



The Elgar Companion to Classical Economics

By Steven G. Medema

Book summary & main ideas

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Summary:

The Elgar Companion to Classical Economics is an authoritative reference work edited by Steven G. Medema. It provides an overview of the history, ideas, and influence of classical economics, from its origins in the late eighteenth century to its modern-day relevance. The book is divided into four parts: Part I examines the history of classical economics, from its roots in the Enlightenment to its development in the nineteenth century; Part II looks at the major figures in classical economics, including Adam Smith, David Ricardo, and John Stuart Mill; Part III examines the major topics in classical economics, such as the labor theory of value, the law of diminishing

returns, and the theory of international trade; and Part IV looks at the legacy of classical economics, including its influence on modern economics and its relevance to contemporary policy debates. The book also includes a comprehensive bibliography and a detailed index. The Elgar Companion to Classical Economics is an essential resource for anyone interested in the history and ideas of classical economics.

Main ideas:

#1. *Classical Economics: A three-sentence summary of this main idea is that classical economics is a school of economic thought that emerged in the late 18th and early 19th centuries. It was based on the work of Adam Smith, David Ricardo, and other economists of the time, and it focused on the study of the production, distribution, and consumption of*

wealth. It was the dominant school of economic thought until the emergence of neoclassical economics in the late 19th century.

Classical economics is a school of economic thought that emerged in the late 18th and early 19th centuries. It was based on the work of Adam Smith, David Ricardo, and other economists of the time, and it focused on the study of the production, distribution, and consumption of wealth. Classical economics was the dominant school of economic thought until the emergence of neoclassical economics in the late 19th century. It is characterized by its emphasis on the importance of the free market, the role of self-interest in economic decision-making, and the belief that the economy is naturally self-regulating. Classical economists argued that the government should not interfere in the economy, and that the

market should be allowed to operate freely. They also argued that the economy is inherently stable and that it will naturally adjust to any changes in demand or supply. Classical economics has had a lasting influence on economic thought and policy, and its ideas are still relevant today.

#2. Adam Smith: A three-sentence summary of this main idea is that Adam Smith was a Scottish philosopher and economist who is widely considered to be the father of modern economics. His most famous work, The Wealth of Nations, laid the foundation for classical economics and is still widely read today. Smith's work focused on the importance of the free market and the role of the government in regulating it.

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be the father of modern economics. His most famous work, *The Wealth of Nations*, laid the foundation for classical economics and is still widely read today. Smith's work focused on the importance of the free market and the role of the government in regulating it. He argued that the free market should be allowed to operate without interference from the government, but that the government should intervene to ensure that the market is fair and that it does not lead to monopolies or other forms of economic exploitation. Smith also argued that the government should provide public goods and services, such as education and infrastructure, to ensure that the market is functioning properly. Smith's ideas have had a lasting impact on economic thought and continue to be influential today.

#3. *David Ricardo: A three-sentence summary of this main idea is that David*

Ricardo was a British economist who developed the theory of comparative advantage. He argued that countries should specialize in the production of goods in which they have a comparative advantage, and that free trade between countries would lead to increased economic growth. Ricardo's work was influential in the development of classical economics.

David Ricardo was a British economist who developed the theory of comparative advantage. He argued that countries should specialize in the production of goods in which they have a comparative advantage, and that free trade between countries would lead to increased economic growth. Ricardos work was influential in the development of classical economics, as it provided a framework for understanding how countries could benefit from international trade. He argued that

countries should focus on producing goods in which they have a comparative advantage, and that free trade between countries would lead to increased economic growth. He also argued that the gains from trade should be shared among countries, and that tariffs and other protectionist measures should be avoided. Ricardos work was influential in the development of classical economics, as it provided a framework for understanding how countries could benefit from international trade. His ideas were also influential in the development of modern economic theory, as they provided a basis for understanding the effects of international trade on economic growth.

#4. *Thomas Malthus: A three-sentence summary of this main idea is that Thomas Malthus was an English economist who is best known for his theory of population growth. He*

argued that population growth would outpace the growth of food production, leading to poverty and famine. His work was influential in the development of classical economics and is still studied today.

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Malthus theory of population growth was based on the idea that population growth would increase exponentially, while food production would only increase arithmetically. He argued that this would lead to a situation where the population would outstrip the food supply, leading to poverty and famine. Malthus also argued

that this could be avoided through preventive checks, such as delayed marriage, and positive checks, such as war and famine. His work was influential in the development of classical economics and is still studied today.

Malthus theory of population growth has been widely debated and critiqued since its publication. Critics have argued that Malthus failed to take into account the potential for technological advances to increase food production, as well as the potential for population control through birth control and other methods. Despite these criticisms, Malthus work remains an important part of the study of economics and population growth.

#5. *John Stuart Mill: A three-sentence summary of this main idea is that John Stuart Mill was a British philosopher and economist who*

is best known for his work on utilitarianism. He argued that the greatest good for the greatest number of people should be the guiding principle of economic policy. Mill's work was influential in the development of classical economics and is still studied today.

John Stuart Mill was a British philosopher and economist who is best known for his work on utilitarianism. Utilitarianism is the idea that the greatest good for the greatest number of people should be the guiding principle of economic policy. Mill argued that this should be the basis for all economic decisions, and his work was influential in the development of classical economics. His writings are still studied today, and his ideas are still relevant in modern economic policy. Mills work on utilitarianism has been influential in the development of economic theory, and his

writings are still studied and discussed today. He argued that the greatest good for the greatest number of people should be the guiding principle of economic policy, and his work has been influential in the development of classical economics. Mills writings are still studied and discussed today, and his ideas are still relevant in modern economic policy.

#6. *Jean-Baptiste Say: A three-sentence summary of this main idea is that Jean-Baptiste Say was a French economist who is best known for his law of markets. He argued that supply creates its own demand, and that the free market would naturally adjust to ensure that supply and demand remain in balance. Say's work was influential in the development of classical economics and is still studied today.*

Jean-Baptiste Say was a French economist who is best known for his law of markets. He argued that supply creates its own demand, and that the free market would naturally adjust to ensure that supply and demand remain in balance. Says work was influential in the development of classical economics and is still studied today. He believed that the free market was the most efficient way to allocate resources and that government intervention should be limited. He also argued that the government should not interfere with the price mechanism, as this would lead to market distortions. Says law of markets states that the total amount of supply in an economy will always be equal to the total amount of demand. This means that if there is an excess of supply, prices will fall until the excess is eliminated. Conversely, if there is an excess of demand, prices will rise until the excess is eliminated. Says law of markets is still

widely accepted today and is seen as a cornerstone of classical economics.

#7. Thomas Robert Malthus: A three-sentence summary of this main idea is that Thomas Robert Malthus was an English economist who is best known for his theory of population growth. He argued that population growth would outpace the growth of food production, leading to poverty and famine. His work was influential in the development of classical economics and is still studied today.

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Malthus work was controversial in his time, and it has been subject to much criticism since then. Critics have argued that his theory of population growth was overly pessimistic and failed to take into account the potential for technological advances to increase food production. Others have

argued that his views on population control were overly harsh and did not take into account the potential for social and economic reforms to reduce poverty and famine. Despite these criticisms, Malthus work remains an important part of the history of economic thought and is still studied today.

#8. *Jeremy Bentham: A three-sentence summary of this main idea is that Jeremy Bentham was an English philosopher and economist who is best known for his work on utilitarianism. He argued that the greatest good for the greatest number of people should be the guiding principle of economic policy. Bentham's work was influential in the development of classical economics and is still studied today.*

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philosopher and economist who is best known for his work on utilitarianism. He argued that the greatest good for the greatest number of people should be the guiding principle of economic policy. Bentham's work was influential in the development of classical economics and is still studied today. He believed that the government should be responsible for providing the greatest good for the greatest number of people, and that this should be the basis for economic policy. He argued that the government should be responsible for providing basic needs such as food, shelter, and education, and that it should also promote the general welfare of its citizens. Bentham also argued that the government should be responsible for protecting the rights of its citizens, and that it should promote justice and equality. Bentham's work was influential in the development of classical economics, and his ideas are still studied and discussed

today.

#9. *John Maynard Keynes: A three-sentence summary of this main idea is that John Maynard Keynes was a British economist who is best known for his work on macroeconomics. He argued that government intervention in the economy was necessary to ensure economic stability and growth. Keynes's work was influential in the development of classical economics and is still studied today.*

John Maynard Keynes was a British economist who is best known for his work on macroeconomics. He argued that government intervention in the economy was necessary to ensure economic stability and growth. Keynes believed that government intervention could be used to stimulate economic activity, reduce unemployment, and increase wages. He

also argued that government spending should be used to offset the effects of recessions and depressions. Keynes work was influential in the development of classical economics and is still studied today. He is credited with introducing the concept of aggregate demand and the multiplier effect, which states that an increase in government spending can lead to a larger increase in economic output. Keynes also developed the concept of fiscal policy, which is the use of government spending and taxation to influence the economy. His theories have been used to shape economic policy in many countries around the world.

#10. Alfred Marshall: A three-sentence summary of this main idea is that Alfred Marshall was a British economist who is best known for his work on the principles of economics. He argued that economics

should be studied from both a micro and macro perspective, and that the study of economics should be based on empirical evidence. Marshall's work was influential in the development of classical economics and is still studied today.

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society, and that economic policies should be based on the needs of the people. Marshalls work was instrumental in the development of modern economics, and his ideas are still relevant today.

#11. Nassau Senior: A three-sentence summary of this main idea is that Nassau Senior was an English economist who is best known for his work on the theory of wages. He argued that wages should be determined by the supply and demand of labor, and that the government should not interfere in the labor market. Senior's work was influential in the development of classical economics and is still studied today.

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demand of labor, and that the government should not interfere in the labor market. Seniors work was influential in the development of classical economics and is still studied today. He believed that wages should be determined by the market forces of supply and demand, and that the government should not interfere in the labor market. He also argued that the government should not set a minimum wage, as this would lead to an increase in unemployment. Seniors work was influential in the development of classical economics, and his ideas are still studied and discussed today. He was a proponent of free trade and argued that tariffs and other protectionist measures would lead to economic inefficiency. He also argued that the government should not interfere in the labor market, as this would lead to an increase in unemployment. Seniors work was influential in the development of classical economics, and his ideas are still

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#12. *Henry Thornton: A three-sentence summary of this main idea is that Henry Thornton was an English economist who is best known for his work on banking and finance. He argued that banks should be regulated to ensure the stability of the financial system, and that the government should not interfere in the banking sector. Thornton's work was influential in the development of classical economics and is still studied today.*

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still studied today. He was a proponent of the gold standard and argued that the government should not issue paper money, as it would lead to inflation. He also argued that banks should be allowed to issue their own notes, as long as they were backed by gold. Thorntons work was influential in the development of the Bank of England and the modern banking system. He also wrote extensively on public finance, taxation, and the national debt. His work was highly influential in the development of modern economic theory and is still studied today.

#13. *Robert Torrens: A three-sentence summary of this main idea is that Robert Torrens was an English economist who is best known for his work on international trade. He argued that free trade between countries would lead to increased economic growth, and that the*

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growth. Torrens work was influential in the development of classical economics, and his ideas are still studied and discussed today. He was a proponent of laissez-faire economics, and his work helped to shape the modern understanding of international trade and its effects on economic growth.

#14. *Jean-Charles LÃ©onard de Sismondi: A three-sentence summary of this main idea is that Jean-Charles LÃ©onard de Sismondi was a Swiss economist who is best known for his work on the theory of economic cycles. He argued that economic cycles were caused by the interaction of supply and demand, and that the government should intervene to ensure economic stability. Sismondi's work was influential in the development of classical economics and is still studied today.*

Jean-Charles LÃ©onard de Sismondi was a Swiss economist who is best known for his work on the theory of economic cycles. He argued that economic cycles were caused by the interaction of supply and demand, and that the government should intervene to ensure economic stability. Sismondis work was influential in the development of classical economics and is still studied today. He was one of the first economists to recognize the importance of the business cycle, and he argued that the government should intervene to ensure economic stability. He proposed that the government should use fiscal and monetary policies to regulate the economy, and he also argued that the government should provide assistance to those affected by economic downturns. Sismondis work was influential in the development of classical economics, and his ideas are still studied and discussed today. He was also one of the first

economists to recognize the importance of international trade and the need for governments to cooperate in order to ensure economic stability.

Sismondis work was also important in the development of the labor theory of value. He argued that the value of a good or service was determined by the amount of labor required to produce it, and he proposed that wages should be determined by the amount of labor required to produce a good or service. He also argued that the government should intervene to ensure that wages were fair and that workers were not exploited. Sismondis work was influential in the development of the labor theory of value, and his ideas are still studied and discussed today.

Overall, Jean-Charles L'Ńonard de Sismondi was an influential economist who

is best known for his work on the theory of economic cycles. He argued that economic cycles were caused by the interaction of supply and demand, and that the government should intervene to ensure economic stability. He was also one of the first economists to recognize the importance of international trade and the need for governments to cooperate in order to ensure economic stability. His work was influential in the development of classical economics and the labor theory of value, and his ideas are still studied and discussed today.

#15. Richard Whately: A three-sentence summary of this main idea is that Richard Whately was an English economist who is best known for his work on the theory of taxation. He argued that taxes should be used to promote economic growth and stability, and that the government should not

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Richard Whately was an English economist who is best known for his work on the theory of taxation. He argued that taxes should be used to promote economic growth and stability, and that the government should not interfere in the taxation system. Whately's work was influential in the development of classical economics and is still studied today. He believed that taxation should be used to encourage economic growth and stability, and that the government should not interfere in the taxation system. He argued that taxes should be used to fund public goods and services, and that the government should not interfere in the taxation system. He also argued that taxes should be used to redistribute wealth and

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#16. John Ramsay McCulloch: A three-sentence summary of this main idea is that John Ramsay McCulloch was a Scottish economist who is best known for his work on the theory of public finance. He argued that taxes should be used to promote economic

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John Ramsay McCulloch was a Scottish economist who is best known for his work on the theory of public finance. He argued that taxes should be used to promote economic growth and stability, and that the government should not interfere in the taxation system. McCulloch's work was influential in the development of classical economics, and he is credited with introducing the concept of elasticity of demand. He also argued that the government should not interfere in the market, and that the free market should be allowed to operate without government interference. McCulloch's work was also influential in the development of the

concept of marginal utility, which states that the value of a good or service is determined by the amount of satisfaction it provides to the consumer. His work is still studied today, and his ideas are still relevant in modern economics.

#17. Thomas Tooke: A three-sentence summary of this main idea is that Thomas Tooke was an English economist who is best known for his work on the theory of money and banking. He argued that money should be backed by gold and silver, and that the government should not interfere in the banking sector. Tooke's work was influential in the development of classical economics and is still studied today.

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that money should be backed by gold and silver, and that the government should not interfere in the banking sector. Tooke's work was influential in the development of classical economics, and he is still studied today. He was a proponent of the quantity theory of money, which states that the money supply is the primary determinant of the price level. He also argued that the Bank of England should not be allowed to issue notes without backing them with gold or silver. Tooke's work was influential in the development of the gold standard, which was adopted by many countries in the 19th century. He also argued that the government should not interfere in the banking sector, and that banks should be allowed to operate freely. Tooke's work was influential in the development of the modern banking system, and his ideas are still studied and discussed today.

#18. *William Stanley Jevons: A*

three-sentence summary of this main idea is that William Stanley Jevons was an English economist who is best known for his work on the theory of marginal utility. He argued that the value of a good or service is determined by its utility, and that the government should not interfere in the pricing of goods and services. Jevons's work was influential in the development of classical economics and is still studied today.

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good or service is determined by the amount of satisfaction it provides to the consumer, and that the government should not interfere in the pricing of goods and services. Jevons also argued that the demand for a good or service is determined by its price, and that the supply of a good or service is determined by its cost of production. His work was influential in the development of the marginalist school of economics, which is still studied today. Jevonss work also had an impact on the development of the Austrian school of economics, which is based on the idea of subjective value.

#19. *Francis Ysidro Edgeworth: A three-sentence summary of this main idea is that Francis Ysidro Edgeworth was an English economist who is best known for his work on the theory of utility. He argued that the value of a good or service is determined by its*

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Francis Ysidro Edgeworth was an English economist who is best known for his work on the theory of utility. He argued that the value of a good or service is determined by its utility, and that the government should not interfere in the pricing of goods and services. Edgeworth's work was influential in the development of classical economics and is still studied today. He developed the concept of indifference curves, which are used to illustrate consumer preferences, and the Edgeworth box, which is used to illustrate the effects of changes in the distribution of income. He also wrote extensively on the theory of taxation, and his work on the theory of

international trade is still relevant today. Edgeworths work was highly influential in the development of neoclassical economics, and his ideas are still studied and discussed in economics today.

#20. *William Whewell: A three-sentence summary of this main idea is that William Whewell was an English philosopher and economist who is best known for his work on the philosophy of science. He argued that economics should be studied from both a theoretical and empirical perspective, and that the study of economics should be based on scientific principles. Whewell's work was influential in the development of classical economics and is still studied today.*

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science. He argued that economics should be studied from both a theoretical and empirical perspective, and that the study of economics should be based on scientific principles. Whewells work was influential in the development of classical economics and is still studied today. He believed that economics should be studied in the same way as the natural sciences, with the use of observation, experimentation, and deduction. He argued that economic theories should be tested empirically and that economic models should be based on scientific principles. He also argued that economic theories should be based on the principles of utility and that economic decisions should be based on the maximization of utility. Whewells work was influential in the development of classical economics and is still studied today. He is credited with introducing the concept of marginal utility and the idea of diminishing marginal utility, which are both important

concepts in modern economics. He also developed the concept of the invisible hand, which is the idea that the free market will naturally lead to the most efficient allocation of resources.

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