Apology for being.
When I began thinking about this workshop I thought of gathering a mess of New Keynesians and several Post Keynesians, (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 in the work, as far as I understand it, of all who are here.

This does not mean that I have given up on the idea of applying some of the resources of the Institute to open up a dialogue within the discipline. It does mean that this week can be treated as a caucus, in which we explore whether there is a common strand in our way of thinking of Macroeconomic problems and try to make this common strand precise, 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 underlies the principles that guide the behavior of the players in the policy making game.

I need not labor the dominance of neo-classical theory in the United State's community of economists. These views have oozed out of the community of economists so that economic policy proposals are often based upon an unthinking acceptance of propositions drawn from some variant of neo classical 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 policy measures based upon the validity of neo classical theory are apt to be inept. There are crises of performance as well as crises of liability validation in today's economy. It seems clear that the conventional wisdom does not seem up to devising measures to improve the performance of the economy and the financial system.

One perspective that underlies the work of this workshop is that to move policy it is necessary to move the discipline. To move the discipline we have to communicate with the dominant practitioners even as we change the agenda.

HPM

POST KEYNES AND NEW KEYNES:

THE SIMILARITIES AND DIFFERENCE BETWEEN THE ANIMALS AND DOES A SYSTEM WITH CAPITALIST FINANCE GENERATE CONDITIONS CONDUCTIVE TO CHAOS, AND

WHAT IS THE APPROPRIATE DEGREE OF COMPLEXITY FOR ECONOMIC MODEL BUILDING, FOR THEORIZING: SHOULD THE "PRIORS". BE EQUILIBRIUM SEEKING, NICE GROWTH, CHAOS INDUCING OR EVOLUTIONARY.