

Doctoral Program in Economics



Academic year 2025/26

ECONOMIC GROWTH

Period: III term

Course hours: 20

Teachers:

Sergio Cesaratto (responsible) 10 hours

Riccardo Pariboni 10 hours

Exam methods: Home essays

Prerequisites:

General knowledge of micro and macroeconomics; basic knowledge of the classical theory of surplus and criticism of the marginalist theory of capital.

Program Prof. Sergio Cesaratto

The lectures will concern the secular origins of economic development, the Keynesian and Kaleckian theories of demand-led output determination, the theory of money and of monetary policy, the standard and endogenous neoclassical growth models. The lectures are in continuity with the Classical and Keynesian Microeconomics module by professors Salvadori and Petri (I term) and will prepare the field to the alternative growth models presented in the second part of the present course. The “red thread” of part I and part II is that growth is demand-led, and that capitalism is inherently contradictory since an unequal income distribution is unable to sustain demand. One introductory lecture will concern the classic theory of surplus and the pre-capitalist economies.

Program Prof. Riccardo Pariboni

The second part of the course will offer an overview of several alternative growth models, starting from the mother of modern growth theory, the Harrod model. The objective is to explore the evolution of economic thought around the issue of economic growth. The approach will be inherently pluralistic.

List of the lectures:

Cesaratto

Lecture 1: The neoclassical exogenous and endogenous model of economic growth

Lecture 2: Surplus approach, inequality, institutions, and pre-capitalist economies

Lecture 3: The capital theory controversy, and Wicksell's and Keynes's theories of output determination

Lecture 4: The determinants of long period aggregate demand in the late Michal Kalecki and Pierangelo Garegnani (1962)

Lecture 5: Endogenous money, payment systems, monetary policy, autonomous demand

Pariboni

Lecture 6: The Harrod-Domar model

Lecture 7: The Cambridge equation

Lecture 8: The Neo-Kaleckian and the Marglin-Bhaduri growth models

Lecture 9: Autonomous demand-led growth models and the Sraffian supermultiplier

Lecture 10: The political economy of growth and distribution and the dialogue between Post-Keynesian economics and Comparative Political Economy

Educational objectives

The lectures will make students aware of the existence of alternative growth theories either supply-led (based on the validity of Say's Law) or demand-led (driven by aggregate demand). Alternative views of economic history and of the monetary system are also considered, Students will be invited to discuss their respective predictions and policy implications, and to examine some open research areas.

Bibliographical references:

Cesaratto

Background reading: Cesaratto, S. (2020). *Heterodox Challenges in Economics – Theoretical Issues and the Crisis of the Eurozone*, Springer, chapters 1, 2, 3, 4, 5 (available in e-book).

Lectures 1: The neoclassical exogenous and endogenous model of economic growth

H.G. Jones. *An introduction to modern theories of economic growth*, Nelson, 1975.

S. Cesaratto (2010). Endogenous growth theory twenty years on: a critical assessment, *Bulletin of Political Economy*, (4) 1, working paper version *Quaderni del Dipartimento di Economia politica*, Università di Siena, n. 559.

Lecture 2: Surplus approach, inequality and pre-capitalist economies

Cesaratto, S., and Di Bucchianico, S. (2021). The Surplus Approach, Institutions, And Economic Formations, *Contributions to Political Economy*, 40 (1).

Lectures 3: The capital theory controversy, and Wicksell's and Keynes's theories of output determination

Garegnani, P. (1983), Notes on Consumption, Investment and Effective Demand, in Eatwell J. and M. Milgate (eds.) (1983), *Keynes's Economics and the Theory of Value and Distribution*, London: Duckworth. (also in the *CJE* 1978-9).

Lectures 4: The determinants of long period aggregate demand in the late Michal Kalecki and Garegnani (1962)

Kalecki, M. (1967) The problem of effective demand with Tugan-Baranowski and Rosa Luxemburg, in: *Selected Essays on the Dynamics of the Capitalist Economy 1933 – 1970* (1971), Cambridge: Cambridge University Press.

Garegnani, P. (2015). On the factors that determine the volume of investment, English translation of chapters III & IV of Garegnani (1962), *Review of Political Economy*, 27 (2).

Lectures 5: Endogenous money, payment systems, monetary policy, autonomous demand

Cesaratto, S. (2020). *Heterodox Challenges in Economics – Theoretical Issues and the Crisis of the Eurozone*, Springer, <http://www.springer.com/9783030544478>, chapter 5, 6.

Cesaratto, S., and Pariboni, R. (2021) Keynes's finance, the monetary and demand-led circuits: a Sraffian assessment, WP DEPS n. 851. [revised version: The relation between Keynesian monetary theory and Sraffian economics: a critical exploration, *Review of Keynesian Economics*, 2022, 10 (3)].

Pariboni

Lecture 6: The Harrod-Domar model

Harrod, R. (1939). An essay in dynamic theory, *The Economic Journal*, 49 (193).

Lecture 7: The Cambridge equation

Garegnani, P. (1992). Some notes for an analysis of accumulation, in Halevi, J., Laibman, D. and E. Nell (eds.), *Beyond the Steady State: a Revival of Growth Theory*, London: Macmillan.

Lecture 8: The Neo-Kaleckian and the Marglin-Bhaduri growth models

Amadeo, E. J. (1986). The role of capacity utilisation in long-period analysis, *Political Economy*, 2 (2).

Pariboni, R. (2016). Autonomous demand and the Marglin-Bhaduri model: a critical note, *Review of Keynesian Economics*, 4 (4).

Lecture 9: Autonomous demand-led growth models and the Sraffian supermultiplier

Girardi, D. and Pariboni, R. (2016). Long-run Effective Demand in the US Economy: An Empirical Test of the Sraffian Supermultiplier Model, *Review of Political Economy*, 28 (4), section 2.1.

Lecture 10: The political economy of growth and distribution and the dialogue between Post-Keynesian economics and Comparative Political Economy

Morlin, G. S., Passos, N. and Pariboni, R. (2022). Growth theory and the growth model perspective: insights from the supermultiplier, *Review of Political Economy*, <https://doi.org/10.1080/09538259.2022.2092998>.