This course focuses on the formal modeling of growth and distribution within a broadly Keynesian and/or neo-Marxian approach.

There have been many attempts to formalize (post-) Keynesian and (neo-) Marxian theories. Most of the theoretical models assume a closed, one-sector, capitalist economy. Notions of uneven development, however, have also been prominent in the Keynesian/Marxian tradition and contributions to this literature – involving some spatial and sectoral disaggregation – will be included.

The course falls in two parts. The first part - approximately the first 2/3 of the course - will cover fairly basic models, some of them classics in the field. This part of the course will be based on lectures, although with a small class size, I expect and hope for a lot of discussion. During the second part of the course, students present articles. Many if not most of these presentations may take up recent contributions that build on and extend ideas covered in the first part of the course. However, the articles may also address issues that we don’t have the time to consider in the first part of the course (for instance growth and inequality, interactions between growth and institutional structures, technical change, or the question of convergence).

Evaluation will be based on (i) problem sets (about 6), (ii) a take-home midterm exam, (iii) class presentation of one or more articles on a topic chosen by the participant, and (iv) a term paper that may typically be related to the material covered in the class presentation and/or dissertation plans. The weights will be 20%, 30%, 15% and 35%, respectively.

**Preliminary outline of part 1:**

I  Introduction
II  Keynesian and Kaleckian one-sector models
III Neo-Marxian models
IV  Growth and cycles
V  Financial issues
VI  Uneven development
Part 1
The readings below are preliminary. Core readings (which we will cover in detail) are indicated by an asterisk.

I Introduction

4 Sept: Stylized facts; the Solow-Swan model

Readings:


II Keynesian and Kaleckian one-sector models

6 Sept: Classics: Harrod, Kalecki, Steindl, Kaldor, Robinson
11 Sept: A Kalecki-Steindl model (Dutt)
13 Sept: Wage-led and profit-led regimes (Bhaduri&Marglin)
18 Sept: Endogenous mark-ups (Flaschel&Skott)
20 Sept: Utilization rates and the specification of accumulation (Lavoie, Auerbach&Skott)

Readings:


Rowthorn, B. (1981) "Demand, real wages and economic growth". *Thames Papers in Political Economy*.


III Neo-Marxian one-sector models

25 Sept: Base models (Bowles, Marglin)
27 Sept: Integrating Marx and Keynes (Bowles&Boyer, Marglin)
2 Oct: Inflation and the NAIRU (Marglin, Skott 1999)
4 Oct: Production decisions and the reserve army (Skott 1989a)

Readings:


IV Growth and cycles

11 Oct: Keynesian models
16 Oct: Goodwin’s Marx formalization (Goodwin)
18 Oct: Integrating Marx and Keynes (Skott)

Readings:


V Financial issues

23 Oct: A Steindlian model (Dutt)
25 Oct: Stock-flow consistent models (Skott 1989a, Lavoie&Godley)
30 Oct: Financialization (Stockhammer, Skott&Ryoo)
1 Nov: Minsky cycles (Taylor&O'Connell, Skott 1994)

Readings:


VI Uneven development
6 Nov: ‘Big push’ in closed and open economies (Murphy et al, Skott&Ros)
8 Nov: Cumulative causation in a “new growth” model (Lucas)
13 Nov: A Kaldorian model (Skott&Larudee)
15 Nov: Some policy issues (Krugman, Skott&Larudee)
20 Nov: Dynamic effects of currency overvaluation (Ros&Skott)

Readings:


Part 2

27 Nov
- 11 Dec: Presentations by participants
13 Dec: General summing-up and discussion; term paper due.