Econ 797N: Behavioral and structuralist macro models
Fall 2019
TuTh 11:30am-12:45pm in Crotty 114
and Th 2:30-3:45pm in Crotty 308

Preliminary version, 30 August 2019

Peter Skott
pskott@econs.umass.edu
Office: Crotty 314
Office hours: W 10am - 12 noon

The aim of this course is to provide an introduction to formal macroeconomic models within a broadly behavioral and structuralist tradition, incl. Keynesian and neo-Marxian theories. Thus, the course complements Econ 705 on "mainstream" macroeconomic theory and Econ 706 with its broader analysis of issues relating to Keynes's theory and methodology.

Course requirements: weekly problem sets, a midterm and a final exam, and participation in class discussions of the readings.

Preliminary course outline and readings:

1. Microeconomic foundations (1 week)
   a. The Lucas critique
   b. The Lucas solution and representative agents

Readings:
   Lecture notes, chapters 1-2.

2. Consumption (1 1/2 weeks)
   a. Expectations, present bias and credit constraints
   b. Social preferences
c. Saving a corporate economy: stock-flow consistency and the ‘neo-Pasinetti theorem’

Readings:

Lecture notes, chapters 3-4


3. Phillips curves and the natural rate of unemployment (2 weeks)

a. Phillips curves and the evidence

b. Fragility of standard theory

b. Money illusion

d. Hysteresis

Readings:

Lecture notes, chapters 5-6


4. *Wage inequality* (1 week)

   a. SBTC or ‘power-biased technological and institutional change’?
   
   b. ‘Overeducation’

   **Readings:**
   
   Lecture notes, chapter 7


5. *The stability problem* (½ week)

   a. The Keynesian argument
   
   b. Taylor rules and liquidity traps

   **Readings:**
   
   Lecture notes, chapter 8


6. Secular stagnation and functional finance (1 week)

Readings:

Lecture notes, chapter 9


7. Economic growth (2 ½ weeks)

a. Post-Keynesian growth models

b. Investment and utilization controversies

b. ‘Financialization’

Readings:


8. *Growth cycles* (2 ½ weeks)
   a. Baseline Keynesian and Marxian cycles
   b. Hybrid Keynes-Marx models
   c. Minsky and financial instability

Readings:


9. Recent controversies (1 week)
   a. Wage-led growth
   b. Autonomous demand

Readings:


