

Index

- accumulation
 - and employment of labour 47
 - Marx's general law of 25
 - money and wealth 55–6
 - and money hoards 20, 22, 54
 - motive for 17, 61–2
 - relationship between rate of profit and 18, 33–4
- Ackley, G. 61
- Akerlof, G. 137
- aggregate supply and demand
 - in classical economics 59
 - conditions for equality between 69–72
 - and investment 35
 - relation to hoarding 14, 16–17, 42
 - relation to money 54
 - relation to overproduction 5, 24
 - in relation to Say's Law 48–9
 - and reproduction 20, 21
 - and Ricardo 3, 13–14, 143
- aggregate supply function
 - and industry 92–5, 105
 - and Kahn 88
- Alexander, S. 10
- Asimakopulos, A. 147–8
- Armstrong, P. 44
- banks
 - and availability of credit 111
 - and monetary policy 129–30, 138
 - role in determination of aggregate investment 121
 - role in determining rates of interest 56–8
- Baranowsky, T. 118
- Baumol, W. J. 61
- Benassy, J. P. 138
- Bhaduri, A. 139,
- Bharadwaj, K. 62, 120
- Bibow, J. 63
- Blanchard, O.J. 139
- Bleaney, M. 44
- Brown, V. 105
- capital goods, demand for 33–5, 41
- capital goods industries 30–31, 36, 38–40, 41
- capitalist economies
 - analysis by Kalecki 144, 148
 - analysis by Marx and Keynes 5, 60–61, 143, 146
- capitalists
 - investments and profits 114–16
 - propensity to hoard and process of reproduction 4, 17, 18–21, 23, 61
 - tendency to produce and invest 25–30, 47
- Carlin, W. 131, 138
- Casarosa, C. 84
- Chamberlin, E. H. 83, 123
- Chick, V. 62, 83, 84, 145
- circulation of money 11–16, 19–21, 22, 23, 31, 55
- Clarida, R. 129, 138
- classical economics
 - Say's Law in 46, 47–50
 - second postulate 65
 - see also* neoclassical economics
- classical economists 3, 62
- Coddington, A. 63
- competition, perfect and imperfect
 - Kahn 102
 - Kalecki 2, 6, 108–10, 119–20, 133, 144–5
 - Keynes 2, 6, 64–6, 83, 102, 106, 120, 144–6
 - Marx 2, 4, 42, 119, 122, 133
 - New-Keynesian 7, 129–32
 - Robinson 83, 122
 - Solow 124–5

- Sraffa 104, 110–111
see also specific types of competition,
for example free competition
- competitive markets
 firms' maximizing behaviour in
 26–9
 Sraffa on 149
- cost
 marginal 65, 86, 89, 90–92, 100, 102,
 105, 120
 prime 83, 87–8, 104, 109
 cost curves 105
 and and short period decreasing
 returns 90–92
 and industry supply function 92–5
 shape of, in short period 66–7, 82,
 86–9, 102–3, 104
- Dasgupta, A. K. 1
- Davidson, P. 62, 63, 106, 145
- decreasing returns hypothesis 66, 83, 87,
 88–9, 89–95, 102
- demand for capital goods 33–5
- Dillard, D. 1
- division of labour 18, 23, 25–6
- Dixit, A. 138
- Dixon, A. 137
- Dow, C. S. 63,
- Dunlop, J.T. 66, 87, 90, 105
- dynamic processes and
 underemployment equilibria
 146–8
- Eatwell, J. L. 122
- 'economic machine' 140–42
- economic theories, realism in 140–48
- economies of scale 119, 138
- effective demand
 Kalecki 118, 120, 121, 144
 Keynes 5, 8, 49, 52, 54, 88, 105, 106,
 107, 120, 143
 Malthus 43
 Marx 5, 8, 11, 42, 143
 Ricardo 4, 12, 43, 143
 and unemployment 1–2, 35–6, 71,
 145
- Eichner, A.S. 90–91
- employment
 aggregate volume of 83–4
 and capacity 109–10
 and changes in money wages 77–80,
 130–31
 and equilibrium conditions 76–7
 and industry supply and demand
 functions 74–6, 94, 105
 long period 149
see also full employment
- entrepreneurs 17, 19, 121, 148–9
 behaviour of 53–4, 73, 140–41
 decisions of 60–61, 68, 104
 expectations of 31, 89, 92, 96, 97,
 101, 103
 in a 'neutral entrepreneur economy'
 51–2
- equilibrium
 concept of 8
 conditions 76–7
 economy in 70, 72, 122
 and excess capacity 122
 of firm in short period 109–10
 and investment 95–9, 106
 level of employment 131
 level of output 116–18, 129–30, 134
 models and approaches 134–7, 139
 under monopolistic competition
 125–9
 output of capital good 77–81
 rate of unemployment 131–2
see also underemployment equilibria
- ex ante* 98, 99, 103–4, 106, 107
- expectations
 and employment 149
 of entrepreneurs 31, 89, 92, 96, 97,
 101, 103
 of firms 66–9, 72, 84, 98–100, 104,
 124–5
 long-term 28–9, 36, 80–81, 95–6
 Marxian use of term 18
 price 38, 41, 55, 74–5, 83, 137–8
 and producers' decisions 21–2
 rational 35
 short-term 27, 36, 72, 84, 122
- Fan-Hung 57
- firms
 cost curves of 90–92
 equilibrium in short period 109–10
 expectations of 66–9, 72, 84, 98–100,
 104, 124–5
 limits to growth 110–14

- maximizing behaviour of 26–9
size of 121
working below capacity 123
- Fontana, G. 139
- free competition 2, 4, 42, 119, 122, 133
abandonment of hypothesis 108–10, 144–6
- full employment 1–8
and capacity 41, 43
and investment 95–6, 100, 113–14
Keynes 49, 51–4, 60, 66–74, 82, 88, 102–4, 105, 147
and neoclassical economics 48–9, 62
and Say's Law 47–8, 60
see also employment
- Galí, J. 138
- Garegnani, P. 62
- 'general gluts' 43
see also overproduction
- The General Theory*
intent behind 148, 149
Kahn's influence on development of 96–7
Keynes' critique in 46–50, 62, 64–5, 83
Keynes' critique in 1933 draft 50–54
and the rate of interest 54
- Gertler, M. 138
- Gesell, S. 3
- Glyn, A. 44, 158
- Graziani, A. 63
- Hahn, F. H. 138
- Hamouda, O. F. 1
- Harcourt, G.C. 91
- Harrod, R. F. 63, 121
- Hein, E. 1,
- Hicks, J.R. 9, 57
- hoarding
concept of money hoards 14–16, 42
and overproduction 31
propensity towards 18–21, 54–6, 63
and rejection of Say's Law 16–18
- idle money 3–4, 11–17, 31, 42, 53–4, 56, 61
- imperfect competition 7, 64–6, 83, 104, 106, 119–20, 122, 124–5, 133, 136, 149
- income distribution 134, 157
- industry
aggregate supply function 92–5, 105
interest as portion of profit 29, 43
supply and demand functions 74–5
- interest rate *see* rate of interest
- investment
and aggregate supply and demand 35
capitalist tendency towards 25–30, 47
and equilibrium 95–9, 106
functions 121
Keynes' theory of 95–6, 105
and limits to firm's growth 110–14
and profits 114–16
role of banks in determination of 121
- IS-LM framework 9
- Kahn, R.F. 65, 86–9, 93, 96–7, 102, 103, 104, 105–6, 118
- Kalecki, M.
analysis of investment 103–4
criticisms of Keynes' hypotheses 66, 90, 97–100, 105, 106
Kalecki, Marx and Keynes 1–2, 5–7, 8, 118–20, 122–3, 142–4, 147–8
price determination and income distribution 156–7
realism of theories 142–4
Kaleckian macroeconomics 108–9
approach to market forms 132–7
determination of aggregate profits and output 114–18, 122
equilibrium of firm in short period 109–10
limits to firm's growth and theory of investment 110–14, 121
- Kenyon, P. 91
- Keynes, J.M.
critique of Say's Law 46–54, 62–3
hypotheses of decreasing returns 66, 83, 87, 88–9, 89–95, 102
Kalecki, Marx and Keynes 1–2, 5–7, 8, 118–20, 122–3, 142–4, 147–8
macroeconomic implications of microfoundations critique 102–4, 106–7
marginal efficiency of capital critique 96–101, 106

- and Marx, similarities and differences 2–5, 9–10, 36–7, 58–61, 64, 82, 144
- microfoundations 5, 66–9, 83–4, 86
- on perfect and imperfect competition 64–6, 83
- on rate of interest 54–6, 81–2, 83
- scientific discoveries of 140–42
- on short-period returns 86–9, 105
- theory of investment 95–6, 105
- underemployment equilibria 69–82, 84–5, 146–8
- Knight, F.H. 65
- Kregel, J. A. 83, 84
- Kriesler, P. 105
- labour
 - division of 18, 23, 25–6
 - new concept of unemployment of 35–6
 - in New Keynesian workhorse 129–32
- Lavoie, M. 1
- liquidity preference 20–21, 49, 57, 83, 113, 116
- long period
 - employment 149
 - equilibria 127–9, 138
- Luxemburg, R. 118
- Mankiw, N. G. 137
- macroeconomics
 - and implications of critique of Keynes's microfoundations 102–4
 - Kaleckian 108–20, 121, 122, 132–7
 - Marxian 106–7
 - modern 124–37
- Malthus, T.R. 3, 10, 24, 43, 47, 61
- marginal efficiency of capital 60, 71–4, 80, 83, 84, 95–6
 - critique of Keynes's 96–101, 103, 105
- marginal propensity to consume 73, 80, 84, 118
 - see also* propensity to consume
- Marglin, S. A. 139, 149
- market forms 124–5
 - equilibria under monopolistic competition 125–9
 - and Keynes 66, 83, 120
 - the mainstream and the Kaleckian approach 119, 132–7
 - the new Keynesian workhorse 129–32
- Marris, R. L. 83,
- Marshall, A. 3, 5, 9, 50, 52, 60, 62, 63, 65, 66, 70, 83
- Marx, K.
 - critique of Ricardo and Say's Law 13–14
 - demand for capital goods 33–5
 - effective demand, overproduction crises and unemployment 35–6
 - firms' maximizing behaviour in competitive markets 26–9
 - generalization of analytical framework 36–43
 - hoarding and rejection of Say's Law 16–18, 21–2
 - hoarding and schemes of reproduction 18–21
 - Kalecki, Marx and Keynes 1–2, 5–7, 8, 118–20, 122–3, 142–4, 147–8
 - and Keynes, similarities and differences 2–5, 9–10, 36–7, 58–61, 64, 82, 144
 - limits to demand for wage-goods 32–3
 - maximum production and investment 25–30
 - overproduction crises 24–5, 30–31
 - on rate of interest 29–30, 54, 56–8, 60, 63, 113
 - and role of money 11
 - schemes of reproduction 18–21, 150–53
 - scientific discoveries of 140–42
 - methodology and analysis 133–5
- McCracken, H. L. 62
- McNulty, P. J. 122
- Meek, R. L. 148
- Meyer, L. H. 138
- microfoundations
 - Keynesian 5, 66–9, 83–4, 86, 102–4, 106–7
 - Marxian 25–30
- Milgate, M. 62

- modern macroeconomics 124–5
 equilibria under monopolistic competition 125–9
 mainstream and Kaleckian approach 132–7
 the New Keynesian workhorse 129–32
- money
 accumulation 55–6
 as capital 43
 circulation of 11–16, 19–21, 22, 23, 31, 55
 as commodity 62–3
 discussion of nature of 3–4
 idle 3–4, 11–17, 31, 42, 53–4, 56, 61
 quantity theory of money 11–13, 14–16, 22
 relation to aggregate supply and demand 54
 role of, according to Marx 11
 money hoards *see* hoarding
 money wages
 changes in 77–81, 130–31, 154–5
 and Kahn 88, 97
 and Keynes 73, 100
- monopolistic competition 124–5, 133
 equilibria under 125–9
- Morishima, M. 36
- Myrdal, G. 107
- Nakatani, T. 44
- neoclassical economics 141
 Keynes' criticism of 69–73
 Say's Law in 47–50
- New Classical macroeconomics 7, 132, 137, 139
- New Keynesian macroeconomics 7, 132–7, 138, 139
- New Keynesian workhorse 129–32
- Nishimura, K. G. 138
- non-perfect competition 2, 6, 7, 119–20
- Ohlin, B. 57
- Okishio, N. 44
- output, determination of 114–18
- overproduction
 crises 4–5, 17, 24–5, 70, 82, 108
 effective demand, crises and unemployment 35–6
- generalization of Marx's analytical framework 36–41
 limits to demand for wage-goods 32–3, 44
 Marxian microfoundations 25–30
 from partial to general 30–31
- Palley, T. I. 139
- Panico, C. 43
- Parrinello, S. 84
- Pasinetti, L. L. 106
- Patinkin, D. 147
- perfect competition 2, 6, 64–6, 83, 102, 136, 139, 149
 abandonment of hypothesis 110–11, 120, 144–6
- Phillips curve 129–30
- Pigou, A.C. 3, 50, 52, 60, 62, 63, 106
- price determination 156–7
- price expectations 38, 41, 55, 74–5, 83, 137–8
- profit
 and output determination 114–18
 rate of 25–9, 33–5, 37–8, 44, 98
- propensity to consume 44, 153
see also marginal propensity to consume
- quantity theory of money 11–13, 14–16, 22
- Rankin, N. 137
- rate of interest
 changes in 81–2
 determination of 29–30
 equilibrating role 48, 49
 and investment 101
 and Kalecki 98–9, 113
 and Keynes 54–6, 60, 63, 81–2, 83, 113
 long-term 121
 and Marx 54, 56–8
- realism, quest for 142–4
- Reddaway, B. W. 149
- reproduction, schemes of 18–21, 150–53
- Ricardo, D. 3–4, 43, 149
 dispute with Malthus 47, 61
 Keynes on 49–50, 52, 60, 62
 Marx's critique of 13–14, 44, 143
 Say's Law and theory of money 11–13, 22, 35, 48

- Robertson, D.H. 57, 106
 Robinson, J.V. 9–10, 65–6, 83, 93, 98,
 118, 122, 123
 Roemer, J. E. 44
 Rotheim, R. 138
 Rowthorn, R. E. 139
- Salter, W.E.G. 91
 Setterfield, M. 139
 Sardonì, C. 62, 120
 Sawyer, M.C. 147
 Say's Law
 in classical and neoclassical
 economics 46, 47–50
 Keynes' critique of 2–3, 46–54, 62–3
 Marx's critique of 13–14
 rejection of, and hoarding 16–18,
 21–2
 and Ricardo's theory of money
 11–13, 22, 35, 48
 validity of 61
 Schefold, B. 44
 Schmalensee, R. 138
 Shackle, G. L. S. 121
 short period
 equilibrium of firm in short period
 109–10
 profit maximization in 26–9, 83, 84
 returns and cost curves 4–5, 66–7,
 86–95
 Skouras, T. 105
 Smith, Adam 140, 149
 Smithin, J. 139
 Solow, R.M. 124–5, 128, 134, 137–8,
 139
 Soskice, D. 131, 138
 Sowell, T. 48, 61, 62
 Spence, A. M. 138
 Sraffa, P. 104, 110–11, 112, 120–21, 149,
 150
 Steedman, I. 44
 Steindl, J. 121, 122
 Stockhammer, E. 139
 supply and demand functions 74–5
 equilibrium conditions 76–7
 see also aggregate supply and
 demand; aggregate supply
 function
 supply creates its own demand theory 3,
 13, 59
 Sylos Labini, P. 83, 90, 139
- Tamborini, R. 139
 Tarshis, L. 66
 theory of investment 95–6, 105
 and limits to firm's growth 110–14,
 121
 trade cycle 42, 83, 148
- underemployment
 equilibrium position 8
 levels of activity 37–40, 42–3, 45, 82
 levels of capacity 44–5
 underemployment equilibria 2–6
 and actual dynamic process 146–8
 Keynes criticism of neoclassical
 economics 69–73, 84
 in the Marxian framework 40–41
 see also equilibrium
- unemployment
 effective demand and overproduction
 crises 1–2, 35–6, 71, 145
 equilibrium rate of 131–2
 voluntary and involuntary 138
 use-value 17, 22, 41, 43
- wage-goods 33–5
 limits to demand for 32–3, 44
 wage rigidities 9, 154–5
 wage share 118, 122, 157
 Weintraub, E. R. 138
 Weintraub, S. 139
 Wicksell, K. 134, 135, 139
 Wicksellian natural interest rate 134–5,
 139
 Woodford, M. 138, 139
 workhorse, the new Keynesian 1
 29–32
 Yellen, J. L. 137

