



Department SEMINARS

Revisiting Richard Kahn:
economic analysis and
methodological considerations

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A B S T R A C T

Richard F. Kahn was a profound and original thinker and a prominent member of the first generation of Cambridge Keynesians. The recent publication of the second collection of Kahn's essays provides an opportunity to revisit his contribution, focusing on his views on pricing mechanisms and inflation. In his early contributions to the theory of imperfect competition, Kahn focused on the subjective and objective elements that determine the relationship between prices and wages. This led him to develop a theory of inflation due to conflict and lack of coordination within and between trade unions and employers, possibly exacerbated by aggregate demand pressures. Kahn's study of the causes of inflation and its relationship to unemployment led him to reject the Phillips curve and the idea that to reduce the former, one had to increase the latter, as there were fairer and more rational ways of achieving the same goal. In this, the strong link between Kahn's ideas and those of Keynes emerges. There are also strong similarities between Keynes and Kahn at the methodological level. These appear in their mutual attention to causal processes, in the tendency to reason in the abstract with concrete cases in mind, and their common mild aversion to mathematical economics. As I argue in the paper, it seems possible to trace these elements back to the common Marshallian lineage.

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