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, 13
propensity to lend 113, 116
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
Index

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

Gál, 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

Claudio Sardoni - 9780857930446
Downloaded from Elgar Online at 08/29/2019 12:39:18AM via free access
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
development 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
Sardoni, C. 62, 120
Sawyer, M.C. 147
Say’s Law
in classical and neoclassical economics 46, 47–50
Keynes’s 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
type of investment 95–6, 105
and limits to firm’s growth 110–14, 121
trade cycle 42, 83, 148
derunderemployment 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