Preface

The present book is a largely revised version of my previous book *Marx and Keynes on Economic Recession* (Sardoni, 1987). When the book was published in the late 1980s, mainstream economics was not too worried about economic recessions. By and large, macroeconomics was still dominated by the New Classical approach, with its concern for equilibrium characterized as the outcome of maximizing behaviour in a competitive framework.

In the midst of the current world economic crisis, several economists have claimed the necessity to return to the Marxian and Keynesian traditions to better understand the dynamics and the contradictions of market economies. This book is a step in that direction as it tries to single out and discuss the elements of Marx’s, Keynes’s and Kalecki’s theories that can contribute to the understanding of the world in which we live.

This book, therefore, is not a mere exercise in the history of economic thought. But neither is it an attempt at analysing and modelling the current crisis. The main intent of the present work is to provide a critical examination of the foundations of macroeconomics as developed in the tradition of Marx, Keynes and Kalecki. A book concerned with these economists may be, hopefully, of interest to a larger portion of the profession, beyond historians of thought and Marxist, Keynesian and Post Keynesian economists.

Marx was one of the first economists who provided a thorough analysis of the recurrent crises to which market economies are prone; Keynes wrote *The General Theory* by drawing from the experience of the great depression of the 1930s. Kalecki solved some analytical problems left unsolved by Marx and Keynes, and developed his analysis by considering an economy in which markets are not perfectly competitive.

The current mainstream in macroeconomics is also characterized by carrying out the analysis under the hypothesis that the economy works under some form of imperfect or monopolistic competition. Thus, the book looks at the relationship between the Kaleckian approach and the mainstream, with respect to the problem of market forms and their relevance for macroeconomics.

The book has undergone several changes from its 1987 edition. All chapters have been revised and updated; new chapters have been added to take account of theoretical developments occurring in the last 10–15 years in the
field of macroeconomics. This new edition of the book comes after a long time during which I kept on working on many of the topics that it covers. During such time I benefitted from comments, criticisms and suggestions from so many people that it would be too long to thank them all. However, I would like to mention and thank Geoff Harcourt and Fabrizio Patriarca for their more recent comments and suggestions. Part of the work for this edition of the book has been carried out within a research project on macroeconomics and market forms funded by Sapienza University of Rome (project C26A09PP8H, 2009). Of course, I am alone responsible for any errors.

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