Econ 797N: Behavioral and structuralist macro models
Spring 2008
Th 6:00pm - 8:45pm in Thompson 620

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The aim of this course is to provide an introduction to formal macroeconomic models within a broadly behavioral and structuralist tradition, incl. Keynesian and neo-Marxian theories. Thus, the course complements Econ 705 on "mainstream" macroeconomic theory and Econ 706 with its broader analysis of issues relating to Keynes's theory and methodology.

Course requirements: four problem sets, a midterm and a final exam, class presentations, and participation in class discussions of the readings.

Preliminary course outline and readings:

1. Introduction (1 week)

Readings:


2. The stability problem (1 week)
   a. The (in-) stability of full employment
   b. Kaleckian versions

Readings:


3. Full employment, the reserve army and the NAIRU (2-3 weeks)
   a. Fragility of standard theory
   b. The reserve army
   c. Money illusion
   d. Hysteresis
   e. Institutional issues

Readings:


4. Business cycles (1-2 weeks)
   a. endogenous vs exogenous cycles
   b. Keynesian multiplier-accelerator based models
   c. Marxian models
   d. Combining Marx and Keynes

Readings:


5. Money and finance (3 weeks)
   a. endogenous money
   b. stock-flow consistency
   c. "financialization"
   d. models of financial crisis / cycles

Readings:


6. The long run (2 weeks)
   a. stagnationist models
   b. Harrodian/ classical models
   c. Policy in the long run

Readings:


7. Open economy aspects (2 weeks)
   a. exchange rates and the current account
   b. cumulative causation and export-led growth

Readings:


9. **Uncertainty, "historical time", and the strengths and limitations of formal models** (1 week)

Readings:

