## Contents

<table>
<thead>
<tr>
<th>List of Contributors</th>
<th>ix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>xi</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>xii</td>
</tr>
</tbody>
</table>

### Part I Perspectives on Economics and the Dynamics of Knowledge

<table>
<thead>
<tr>
<th>1 KNOWLEDGE IN ECONOMICS: A FRAMEWORK</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Mauro Baranzini and Roberto Scanzieri</em></td>
<td></td>
</tr>
<tr>
<td>I. Conflicting views and the growth of knowledge in economics. II The ‘exchange’–‘production’ duality. III. Economic knowledge and economic theory. IV. Conceptual frameworks versus objects of analysis. V. Economics and the methods of science. VI. On the recurrence of particular themes in economic thought and in economic reality. VII. The structure of the volume.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2 IS ECONOMICS A SCIENCE?</th>
<th>89</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>John Hicks</em></td>
<td></td>
</tr>
<tr>
<td>I. Introduction. II. Definition of science. III. Theory and predictions.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3 THE PROCESS OF FORMATION OF ECONOMICS IN RELATION TO OTHER SCIENCES</th>
<th>103</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Bernard Schmitt</em></td>
<td></td>
</tr>
<tr>
<td>I. Introduction. II. Classical economics. III. Neo-classical economics. IV. Modern economics. V. The formation of economics and other sciences: a comparison. VI. Is economics an exact science? VII. Is economics a ‘positive-normative’ science? VIII. Will economics evolve indefinitely?</td>
<td></td>
</tr>
</tbody>
</table>
PART II  THE CORE AND EXTENSIONS OF EXCHANGE-ORIENTED THEORIES 133

4  THE CONCEPTS OF SURPLUS AND LOSS AND THE REFORMULATION OF THE THEORIES OF STABLE GENERAL ECONOMIC EQUILIBRIUM AND MAXIMUM EFFICIENCY 135
Maurice Allais
I. Fundamental concepts. II. The general theory of distributable surplus and loss when no particular good is used as money. III. The theory of distributable surplus and loss when a particular good is used as money. IV. Progressive elaboration of the concepts of surplus and loss. V. The decentralized search for surpluses: the model of an economy of markets versus the model of the market economy.

5  THE PROBLEM OF AGENTS' BELIEFS IN ECONOMIC THEORY 175
Michael O. L. Bacharach
I. The problem. II. The role in economics of individuals' beliefs. III. Theories of belief in standard economic theory. IV. The defence of Standard Belief Theory. V. The failure of the defence.

6  PRICE FORMATION AND THE COSTS OF EXCHANGE 205
Dieter Helm
I. Introduction. II. Definition of production. III. Firms and the production of prices. IV. The origin of price-fixing: the transactions-cost approach. V. Consumers, production and prices. VI. Administered markets. VII. Conclusion.

7  THE EXCHANGE PARADIGM AND THE THEORY OF PRODUCTION AND DISTRIBUTION 221
Klaus H. Hennings
I. Introduction: trade and production in economic theory. II. The exchange paradigm. III. The formal equivalence of exchange and production. IV. Jevons, Menger and Walras on production. V. Marshall and the theory of the firm. VI. The structure of production. VII. Marginal productivity and the production function. VIII. The rise of general equilibrium theory. IX. Conclusion: gains and losses.
Contents

PART III THE CORE AND EXTENSIONS OF PRODUCTION-ORIENTED THEORIES 245

8 MAN AND PRODUCTION
Nicholas Georgescu-Roegen
I. Production and life. II. Homo sapiens: an exosomatic species. III. Exosomatism and its aftermath. IV. Exosomatism and natural scarcity. V. Modern economics and natural resources. VI. The dissymmetry of economic theory. VII. Flows and funds. VIII. Recipes and production functions. IX. Substitutability and limitationality. X. Feasible recipes and viable technologies. XI. Energy analysis. XII. Energy theory of economic value. XIII. The Promethean destiny of man’s production.

9 CONCEPTIONS OF TECHNOLOGY AND THE PRODUCTION PROCESS
Michael A. Landesmann
I. Introduction. II. A time-structure representation of a productive system. III. Process indivisibilities and input indivisibilities. IV. Task specialization and process differentiation. V. Arrangements of production processes: Babbage and Marx on the factory system. VI. Analysis of the factory system.

10 TECHNOLOGICAL SCARCITY: AN ESSAY ON PRODUCTION AND STRUCTURAL CHANGE
Alberto Quadrio-Curzio
I. Production, produced and non-produced means of production: a historical and theoretical introduction. II. Data and problems of the economic system. III. Economic system, prices-distribution system, production-interdependence system. IV. Production-interdependence represented with jointed techniques and global technologies in a uni-periodal situation. V. Variations in levels of activity and degrees of efficiency. VI. Production-interdependence represented with disjointed techniques and composite technologies in dynamic situations. VII. Technical change, choice of techniques and technologies, technical progress. VIII. Concluding remarks.

11 PRODUCTION AND EXCHANGE IN THEORIES OF PRICE FORMATION AND ECONOMIC TRANSITION
Krishna Bharadwaj
I. Introduction. II. Production and exchange in economic
Contents

history and theory. III. The nature of markets and the form that ‘price’ takes. IV. Specifications of capitalist exchange.

PART IV  FROM THE ANCIENTS TO THE MODERNS:
A REAPPRaisal OF THE DYNAMICS OF
CHANGE IN ECONOMIC THEORY

12 PROGRESS AND ANTI-PROGRESS IN ECONOMIC SCIENCE
Christopher Bliss
I. Introduction. II. The progressive tendency of science. III. Economics as science. IV. Hicks on catallactics. V. Pasinetti on production and exchange. VI. Consensus and scientific progress. VII. Conclusion.

13 THE EXCHANGE–PRODUCTION DUALITY AND THE
DYNAMICS OF ECONOMIC KNOWLEDGE
Alberto Quadrio-Curzio and Roberto Scanzieri
I. The ‘classics’ of political economy: the discipline viewed as a continuity of the past into the present. II. Exchange and production at the beginning of systematic economic theory. III. From Smith’s Wealth of Nations to Ricardo’s Principles. IV. Evolution of classical political economy: from Ricardo to Keynes. V. The spreading of the fundamental idea of exchange: from Thünen to Pareto. VI. Concluding remarks.

14 THEORY OF VALUE – A SOURCE OF ALTERNATIVE PARADIGMS IN ECONOMIC ANALYSIS
Luigi L. Pasinetti
I. Justum pretium: the pre-theoretical stage. II. Ferdinando Galiani – a remarkable symbol of pre-theoretical writing. III. The emergence of theories. IV. A pure exchange, or pure preference model. V. The meaning of prices in a pure preference economy. VI. Extensions of the pure preference model. VII. A pure labour model. VIII. The meaning of prices in a pure labour economy. IX. Extensions of the pure labour model. X. Theories and society.

Name Index

Subject Index