

Contents

Chapter 1 People and Markets (Microeconomics)	1
The Invisible Hand of the Market	3
From Mercantilism to Market Economy.....	3
Monopolies and the Cournot Point	6
References for Further Reading:.....	8
Competition in Theory and in Practice	9
From “Perfect Competition” to Dynamic Competition	9
Competition Policy: Harvard versus Chicago	11
Natural Monopolies and Government Market Access Barriers.....	14
References for Further Reading:.....	16
Prices, Costs and Profits	16
Alfred Marshall’s Scissor Theorem.....	16
The Laws of Large-Scale Production and Their Limits.....	19
Turgot’s Law of Returns and Marshall’s Producers’ Surplus	20
Trade Margins and Speculation	22
Fair Prices and Government Intervention Into Markets	24
References for Further Reading:.....	26
The Utility and Real Value of Commodities	27
The Classical Paradox of Value and Gossen’s Laws	27
Pareto Optimality and Distribution of Income	30
Consumer Sovereignty and Merit Goods.....	32
References for Further Reading:.....	34
Causes of Market Failure	34
Should the State Act as Night Watchman?	34
Natural Collective Goods.....	36
The Non-Applicability of the Exclusion Principle	37
Externalities and Environmental Problems	38
Are Environmental Taxes and Charges Unjust?	41
Voluntary Negotiations: The Coase Theorem.....	42
The Environment and Politics	43
References for Further Reading:.....	45

Fair Wages and the Right to Work.....	45
Thünen's Equation for a Natural Wage	45
Karl Marx's Labour Theory of Value	47
Problems of Socialism	49
The Pareto Curve.....	50
Minimum Wages and Maximum Income Limits?.....	52
Productivity and Wage Rates	54
References for Further Reading:.....	55
The Mystery of Capital and Interest	56
Interest Rates and Bans on Interest	56
Who do Capital Gains Belong to?	58
Böhm-Bawerk's Third Reason	60
Paradoxes of Capital Theory	61
Natural Interest Rates and Monetary Policy.....	64
References for Further Reading:.....	67
 Chapter 2 Crises of Market Economies (Macroeconomics)	69
How Does Money Enter the Economy?.....	71
From Shell Money to the Peel Banking Act.....	71
Money Supply and Price Levels	76
References for Further Reading:.....	79
Business Cycles and Shortages in Demand	79
François Quesnay's Tableau Economique	79
The Say Theorem	82
Marx's Theory of Crises and the Theory of the Purchasing Power of Wages	84
The Keynesian Revolution	86
References for Further Reading:.....	89
Why Do Business Cycles Fluctuate?	90
Knife-Edge Growth	90
Aftalion's Use of Fire as an Example: The Accelerator Principle	94
Business Cycle Policy: Is it Possible to Master the Chaos?.....	96
Business Cycle Theory at a Political Level	97
The Influence of Politicians on the Business Cycle	98
References for Further Reading:.....	100
Does Technical Progress Destroy Jobs?	101
The Release Theory versus the Compensation Theory.....	101
Irritating Structural Changes	104
References for Further Reading:.....	107

Inflation and Unemployment	108
The Quantity Theory	108
The Controversy about the Philips Curve	111
The Bullionist Controversy	114
References for Further Reading:.....	116
Growth and Wealth	117
In Praise of Saving	117
Shortages of Capital and Underdevelopment	119
The Golden Rule of Accumulation	120
The Connection Between Interest Rates and Growth Rates	123
References for Further Reading:.....	125
Limits of Economic Growth	125
The Oil Price Shocks of the 1970s	125
Are the World's Raw Materials Running Out?	128
The "Robber-Booty" Problem and the Hotelling Rule	129
Is there any Justice for Future Generations?.....	132
References for Further Reading:.....	134
 Chapter 3 Trade and changes in the world economy (Foreign trade)	 135
Should We Protect Ourselves from Cheap Competition from Abroad?	137
From Mercantilism to the Free Trade Theory	137
Ricardo's Theorem of Comparative Cost Advantages	140
Arguments Advanced for Duties	141
Dumping and Protectionism	144
References for Further Reading:.....	147
Winners and Losers in World Trade	147
Do Large Countries Have Big Advantages?	147
Are the Countries that Have Raw Materials Being Exploited?	149
The Effect of the Terms of Trade and the Optimal Tariff.....	150
References for Further Reading:.....	152
When National Economies Run into Debt	153
What Is a Balance in Foreign Trade?	153
Equilibrium in the Balance of Payments and the J-Curve Effect	154
Are Deficits in the Balance of Payments a Sign of Weakness?	156
References for Further Reading:.....	158
Will International Competition Lead to Falling Wages?	159
The Factor-Proportions Theorem	159
Factor Price Equalization and the Stolper-Samuelson Theorem	161
Globalization and Dynamic Competition	163
References for Further Reading:.....	165

Globalization and Competition Between Locations	165
Mobile Capital – Falling Wages?	165
Is the Competition between Locations a Zero-Sum Game?	167
Migration of Labour	168
References for Further Reading:	171
The History of the Currency System	172
The Gold Standard and its Demise	172
Bretton Woods and Triffin's Dilemma	175
Fixed Exchange Rates Cannot be Enforced	179
References for Further Reading:	180
Why Does the Dollar Rate Fluctuate?	180
The Purchasing-Power Parity Theory and its Limits	180
The Role of the International Flow of Capital	183
Currency Speculation	185
Can Monetary Union Help?	188
Monetary Policy in the Hotel Foyer	190
References for Further Reading:	191
 Chapter 4 The State and Social Matters (Public Finance)	 193
The State and its Role in the Economy	195
Rule of Law or Rule of the Elite?	195
The Church and the State	198
Mercantilism and Socialism	199
Ordoliberalism	202
References for Further Reading:	203
Democracy and Market Economy	204
Is there a "Third Way"?	204
Co-determination of Workers	205
Arrow's Voting Paradox	207
Is Federalism an Answer?	210
References for Further Reading:	211
Social Aspects of a Market Economy	212
From the "Coal Miners' Penny" to the Welfare State	212
Is there an Optimal Rate of Government Outlays?	215
The "Magic Triangle" of Social Policy	218
References for Further Reading:	220
Taxes and Justice	220
Who Should Pay how Much in Taxes?	220
Limits of Social Justice	222
Pro and Contra Poll Taxes	225
References for Further Reading:	229

Family Policy and Provision for Old Age	229
Birth Rates and Social Protection	229
Pay-as-You-Go Systems or Capital-Funded Systems?	231
Abundance of Children as an Economic Asset	234
Subsidiarity Principle or Welfare State Principle?	235
References for Further Reading:.....	237
Economic Laws and Juridical Thinking	238
Can Values be Classified Unequivocally?	238
Good Intentions and Negative Consequences.....	240
Sisyphus or Hercules?	242
References for Further Reading:.....	242
The Welfare State and Unemployment	243
Is Full Employment Possible at All?	243
Natural Unemployment and Mismatch	244
The Poverty Trap and Wage Autonomy	246
Costs of Social Protection and Negative Income Tax	249
References for Further Reading:.....	252
 Index of Names	 253
 Subject Index	 257



<http://www.springer.com/978-3-540-02355-5>

The Invisible Hand
Economic Thought Yesterday and Today
van Suntum, U.
2005, XIII, 263 p., Hardcover
ISBN: 978-3-540-02355-5