

7-28-1991

## "Most Preliminary" agenda for Workshop "Macroeconomic Theory in the Light of Current Concerns"

Levy Institute

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### Recommended Citation

Institute, Levy, ""Most Preliminary" agenda for Workshop "Macroeconomic Theory in the Light of Current Concerns"" (1991). *Archives of the Levy Economics Institute*. 32.  
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July 1991

# Workshop Schedule

The following is most preliminary. If you holler we will negotiate.

July 28, Sunday Convene

AM sessions 9:30-12:00 and PM sessions 2:30-5:00 with a coffee/coke break.

July 29 Monday AM Minsky

To move the world we first  
have to move the discipline. A  
Personal Statement: Post  
Keynesian Economics and the  
Current State of Macroeconomic  
Theory

PM Day, Richard

Andreassen

My Program at the Levy  
Institute

July 30 Tuesday AM

Albin

Degrees of Complexity:  
Parallel Constructions and  
Complexity in Macro-Economic

Modeling.

PM Mehrling

Rational Behavior in the Light  
of Acknowledged Ignorance

Caskey

The question of price  
flexibility and rigidity:  
modelling and simulation

Paper: Caskey and Fazzari, Debt, Price Flexability and  
Aggregate Stability.

July 31 Wednesday AM Greenberg and Ferri

Macroeconomic Dynamics

Greenberg: General Principles

Ferri: Labor market Dynamics

PM An excursion to ???????

Aug 1 Thursday AM Dymski

Economic Theory and Reform of  
The Monetary/Financial System:  
What Model of the Model Guides  
Reform.

Wray

New Keynesian view of credit  
rationing: information  
asymmetries adverse selection,  
adverse incentives versus the  
attenuation of risk aversion  
as a result of success A  
critique.

PM Nell

Financial Relations and the  
Significance of the Kaleckian  
Model

PM Philips

My Program at The Levy  
Institute

Rao

My program at the Levy  
Institute.

Aug 2      Friday      AM      Kregal

A Summing Up: What remains of  
the Post Keynesian attack of  
20 years ago

Minsky

Does the World End With a Bang  
or a Whimper?

7/15

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# Workshop

Macroeconomic Theory in the Light of Current Concerns

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Convene

Sunday July 28 for dinner

Scatter Friday August 2 after lunch

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Apology for being.

When I began thinking about this workshop I thought of gathering a mess of New Keynesians and several Post Keynesians in my sense of the term (Before I was assimilated into the camp of the post Keynesians I referred to my work as Financial Keynesianism) and letting them have a go at determining where they stood one with respect to the other. As it worked out I ended up filling the slots with mainly dissidents who may or may not all be Post Keynesians. The

only thing we have in common is that I find pleasure, as far as I understand it, in the work of all who are here.

This does not mean that I have given up on the idea of using the resources of the Institute to open up a dialogue within the discipline. It does mean that this week can perhaps be treated as a caucus, in which we explore whether there is a common strand in our way of thinking of Macroeconomic problems) and a preparatory session, looking to further workshops at which the dialogue I originally wanted is carried on.

The Jerome Levy Economics Institute is a policy oriented research institute which recognizes the validity of the famous last sentence of Keynes' General Theory: "But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil." and the remark earlier in the same paragraph that "...The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else."

I like a phrase that Peter Albin used to summarize what remains from the rational expectations revolution: "The agents in the model have a model of the model." This model of the model guides or inspires the actions of the agents. policy makers, policy analysts and legislators are agents in

the model and their views as to how the economy functions, the model of the model they subscribe to affects what they do, write, argue and vote. It follows that economic policy is not independent of the economic theory that is prevalent in the policy making community.

I need not labor the dominance of neo-classical theory in the United State's community of economists and the policy implications that have been drawn from the theory. If one believes that the standard theory does not capture and help us understand significant aspects of the economy then one will hold that there are shortfalls in policy: that the conventional policy postures do not hold.

The perspective that underlies the work of this workshop is that to move policy it is necessary to move the discipline.

HPM

POST KEYNES AND NEW KEYNES:

THE SIMILARITIES AND DIFFERENCE BETWEEN THE ANIMALS AND DOES A SYSTEM WITH CAPITALIST FINANCE GENERATE CONDITIONS CONDUCIVE TO CHAOS, AND WHAT IS THE APPROPRIATE DEGREE OF COMPLEXITY FOR ECONOMICS, EQUILIBRIUM SEEKING, NICE GROWTH, CHAOS INDUCING OR EVOLUTIONARY PRIORS FOR THEORIZING. AES ONCE REMARKED THAT "THESE ARE THE CONCLUSIONS FROM WHICH I DEDUCE MY FACTS" ECONOMISTS, WHO TYPICALLY DONT WORK WITH FACTS, WOULD

REPHRASE THE ABOVE TO "THIS IS THE ANALYTICAL CONCLUSION  
WHICH DETERMINES THE ANALYTICAL FRAMEWORK I USE."