

Review of: "What Went So Wrong in Economics"

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I found the paper to be an interesting and detailed history of economic thought investigation into current Neoclassical economic doctrine. This review and analysis of the scholastic reasoning used to justify rising marginal cost or “ghost curve” ideology behind the “supply curve” (see Baiman 2016 *The Morality of Radical Economics: Ghost Curve Ideology and the Value Neutral Aspect of Neoclassical Economics*) is instructive and important for scholars of economic history. I believe however, that the ideological battle over the rising marginal cost dogma is primarily political, and that the greatest leverage that economics instructors (most of whom primarily teach intro macro and micro courses) have is to offer a “horizontal” alternative to the “supply and demand” meme taught in every economics intro course (see Baiman 2019 *IJPEE* 10(2) preprint here:

https://www.researchgate.net/publication/325050152_The_Profound_Implications_of_Continuing_to_Teach_%27Supply_and_Demand%27_Instead_of_%27Demand_and_Cost%27_in_Intro_Economics_Courses-an_Unequal_Exchange_Application).

The basic idea is to point out that to the extent that it exists at all, the “supply curve” of intro texts is generally a set of points on outward or inward shifting demand curves along which producers estimate price and production points based on targeted mark-ups (from upward or downward shifting cost curves) and production levels, depending on business strategy and market conditions (see for example: <https://www.cpegonline.org/post/the-standard-economic-theory-of-rent-is-immoral-and-unjustifiable-ideological-fiction>).

As a simplification it is useful to specify a horizontal “cost curve” as this results in a simple “monopoly profit maximization” price point halfway between the vertical intercept of the demand curve and the horizontal cost curve. This point represents the “upper limit” of pricing choices by businesses, as businesses will lose profit if they price any higher. However, it is likely much higher than realistic price points targeted by businesses as most business face some competition in their markets and will price accordingly. This “cost and demand” alternative to the supply and demand meme can also be extended to replacing “aggregate demand and aggregate supply” with Aggregate Cost and Aggregate Demand in macro economics (see Chap. 6 in the Baiman 2016 book referenced above or Baiman 2019 “The profound implications of continuing to teach ‘supply and demand’ instead of ‘demand and cost’ in intro economics courses - an unequal exchange application”, *International Journal of Pluralism and Economics Education* 10(2), preprint here: https://static.wixstatic.com/ugd/30e282_67c062b92791419faaab69c14270e742.pdf). This is a simple way to present basic Post Keynesian - Kaleckian modeling insights in intro economics courses, the only courses that most people who have any experience with formal economic training ever take.

My apologies for turning this review into a riff on my own work. I think the subject that your article addresses is extremely important and that there are many ways to address “what went so wrong in economics”. The uncovering of the history of thought and an effort of popular political education directed at the masses of students who are required to study the current form of ideological economic indoctrination are both important.