

## ***Macroeconomics***

### ***Module: The Economics of Aggregate Demand***

#### ***Palumbo-Trezzini***

##### **Part I (Palumbo) -8 hours**

###### **The principle of effective demand.**

Connections and relationships between theories of value and distribution and macroeconomic theories.

Keynes's theoretical and methodological contribution.

Critical analysis of mainstream interpretations of Keynes's theory.

###### **From the Neoclassical Synthesis to the empirics of growth**

Macroeconomic stabilization vs long-run trends

Solow (1957) and the empirics of growth: a critical analysis

##### **Part II (Trezzini) -12 hours**

###### **The role of aggregate demand in the growth process**

The Investment-Saving relation in the long run.

Harrod's analysis. Structural instability. Cycle and trend. The prevailing interpretations of Harrod's 'Model'.

Responses to the problem of structural instability. The mainstream solution: Solow's (1956) analysis.

The theories of demand-led growth. Keynesian analyses of the 1950s: the Cambridge equation.

Kaleckian analyses: the first and the second generation of Kaleckian models of growth.

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

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