

Macroeconomics
1st Module
The Economics of Aggregate Demand

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Objective

The theoretical foundations of demand-led growth theories. Relationships between Keynes's theory and the theories distribution; extension of the principle of effective demand to the analysis of growth

Main topics

Keynes's theoretical and methodological contribution.

Effective demand and the theories of value and distribution.

Critical analysis of mainstream interpretations of Keynes's theory (the neoclassical synthesis).

The investment-saving relation in the long period.

Harrod's analysis. The warranted rate of growth and structural instability. Cycle and trend.

Responses to Harrodian instability. The mainstream solution: Solow's (1956) analysis.

The theories of demand-led growth. Keynesian analyses of the 1950s and 1960s: the Cambridge theory of distribution.

Kaldor's export-led growth model of the late phase

The Post-Keynesian developments: Kaleckian, Kaldorian and Harrodian models of growth

The Classical-Keynesian approach to the analysis of growth and accumulation.

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