

Textbook Fables Support Immoral Policies: Economics Is Not About Supply and Demand or Aggregate Supply and Demand

Part II was conceived and mostly written during the 7 years (2000–2007) that my friend Mel Rothenberg and I were conducting a senior seminar on globalization at the University of Chicago. We had excellent, motivated, committed students from diverse disciplines—mostly noneconomics social science and social policy majors of various kinds. Many had non-US family backgrounds and most were progressive, but even these students were, in their economic thinking, often captives of mainstream NC economic ideology.

I wrote this then and as I rework it now (in 2015), much of the world, and particularly the USA, appears to be in a state of free fall. More and more serious social, environmental, political, and economic problems fester and remain unresolved. Young people are appalled and angry as they should be. But they are also overwhelmed and confused.¹ They want to do something and are trying to, but on many issues of economic policy they, and the vast majority of our political and intellectual elite, are trapped in an ideological prison. The prison is NC economics and it appears to leave an indelible mark, masquerading as “science,” on all who are exposed to it. Like other prisons of the mind—worship of idols, worship of more abstract religious dogma, Soviet communist ideology, and fascist mythology—the primary function of neoclassical economics

¹My son, a former student activist leader at Southern Illinois University and now a union organizer with the Ohio Education Association, is a good example of this new generation of angry and searching, politically active young people.

is to legitimate a social order. In order to change this social order, its underlying ideological principles and constructs need to be directly confronted. Part II is an effort to do this that draws liberally on the excellent but little-known work of an earlier generation of radical economists.