Preface

The first version of this book was published in 1992 as *Foundations of Post-Keynesian Economic Analysis*. Ten years later, in 2002, I was asked to write a new edition; in fact Edward Elgar and Alan Sturmer proposed that I submit a complete rewrite instead of simply making minor modifications. I initially said that I could not start on this project before January 2004. Nothing much happened on that front, however, as I was busily collaborating with Wynne Godley in writing several articles and our *Monetary Economics* book, which attempted to fully integrate the real and financial sides of economic models in a truly consistent manner. That book was published in early 2007, and so in February 2007 I felt confident enough to sign a contract to deliver *New Foundations* by September 2009. But in the meantime I became involved with another time-consuming project with my long-time colleague Mario Seccareccia, adapting the Baumol and Blinder first-year textbook to the Canadian market, which ate all of my sabbatical time. Finally, Tara Gorvine at Edward Elgar reminded me that I had missed the delivery date, at which point I said that I would aim for December 2012. As I was also involved with an INET grant led by Mario Seccareccia, this is when I actually truly started working on the *New Foundations*, having accumulated notes on things to modify or topics to add for nearly ten years. I was not idle during this whole period. Between 2002 and 2012, besides the books mentioned above and a toned-down version of *Foundations* called *Introduction to Post-Keynesian Economics*, I calculated that I published four edited books, 35 book chapters and 42 journal articles.

To some extent, the present book is the result of several of these previously published papers. It also arises from some presentations that I made at various conferences, seminars and summer schools. Some chapters have not changed much, because not much new has been produced on the topics of these chapters over the last 20 years. This is particularly the case of the chapters on pricing and on employment. But the other chapters have required quite a lot of work, to keep track of the immense amount of new publications corresponding to the material covered in these chapters. I have also added a chapter on the international economy, which was an omission in the 1992 *Foundations* book. And of course the *New Foundations* reflects some slow changes in my own views, either endogenously, or through interaction with colleagues from all over the world.

But whatever the changes, the purpose of the book remains the same: it is targeted mainly at honours students and masters students, but I am sure that PhD students can also benefit from reading it. It may as well be useful to young colleagues who, despite being trained in mainstream economics, are looking for an alternative view of the world. The purpose is to provide comprehensive access to post-Keynesian economics, a guide through the maze of publications, showing that it does have some coherence. The book is not an introduction to post-Keynesian economics; rather, I think it is fair to say that it assumes that students have some knowledge of alternative theories in economics.

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The outline of the new version is roughly similar to that of the old one. When I wrote *Introduction to Post-Keynesian Economics* (2006), first for a French audience in 2004, the editor of the book series did not like the order of the chapters that I had then proposed, and he suggested another order, which turned out to be identical to that of *Foundations*, so I suppose that this outline is indeed the most appropriate for the purpose at hand. Readers will note that I start out with general concepts, dealing then with the individual consumer and the individual firm, these chapters being followed by the chapter on money and credit, which constitutes the introductory chapter to macroeconomics – employment, growth and inflation. The chapter on the theory of inflation has been scaled down, compared to its 1992 version, perhaps reflecting the lesser concerns about inflation. And already stated, I have added a full chapter on open economies, about which I felt more comfortable to write, in part thanks to my past collaboration with Wynne Godley.

In the preface to the 1992 book, I thanked my spouse Camille for not having delivered our third child before I had finished the manuscript. This remark speared the attention of a few readers, who asked me what then happened. The three boys are now in their twenties. They all went to university and two of them are still there, the third having started a business. I still live with Camille, whom I met at a Christmas university party about 30 years ago, which seems like a great achievement given what happens now to couples, and I thank her for that.

On a more scholarly note, I wish to thank my colleague Mario Seccareccia for his intellectual stimulation during the 35 years that we spent together at the University of Ottawa and for his comments on Chapter 9. I also wish to thank colleagues who have spotted mistakes and have provided useful comments: Antonio Carlos Macedo e Silva, from the University of Campinas, on the growth chapter (Chapter 6); John McCombie, from the University of Cambridge, on the Harrodian open-economy model (Chapter 7); and Tom Stanley, from Hendrix College (Arkansas), on meta-regression analysis (Chapter 1). Eckhard Hein, from the Berlin School of Economics and Law, patiently went through most of the manuscript and provided several suggestions.

Students of mine or students who came to visit the University of Ottawa have also helped: Sima Ghasemi painfully went through the whole manuscript to pick up missing references, and she built up the list of notations used throughout the chapters; Dylan Gowans helped put the references in the right format and prepared the index; Louison Cahen-Fourot provided comments on Chapters 1, 2 and 9; Simon Julita did the same for Chapters 2 and 3; and post-doc Brett Fiebiger provided extensive comments on Chapter 4.