

BOOK REVIEWS

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REVIEW ONE

Reviewed book: Remigijus ČIEGIS (2021), *Neoklasikinės sintezės modeliai ir jų indėlis į ekonominės minties raidą*, University Publishing House, Vilnius, 629 p., [Models of the Neoclassical Synthesis and Their Contribution to the Development of Economic Thought, in *Lithuanian*].

Reviewer: PhD Ligita Simanskiene, Professor of Klaipėda University

JEL classification: Y30



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Title: **MODELS OF THE NEOCLASSICAL SYNTHESIS AND THEIR CONTRIBUTION TO THE DEVELOPMENT OF ECONOMIC THOUGHT**

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Professor Remigijus Čiegis from Vilnius University Kaunas Faculty wrote very valuable monograph. The present monograph is a summary of the author's scientific work and research over the last 10 years in the field of the history of economic thought. During this period, the author has directed the scientific research towards addressing problems of the *Keynesian theory and its impact to the development of the economic thought*, by focusing on separate aspects of the development of the neoclassical synthesis model, and through these aspects analysing the features of its impact to the development of the contemporary economic thought.

The monograph specifically focused on reconciliation of Keynesian and neoclassical theoretical positions: “neoclassical synthesis” and the assessment of that impact to the development of the economic thought, by taking into account that such research is not an easy task. Thus, in own research of the Keynesian theory, by discussing its impact to the development of the economic thought, not only the absolute history of the economic thought had to be recorded, but rational reconstruction of it as a history of expansion of systematic

economic knowledge had to also be considered in the light of contemporary scientific knowledge.

A more general question was selected in the monograph for further research – disclosure of possibilities of assessing the Keynesian impact for the development of the economic thought. For this, the monograph analyses one of the sources of the contemporary economic theory – the Keynesian theory, its origin and further development, by focusing on the neoclassical synthesis, as well as essential ideas and features of this economic thought are analysed which distinguish it among other schools of economic theory and had the biggest impact, which was multidimensional and different over time, for the development of the economic thought in Europe and the US. However, economic-historical topic of theoretical research selected for this monograph demanded that the author clearly defined the principles of methodological research to be applied in the work. An observation by J. M. Keynes that “A study of the history of opinion is a necessary preliminary to the emancipation of the mind” illustrates well that it is really important to analyse the ideas and features of Keynesian economists that distinguish them among other schools of economic theory and had the biggest impact to the development of the economic thought.

The provided ideas explain the general theoretical relevance of the scientific problem analysed in the monograph. The choice of one of the sources of modern economic theory – the Keynesian economic theory by focusing on the neoclassical synthesis – was made in the monograph due to its place in the history of economic thought and importance in modern economic theories. The Keynesian economic theory, has experienced its renaissance (30–50s of the 20th c.), decline and a loss of interest and regained its relevance in modern economic theories.

Thereby, the essence of the scientific challenge formulated in the monograph could be briefly defined by the following question: *what are the main theoretical ideas of representatives of the Keynesian direction and what economic and political factors determined such different impact to the development of the economic thought in different stages of the development of the economic thought?*

The specificity of the scientific problem being analysed determined that this research did not follow one individual theory or author, the aim was rather to analyse and distinguish the things that best express, explain and enable the understanding of the problems of assessment of the impact of the development of the economic thought of the Keynesian theory, by focusing on the neoclassical synthesis in particular, because only by reconciling different opinions, describing different elements of interaction of ideas of the authors of this school, in order to see these subjects from a close-up, one can gain a better understanding of the essence of the analysed phenomena, their evolution and perspectives.

Research object of the monograph – *Keynesian economic theory, by focusing on the neoclassical synthesis, and its impact on the development of the economic thought.*

The following research goals needed to be achieved: to discuss the classical and Keynesian economic theories; to discuss the road of life of J. M. Keynes and analyse economic ideas raised in *The General Theory* and assess their impact to the development of the economic thought; to discuss the Keynesian revolution: the birth of the neoclassical synthesis; to discuss the essence of the J. R. Hicks–A. H. Hansen IS–LM model and its role in forming the fiscal and monetary policy; to analyse the models of the neoclassical synthesis: their essence and deficiencies and assess their impact to the development of the economic thought; to analyse the models of the new neoclassical synthesis and assess their impact to the development of the economic thought; discuss the American and British branches of Post-Keynesianism.

Thus, in order to analyse the scientific problem, the author first of all provided a systematic analysis of economic ideas raised in J. M. Keynes *The General Theory* and their impact to the development of the economic thought, by moving on to reconciling Keynesian and neoclassical theoretical positions – the neoclassical synthesis and J. R. Hicks–A. H. Hansen IS–LM model analysis, and the analysis of the impact of economic ideas of economists who developed the neoclassical synthesis to the development of the economic thought.

Moreover, since this is a more abstract theoretical research rather than an applied research, the analysed scientific problem is assessed in the global context of the development of the economic thought.

The main research methods employed in the monograph are *logical abstraction*, which includes and combines the generalization of economic, historical, and political theoretical statements, theoretical systematic analysis, and synthesis of the Keynesian ideas, by focusing on the neoclassical synthesis in particular, and their impact to the development of the economic thought, based on the conclusions and contemplations of the works of scientists from different countries, as well as general and logical analysis and comparison. The emphasis on the *logical abstraction* as a research method in a monograph is not accidental, because abstraction, as an inevitable and necessary procedure for every cognitive process, always relies on distinguishing some parts, sides, properties of the research subject as important ones and their inclusion in the list of definitions, becoming a part of the theory and simultaneously dissociating from other, insignificant parts, aspects and properties. In the monograph, three main methodological provisions are adhered to: *interdisciplinarity*. Many issues related to the development of economic thought are interdisciplinary in nature and overlap with one another; *pluralism*. A premise that the complexity of the analysed issues and problems does not allow to apply a single “right” approach, model, or paradigm is followed; *focusing on the most important issues and problems*. In order to improve our understanding and find new solutions, issue-focused approaches are required.

The main sources of information used when preparing the monograph were scientific monographs, textbooks, articles in collections of scientific works, scientific periodicals, and journals created by scholars from various countries who specialize in the fields of analysis of the Keynesian theory and economic thought development.

The monograph is exceptionally informative and presents various reasonings of the author, so I recommend that you read it carefully.

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SANTRAUKA

Labai vertingą monografiją parašė Vilniaus universiteto Kauno fakulteto profesorius Remigijus Čiegis. Ši monografija yra pastarųjų 10 metų autoriaus mokslinio darbo ir tyrimų ekonominės minties istorijos srityje santrauka. Šiuo laikotarpiu autorius nukreipė savo mokslinius tyrimus į keinsizmo problematiką, ypatingą dėmesį skirdamas keinsistinių ir neoklasikinių teorinių pozicijų sujungimui: „neoklasikinei sintezei“ ir to poveikio ekonominės minties raidai vertinimui, ypač gilinantis į neoklasikinės sintezės modelio formavimosi atskirus aspektus ir būtent per šiuos aspektus analizuojant jos poveikio šiuolaikinės ekonominės minties raidai ypatumus. Autorius monografijoje išsamiai atskleidė pagrindines teorines keinsizmo ir neoklasikinės sintezės modelių idėjas, taip pat tie, kokie veiksniai lėmė šios mokyklos nevienodą poveikį ekonominės minties raidai įvairiuose ekonomikos vystymosi etapuose.

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