advantage
 principle, 195
 land rent and, 133
 on rentier landlords, 128n29
 Say's Law and, 142
- Robbins, Lionel, 58
 "Robin Hood" tax, 7
- Robinson, Joan, 68
- Roemer, John E., 84, 86, 258, 260
- Roosevelt, Frank, 64, 254
- Roosevelt, Franklin Delano, Four
 Freedoms of, 28
- Rothenberg, Mel, 21, 73
- Ryan, Paul, 94n2
- S**
- Samuelson, Paul, 127, 145, 223n5
- savings and loans (S&Ls), deregulation
 of, 191
- Say, Jean-Baptiste, 142
- Say's Law, 63, 142
- scarcity, NC focus on, 58–9
- Schumpeter, Joseph, 121n21, 263
- Schwarzenegger, Arnold, 21
- science, morality and, 27
- "scissors diagram", 94
 SDM (supply and demand model)
 12, 93, 96f, 97f, 98f
 competitive free market (PCFM)75,
 93, 159
- critique of, 198–9
 deadweight loss and, 12, 102f
 definition of, 95, 99–106
 demand decrease in, 95, 98f
 demand increase in, 95, 112f
 equilibrium in, 95, 96f, 99, 103, 104
 independent SC fiction and, 93, 105
 Keynesian critique of, 198
 and legitimation of PCFM
 ideology, 75
 macroeconomy and, 139
 money/credit and, 190–2
 myths about, 173
 PCFM, 75
 post-WWII reversion to, 61
 prison walls of, 89
 second best theory and, 235–6
 (*see also* Ramsey pricing theorem)
 immoral outcomes of, 237–9
 shifts and movements in, 103
 supply curve and, 93–135
 supply decrease in, 101f
 supply increase in, 100f
 values of, 75, 105, 151
 violations of, 131–3
 voluntary equal exchange and, 81–3
 Walrasian model of, 99, 99n6
see also perfectly
- Second Fundamental Theorem of
 Welfare Economics, 104, 224n8
- self-ownership, *versus* outside
 ownership, 84
- Serra, Antonio, 262
- Singer, Peter, 48
- Smith, Adam, 12, 36, 46, 48, 53, 54,
 67n13, 68, 215
 as Enlightenment philosopher, 36,
 48, 67, 68n14
 invisible hand metaphor and, 67,
 83, 99, 103, 112, 119, 215
 land rent and, 133
 NC economics and, 68
- Smoot-Hawley tariff, 154, 154n18
- Snowberger, Vince, 250n18

- social choice
 ADASM and, 139–40
 demand and cost model and, 94
versus individual choice, 117
 and interests of owners, 126
 social choice hierarchy, game theory
 and, 124–5
 social democratic societies, 263
 social spending in, 265, 265f
 social investment funds, 260
 social mobility, comparative study of, 45
 social policy, markets as constructions
 of, 8
 social pricing rule, progressive, 243–6
 social science
 and evidence-based morality, 33
 improving society and, 14
 social spending
 in OECD countries, 265, 266f
 in social democratic countries,
 265, 266f
 US ranking of, 13n32
 in US *versus* Sweden, 268t–70t
see also Sweden
 social welfare
 optimization of, in NC economics,
 232–4
 Ramsey pricing theorem and, 235
 socialists, market *versus* nonmarket, 260
 socially “bad” outcomes, case for
 avoiding, 30–5
 solidarity wage policies, 265
 Solidarity Wage Policy, in Sweden, 86–7
 Soros, George, 79, 189
 Sraffa, Piero, 106n9, 225n9
 stakeholder corporate firms, 82, 259
 stakeholder economies, 263
 sticky wages, 151
 Stiglitz, Joe, 250n18
 Stretton, Hugh, 173n1, 184, 197
 supply and demand model (SDM)
See SDM (supply and demand
 model)
- supply curve
 independent
 mostly fictional existence of,
 108–23
 special cases of, 109, 125
 inelasticity of, 128, 130, 129f
 for natural resources, 125–7
 SDM and, 125–31
 supply side policies, 139, 157,
 166n31, 167, 167n33
- Sweden
 social spending in, 265, 266t
 Solidarity Wage Policy in, 86–7
 workfare state in, 84
- T**
 Tarshis, Lorie, 145
 Taylor, Lance, 54, 134n34,
 140n24, 212
 telecom deregulation, 219
 Third Fundamental Theorem of
 Welfare Economics, 224n8
 thrift, paradox of, 163–4
 Thurow, Lester, 195n2
 trade deficits, tools for restoring, 196–7
 trade models, price-based, infeasibility
 of, 216–7
 trade policies, balanced, 157
 Trans Pacific Partnership (TPP),
 196n2
 Trump, Donald, 104, 214, 224
- U**
 UN Universal Declaration of Human
 Rights, 32, 47
 UN World Happiness index, Denmark
 and, 32, 32n8
*Understanding Capitalism:
 Competition, Command, and
 Change* (Bowles, Edwards, and
 Roosevelt), 64

- unemployment
 - class power and institutional factors and, 117
 - ILO statistics on, 7n23
 - impacts of, 198
 - nonaccelerating inflation rate of, 139
- unionization, 265
- United States
 - class mobility in, 32
 - global warming and, 35
 - low-wage service sector in, 6n22
 - post-WWII GDP increase, 165n29
 - social spending ranking of, 4n7
- U-shaped cost curve, 64, 107n11

- V**
- value statements, reasoning and, 36
- values
 - in economic debate, 16–18
 - see also* morality
- Veblen, Thorstein, 54, 69

- W**
- wage controls, 127
- wage earner funds*, 265
- wage setting boards*, 86
- wage-labor relationship
 - legal contradictions and, 82n11
 - undemocratic/immoral nature of, 43
- wages
 - market-determined, overriding, 86–7
 - sticky, 151
- Walmart
 - efficiencies of scale and, 107
 - labor policies and profits of, 4–5
- Walras, Leon, 148n12
- Walrasian General Equilibrium model, 56, 148n12
- wealth
 - unequal distribution of, 245
 - world distribution of, 6
- wealth effect, 150
- wealth tax, 11n30, 75
- Weingarten, Randy, 5
- welfare optimality
 - definition of, 222
 - neutral, value-free
 - definition of, 222
- well-being, factual
 - measurement of, 39
- Wilson, Pete, 21
- women, empowerment of, 32
- workfare
 - role of, 263
 - in Scandinavian countries, 265
- workfare economies, 167
- World Bank, free trade and, 197–200
- World Trade Organization (WTO), 197