Review of: "What Went So Wrong in Economics"

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Comments on the paper "What went so wrong in economics" by Frederic Jennins

This is an interesting paper that examines the discussion that happened in the 1930s on the assumption of increasing returns to scale in the production function and its consequences on the theories of competition and of general equilibrium, as well as on the neoclassical economic theory as a whole. As expected, dismissing the assumption of decreasing or constant returns jeopardises the neoclassical theoretical edifice, because the firm will not find a limit to increasing output, i.e., the neoclassical theory would be forced to accept market imperfections as facts.

As Dr. Jennins states, in 1939 John Hicks discussed the possibility of accepting increasing returns to scale, but soon formulated the "Hicksian getaway" to save the theory. In 1962, Jack Hirschleifer published an article on the firm's cost function making the case for the decreasing returns around the producer's equilibrium, the "Hirshleifer rescue"**.**

Dr. Jennins convincingly argues in his paper that both contrivances are incorrect and unjustified, although unquestioned in the neoclassical theory. According to Jennins, such is the source of its irrelevance.

I find the paper significant and have not much more to say. It is however very close to **The case for increasing returns: 'The Hicksian Getaway' and 'The Hirshleifer Rescue'"** in the *Journal of Philosophical Economics*, 2015, Volume IX Issue 1, by the same author.

Regards