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Lectures at Vienna University

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## **Post-Keynesian Macroeconomics**

### **I. The Kaleckian Distribution And Growth Model**

1. Introduction
2. Prices and distribution
3. Distribution and growth
  - 3.1 The basic model
  - 3.2 Rowthorn-Dutt model: stagnationism
  - 3.3 Bhaduri/Marglin model: different regimes
4. Empirical results on the Bhaduri/Marglin model
5. Endogenous productivity growth
6. Conclusions and outlook

Literature:

- Bhaduri, A., Marglin, S. (1990): Unemployment and the real wage: The economic basis for contesting political ideologies, *Cambridge Journal of Economics*, 14: 375-393.
- \*Blecker, R.A. (2002): Distribution, demand and growth in neo-Kaleckian macro-models, in: Setterfield, M. (ed.), *The Economics of Demand-Led Growth*, Cheltenham: Edward Elgar.
- Dutt, A.K. (1984): Stagnation, income distribution and monopoly power, *Cambridge Journal of Economics*, 8: 25-40.
- \*Hein, E. (2004): *Verteilung und Wachstum. Eine paradigmensorientierte Einführung unter besonderer Berücksichtigung der post-keynesianischen Theorie*, Marburg: Metropolis, Kapitel 8: Post-Keynesianische Theorie III: Mark-up Preissetzung und variabler Auslastungsgrad in kaleckianischen Verteilungs- und Wachstumsmodellen.
- \*Hein, E., Tarassow, A. (2010): Distribution, aggregate demand and productivity growth – theory and empirical results for six OECD countries based on a Post-Kaleckian model, *Cambridge Journal of Economics*, 34: 727-754.
- Hein, E., Vogel, L. (2008): Distribution and growth reconsidered – empirical results for six OECD countries, *Cambridge Journal of Economics*, 32: 479-511.
- Rowthorn, R. (1981): Demand, real wages and economic growth, *Thames Papers in Political Economy*, Autumn.

## II. A Post-Keynesian Alternative Model to New Consensus Macroeconomics

1. Introduction
2. A basic Post-Keynesian model including a rentiers class
  - 2.1 Production, finance, distribution and the inflation generating process
  - 2.2 The income generating process
3. Is the NAIRU a strong attractor in the short run?
  - 3.1 The NAIRU as a strong short-run attractor without central bank interventions?
  - 3.2 An inflation targeting central bank and the NAIRU as a short-run attractor?
4. Medium-run endogeneity of the NAIRU
  - 4.1 Persistence mechanisms in the labour market
  - 4.2 Wage aspirations based on conventional behaviour
  - 4.3 The effect of investment in the capital stock
  - 4.4 Persistent changes in the 'ex ante' real rate of interest
5. An alternative Post-Keynesian macroeconomic policy mix
  - 5.1 Monetary policy
  - 5.2 Wage policy
  - 5.3 Fiscal policy
  - 5.4 A Post-Keynesian policy-mix
6. Conclusions and outlook

### Literature

- \*Hein, E., Stockhammer, E. (2010). Macroeconomic policy mix, employment and inflation in a Post-Keynesian alternative to the New Consensus model, *Review of Political Economy*, 22: 317-354.
- Lavoie, M. (2006): A Post-Keynesian amendment to the New Consensus on monetary policy, *Metroeconomica*, 57: 165–192.
- Rochon, L.-P., Setterfield, M. (2007): Interest rates, income distribution and monetary dominance: Post-Keynesians and the 'fair rate' of interest, *Journal of Post Keynesian Economics*, 30: 13–42.
- Setterfield, M. (2009): Macroeconomics without the LM curve: an alternative view, *Cambridge Journal of Economics*, 33: 273–293.

\* required readings