Chapter VI

CONCLUSION
Economics is not a static discipline but it is flexible and dynamic depending on the socio-political set up of different countries of the world. It is a younger discipline of knowledge as compared to other disciplines such as History, Political Science, Physics, Chemistry, Medicine, Astronomy, Anthropology, Botany, etc. So new branches of knowledge are sprouting to enlarge the scope of economics.

At the end of our attempt to record the contribution of sixteen contemporary economists, it is now time to summarize them and to give our conclusion.

II

Stigler, Buchanan and Simon have along with others contributed to a new branch of knowledge in the discipline of economics which may be termed as The Economics of Information and Non-Market Decision-Making. Stigler has propounded the concept of price distribution and advertising as important variables of market economy and price theory. This helps in avoiding the ignorance of knowledge of price variation to a large extent in the theory of market.

Buchanan is the founder of 'public choice theory' based on democratic process. The theory helps the individuals as well as the authorities not to make wrong decisions on investments on public goods.

Herbert A. Simon is famous for his concept of administrative behaviour, administrative principles, rationality and communication. Public Administration being one of the non-economic infrastructure in economic development. Simon's
contribution is considered as important in the contemporary economic theory. His contribution are taken as a good set of variables require in the decision-making process.

These three economists together have strengthened this new branch of economics which is growing and which must draw the attention of students of economics.

III

Clower, Leijonhufvud, Shackle, Kornai and Georgescu-Roegen have together built up the theory of disequilibrium in contrast to earlier equilibrium analysis. Clower gives new terminology to Keynes' 'Unemployment equilibrium', by introducing the concept of "dual-decision-hypothesis".

Leijonhufvud dealt with Keynes' theory of interest and information costs. Shackle's contribution rests on his writing about 'uncertainty', 'expectation' and 'unpredictable' future. He is very critical about the neglect of the problem of uncertainty in the writings of many economists. His idea is perhaps correct as anything can happen in any economy.

Kornai dealt with the General Equilibrium Theory of the Walrasian School. He criticises their theory. Georgescu-Roegen's 'Bioeconomics' and 'Entropy Law' are contribution of high order. His work is indispensable to understand and analysis the problem of modern economic literature.
Many economists do not accept Clower's view that many other economists have adopted his notion 'dual-decision-hypothesis' as the micro-foundations of a Keynesian type of macro-economics. Clower's contribution is largely theoretical in nature.

So far as Shackle's contribution are concerned, Shackle is of the opinion that the whole of economic literature is irrelevant to the modern world if the concept of 'uncertainty' is excluded from it. The concept of uncertainty taken with other concepts of expectations are important in the context of recent changes in the communist systems that rules USSR and its satellites countries.

We cannot completely reject the General Equilibrium Theory as Kornai suggested although the theory may be modernised as done by many economists.

The six economists together have greatly contributed to new branch of economics namely the Economics of Disequilibrium. Their contributions are great in the sense that disequilibrium analysis since become a part and parcel of modern economic theories. It is because of these five economists and their friends that Economics of Disequilibrium emerges as a vital topic in contemporary economic discussion. Their contributions further provide us with the basis for the reinterpretation of economic theories of Walrasian, pre-Keynesian and post-Keynesian approaches and methodology.
The six economists Arrow, Hicks, Debreu, Klein, Solow, Samuelson have made great advances to the Economics of Equilibrium. By way of challenging Kornai's criticism of the General Equilibrium Theory as being as a brake on the development of economic thought. The six great economists and their friends have sought to modernize the theory instead.

Arrow was unable to solve some of the problems of General Equilibrium although he gave practical analysis to it. He discovered that the existence of multi-market equilibrium under conditions of Perfect Competition requires forward markets in all goods and services.

Hicks discusses different types of equilibrium after attributing credit to Walras as a creator of the theory of exchange equilibrium. His second type of equilibrium of production is more applicable than his equilibrium of exchange. He also introduces four kinds of markets namely the markets for products, the markets for factors of products, the markets for direct services and the markets for intermediate products.

Debreu has made an attempt to modify Adam Smith's "invisible hand" According to which, the conflict interest of producers and consumers are reconcile through price mechanism. His application of topology shows that the producers, distributors, consumers maximize their welfare by manipulating prices and factors of production.
Klein has discovered both merits and demerits of Keynesian theory of Employment, Interest and Money. Besides, clarifying Keynesian economics he analyses equilibrium in a dynamic way.

Solow contribution is also an advance in Economic of Equilibrium. Samuelson, on the other hand, explains a concept of comparative statics and equilibrium which are great advances in Equilibrium Economics.

Arrow's finding, however, throws some doubt on the practical significance of General Equilibrium Theory although he could demonstrate that the theory is still relevant to these economics with missing forward markets.

Debreu explained of Adam Smith's 'invisible hand' in a very different way which may lead one to think that his contribution is a innovation rather than the modification of Adam Smith concept.

The six economists have been able to preserve the importance of the equilibrium analysis by way of modernization the theory in contrast to the growth of Disequilibrium Economics.

V

The development of Radical Economics is a major development in the different branches of economics. There are a good number of radical economists but Joan Robinson and Michio Morishima have been considered in this work.
Mrs. Robinson is indeed a radical economist. Many writers regard her as a Marxist while others regard her as pure Keynesian. Initially she was even taken as being Marshallian. But she was neither pure Keynesian nor Marxist. She has rather attempted to reconcile different schools of economics - classical, Keynesian, Marxian. Her contribution has open new fields of investigation in economic thought and doctrine.

Like Mrs. Robinson, Morishima has made radical treatment of economics. He has mathematically proved equilibrium economics. He is of the view that there should be revision of Keynesian, Marxian and Walrasian models for the purpose of assimilating all aspects of human life.

Radical economists have put forward new arguments with mathematical validity. Besides, they have refuted the orthodox economic theories and their analyses are multi-dimensional. In particular, Joan Robinson and Michio Morishima did not completely reject Karl Marx's contribution. They rather helped Marxian economics to be still valid in the present world. They, however, believe that both Marxian and non-Marxian economics require reinterpretation to maximize human welfare. To that extent, it may be said that they are radical.

To end with, it is hoped our humble attempt has fulfilled the objectives of this dissertation.