TOPICS IN ECONOMIC THEORY: HETERODOX ECONOMICS (ECON 5608) Spring 2010

Professor F. S. Lee
Office: Manheim Hall, Rm 202D
Office Hours: any time
E-mail: leefs@umkc.edu
Tel.: 816-235-2543

Lectures: Monday, 1.00 – 3.45p.m., Haag Hall, Room 109

L. L. Pasinetti, Structural Economic Dynamics
P. Sraffa, Production of Commodities by Means of Commodities.

A. Roncaglia, Piero Sraffa.
G. Chiodi and L. Ditta (eds) Sraffa or an Alternative Economics
L. L. Pasinetti, Keynes and the Cambridge Keynesians

Assessment: Take home exam handed out on February 15, 2010 and returned on February 22, 2010—worth 20% of your final grade
Take home exam handed out on March 8, 2010 and returned on March 15, 2010
—worth 20% of your final grade
Take home exam handed out on April 12, 2010 and returned on April 19, 2010—worth 20% of your final grade.
Project to be determined later due on April 26, 2010—worth 20% of your grade
Final Exam, May 5, 1.00-3.00pm—worth 20% of your final grade

Problem Set: It will distributed.

Description: The course deals in depth with the mathematical and economic properties of heterodox production and price models. After reviewing the mathematics of linear production-price models, the module will examine Leontief, Sraffian, and other heterodox price and production models. Topics to be covered in the course will be price and quantity determination, labour theory of value, the capital controversy, the falling rate of profit, standard commodity, and economic stagnation.
I. The Simple Mathematics of Linear Production and Price Models

1. Lee, F. S. "The Simple Mathematics of Linear Production Models".
3. Kurz and Salvadori, Theory of Production, Mathematical appendix

II. Input-Output Representation of the Economy

2. US input-output tables can be found at http://www.bea.gov.

III. Leontief Production-Price Models

1. Kurz and Salvadori, Theory of Production, ch. 13.3.
2. Pasinetti, Lectures, pp. 35 - 70.

IV. Sraffian Production-Price Models
A. **Introduction**

6. B. Schefold, *Mr. Sraffa on Joint Production and Other Essays*, part I and III.

B. **Simple Reproduction and the Price System**


C. **Expanded Reproduction and the Price System**


D. **Prices, Wages, and the Rate of Profit: The Relationship Between Relative Prices and the Rate of Profit**


E. **Prices, Wages, and the Rate of Profit: The Relationship Between the Wage Rate and the Rate of Profit**
1. Sraffa, Production of Commodities, pp. 34 - 40 and 81 - 87.
5. J. Broome, The Microeconomics of Capitalism, pp. 91 -110.

F. The Standard Commodity and the Standard System
1. Sraffa, Production of Commodities, pp. 18 – 33.
5. Roncaglia, Sraffa and the Theory of Prices, ch. 4.

E. Rate of Profit and Non-Basic Commodities
1. Sraffa, Production of Commodities, 90 - 91.

V. Topics in and Applications of Sraffian Models
A. Labour Theory of Value and the Transformation Problem
2. R. L. Meek, Smith, Marx and After, pp. 95 - 145.
3. I. Steedman, Marx After Sraffa, chs. 1 - 4.

B. Technical Change and the Falling Rate of Profit

C. Centers of Gravitation, Prices of Production, and Market Prices


D. Production Models and Production as a Circular Process


VI. Alternative Production and Price Models

A. The Classical Production-Price Model


B. The Burchardt Production-Price Model


C. The Corn Model


VII. Heterodox Production and Price Models

1. Pasinetti, Keynes and the Cambridge Keynesians, Books I and III.

2. Chiodi and Ditta, Sraffa or Alternative Economics, chs. 3, 4, 5, 7, 14

VIII. Comparing and Evaluating the Production-Price Models
