

Comparing Different Schools of Economics, from Ha-Joon Chang – 2014 (Ecological School added by M H Burton).

	ECOLOGICAL	CLASSICAL	NEOCLASSICAL	MARXIST	DEVELOPMENTALIST	AUSTRIAN	SCHUMPETERIAN	KEYNESIAN	INSTITUTIONALIST	BEHAVIOURALIST
The economy is made up of...	Individuals, interest groups including classes, institutions – in social and ecological context.	classes	individuals	classes	no strong view, but more focused on classes	individuals	no particular view	classes	individuals and institutions	individuals, organizations and institutions
Individuals are...	Rational and irrational. Selfless and selfish, depending on socially constructed context.	selfish and rational (but rationality is defined in class terms)	selfish and rational	selfish and rational, except for workers fighting for socialism	no strong view uncertain, but no strong view	selfish but layered (rational only because of unquestioning acceptance of tradition)	no strong view ,but emphasis on non-rational entrepreneurs hip	not very rational (driven by habits and animal spirits); ambiguous on selfishness	layered (instinct - habit – belief – reason)	only boundedly rational and layered
The world is...	A complex web of nested, interconnected systems of which the economy is one.	certain ('iron laws')	certain with calculable risk	certain ('laws of motion')	production	complex and uncertain	no strong view but complex	uncertain	complex and uncertain	complex and uncertain
The most important domain of the economy is...	Input-output relations (energy, materials) with the ecosystem.	production	exchange and consumption	production	production	exchange	production	ambiguous, with a minority paying attention to production	no strong view, but puts more emphasis on production than do the Neoclassicals	no strong view, but some bias towards production
Economies change through...	Interaction among individuals, interest groups, institutions and the ecosystem.	capital accumulation (investment)	individual choices	Class struggle, capital accumulation and technological progress	developments in productive capabilities	individual choices, but rooted in tradition	technological innovation	ambiguous, depends on the economist	interaction between individuals and institutions	no strong view
Policy recommendat	Active fiscal policy,	free market	free market or	socialist revolution	temporary government	free market	ambiguous – capitalism is	active fiscal policy,	ambiguous, depends on	no strong view, but can

ions	income redistribution towards the poor. Government intervention. Valuing and restoration of commons and 'ecosystem services'.		interventionism, depending on the economist's view on market failures and government failures.	and central planning	protection and intervention		doomed to atrophy anyway.	income redistribution towards the poor.	the economist	be quite accepting of government intervention
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