The Cambridge tradition of economics is a heritage to draw upon as alternative to neoclassical economics, following two parallel lines: Keynes’s ideas on the failure of laissez-faire economics and Sraffa’s revival of classical political economy.

Keynes exposes the inconsistency of expecting full employment of resources in the aggregate from individuals maximizing either utility or profit, arguing that aggregate behaviour does not have the same outcome as individual behaviour, so that what may appear good for a single player in the market may not be good in the end; neither for the individual, nor for the whole.

Sraffa clarifies the inconsistencies arising from the method of representing the equilibrating forces of the market with a pricing mechanism of goods and factors of production based on marginal magnitudes, arguing that market, taken as synonymous with supply and demand, is a misleading arena for representation of the rules of production and distribution.

The course focuses on the content, as well as the method and ‘style’, of the type of economics associated with the Cambridge tradition at the core of which stand Keynes and Sraffa, enriched by the contributions of Kahn, Kaldor and Joan Robinson, who in their own ways all expose the shortcomings of both the trust in markets and the faith in market theory.

**Readings**

Selected chapters from:


