

Economics' New Standard Model

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I begin our run-up to the seminar by implicitly answering some questions regarding the seminar, its difficulty, the levels of participation envisaged, and so on: as will appear.

Obviously at this stage there is an incomplete list of participants and I send this out to you, and to interested questioners generally, but only individually. Feel free to forward my initial musings to others that you may think open to our venture. And from now on indicate if you wish me to post you comments on the website. When the seminar begins we will have a more complex way of proceeding.

Our venture is extremely loose in its demands on people, yet very focused. It is in quite a different world than the seminars of Lonergan that led to *CWL 15*, or the two sessions I gave in 1977. There the objective was for total coverage of the content of Part 3 of *For a New Political Economy*. Is not our objective the same? Only in a sense, a sense that is to emerge slowly. So let you go to the other extreme of difference of objective.

We aim at flexing our imaginations in order to glimpse what the future of undergraduate economics is to be. This is way more difficult that it appears from and in a first reading. So, for instance, the relevant flexing did not occur in previous efforts, starting with 1977-83.

I do not ask for heavy side-readings in the seminar: I ask that each of us homes in on [*Piketty's Plight and the Global Future*](#) as a context, to which I add further rambles round bits of *CWL 21*. I say *further* because the seven first chapters of that little book are initial ramblings round the process of finding out the drive of a new first text in economics.

The direction of our reach is conveyed well with the simple starting point that I implicitly suggested in my initial invitation. Check out the undergraduate offerings in some university, local or not. What you will find missing, for the most part, is serious local empirical economic interest. If you find such empirical interest, then we would like to share it. But generally, you find standard presentations of Well, I leave that to you. But the more energetic among us might give us an account of the main offerings in some institution, and their own reaction to the offerings. The aim of our seminar can now be simply stated as lifting such a reaction to a creative imaginative level that will ground an articulation – especially to the people involved or to effective journalists - of the character of the replacement of the offerings.

How good that lift and that articulation is for each of us depends on our own time- and energy- restraints. You may indeed not get much further than imagining

creatively what a decent account of the economy of a local village or urban block might be. There is where the group-reading of the eight chapters of [Piketty's Plight and the Global Future](#) can help, backed by rambles into *CWL* 21. But - to answer some concerned queries about the seminar's demands - even that reading is not necessary for participation. What is necessary is sufficient musings over what is taught in economics as to have a growing astonishment at this strange pretense of a science.

I say no more about that now: the growing astonishment is something we hope to grow slowly through the months of 2015. But I do add – especially for those of more leisure - that there are many ways of enlarging the starting point and the character of the astonishment.

So, there is the starting point that we are to share regarding two types of firm. One might lift one's astonishment by going back [you might Google "Scott Moss *The Theory of the Firm*"] to Alfred Marshall's discussions of the firm, and follow through the writings of Robinson and Chamberlin to see a growing sophistication that, however, misses the basic empirical point. Or, one might take up James Galbraith's recent (Sept 2014) book, *The End of Normal*, and, through reading his good account of the past century of American economics, be astonished by the messings of economics and government in this past century of America. His book concludes in a way that points nicely to our seminar:

“A good command of economic principles was not sufficient to foresee the Soviet collapse. And two decades later, we discovered that a good command of economic principles did not help foresee the world financial crisis either. Perhaps the problem is either the economic principles or the way they have been understood.

And that's the reason for this book.”

And that's the reason for this seminar!