

ECONOMICS 645: The Development of Post-Keynesian Economics

Twenty Essay Questions – Pick One

1. The capital theory debates have been ignored by both mainstream and many post Keynesian economists. Are they relevant to building a post Keynesian alternative to mainstream theory?
2. Can the theory of imperfect competition provide a more realistic explanation of effective demand than liquidity preference?
3. If the central bank sets the policy interest rate and supplies the reserves required by the banking system how can the rate of interest set the limit to effective demand by “ruling the roost”?
4. Keynes found the error in traditional theory in its treatment of demand, while Sraffa found deficiency in its treatment of supply. Does this mean that the theories propounded by Sraffa and Keynes are complementary?
5. Is it possible to have a theory of long period expansion that is not Marshallian? What would then be the definition of the long-period?
6. Keynes found the error in traditional theory in its theory of labour supply and the supply price of capital goods, while Sraffa found deficiency in its treatment of the supply curve of the firm. Does this mean that their theories are complementary?
7. Is it possible to have money play the role of the “real” factor in a long-period theory of growth and accumulation?
8. Robinson responded to the errors in traditional theory by replacing “equilibrium” with “history”, while Sraffa responded by producing a theory of prices that was independent of demand theory based on utility. Was Sraffa’s approach “history” or “equilibrium”?
9. Which of the three Cambridge “revolutions” was the most important in determining the direction of post-Keynesian theory?
10. Is Joan Robinson’s proposal of “history” to replace equilibrium compatible with the view that post Keynesian theory represents a renewal of classical political economy?
11. If post Keynesian theory is primarily concerned with explaining the growth and distribution of a capitalist economy in which money plays little active role is it possible to have a post Keynesian theory of money that is any different from Keynes’s original *General Theory*.
12. Cumulative causation, endogenous instability and centripetal unstable equilibrium were characteristics of the approaches, of Kaldor, Minsky and Harrod. What do they have in common? Do they have anything in common with Robinson’s version of post Keynesian theory?
13. Pasinetti’s extension of post Keynesian theory builds on the evolution of the structure of demand and technological coefficients over time while Minsky looks at the evolution of

- financial structure over time. Are the two approaches compatible? Does Minsky's approach deal with "natural" or "institutional factors"?
14. The State theory of money provides an "institutional" explanation of the existence of money and its role in the economy. Is it compatible with post Keynesian growth and distribution theory? With Pasinetti's theory?
 15. Post Keynesian theory is essentially a theory of growth and distribution that evolved in Cambridge England and has little relation to what is currently described as post Keynesian theory that has developed largely outside Europe.
 16. Minsky always insisted that he was not a "Post-Keynesian". Was he right or wrong?
 17. Can post Keynesian theory be solely described as a positive theory, or is it necessary to describe it in difference to mainstream theory? If mainstream theory is always evolving this is why mainstream theorists reject it as fighting yesterday's theoretical battles?
 18. Would post Keynesian theory have been more successful if it had been post Kaleckian theory? Or post Kaldorian?
 19. Does the concept of a long period theory of demand make sense in post Keynesian theory? In neo-Ricardian/Sraffian theory?
 20. Think up your own question!