

## Conversation with Alain Parguez\*

By Fadhel Kaboub

Alain Parguez is Professor of Economics at the University of Franche-Comté, Besançon, France, and is associated with the Economics Department at the University of Ottawa, Canada. He has worked extensively on developing a genuine general theory of capitalism, that is a monetary production economy, which he labeled the theory of the monetary circuit. He has written extensively on monetary policy, crisis theory and economic policy, including many articles on the impact of austerity measures, which he believes are the cause of world crises. He was the editor of *Monnaie et Production*, and has written numerous articles and books. He is currently writing a book on the General Theory of the Monetary Circuit. The reader will find a selection of Professor Parguez's publications at the end of this interview.

\*\*\*

**Oeconomicus:** Skidelsky in his biography of Keynes (Volume II) has argued that “Keynes’ inspiration was radical but his purpose conservative.” How did Keynes reconcile these two opposing forces?

**Parguez:** I think that it depends on the kind of approach. Keynes’ approach to economic theory was, of course, a true revolution because he understood that there was nothing different between the so-called classical economics inherited from Smith Ricardo and the Neoclassical economics. What was crucial in the whole classical legacy was the ex-ante saving constraint. Society was constrained by the ex-ante real fund generated by thriftiness or voluntary saving. The neoclassical just added market mechanism to support the saving constraint. So, Keynes’ scientific project was to reject the whole classical research program from Smith and Ricardo onwards, including of course the neoclassical system. So, it was obviously not a conservative approach to economic theory.

Sometimes Keynes had been accused, including by myself, of having been too cautious in, for instance, maintaining some aspects of neoclassical economics like the equality between the real wage and the marginal productivity of labor or by maintaining the Marshallian price theory. But the truth is that those are aspects of neoclassical theory, and, I think that they were of secondary importance for Keynes.

As soon as the saving constraint postulate was rejected, the equality between the real wage and the marginal product of labor was of no importance. But did Keynes have a political or social agenda that could be deemed as conservative? I think that Keynes was absolutely pessimistic on the possibility of changing human nature and changing society. Keynes had a vision of society, which was ruled by an absolute loss of the future, and because society, which is, of course, the ruling class, was absolutely afraid of committing itself to the future. That explains the so-called preference for liquidity and the desire to hold wealth and capital in the form of money. So, nothing could be done as long as it was

---

\* Questions in this interview are inspired by interviews in: Snowdon, B., Vane, H. and Wynarczyk, P. (1994), *A Modern Guide to Macroeconomics: An Introduction to Competing Schools of Thought*, Northampton MA: Edward Elgar Publishing.

## *Conversation with Alain Parguez*

impossible to change the attitude of the ruling class relative to the future. Keynes, of course, disregarded social democrats he just had contempt for them. He also disregarded and rejected the Russian project.

The main lesson to be taught by the *General Theory* is that nothing could be done except of course the mysterious and mythical “euthanasia” of the rentier. It is a pessimistic view of the future, which explains why there is no economic policy proposal in the economics of Keynes. I think that when he wrote the *General Theory*, he did not believe in the possibility of an economic policy sustaining full employment in the long run.

**Oeconomicus:** The neoclassical synthesis interpretation of the *General Theory* made Keynes part of the “broader” neoclassical theory. How has it affected economic theory and policy since then from its “Keynesian route?”

**Parguez:** Since Hicks [1937], the neoclassical economists endeavored to integrate Keynes into their framework. Why did Keynes do nothing against the IS-LM model for instance? I think that maybe the explanation lies in the fact that Keynes believed that Hicks’ interpretation maintained his rejection of the saving constraint. But the reinterpretation of Keynes first by Hicks, next by the so-called disequilibrium school, and then by the Neo-Keynesians was of course an explanation of the survival neoclassical economics, because nothing could be done to debunk the neoclassical system. Of course, this interpretation was totally contradicting the core of the *General Theory*. But very few people understood what Keynes really had in mind, and since the neoclassical could convince that Keynes was part of their research program, the debate was over.

**Oeconomicus:** In 1993, Robert Lucas was asked the following question: “should students of macroeconomics still read the *General Theory*?” his answer was simply: “No”. What would be your answer to this question? And why?

**Parguez:** Well, of course, students should read the *General Theory*, and they should not read Robert Lucas. In the future people will ignore the very name of Lucas. My answer to this question could be: How many economists of the 20<sup>th</sup> century are remembered by the public at large? People now remember Einstein; they remember Freud; and, they remember Keynes. So, Keynes is one of the very few characters who had access to the intellectual pantheon of the 20<sup>th</sup> century. So, students should read Keynes, and, of course, they should read Marx; while, of course, they should not read most of the textbooks, which are an insult to science and logic.

**Oeconomicus:** Joan Robinson argued that Keynes “was himself partly to blame for the perversion of his ideas” and that he “himself began the reconstruction of the orthodox scheme that he had shattered.” What do you think are the main reasons for the conflicting interpretations of the *General Theory*?

**Parguez:** Joan Robinson is right. The book is obviously poorly articulated and sometimes Keynes himself is extremely obscure, and maybe this could explain the success of the book. Keynes never really explained in the *General Theory* what he really had in mind

and so the reader must try to discover the Ariadne's thread in Keynes. On this point Keynes is very different from Marx, and as I told you, there are many chapters in the *General Theory* that are pure Marshallian. When Keynes talked about price theory, it's a pure Marshallian theory. Chapter 17, on the own rate of interest, can be interpreted in a very conventional classical way. Why was Keynes unable or unwilling to go beyond those failures? It's extremely difficult to know. Obviously Keynes was very British in the sense that logic had never been very attractive to British writers, with some exceptions of course. On the other side, Keynes was maybe torn between on one side his project of building and bringing about a new vision of economics, and on the other side maybe his unwillingness to reject many aspects of the traditional system.

\*\*\*

***Oeconomicus:*** Expectations play a major role in economic analysis. What are your views of the rational expectations hypothesis?

**Parguez:** First, I would commend little of the word "expectations." I think that Keynes should have used the term "anticipations" because what Keynes means by expectations is an event that doesn't exist yet, which could exist in the future, but on which no probability could be collected. While the so-called rational expectations hypothesis is maybe the last form of the General Equilibrium, because since people are rational, it is as if they could know what [would] exist in the future. So, the rational expectations hypothesis is substituted for the Walrasian auctioneer; it is an ultimate generalization of the neoclassical program, and the rational expectations contradict the concept of Keynesian expectations.

***Oeconomicus:*** Why do you think there is more consensus among economists over microeconomic compared to macroeconomic issues?

**Parguez:** Microeconomics was born as the core of the neoclassical research program. Neoclassical economics was created as microeconomic system, and it never had macroeconomic foundations. Microeconomics is neoclassical and there cannot be any microeconomics other than neoclassical. But, of course, by microeconomics I mean the abstract research program rooted into specific assumptions connected to artificial homogenous agents and of course independent from any kind of institutional framework. So, there is no debate, and there never had been a debate on microeconomics. While, of course, there is a debate on macroeconomics because there is a misunderstanding of what is really or should be macroeconomics.

[See page 17 for comments from Professor Frederic Lee]

***Oeconomicus:*** Do you feel that the main differences among macroeconomists today are over empirical or theoretical matters?

**Parguez:** They are only on theoretical framework because abstracting from the question of the possibility of rooting theory into empirical research. Most economists are

## *Conversation with Alain Parguez*

completely indifferent to what exists in the real world. The differences are in theories which are connected with differences, maybe rooted into ideology and social vision, and also on the role economists want to play. Most economists behave as if there were social engineers and pure technocrats, and that's maybe the major difference in macro.

**Oeconomicus:** Do you see any signs of an emerging consensus in macroeconomics, and if so what form is it likely to take?

**Parguez:** For the moment, and I'm deeply worried about this fact, there is not the least consensus. There should be a consensus, and if not, I don't bet much on the survival of economics. So, the question is why is there no consensus while there must be and there should be one? Why those never ending debates on the basic principals, which doesn't exist in other scientific fields?

**Oeconomicus:** Is economics an exact science?

**Parguez:** There are no exact sciences. There are more or less exact sciences, and, therefore, there are no exact sciences. So, to answer your question, I would say yes. By saying yes, I don't mean a totalitarian system. But if we reject the assumption that there could be some truth, economics doesn't exist at all. That doesn't mean, of course, that algebra and mathematics are not exact sciences. But, yes there should be some agreement on a unified theory; which, of course, can evolve and must evolve in the course of time. One of the worst mistakes of many economists is that they are fascinated by the postulate that there is an exact science. No! There has been a ceasing change in scientific paradigm, for instance, in physics and in any other kind of scientific field.

\*\*\*

**Oeconomicus:** What have been the main influences on your own work?

**Parguez:** First, of course, Marx and Keynes. I read Marx when I was around 15 or 16, and I read Keynes a little later. When I began studying economics, I had some kind of pluridisciplinary course. I was absolutely outraged by the total inconsistency of neoclassical economics. So, I tried to use my readings of Marx and Keynes to understand what was going on. But at that time I was absolutely isolated not only in France but also elsewhere because economists are quite well known for their aversion to new ideas.

**Oeconomicus:** What is the best book you have ever read in economics?

**Parguez:** The best book... what I would say could surprise someone... I would say Marx, *Das Kapital*.

**Oeconomicus:** What are the main critiques that you could address to Marx?

**Parguez:** For a long time I thought that the theory of surplus value in Book I is too similar to the Smith-Ricardo theory of value, which ignores the very existence of money,

and, of course, the demand constraint. Therefore, Marx's analysis of capitalism in Book I contradicts the essentiality of money which distinguishes the capitalist economy from the despotic or command economy.

**Oeconomicus:** And what is the best book (not related to economics) you have ever read?

**Parguez:** *Ulysse* by James Joyce.

\*\*\*

**Oeconomicus:** What are the fundamental propositions of the monetary circuit theory?

**Parguez:** The first proposition is that money is essential because it is the existence condition, or the crucial material infrastructure of the economic system, which is the capitalist system. The second proposition is that, money is essential because it is created to sustain or allow expenditures by the State, firms, and households, which determines the creation of wealth. If money is created to allow expenditures that are deemed necessary, it should be, therefore, destroyed when those expenditures are undertaken, which means that money should be destroyed in what I call “the reflux stage of the circuit” when taxes are collected and when firms earn their receipts (including their profits). So, money is created to be destroyed. The sole function of money is therefore, to be the unit of accounting wealth and, of course, to be the means of acquisition of labor and real resources.

The demand for money, which exists in both neoclassical and Keynesian economics, doesn't exist. Therefore, there cannot be some monetary equilibrium between the stock of money and the demand for money. Money is therefore, endogenous, which means that money is created because it is required to undertake expenditures, and it is created, of course, by the State and/or by Banks. Money is therefore, part of the accumulation process of society. But it obviously includes also the role of the State, as long as the State expenditures are themselves part of the accumulation process of society. In a monetary economy, saving doesn't exist as a constraint, and saving is just the reflect (it's some kind of mirror image) of prior expenditures.

**Oeconomicus:** What are the policy implications of the monetary circuit theory?

**Parguez:** The first implication is that economic policy is possible. This may seem trivial, but we are now in a time where the ruling elite rejects the very notion of economic policy and economic intervention. In the Western culture, the ruling ideology is an absolute material determinism. The laws of capitalism rule supreme, and nothing can be done but just abide to the law of capitalism. So, as long as we use the theory of the monetary circuit, unemployment is always possible, and it is the normal state of the system. There is no mechanism suppressing unemployment. So, a policy of full employment is required. But no policy against unemployment can be implemented without a deep intervention of the State in the economic system, which means absolute control of the central bank, rejecting any idea of constraint on public expenditure, and changing the distribution of income of society. So, the major conclusion is that there is an economic policy, such a

## *Conversation with Alain Parguez*

policy is required to attain full employment and to prevent recurrent economic crisis. The role of economics is not to manage society but to transform society.

**Oeconomicus:** What are similarities and differences between the views of the monetary circuit theorists and the Post Keynesians?

**Parguez:** First, the obsessive reference to Keynes (the Keynes of the *General Theory*). I think that nothing can be maintained of the analytical framework of the *General Theory*. There has been some debate. I have read some articles that said that I have been more inspired by Marx, that's possible. The second difference is that being too much faithful to Keynes, the Post Keynesians don't have a consistent theory of money. They either maintained some kind of a very conventional theory of money supply and money demand, debating on the slope of the curves, or they ignore money by wishing for instance to reach some kind of synthesis of Keynes and Sraffa, which is absurd in my opinion. Third, I think that the Post Keynesians maintain some kind of equilibrium structure of the system while they completely reject this. They pay very poor attention to the State, while; I think that the monetary theory of the State is absolutely crucial to an understanding of the theory of money. Finally, the Post Keynesians after 50 years of debate, they never had a sensible vision of economic policy. For instance, I am extremely concerned by the fact that Post Keynesians had nothing to say on what happened in the Eastern economies. I don't know any Post Keynesian work on this issue.

**Oeconomicus:** Do you think it is possible to marry together the contributions of Keynes and Sraffa? And why?

**Parguez:** It is absolutely impossible because Sraffa's model is rooted into the Ricardian economics. It is some kind of formalization and generalization of the economics of Ricardo. There is a real surplus which is given and which must be redistributed. It is, therefore, an equilibrium model. Money cannot exist or doesn't exist. There is obviously no demand constraint in the system, and, therefore, it is contradicting the idea of Keynes that the crucial division was between those who maintain the saving or surplus constraint and those who reject it. So, I think that reconciliation between them is impossible and irrelevant.

\*\*\*

**Oeconomicus:** Mankiw (1989) argued that: "all scientists, including economists, strive for theories that are both internally and externally consistent." Do you think that a trade-off between internal and external consistency is inevitable?

**Parguez:** I never really understood the difference between internal and external consistency. Let me explain my point. We can, of course, find in a theory gross common-sense logical mistakes, but usually we discover the so-called internal inconsistency because we refer to an external logical system. It is impossible to interpret a system

without abstracting from our own beliefs or logical framework. So, I don't think that the distinction is relevant. Neoclassical economics is consistent as long as we accept and maintain its framework. It could be argued that it became inconsistent when neoclassical economists wished to extend their program to labor and production. But if we find those inconsistencies, it is because we already have some vision of what should be a theory of labor and production.

**Oeconomicus:** Studying the history of economic thought is essential for an understanding of the current political economy. This field of study is, however, not a required class in almost all the graduate programs in Europe and North America. Furthermore, it is often nonexistent. Can we explain this phenomenon as an opposition to the emergence of more heterodox economists?

**Parguez:** I would say yes, because as long as students are not taught the past, they are always tempted to believe that what they are taught is some kind of eternal truth, and, so, they cannot imagine that there could be other theories of logical framework. This explains, of course, why courses in history of economic thought are suppressed. I would add that it is impossible to teach economic thought abstracting from the historical context. It is impossible, for instance, to explain Adam Smith or Ricardo abstracting from the context of their time.

\*\*\*

**Oeconomicus:** It seems that the Internet Economy (or the so-called New Economy) has overtaken the U.S. economy. Is the Internet the dynamic factor of growth that explains the current, longest economic expansion in the US history? If so, is it a sustainable growth factor?

**Parguez:** First, I think that the Internet is some kind of exotic or marginal aspect of what is deemed the New Economy. The major aspect is the use by all industries of the new techniques derived from computerization, which helped tremendous increase in labor productivity or in Marshallian terms, labor exploitation. But neither the Internet nor the use of computers are sufficient to explain the survival of growth because what matters is to generate enough aggregate demand to absorb the new output. Technology itself is not ruled by Say's law. So, what has sustained the system has been the long-run increase (in the U.S. at least) in household indebtedness at the same time when money creation was subsidizing financial markets.

**Oeconomicus:** The U.S. government is running a fiscal surplus for the two last years and probably this year also? Do you see any signs of a deep recession for the U.S. economy? And why?

**Parguez:** If we use the notion of full employment budget, the U.S. is running a surplus maybe for the last 5 years, and now full employment surplus should be quite higher. The economy is obviously extremely fragile, and, on this point, comparison could be drawn

## *Conversation with Alain Parguez*

with what happened in the 1920's. The U.S. economy is sustained by a growing ratio of household debt relative to household income, by the generalization of the control of U.S. firms over the so-called emerging countries, including, of course, the eastern economies. So, it is an extremely fragile situation.

\*\*\*

**Oeconomicus:** The world has witnessed enormous economic development in recent decades, but the generation of wealth and prosperity has been very uneven. The end of the Cold War and the accelerated emergence of the global economy have not solved persistent problems of extreme poverty, indebtedness, underdevelopment and trade imbalances in the developing countries. After numerous decades of U.N. "development" programs, little advance has been made. What do you think are the barriers to economic development in these countries?

**Parguez:** The first remark, which is not absurd, is what do we exactly mean by development? Because when you look at the conventional literature, for instance, they think that what happened in Chile for instance, or in other developing countries, it is economic development. When market structure is imposed, leading to the total collapse of the existing structure, it is for them development. Rising inequalities are now looked at as a proof of economic development. Obviously this is not development; everybody should know that. Remember what happened in the former Soviet Union when capitalist economy was imposed by authoritarian decrees, or what happened in the 1918 revolution, when Lenin imposed by decree collectivization of Stalin, and communism had been imposed by decree. So, it is looked at as development, but it is not. So, the barriers to economic development are mainly the fact that for the ruling elite of the Western societies development is synonymous with accelerating the authoritarian or forced imposition of market capitalist structure on existing societies and integrating those societies in the Western economy.

\*\*\*

**Oeconomicus:** What is your view about the argument that unemployment is high in Europe because of the existence of strong unions, minimum wage regulation, and welfare programs; whereas, in the U.S. it is low because of weak unions, less welfare programs and unemployment compensation?

**Parguez:** It is really a proof that at the so-called age of information, economic analysts are more and more ignorant. The so-called labor markets in Europe are perfectly flexible. In France, you can fire your whole labor force as long as you invoke the so-called "economic necessity." There is, according to the law, the possibility of some control, but who can control the economic necessity?

Contrary to what many people think, unions are not strong in many European countries. In France, they are extremely weak. The rate of unionization in France is lower than in the U.S., but it is higher in Germany. According to a new research by James K. Galbraith,

inequalities, for instance, are higher in the European Union than in the U.S. Of course, I don't say that the U.S. is the worker's paradise, and Randy Wray is quite correct when he said that there is a lot more unemployment in the U.S. with more than 2 million people in jail most of them are black. This is also true in most European countries. But it is obvious that in the U.S. there is now high employment with a tendency of falling real income compensated by debt. In Europe we have a very high rate of unemployment with falling real income, which is not compensated by household debt.

***Oeconomicus:*** What is your evaluation of the "35 hours/week" program implemented in France?

***Parguez:*** This is a very interesting question. The 35 hours law had been passed by the government because French technocrats believed that there is no demand constraint on the level of employment, so the unique possibility to increase employment is to reduce the timework. Why 35 hours; why not less? That, I don't know. But, as far as I know, the impact on employment has been very small, and the law has been used to increase flexibility. For instance, according to the old labor law, in most activities people were not working on Sunday and at night. But now, according to the new law, firms or the so-called "l'Association du Patronat Français" imposed to workers to work at night and on Sunday. So, it has been used to increase the productivity of labor by changing the labor conditions. So, now it has been used as a weapon against workers. And you know that the average wage in France is very low (8000ff/month). So, before this new law, workers used to increase their income by increasing the number of hours worked. But now, it's forbidden. So, the impact has been a fall in the disposable income of many workers and employee's families.

***Oeconomicus:*** Do you think that the huge effort undertaken by the European countries during the last decade to harmonize and standardize their monetary and fiscal policies seems to be working so far?

***Parguez:*** Of course, now there is no more a national monetary policy; since, according to the European treatise, the independent European Central Bank is in charge of the monetary policy. But, in the field of fiscal policy, there is no harmonization. But what has been done is to impose harsh constraints on fiscal policy. For instance, now according to the Treaty of Amsterdam the so-called "growth and stability pact," members of the European Union are obliged to attain a surplus. They are obliged to never have a public debt superior to 60 per cent of their GDP. So, there have been a growing number of very harsh constraints the impact of which is to freeze and paralyze fiscal policy.

***Oeconomicus:*** Is the European Union viable without a substantial educational and cultural integration in order to ensure a flexible movement of labor and capital?

***Parguez:*** For the moment, the monetary union has been a pure elitist and technocratic ideology, and a large majority of the population is absolutely indifferent to the very idea of the European Union. The European unification has been, since the start, an

## *Conversation with Alain Parguez*

authoritarian and elitist project, pushed forward to implement what was called “the new economic order.” In a paper I wrote on this question, for instance, the first blueprint of the monetary union is a pact of 1932 between the finance Minister of Nazi Germany and the finance Minister of the Vichy regime. So, it was an authoritarian and conservative program. It could seem now that the European Union cannot survive if there is no move towards some kind of “United States of Europe” with, as you said, free circulation of capital and labor. For the moment, we have this kind of circulation of capital, but, of course, we don’t have any effective circulation of labor. And what is on the agenda now is to absorb Eastern Europe into the monetary union because it will be some kind of huge pool of cheap labor and a source for investment. But, nobody in the European elite wants to have a European federation, partly because the population is indifferent. On the other hand, if Europe had some kind of federal structure, there should be a genuine effective European assembly and, therefore, a democratic control of the European process, which is not at all now on their agenda.

\*\*\*

***Oeconomicus:*** If you were not an economist, what would you like to be? A politician?

***Parguez:*** As I told you, for some time I never believed that I would be an economist. I started by studying history, law, mathematics, sociology, and political science. I turned to economics because I believed that it was maybe the most general vision, which could be useful. Of course, I was always involved in politics. I don’t think that I could be, in fact, a politician because all the politicians I knew believed in nothing and had no vision. In the late 1970’s and early 1980’s I had worked with François Mitterrand’s chief advisor, Jacques Atali. So, I had been involved in the expert economic team working with and for François Mitterrand. But it was a very disappointing experience. When I discovered that all these people were absolutely obsessed by orthodox economic policy --balancing the budget, deflating real wage-- they had not the least long-run vision. So, it was absolutely impossible to discuss with them.

***Oeconomicus:*** During this interview you have used the word “logic several times. Some philosophers argued that “logic is the art of fooling ourselves with total confidence.” How would you define logic?

***Parguez:*** Logic is obviously an intellectual conception. The argument is not new of course. I think that the existence condition of science and human kind, maybe, is to believe or to postulate that (in some way) there is some truth and that the principle of contradiction applies. And if we reject the very notion of logic, there is not the least possibility of seeing anything. You can raise the question (which is a very old one, it happened in the time of Aristotle) “Is there one logic? Or, are there many logics? Can we think of a society without logic?” I don’t think so. Maybe people believe that Western civilization, for instance, differs from non-Western cultures because it is rooted into the principle of reason and freedom, which are obviously different. But the Western culture was rooted into an authoritarian and totalitarian culture. The Christian vision of the world

was obviously rejecting logic. So, the Western culture has always mixed totalitarian vision of society with their beliefs in logic.

*Oeconomicus*: Thank you.

\*\*\*

### **Reply from Professor Frederic Lee**

Parguez is incorrect to argue that there cannot be any microeconomics other than neoclassical. He defines microeconomics as neoclassical microeconomics, but microeconomic economics can be defined in other ways. In particular it can be defined along Post Keynesian lines. That is, Post Keynesian microeconomics is concerned with developing a critical understanding of the 'micro features' of the economy concerned with the process of social provisioning. Hence the purpose of Post Keynesian microeconomics is to identify, describe, and develop a narrative historical analytical explanation of the structures and causal mechanisms which determine the processes of social provisioning. The constituents parts of Post Keynesian microeconomics include the business enterprise, production and costs, pricing and investment, markets and market governance including cartels and price leadership, structure of market demand--consumer, industrial and government, government regulation of market activity, financial institutions, distribution of income, workplace control and social welfare, and more. It is possible to develop a Post Keynesian price-output model of the economy that is quite different from the neoclassical general equilibrium model. Post Keynesian microeconomics provides the foundations for Post Keynesian macroeconomics, but the latter cannot be reduced to the former. Post Keynesian macroeconomics deals with issues/problems that have economy-wide implications, whereas Post Keynesian microeconomics essentially looks at issues that are enterprise, worker, and market specific. So, there is a Post Keynesian microeconomics after all, Professor Parguez.

### ***References***

- Galbraith, James K. *Created Unequal: The Crisis in American Pay*, The Free Press: The Twentieth Century Fund Press, 1998.
- Hicks, John R. "Mr. Keynes and the Classics: A Suggested Interpretation," *Econometrica*, April 5<sup>th</sup> 1937.
- Keynes, John M. *The General Theory of Employment Interest and Money*. New York: Harcourt, Brace & World, Inc., 1936.
- Lee, Frederic S. *Post Keynesian Price Theory*. Cambridge, U.K.; New York: Cambridge University Press, 1998.
- Mankiw, G. "Real Business Cycles: A New Keynesian Perspective," *Journal of Economic Perspectives* (Summer 1989).
- Marx, K. *Capital: A Critique of Political Economy*. New York: The Modern Library, 1906.

## *Conversation with Alain Parguez*

- Robinson, J. *Economic Philosophy*, Chicago: Aldine, 1962; Harmondsworth: Pinguin Books, 1960.
- \_\_\_\_\_. *Economic Heresies*, New York: Basic Books; London: Macmillan, 1974.
- Skidelsky, R. *John Maynard Keynes: A Biography*. Vol. 1, London: Macmillan, 1983.
- \_\_\_\_\_. *John Maynard Keynes: A Biography*. Vol. 2, New York: Viking Penguin, 1992.
- Snowdon, B., Vane, H. and Wynarczyk, P. *A Modern Guide to Macroeconomics: An Introduction to Competing Schools of Thought*. Northampton MA: Edward Elgar Publishing, 1994.
- Sraffa, P. "The Laws of Returns under Competitive Conditions," *Economic Journal*, 36 (December 1926): 535-50.
- Sraffa, P. *Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory*. New York: Cambridge University Press, 1960.
- Wray, L. R. "A New Economic Reality: Penal Keynesianism," *Challenge*, 43 (September/October 2000): 31-59.

### **A Selection of Professor Parguez's Publications\***

- Parguez, A. "Sismondi et la Théorie du Déséquilibre Macro-économique," *Revue Economique*, 24 (September 1973): 837-66.
- \_\_\_\_\_. "Profit, Epargne, Investissement: Eléments pour une Théorie Monétaire du Profit," *Economie Appliquée*, 33 (1980): 425-55.
- \_\_\_\_\_. "Ordre Social, Monnaie et Régulation," *Economie Appliquée*, 34 (1981): 383-448.
- \_\_\_\_\_. "La Monnaie dans le Circuit ou le Voile Déchiré," *Economie Appliquée*, 35 (1982a): 231-65.
- \_\_\_\_\_. "Hayek et Keynes Face à la Crise," *Economies et Sociétés*, 16 (June-July 1982b): 705-38.
- \_\_\_\_\_. "La Monnaie, la Crise et l'Epargne ou les Conséquences Economiques de l'Austérité," *Economies et Sociétés*, 17 (September-October-November 1983): 1421-50.
- \_\_\_\_\_. "La Dynamique de la Monnaie," *Economies et Sociétés*, 18 (April 1984): 83-118.
- \_\_\_\_\_. "La Monnaie, les Déficités et la Crise dans le Circuit Dynamique: l'Effet d'Eviction est un Mythe," *Economies et Sociétés*, 19 (August 1985): 229-51.
- \_\_\_\_\_. "Hamlet et Shylock ou la Rareté Désirée," *Economies et Sociétés*. 20 (August-September 1986a): 3-9.
- \_\_\_\_\_. "Au Cœur du Circuit ou Quelques Réponses aux Enigmes du Circuit," *Economies et Sociétés*, 20 (August-September 1986b): 23-39.
- \_\_\_\_\_. "La Crise dans le Circuit, ou l'Intégration de la Finance et de la Production," *Economie Appliquée*, 40 (1987a): 755-70.
- Parguez, A. "La Monnaie, les Rentiers et la Crise: Avant-propos," *Economies et Sociétés*, 21 (September 1987b): 3-7.

---

\* Most of the articles in *Economies et Sociétés* are published with English summary.

*Oeconomicus, Volume IV, Fall 2000*

- \_\_\_\_\_. "Introduction à l'Economie de Rentiers," *Economies et Sociétés*, 21 (September 1987c): 103-19.
- \_\_\_\_\_. "Croissance et Accumulation au-delà du Seuil Critique d'Endettement," *Economies et Sociétés*, 22 (June-July 1988a): 89-99.
- \_\_\_\_\_. "Avant-Propos: Le Fléau de la Finance Saine ou l'Infortune des Fourmis Vertueuses," *Economies et Sociétés*, 22 (September 1988b): 3-9.
- \_\_\_\_\_. "Le Rôle des Institutions Financières dans le Circuit Dynamique: l'Austérité et le Capitalisme Rentier Public en France," *Economies et Sociétés*, 22 (September 1988c): 85-119.
- \_\_\_\_\_. "Cet Age de l'Austérité," *Economie Appliquée*, 42 (1989a): 71-89.
- \_\_\_\_\_. "Money and Financial Money Capital within a Keynesian Framework," in *Money, Credit and Prices in Keynesian Perspective: Proceedings of a Conference held at the University of Paris I- Pantheon-Sorbonne*; New York: St. Martin's Press, 1989b.
- \_\_\_\_\_. "Jacques Henry, un Grand Economiste," *Economies et Sociétés*, 24 (February 1990a): 5-8.
- \_\_\_\_\_. "Le Mythe du Déficit au regard de la Théorie du Circuit," *Economies et Sociétés*, 24 (February 1990b): 129-40.
- \_\_\_\_\_. "Keynesianism and Austerity," *Economies et Sociétés*, 24 (June 1990c): 107-22.
- \_\_\_\_\_. "L'Inflation Zéro: Un Etat Idéal ou l'Objectif Impossible," *Economies et Sociétés*, 25 (November – December 1991): 61-89.
- \_\_\_\_\_. "La Hantise de la Dette ou les Périls de la Finance Saine," *Economies et Sociétés*, 28 (January-February 1994a): 5-8.
- \_\_\_\_\_. "Debts and Savings or the Scourge of the Search for Sound Finance," *Economies et Sociétés*, 28 (January-February 1994b): 127-49.
- \_\_\_\_\_. "Beyond Scarcity: A Reappraisal of the Theory of the Monetary Circuit," in *Money in Motion: The Post Keynesian and Circulation Approaches*; Jerome Levy Economics Institute Series, New York: St. Martin's Press; London: Macmillan Press, 1996a.
- \_\_\_\_\_. "Les Marchés Financiers et les Banques Centrales dans l'Economie Monétaire de Production ou le Choix de la Pénurie: Avant-propos," *Economies et Sociétés*, 30 (February-March 1996b): 5-7.
- \_\_\_\_\_. "Financial Markets, Unemployment and Inflation within a Circuitist Framework," *Economies et Sociétés*, 30 (February-March 1996c): 163-92.
- \_\_\_\_\_. "The Expected Failure of the European Economic and Monetary Union: A False Money against the Real Economy," *Eastern Economic Journal*, 25 (Winter 1999): 63-76.