Lectures: Monday, Wednesday 4.00 – 5.15, Flarsheim Hall 260.

N. Fligstein, The Architecture of Markets.
H. Kurz and N. Salvadori, Theory of Production.
T. Lawson, Reorienting Economics.
F. S. Lee, Post Keynesian Price Theory.

Supplemental Texts:
L. L. Pasinetti, Keynes and the Cambridge Keynesians.
S. Fabiani et. al., Pricing Decisions in the Euro Area.

Problems: Problem sets will be distributed.

Assessment: A set essay of 3,000 words typed. It is due on September 21, 2009. It is worth 25% of your grade.
A set essay of 5,000 words, typed. It is due on October 26, 2009. It is worth 25% of your grade.
A set essay of 5,000 words, typed. It is due on November 30, 2009. It is worth 25% of your grade.
Final exam worth 25% of your final grade – the exam is on Friday, December 18, 2009 from 8.00 – 10.00am.

Announcement: No classes on September 7 and November 23 – 27.
No class on November 9, 2009, with a possible make-up TBA.
Possibly no classes on September 28 and 30, with make-up TBA.

Course Description: The course covers heterodox microeconomic theory. It introduces the student to the historical background and methodology of the theory and then deals with the business enterprise, production and costs, pricing and prices, industry and market, reproduction of the business enterprise, consumer, industrial and government demand, market price and market governance, trade associations, price leadership, government regulation, and the microfoundations of heterodox macroeconomics. The course will also introduce the student to the heterodox disaggregated price-output model of the economy.

LECTURE AND READING OUTLINE

“Well, in our country, “ said Alice, still panting a little, “you’d generally get
somewhere else—if you ran very fast for a long time....” “A slow sort of country!” said the Queen. “Now here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!”

Through the Looking-Glass

I. Introduction to Heterodox Microeconomic Theory

A. Heterodox Economic Theory


2. Lee, Post Keynesian Price Theory, chs. 1-10.


B. Methodology of Heterodox Economics


C. Micro-Macro Structure and Organization of Economic Activity

4. Lee, Post Keynesian Price Theory, chs. 11, 12.

US input-output tables can be found at [http://www.bea.gov](http://www.bea.gov).

II. The Business Enterprise

A. Nature of the Business Enterprise


B. Structure of Production and Costs of the Business Enterprise


C. Costing, Pricing, and Prices

1. Lee, Post Keynesian Price Theory, ch. 11.


D. Investment, Employment, and Production


III. The Market and the Business Enterprise

A. Industry and Market


B. Structure of Market Demand: Consumer, Industrial, and Government


C. Structure of Market Demand, the Business Enterprise, and the Market Price

IV. Competition, the Market Price, and Market Governance

A. Business Enterprise, Competition, and the Market Price


B. Market Governance and the Market Price: Trade Associations, Price Leadership, Government Regulation, and Laws


V. Microfoundations of Heterodox Macroeconomics

A. Disaggregated Price-Output Model of the Economy

1. Lee, Post Keynesian Price Theory, ch. 12.
6. Kurz and Salvadori, Theory of Production, chs. 4, 6, 7, 9, 10, 11.

B. Mark Ups, Investment, and Economic Activity


C. Social Welfare and Corporate Capitalism