ECON 7060
ADVANCED HETERODOX THEORY
Term 1
2010-2011 Regular Session

CRN# 13858
Section: A01
Slot: Thursdays 2:30pm – 5:25pm
Location: 402 Tier

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Office Hours: Tuesdays 10:30pm – 11:20am
Wednesdays 10:30am – 11:30am
or by appointment

Course Description:

This course comprises a review and examination of heterodox economic theory. Core topics include the theory of capitalist production, effective demand and economic fluctuations, and growth and accumulation.

Course Requirements:

Term Test	Thursday, October 28, 2010	25%
Review Essay	Due: Thursday, December 2, 2010	25%
Final Exam	December 2010	50%

The term test will be held in class, and students will have 90 minutes to complete the test.

For the Review Essay, students are asked to select a recent article (.i.e., published no earlier than 2005) that has been published in leading heterodox economics journal (i.e., *Cambridge Journal of Economics, Review of Radical Political Economics, Journal of Post Keynesian Economics, Review of Political Economy).* The article must have a significant and explicit empirical component. The student is asked to critically review and assess the article, giving explicit attention to the significance of this empirical work for heterodox theory. Essays must be typed and, other than an allowance for charts, diagrams and references, must not exceed 10 double spaced pages. Essays must be fully and properly referenced.

The final examination will be of 3 hours duration, and will be scheduled during the university's examination period, which extends from December 10 to December 22, 2010.

Students will not be permitted to write makeup tests or hand in assignments late, except for documented medical or compassionate reasons.

Students appealing any term work whether it be an informal or formal appeal must appeal their term work within 10 days of receiving their mark.

Any term work that has not been claimed by students will be held for 4 months from the end of the final examination period for the term in which the work was assigned. At the conclusion of this time, all unclaimed term work will be destroyed according to FIPPA guidelines.

Note that **Wednesday November 17, 2010** is the final date for voluntary withdrawal without academic penalty for first term half-courses. Evaluative feedback will be provided before this final withdrawal date.

Students are advised to familiarize themselves with the university's policy on "Plagiarism and Cheating" as described on pages 26-27 of the University of Manitoba's *2010/2011 Graduate Calendar.*

Grade Conversion Scale:

91 and above	A+	61-67	C+
84-90	A	54-60	C
75-83	B+	48-53	D
68-74	B	less than 48	F

Course Outline and Readings

Core Texts:

The following list comprises a selection of a few core theoretical books. Extracts from this list will comprise most of the primary material that will be covered in the course.

Broome, John, *The Microeconomics of Capitalism*. London and New York: Academic Press, 1983.

Foley, Duncan K. and Thomas R. Michl, *Growth and Distribution*. Cambridge, MA: Harvard University Press, 1999.

Lavoie, Marc, *Foundations of Post-Keynesian Economic Analysis*. Aldershot, England and Brookfield, Vermont, USA: Edward Elgar, 1992.

Supplementary Texts:

Duménil, Gérard and Dominique Lévy, *The Economics of the Profit Rate: Competition, Crises and Historical Tendencies in Capitalism.* Aldershot, England and Brookfield, Vermont, USA: Edward Elgar, 1993.

Harcourt, G.C., *The Structure of Post-Keynesian Economics: The Core Contributions of the Pioneers*. Cambridge and New York: Cambridge University Press, 2006.

Taylor, Lance, *Reconstructing Macroeconomics: Structuralist Proposals and Critiques of the Mainstream*. Cambridge, MA and London, England: Harvard University Press, 2004.

I. INTRODUCTION TO HETERODOX ECONOMIC THEORY (week 1)

- See the following entries in Second Edition of *The New Palgrave Dictionary of Economics*: "Heterodox economics", "Austrian economics", "feminist economics", "institutional economics", "Marxian economics", "Post Keynesian economics", "radical economics", and "Sraffian economics". *The New Palgrave Dictionary of Economics*. Second Edition. Eds. Steven N. Durlauf and Lawrence E. Blume. Palgrave Macmillan 2008. The New Palgrave Dictionary of Economics Online. Palgrave Macmillan. 05 September 2008. < http:www.dictionaryofeconomics.com.proxy2.lib.umanitoba.ca/>

II. ANALYTICAL FOUNDATIONS

The theory of capitalist production (weeks 2 – 4)

- Broome, Ch. 2 and 3.

Further readings:

- Bhaduri, Amit, *Macroeconomics: The Dynamics of Commodity Production.*Armonk, NY: M.E.Sharpe, 1986. Ch.1.

The firm and pricing (weeks 5 and 6)

- Lavoie, Ch.3.
- Lazonick, William and Mary O'Sullivan, "Maximizing Shareholder Value: A New Ideology for Corporate Governance," *Economy and Society* 29:1 (February 2000):13-35.

Further readings:

- Harcourt, G.C., Ch. 3.

III. EFFECTIVE DEMAND AND ECONOMIC FLUCTUATIONS

The theory of effective demand (weeks 7 and 8)

- Lavoie, Ch.5

Further readings:

- Taylor, Ch. 7.

Money, credit and finance (week 9 and 10)

- Minsky, Hyman, "The Financial Instability Hypothesis," in Arestis, P. and T. Skouras, (eds.), *Post Keynesian Economic Theory: A Challenge to Neo-Classical Economics*. (1985)
- Boyer, Robert, "Is a Finance-led Growth Regime a Viable Alternative to Fordism? A Preliminary Analysis," *Economy and Society* 29:1 (February 2000): 111-145.

Further readings:

- Crotty, J. "Rethinking Marxian Investment Theory: Keynes-Minsky Instability, Competitive Regime Shifts, and Coerced Investment," R*eview of Radical Political Economics* 25 (1993):1-26.

- Duménil, Gérard and Dominique Lévy, *Capital Resurgent: Roots of the Neoliberal Revolution*. Cambridge, MA and London, England: Harvard University Press, 2004. Part III.
- Foley, Duncan, "Liquidity-Profit Rate Cycles in a Capitalist Economy," *Journal of Economic Behavior and Organization* 8 (1986): 363-76.
- Lavoie, Ch.4.
- Taylor, Ch,8.

IV. GROWTH AND ACCUMULATION (week 11 and 12)

- Foley and Michl, Ch 2, pp.18-34, Ch.6, 7, and 10.

Further reading:

- Duménil and Lévy, Ch.15.
- Michl, Thomas R., *Capitalists, Workers, and Fiscal Policy: A Classical Model of Growth and Distribution*. Cambridge, MA and London: Harvard University Press, 2009. Ch.1-4.

V. REVIEW AND SUMMARY (week 13)