

Prerequisites

Students should have taken intermediate level microeconomics and a graduate course in macroeconomic theory. They should be familiar with differential calculus and have taken a graduate-level mathematics for economics course.

Objectives

This course is intended to provide an introduction to non-mainstream economics from a theoretical perspective, generally using a formal approach. It will draw heavily on post-Keynesian approaches, but also discuss Marxian, classical, neoclassical and other perspectives.

Requirements

Students are required to write a term paper and pass a (possibly take-home final).

GENERAL REFERENCES

The course will make repeated use of the following books, which will be referred to in the readings by the names given in parentheses.

Lavoie, Marc, Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992.

Dutt, A. K. Growth, Distribution and Uneven Development, Cambridge: Cambridge University Press, 1990.

Taylor, L. Structuralist Macroeconomics, Basic Books, 1983.

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991.

Recommended books covering the mathematics, are:

G. Gandolfo, Economic Dynamics: Methods and Models, 2nd revised edition, North Holland, 1980.

A. C. Chiang, Fundamental Methods of Mathematical Economics, 3rd ed, 1984.

SYLLABUS AND READING LIST

I. Introduction

Dutt, A. K. "Analytical political economy: an introduction", in A. K. Dutt, ed., New Directions in Analytical Political Economy, Edward Elgar, forthcoming.

Staniland, Martin, What is political economy? A study of social theory and underdevelopment, Yale University Press.

Whynes, David, What is political economy? Eight perspectives, Blackwell.

Rothschild, K. "Political economy or economics? Some terminological and normative considerations", European Journal of Political Economy, 5(1), 1-12.

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, Chap. 1

R. Albelda, C. Gunn and W. Waller, eds., Alternatives to Economic Orthodoxy. A Reader in Political Economy, M. E. Sharpe, 1987.

II. Theory of Choice

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, Chap. 2

Lawson, T. "Probability and uncertainty in economic analysis", Journal of Post Keynesian Economics, 11(1), Fall, 38-65, 1988.

Shackle, G. L. S. Time in Economics, North Holland, 1958, chaps. 1, 2.

Heiner, R. A. "The origin of predictable behavior", American Economic Review, 73(4), September, 560-95, 1983

Simon, H. A. "From substantive to procedural rationality" in Latsis, S. J., ed., Method and Appraisal in Economics, Cambridge University Press, 1976, reprinted in Simon, H. A. Models of Bounded Rationality, Vol 2, MIT Press, 1982.

Simon, H. A. "A Behavioral model of rational choice" Quarterly Journal of Economics, 69, 1955, 99-118, reprinted in Simon, H. A. Models of Bounded Rationality, Vol 2, MIT Press, 1982.

Boland, L. A. "On the futility of criticizing the neoclassical maximization hypothesis",

American Economic Review, 71(5), December, 1031-6, 1981.

Veblen, T. The Theory of the Leisure Class, Macmillan, 1899, esp. chap. 4, 'Conspicuous consumption'.

Duesenberry, J. Income, saving and the theory of consumer behavior, Harvard University Press, 1949.

Leibenstein, H. "Bandwagon, snob and Veblen effects in the theory of consumer's demand", Quarterly Journal of Economics, 64(1), February, 183-207.

III. Theory of the Firm and Prices

Galbraith, J. K. Economics and the public purpose, 1973.

Eichner, A. S. The megacorp and oligopoly: microfoundations of macro, Cambridge University Press, 1976.

Penrose, E. The theory of growth of the firm, Blackwell, 1959

Wood, A. A Theory of Profits, Cambridge University Press, 1975.

Marris, R., "An introduction to theories of corporate growth", in R. Marris and A. Wood, The corporate economy, Harvard, 1971.

Kalecki, M. Selected Essays on the Dynamics of the Capitalist Economy, Cambridge University Press, 1971, chap. 5.

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, chap. 3.

Laibman, D. Value, technical change and crisis, ME Sharpe, 1992, chaps. 1, 2.

Sraffa, P. Production of Commodities by Means of Commodities, Cambridge University Press, 1960

IV. Distribution

Kalecki, M. Selected Essays on the Dynamics of the Capitalist Economy, Cambridge University Press, 1971, chap. 6: 'Distribution of national income'.

Marx, K. Capital, Vol. 1, chaps. 7, 8, 9, 10 skim.

Sweezy, P. The Theory of Capitalist Development, Monthly Review Press, 1942, chaps. 1-3

skim, chap. 4.

Roemer, J. E. A General Theory of Exploitation and Class, Harvard, 1982, chap. 1.

Roemer, J. E. Free to Lose. An introduction to Marxist economic philosophy, Harvard, 1988, chaps. 2, 4, 6.

Reich, M. Racial inequality. A political economy analysis, Princeton University Press, 1981.

Humphries, J. "Class struggle and the persistence of the working-class family", Cambridge Journal of Economics, 1, 1977, 241-58.

Folbre, N. "A patriarchal mode of production", in R. Albelda, C. Gunn and W. Waller, eds., Alternatives to Economic Orthodoxy. A Reader in Political Economy, M. E. Sharpe, 1987.

V. Determination of output and employment

Keynes, J. M. The General Theory of Employment, Interest and Money, Macmillan, 1936, chaps. 1, 2, 3, 19.

Kalecki, M. Selected Essays on the Dynamics of the Capitalist Economy, Cambridge University Press, 1971, chaps. 7, 8.

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, chap. 5.

Dutt, A. K. "Keynes with a perfectly competitive goods market", Australian Economic Papers, 26, 275-93.

Bowles, S. and Boyer, R. "A Wage-led employment regime", in S. Marglin and J. Schor, eds., The Golden Age of Capitalism, Oxford University Press, 1990.

VI. Capital accumulation and growth

Dutt, A. K. Growth, Distribution and Uneven Development, Cambridge: Cambridge University Press, 1990, Chaps. 2, 3,

Marglin, Growth, distribution and prices, Harvard University Press, Chaps 1, 2, 3, 4

Robinson, J. Essays in the Theory of Economic Growth, Macmillan, 1962, Chap 2, repr. in Stiglitz and Uzawa, and Sen, Chap. 5.

Kalecki, M. Selected Essays on the Dynamics of the Capitalist Economy, Cambridge: Cambridge University Press, 1971, Chap. 10.

Steindl, J. Maturity and Stagnation in American Capitalism, Monthly Review Press, 1952,

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, chap. 6.

Dutt, A. K. "Stagnation, Income Distribution and Monopoly Power", Cambridge Journal of Economics, March 1984

Kaldor, N. "Alternative Theories of Distribution", Review of Economic Studies, 1955-6.

Bhaduri, A. and Marglin, S. "Unemployment and the real wage: the economic basis for contesting political ideologies", Cambridge Journal of Economics, December 1990.

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991, chaps 2, 3, 11.1

Pasinetti, L. "Rate of Profit and Income Distribution in Relation to the Rate of Economic Growth", Review of Economic Studies, 1961-62, repr. in Sen, 1970, and in Pasinetti, Growth and Income Distribution, Cambridge, 1974.

Darity, W. A., Jr., "The Simple Analytics of Neo-Ricardian Growth", American Economic Review, Dec. 1981.

VII. Money, other assets, and finance

Moore, B. J. Horizontalists and Verticalists, Cambridge University Press, 1988.

Kaldor, N. The scourge of monetarism, Oxford University Press, 1982.

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, chap. 4.

Minsky, H. Stabilizing an unstable economy, Yale, 1986.

Taylor, L. Structuralist Macroeconomics, Basic Books, 1983, chaps 5, 6

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991, chaps. 5, 6

Taylor, L. and S. O'Connell, "A Minsky crisis", Quarterly Journal of Economics, 1985, 871-85.

Skott, P. "On the modelling of systematic financial fragility", in A. K. Dutt, ed., New Directions in Analytical Political Economy, forthcoming, Edward Elgar.

Dutt, A. K. "Rentiers in post-Keynesian Models", in P. Arestis and V. Chick, eds., Recent developments in Post Keynesian Models, Aldershot: Edward Elgar, 1992.

VIII. Inflation

Rowthorn, R. E., "Conflict, inflation and money" Cambridge Journal of Economics, 1, 1977, 215-39.

Marglin, S. Growth, distribution and prices, Harvard, 1984, Chap. 20.

Dutt, A. K. Growth, Distribution and Uneven Development, Cambridge: Cambridge University Press, 1990, Chap. 4.

Lavoie, M. Foundations of Post-Keynesian Economic Analysis, Aldershot: Edward Elgar, 1992, Chap. 7.

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991, chap. 4

IX. Business Cycles

Goodwin, R. M. "A growth cycle", in C. H. Feinstein, ed., Capitalism, socialism and economic growth, Cambridge University Press, 1967, repr. in R. M. Goodwin, Essays in dynamic economics, Macmillan, 1982.

Laibman, D. Value, technical change and crisis, ME Sharpe, 1992, chaps. 9, 10.

Skott, P. Conflict and effective demand in economic growth, Cambridge: Cambridge University Press, chaps. 4, 5, 6.

Dutt, A. K. "Conflict inflation, distribution, cyclical accumulation and crises", European Journal of Political Economy, 1992.

Jarsulic, M. "Endogenous credit and endogenous business cycles", Journal of Post Keynesian Economics, 1989, 35-48.

X. Multisectoral issues and structural change

Marglin, Chap 11

Pasinetti, L. Lectures on the Theory of Production, London: Macmillan, 1977, chaps. 3, 4, 5.

Pasinetti, L. Structural change and economic growth, Cambridge: Cambridge University Press, 1981, chaps. 2, 3, 4, 5.

Hagemann, H. "The structural theory of economic growth", in M. Baranzini and R. Scazzieri, eds., The economic theory of structure and change, Cambridge University Press, 1990.

Dutt, A. K. "Sectoral balance in development: a Survey" World Development, 1990.

Dutt, A. K. Growth, Distribution and Uneven Development, Cambridge: Cambridge University Press, 1990, Chaps. 6, 7.

Taylor, L. Structuralist Macroeconomics, Basic Books, 1983, chaps. 3.1, 3.2, 9.1, 9.2

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991, chaps. 9.1, 9.2, 11.2.

Dutt, A. K. "Stagnation, income distribution and the agrarian constraint: a note" Cambridge Journal of Economics, September 1991.

Thirlwall, A. P. "A Kaldorian Model of growth and development" Oxford Economic Papers, 1986. 199-219.

Dutt, A. K. "A Kaldorian model of growth and development revisited", Oxford Economic Papers, 1992.

Wolff, E. Capital accumulation and unproductive activity, Cambridge: Cambridge University Press, 1987.

Adachi, H. "On the economic implications of the growth of the non-market sector", Oxford Economic Papers, 1984, 418-37.

Dutt, A. K., "'Unproductive' sectors and economic growth: a theoretical analysis", Review of Political Economy, 1992.

XI. Technical change

Schumpeter, J., The theory of economic development, Oxford, 1934, esp. chap. 2.

Dutt, A. K. Growth, Distribution and Uneven Development, Cambridge: Cambridge University Press, 1990, Chap. 5.

Kaldor, N. "A Model of Economic Growth", Economic Journal, Dec 1957, repr. in N. Kaldor, Essays on Economic Stability and Growth, Free Press.

Hacche, G. The Theory of Economic Growth, New York: St. Martin's Press, 1979, Chaps. 11, 12, 13.

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991, chaps 10.1, 10.2, 11.3

Laibman, D. Value, technical change and crisis, ME Sharpe, 1992, chaps. 5, 6.

Nelson, R. and S. G. Winter, An evolutionary theory of economic change, Harvard, 1982, chap. 12.

Dosi, G., Freeman, C., Nelson, R. Silverberg, R. and Soete, L., eds., Technical change and economic theory, London and New York: Pinter, 1988, chaps. 1, 2, 10, 24, 25.

Iwai, K. "Schumpeterian dynamics: an evolutionary model of innovation and imitation", Journal of Economic Behavior and Organization, 5, 1984, 159-90.

Iwai, K. "Schumpeterian dynamics, Part II: technological progress, firm growth and `economic selection'", Journal of Economic Behavior and Organization, 5, 1984, 321-51.

Soete, L. and Turner, R. "Technology diffusion and the rate of technological change", Economic Journal, 94, 1984.

XII. The Open Economy

Taylor, L. Structuralist Macroeconomics, Basic Books, 1983, chap. 7, 8, 10.

Taylor, L. Income Distribution, Inflation, Growth, Cambridge, Mass: MIT Press, 1991, chaps. 7, 8, 9.5, 9.6

Blecker, R. "International competition, income distribution and economic growth", Cambridge Journal of Economics, September 1989.

Ros, J. "Foreign exchange and fiscal constraints on growth", in Dutt, A. K., ed., New Directions in Analytical Political Economy, forthcoming, Edward Elgar.

Brewer, A. Marxist theories of imperialism, Routledge, 1980. Revised edition, 1992.

Dutt, A. K. Growth, distribution and uneven development, Cambridge, 1990, Chaps. 8-10.

Findlay, R. "The terms of trade and equilibrium growth in the world economy", American Economic Review, June, 1980.

XIII. Towards a broader political economy

Carnoy, M. The state and political theory, Princeton University Press, 1984, esp. chaps. 1 through 5.

Kalecki, M. Selected essays on the dynamics of the capitalist economy, Cambridge University Press, 1971, chap. 12: 'Political aspects of full employment'.

Evans, P. B., Rueschemeyer, D. and Skocpol, T., eds., Bringing the State Back In, Cambridge University Press, 1985, chaps. 1,2.

Granovetter, M. "Economic action and social structure: the problem of embeddedness" American Journal of Sociology, 91(3), November, 481-510.