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Office Hours: MW 3.30-5, or by appointment  

1 Course Description

This course will survey contemporary heterodox approaches to economic research, both from a microeconomic and a macroeconomic perspective, treated from a general, critical, and rigorously mathematical standpoint. The adjective ‘heterodox’ must be understood broadly. Some of the ideas and models developed in the course will not be strictly speaking ‘heterodox’ from a methodological standpoint, even though their implications fall outside those of ‘mainstream’ economics. One of the main themes of the course will be to understand how do political economy ideas can be formalized into mathematical models and how these ideas do apply to current economic issues. Emphasis will be put on developing analytical and modeling skills that will enable the interested student to contribute originally to these research fields, either theoretically or empirically.

The first, foundational part of the course will cover topics such as: the long period method of Smith, Ricardo and Marx; the labor theory of value and the transformation problem; analysis of the circuits of capital; Classical theories of the long-run tendencies of capital accumulation, growth and distribution. The objective is to provide solid analytical, other than historical, foundations to the study of these issues.

The second part of the course will instead focus on contemporary micro and macro developments of ideas tracing their roots in the political economy of classical economists. Topics will include: self- and other-regarding preferences, altruism, and cooperation; the emergence of economic institutions; bargaining; coordination failures and uneven development; evolutionary game theory and evolutionary dynamics; information problems in labor markets, credit markets and their general equilibrium implications; bias of technical change and income distribution; current comparative political economy, models of collective choice.

2 Texts

Topics will be selected among the following books. For some of the most recent topics, notes and/or articles will be distributed through RamCT.


3 Required Work

3.1 Exams

A take-home midterm exam, due Monday, March 15th, 2010, at the beginning of class (30% of the grade). An in-class final exam, concerning topics pertaining to the final eight weeks of class (30% of the grade). According to the University Calendar, the final exam will take place Wednesday, May 12th, 2010, 1:30-3:30 pm.

3.2 Problem Sets

4 Problem sets that will be posted on RamCT and due by the specified due date (40% of the grade).

3.3 Class Discussion

This course is a seminar class so students are expected to participate in the discussion in each class. Class participation is useful because it raises the level of the discussion, other than inspiring research ideas.

4 Topics

- Part I: Foundations (Weeks 1 - 8)
  3. Exploitation and class. Wage determination and wage inequality.


• Part II: Contemporary Issues (Weeks 9 - 15)

Many of the following topics will easily cover more than a week. Choices will be made according to the instructor’s and students' interests.


5. Labor power and labor: efficiency wages and unemployment from a Marxian and a neoclassical standpoint.


7. Directed Technical Progress and functional distribution of income. Biased technical change from neoclassical (technology) and classical (class-conflict) perspectives.
