

EC 408 Problems of Accumulation

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This course deals with the alternative approaches adopted in discussing accumulation in a capitalist economy, beginning from the period of Classical Political Economy and ending in the modern theories of endogenous growth. The course offers to the student, in the context of a discussion on growth theory, an exposure to the diverse and contending schools of thought which have evolved with the development of the subject.

Evaluation in the course is based on performance in a mid-semester examination and an end-semester examination. Both examinations carry equal weight in evaluation.

Topics and Suggested Readings (Winter semester, 2012-13)

1. Supply-side Views: Classical Growth Theory

Krishna Bhardwaj: *Classical Political Economy and the Rise to Dominance of Supply and Demand Theories*, Lecture 1.

Adam Smith: *An Inquiry into the Nature and Causes of the Wealth of Nations*
(Excerpts available as handout)

Maurice Dobb: *Theories of Value and Distribution since Adam Smith* (especially chapter on Adam Smith)

David Ricardo: *Essay on the Influence of a Low Price of Corn on the Profits of Stock*
(In *The Works and Correspondence of David Ricardo, Volume IV*)

David Ricardo: *On the Principles of Political Economy and Taxation* (*The Works and Correspondence of David Ricardo, Volume I*; excerpts available as handout)

Nicholas Kaldor: 'Alternative Theories of Distribution,' *Review of Economic Studies*, 1955-56

Carlo Casarosa: 'A New Formulation of the Ricardian System,' *Oxford Economic Papers*, 1978

Karl Marx: *Capital, Volumes I and III*

(especially chapters 1, 4-9, 12-15, 18, 25 (*Vol.I*) 1-3, 8-10, 12-15 (*Vol.III*) in the Penguin edition)

Paul Sweezy: *The Theory of Capitalist Development*

Anwar Shaikh: 'Political Economy and Capitalism: Notes on Dobb's Theory of Crisis,' *Cambridge Journal of Economics*, 1978.

2. Introducing Demand in Growth Theory: Harrod's Model

Roy Harrod: *Economic Dynamics* (especially chapters 4 and 7)

Amartya Sen: 'Introduction' in Amartya Sen (ed.) *Growth Economics: Selected Readings*.

Hywel G. Jones: *An Introduction to Modern Theories of Economic Growth*.

3. Supply-side Views: Neoclassical Growth Theory

Robert Solow: *Growth Theory*

Robert Barro and Xavier Sala-i-Martin: *Economic Growth*

Edwin Burmeister and A. Rodney Dobell: *Mathematical Theories of Economic Growth*

David Romer: *Advanced Macroeconomics*

Peter Diamond: 'National Debt in a Neoclassical Growth Model,' *American Economic Review*, 1965.

O. Galor and H. E. Ryder: 'Existence, Uniqueness and Stability of Equilibrium in an Overlapping-Generations Model with Productive Capital,' *Journal of Economic Theory*, 1989.

4. Supply-side Views: Theories of Endogenous Growth

Robert Barro and Xavier Sala-i-Martin: *Economic Growth*

Paul Romer: 'The Origins of Endogenous Growth,' *Journal of Economic Perspectives*, 1994.

Robert Solow: 'Perspectives on Growth Theory,' *Journal of Economic Perspectives*, 1994.

Paul Romer: 'Increasing Returns and Long-Run Growth,' *Journal of Political Economy*, 1986

Robert E. Lucas, Jr.: 'On the Mechanics of Economic Development,' *Journal of Monetary Economics*, 1988.

5. Capital, the Aggregate Production Function and Equilibrium in Supply-side models

Joan Robinson: 'The Production Function and the Theory of Capital,' *Review of Economic Studies*, 1953-54.

Donald Harris: 'Capital, Distribution and the Production Function,' *American Economic Review*, 1973.

G. C. Harcourt: 'Some Cambridge Controversies in the Theory of Capital,' *Journal of Economic Literature*, 1972.

Avi J. Cohen and Geoffrey C. Harcourt: 'Whatever Happened to the Cambridge Capital Theory Controversies?' *Journal of Economic Perspectives*, Winter 2003.

Joan Robinson, 'The Unimportance of Reswitching,' *Quarterly Journal of Economics*, February, 1975.

Joan Robinson: 'A Model of Accumulation,' in *Essays in the Theory of Economic Growth*.

6. Growth Theory with a Role for Demand: Post-Keynesian Perspectives

Nicholas Kaldor: 'Alternative Theories of Distribution,' *Review of Economic Studies*, 1955-56.

Luigi Pasinetti: 'Rate of Profit and Income Distribution in Relation to the Rate of Economic Growth,' *Review of Economic Studies*, 1962.

Nicholas Kaldor: 'Marginal Productivity and the Macro-economic Theories of Distribution,' *Review of Economic Studies*, 1966.

Michael Kalecki, 'A Note on Long-Run Unemployment,' *Review of Economic Studies*, 1950-51.

Joan Robinson: 'A Model of Accumulation,' in *Essays in the Theory of Economic Growth*.

Stephen A. Marglin: 'Growth, Distribution and Inflation: A Centennial Synthesis,' *Cambridge Journal of Economics*, 1984.

Robert Rowthorne: 'Demand, Real Wages and Economic Growth,' *Studi Economici*, 1982.