

History and Fundamentals of Post-Keynesian Economics

Eckhard Hein

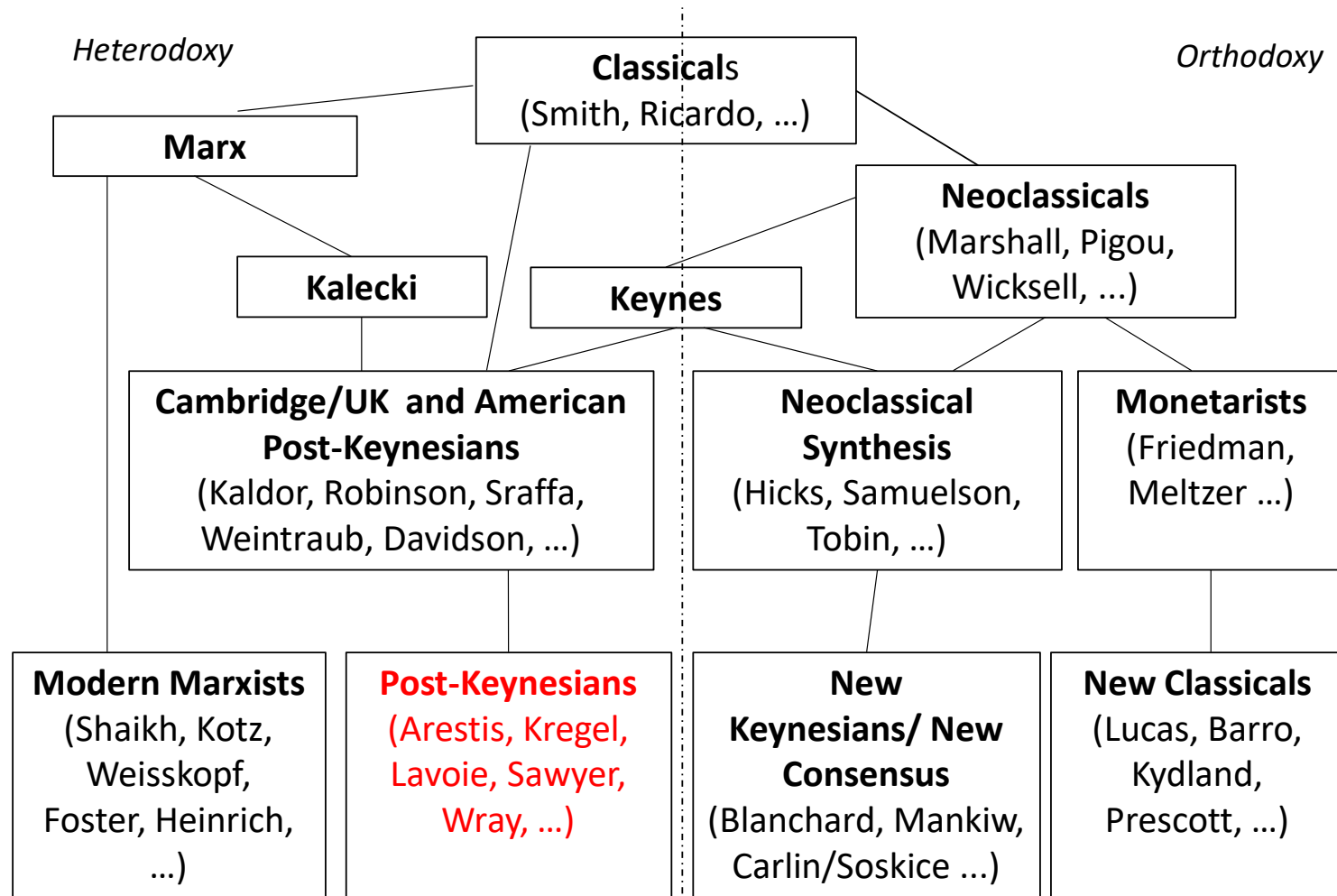
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1. INTRODUCTION

Figure 2.1 Heterodox and orthodox schools in macroeconomics



Source: Based on Hein (2019b, p. 240)

2. HETERODOX VS. ORTHODOX ECONOMICS a la Lavoie (2014, 2022)

Epistemology / Ontology

Heterodoxy: Realism

- Objective of economics is to tell relevant stories and to explain actual working of the economy in the real world
→ start with „stylized facts“ (Kaldor) rather than hypothetical idealistic position or assumptions

Orthodoxy: Instrumentalism

- Economic hypothesis is sound, if it allows for calculation of equilibrium and accurate prediction (M. Friedman)
→ start with first principles (utility and profit maximisation, given endowments, perfect competition)

Rationality

Heterodoxy: Environment-consistent rationality, satisficing agent

- Individuals face severe limitations in their ability to acquire and process information, because the latter maybe simply non-existent (known unknowns, unknown unknowns)
 - expectations based on radical uncertainty (different from probabilistic risk)
 - norms/institutions (conventions, customs, rules of thumb) as rational responses

Orthodoxy: Hyper model-consistent rationality, optimising agent

- Individuals possess quasi-unlimited knowledge and ability to calculate economic outcomes applying the ‚true‘ model (perfect information, rational expectations)

Method

Heterodoxy: Holism/organicism

- Individuals are social beings under the influence of their environment (culture, class, gender, institutions, history)
→ micro-macro paradoxes

Orthodoxy: Individualism/atomicism

- Analysis starts from pre-social individual and his/her preferences
→ representative agent as a utility and/or profit maximiser under constraints
→ microfoundation of macroeconomics (and of institutions)

Economic core

Heterodoxy: Production and growth

- Creation of scarce resources by means of accumulation of (part of) the surplus and technical progress (classicals + Marx), reproduction prices, utilization of resources, because economy usually operates below full utilization (Kalecki, Keynes)

Orthodoxy: Exchange, allocation + scarcity

- Efficient allocation of scarce resources (Robbins), prices reflect scarcity, exchange as the starting point of economic analysis, production + growth as an extensions

Political core

Heterodoxy: Regulated markets

- markets generate instabilities irrespective of price (in-) flexibility, unacceptable inequalities and inefficiencies; free markets are impossible, tendencies towards oligopoly + monopoly; market regulation and aggregate demand management by the state are required

Orthodoxy: Unfettered markets

- Perfect markets (perfect information, flexible prices) generate optimal results, state intervention generates inefficiencies, exception: external effects, natural monopolies, ...

3. STRANDS OF POST-KEYNESIAN ECONOMICS AND BROAD COMMONALITIES

Strands of post-Keynesian economics

('big tent') a la Lavoie (2014, 2022)

- **Fundamentalist** (Keynes, older J. Robinson, Chick, Davidson, Minsky, Shackle, Weintraub): fundamental uncertainty, the features of a monetary production economy, financial instability, method
- **Kaleckians** (Kalecki, Steindl, younger J. Robinson, Laski, Mott, Blecker): cost-plus pricing, class conflict, effective demand, income distribution and growth
- **Kaldorians** (Kaldor, Harrod, Godley, Thirlwall, Pasinetti, Perraton): growth, productivity regimes, open economy constraints to growth, economic and the financial system
- **Sraffians/neo-Ricardians** (Sraffa, Garegnani): prices of production in multi-sectoral systems, choice of techniques, capital theory, long-period positions of the economy, supermultiplier models
- **Marxian/post-Keynesian** (Goodwin, Flaschel, Taylor): growth cycle, profit-led growth, Marx & Keynes on money & demand, ...
- **Institutionalists** (J.K. Galbraith, Lerner, Eichner): pricing, the theory of the firm, monetary institutions, behavioural and labour economics

Core claims of PK economics

1. - 5. **presuppositions of heterodox economics**

+

6. non neutrality of money in the short and in the long run the focus on a **monetary theory of production** (Keynes 1933) in which **money is non-neutral** in the short and the long run, i.e. money is not a veil;
7. the dominance of the **principle of effective demand in the short** (Kalecki 1932, 1933, 1935, 1939, Keynes 1933, 1936) **and the long run** (Kalecki 1943, 1954, Kaldor 1957, Robinson 1956, 1962, Steindl 1952), investment creates its corresponding saving via income, growth and/or distribution effects;

Core claims of PK economics

8. the importance of the notion of **fundamental uncertainty**, which is different from probabilistic risk ('we simply do not know', Keynes 1937);
9. the insistence that economic processes take place in **historical and irreversible time** (Robinson 1962)– and are thus largely **path dependent**, hence no pre-determined NAIRU or potential growth ('long run trend is but a slowly changing component of a chain of short-period situations', Kalecki 1971);
10. the importance of distributional issues and **distribution conflict** for economic outcomes (output, employment, inflation, growth).

Table 2.1 Ten main features of post-Keynesian economics	
Five pre-suppositions	Five core claims
1. Epistemology/Ontology: Realism	6. Non-neutrality of money in the short and in the long run
2. Rationality: Environment consistent rationality and satisficing agents	7. Principle of effective demand in the short and in the long run
3. Method: Holism and organicism	8. Fundamental uncertainty
4. Economic core: production and growth	9. Historical and irreversible time, path dependence
5. Political core: regulated markets	10. Distribution conflict

4. STAGES OF DEVELOPMENT OF POST-KEYNESIAN ECONOMICS

When did post-Keynesian economics start?

- With Keynes and Kalecki and their immediate followers in the 1930s/1940s?
- With Robinson's (1956) *The Accumulation of Capital*, as claimed by Rochon (2023)?
- With Davidson's (1972) *Money and the Real World*?
- With Eichner/Kregel (1975): 'An essay on post-Keynesian theory: a new paradigm in Economics', in *JEL*?

4.1 The 1930s and 1940s

- Kalecki's (1932, 1933, 1935, 1939, 1943a) and Keynes's (1933, 1936) **revolution in macroeconomics**, determination of output and employment, involuntary unemployment and the trade cycle
- **Economic policies** to overcome short- and long-run effective demand failures, recessions, stagnation and involuntary unemployment (Kalecki 1943b, 1944, Keynes 1943)
- Future of the **international currency system** after World War II (Kalecki/Schumacher 1943, Keynes 1942)
- Harrod (1939) and Domar (1946): **capacity effects of investment** and their impact on long-run stability of growth, also Kalecki (1939, 1943, 1954)
- Lerner (1943) **functional finance**
- Domar (1944) stability condition for **government debt dynamics**

Table 2.2 Short biography of Michal Kalecki

- 22.6.1899: Born in Lodz, Poland
- 1917: Bachelor's degree in engineering
- 1921: Gdansk Polytechnic, studies in engineering, private studies on Tugan-Baranowsky and Luxemburg
- 1924: Left university without degree, work as a business journalist
- 1929: Research Institute of Business Cycles and Prices, Warszaw
- 1930: Marriage with Ada Szternfeld
- 1933: *Essay on the Business Cycle Theory* (in Polish)
- 1935: Publications in *Revue d'Economie Politique* and in *Econometrica*
- 1936: Scholarship to travel to Sweden and England
- 1937: Cambridge, first meeting with Keynes
- 1939: *Essays in the Theory of Economic Fluctuations*
- 1940: Researcher at the Oxford Institute of Statistics
- 1943: *Studies in Economic Dynamics*
- 1945: Paris, Montreal, New York: Economic Department of UN
- 1954: *Theory of Economic Dynamics*
- 1955: Return to Poland
- 1957: Chairman of the Committee for the Perspective Plan
- 1958: University professor and member of Polish Academy of Sciences
- 1963: *Introduction to the Theory of Growth in A Socialist Economy* (English in 1969)
- 1969: *Studies in the Theory of Business Cycles*
- 4.4.1970: Death in Warszaw
- 1970: *Selected Essays on the Dynamics of the Capitalist Economy, 1933-1970*
- 1972: *Selected Essays on the Economic Growth of the Socialist and the Mixed Economy*

Source: Based on information in Toporowski (2013, 2018)

Table 2.3: Short biography of John Maynard Keynes

- 5.6.1883: Born in Cambridge, UK
- 1897: School at Eton
- 1902: Student at King's College,
- 1905: Degree in mathematics
- 1905: Student of Marshall's
- 1906: Indian Office
- 1909: Fellow of King's College
- 1911: Editor of the *Economic Journal*
- 1913: *Indian Currency and Finance*
- 1915: Treasury, Member of the British delegation in Versailles
- 1919: *The Economic Consequences of the Peace*
- 1920: *A Treatise on Probability*
- 1922: *A Revision of the Treaty*
- 1923: *A Tract on Monetary Reform*
- 1925: Marriage with Lydia Lopokowa
- 1930: Member of the Economic Council of the Prime Minister
- 1930: *A Treatise on Money, 2 volumes*
- 1931: *Essays in Persuasion*
- 1933: *Essays in Biography*
- 1936: *The General Theory of Employment, Interest and Money*
- 1939: Government advisor on war finance and currency issues, Member of British delegation in Bretton Woods
- 21.4.1946: Death in Tilton, Sussex, UK

Source: Based on information in Skidelsky (2003)

4.2 The 1950s and 1960s

- **PK distribution and growth models of the first generation**, Kaldor (1955/56, 1957), Pasinetti (1962, 1974) and Robinson (1956, 1962), in which saving adjusts to investment in long-run growth at normal capacity utilisation through changes in functional income distribution
- Kaldor (1966): **applied export-led growth approach** focussing on sectoral and regional divergences, dynamic returns to scale, cumulative causation and path dependence in economic development → **autonomous demand-led growth**
- Critique of aggregate neoclassical theory in the '**Cambridge controversies in the theory of capital**', starting with Robinson (1953/54), fundamentally challenging the theoretical consistency of an aggregate neoclassical production, and all the results derived from this, for a more than one-good-economy (Harcourt 1969, 1972)

4.3 The 1970s

- **‘Romantic age’** (Fontana 2009)
- Defining the **contours of a ‘post-Keynesian’ paradigm** in economics, Davidson (1972), Eichner/Kregel (1975), Eichner (1978)
- Robinson/Eatwell (1973): **introductory textbook** along Sraffian/post-Keynesian lines
- Foundation of **journals**: CJE (1977), JPKE (1978)
- **Theory of the firm and pricing**: Eichner (1976), Harcourt/Kenyon (1976), Wood (1975)
- Thirlwall’s (1979) **balance of payments constrained growth model** (Thirlwall’s law)
- Minsky’s (1975, 1977): **Financial instability theory**: tranquility is breeding instability

4.4 The 1980s and 1990s

- **‘Age of uncertainty’** (Fontana 2009)
- Work on **methods, publication of some textbook-like monographs** on post-Keynesian economics, Arestis (1992), Bhaduri (1986), Carvalho (1992), Chick (1983), Davidson (1982, 1994), Dutt/Amadeo (1990), Lavoie (1992), Lee (1998), Palley (1996), Reynolds (1987), and Sawyer (1985)
- Further **journals**: IRAE (1987), RoPE (1989)
- Theory of **endogenous money** (Kaldor 1982, 1985, Lavoie, 1984, 1996a, Moore 1988, 1989),
- **‘Horizontalist versus structuralist’** debate on interest rates, money and credit on the slope of money and credit supply curves (Lavoie 1996a, 1999, Moore 1989, Palley 1994, Pollin 1991, Wray 1990)
- **Second generation of post-Keynesian distribution of growth models**, based on the works of Kalecki (1939, 1943, 1954) and Steindl (1952), by Dutt (1984, 1987) and Rowthorn (1981): rate of capacity utilisation as an endogenously adjusting variable also in the long run
- Bhaduri/Marglin (1990), Kurz (1990), Blecker (1989): **possibility of wage- or profit-led growth**

4.5 Since the early 2000s - 1

- **Theoretical and empirical/applied works on distribution and macro: wage- vs. profit-led demand and growth;** Kaleckians vs. Goodwinians (Barbosa-Filho/Taylor 2006, Barrales-Ruiz et al. 2022, Blecker 2016, Cauvel 2023, Hein 2014, Chapter 7, Lavoie 2017, Lavoie/Stockhammer 2013a, 2013b, Onaran/Obst 2016, Onaran Galanis 2014, Stockhammer 2017, RoKE 2016-2017)
- Kaleckian treatment of the **rate of capacity utilisation as an endogenous variable beyond the short run:** relevance of **Harroddian instability** in Kaleckian models (Dumenil/Levy 1999, Hein/Lavoie/van Treeck 2011, 2012, Lavoie 1995, 1996, Shaikh 2009, Skott 2010, 2012)
- Non-capacity creating autonomous demand growth, **Sraffian supermultiplier process: theory and empirics** (Serrano 1995a, 1995b, Freitas/Serrano 2015, 2017, Girardi/Pariboni 2016, Pariboni 2016, ...), **more than one autonomous growth rate** (Allain 2023, Freitas/Christianes 2020, Hein/Woodgate 2021, Morlin 2022, Woodgate et al. 2024)
- Integration of **SSM into Kaleckian models** (Allain 2015, 2021, Dutt 2019, Lavoie 2016, Lavoie/Nah 2020, Hein/Woodgate 2021, Nah/Lavoie 2017, 2019a, 2019b)

Since the early 2000s - 2

- **Integrated analysis of money, finance, distribution conflict, effective demand, capital accumulation and growth: the macroeconomics of finance-dominated capitalism** (Dallery/van Treeck 2009, Hein 2009, 2012, Palley 2009, 2013, Hein/van Treeck 2010a, 2010b, ...).
- **Stock-flow consistent models** (Godley/Lavoie 2007, Nikiforos/Zezza 2017, Zezza/Zezza 2019), **SFC-ABM** (Caiani et al. 2016)
- **Financialisation and macroeconomic regimes in SFC simulation models** (Belabed et al. 2018, Detzer 2018, Lavoie 2008, Prante et al. 2022, van Treeck 2009)
- **Minskyan models on financial and economic crises** (Charles 2008a, 2008b, 2008c, 2016, Dafermos 2018, Kapeller/Schütz 2014, Lima/Meirelles 2007, Nikolaidi 2017, Nikolaidi/Stockhammer 2017, Ryoo 2013, 2016, Stockhammer 2019, Stockhammer/Michell 2017, ...)
- **Wage dispersion and of household income inequality, relative income hypothesis, household debt dynamics** (Kapeller/Schütz 2015, Kim et al 2014, 2019, Prante 2017, Prante et al. 2022, Setterfield/Kim 2017, Setterfield et al. 2016, van Treeck 2014, Stockhammer/Wildauer 2016, 2018, ...)

Since the early 2000s - 3

- **Gender and other types of segregation** in post-Keynesian macroeconomics: **towards gendered macroeconomics** (Blecker/Braunstein 2022, Blecker/Seguino 2002, Braunstein et al 2011, 2020, Hein 2020, Onaran et al. 2022a, 2022b, Onaran/Oyvat 2023, Seguino 2019, 2020, Setterfield 2023, 2024, 2026, ...)
- **Wealth distribution in Kaleckian macro models** (Dutt 1990, Lavoie 1998, Ederer/Rehm 2020, 2021, Palley 2012, 2017, Hein et al. 2026)
- **Demand-led growth accounting and demand and growth regimes, before and after the crisis:** NIFA approach (Hein 2012, ...), SSM approach (Freitas/Dweck 2013, ...), review: Hein (2023)
- **Demand and growth regimes, regime changes and stagnation tendencies** (Cynamon/Fazzari 2015, 2016, Hein 2016, 2019, van Treeck 2015, ...)
- **Several links with CPE and IPE** (Akçay/Hein 2026, Hein 2023, Hein et al. 2021, Hein/Martschin 2021, Jungmann 2023, Köhler/Stockhammer 2021, Stockhammer 2022, 2023, 2025, Woodgate 2023, 2025)

Since the early 2000s - 4

- **Ecological constraints and macroeconomic stability** (Cahen-Fourot/Lavoie 2016, Fontana/Sawyer 2013, 2016, 2022, 2024, Hein/Jimenez 2022, Jimenez 2026, Jimenez/Woodgate 2026, Priewe 2022, Rezai/Stagl 2016); **stock-flow-fund ecological macroeconomic model (DEFINE)** and socio-economic and –ecological transition (Dafermos/Nikolaidi/Galanis 2017, 2018, ...), SFC-IO (Floj Thomsen 2026)
- **International and development economics: further developments and applications of Thirlwall's (1979) Law** (Blecker 2016, 2021, 2026, McCombie 2011, 2019, Setterfield 2011, Thirlwall 2011, 2013, 2019)
- **Currency hierarchy and development** (Fritz et al. 2018, De Paula et al. 2017, 2026, Herr/Priewe 2006, Priewe/Herr 2005, Priewe 2008)
- The recent **stagflation crisis** (SIs in EJEPP, IJPE, RoKE, RoPE, ...): **stable or unstable Phillips curves** (Hein 2024, Hein/Häusler 2024, Lavoie 2024a, Serrano et al. 2024, Woodgate 2025), **profit or seller's inflation and rising mark-ups?** (Davis 2024, Lavoie 2024b, Nikiforos et al. 2024, Weber/Wasner 2023, ...), **hyperinflation** (Bastian et al. 2024)

Since the early 2000s - 5

- Further **textbooks or textbook-like monographs/collected essays**: Blecker/Setterfield (2019), Bougrine et al. (2025), Harcourt/Kriesler (2013), Hein (2014b, 2023), Hein/Stockhammer (2011a), Heine/Herr (2013), Holt/Pressman (2001), Jespersen (2009), King (2012, 2015), Łaski (2019), Lavoie (2006, 2022), Mitchell/Wray/Watts (2019), Prante/Bramucci/Hein/Truger (2020ff.), Rochon/Rossi (2017, 2021, 2023), Wray (2025).
- Several **intellectual biographies**: Lopez G./Assous (2010) and Toporowski (2013, 2018) on Kalecki, Davidson (2007), Dostaler (2007), Hayes (2019) and Skidelsky (1983, 1992, 2000, 2003) on Keynes, Harcourt/Kerr (2009) on J. Robinson, King (2008a) on Kaldor, Neilson (2019) on Minsky, Perez Caldentey (2019) on Harrod, and Roncaglia (2009) on Sraffa
- Books on the **history of post-Keynesian economics**: Harcourt (2006), King (2002), Pasinetti (2007), **Special issue of RoPE** (2026, 37(4)) .
- **New journals**: EJEEP: Intervention (2004 as Intervention: JoE), RoKE (2012).

5. THE CURRENT STATE OF POST-KEYNESIAN ECONOMICS (and the role of the FMM)

5.1 Macroeconomic policy relevance

PK alternative theories:

- Output, employment and unemployment, inflation;
 - Distribution, growth and technical change;
 - Money, credit and finance;
 - International money and finance;
 - Financialisation, financial instability and crisis;
 - European economics and economic policies;
 - Development and emerging market economics
 - Ecological challenges and socio-ecological transition
-
- Foundations for critique of dominant mainstream NCM since the late 1990s/early 2000s, even well before the 2007-09 crises
 - Full scale PK alternative model and policy mix (Arestis 2013, Hein/Stockhammer 2009, 2010, 2011b)
 - Specified for the special conditions of the Eurozone (Arestis/Sawyer 2011, 2013, Hein 2018, Hein/Detzer 2015a, 2015b, Hein/Martschin 2020, Hein/Truger/van Treeck 2012)
 - US: MMT (Kelton 2020, Mitchell/Wray/Watts 2019, Wray 2012)

Table 2.4: Macroeconomic policy recommendations: New Consensus models (NCM) and post-Keynesian models (PKM) compared		
	NCM	PKM
Monetary policy	Inflation targeting by means of interest rate policies, which affects unemployment in the short run, but only inflation in the long run	Target low interest rates which mainly affect distribution, and stabilise monetary, financial and real sectors by applying other instruments (lender of last resort, credit controls, ...)
Fiscal policy	Supports monetary policy in achieving price stability by balancing the budget over the cycle	Real stabilisation in the short and in the long run with no autonomous deficit targets; affects distribution of disposable income
Labour market and wage/incomes policy	Determines the NAIRU in the long run and the speed of adjustment in the short run; focus should be on flexible nominal and real wages	Affects price level/inflation and distribution; focus should be on stable nominal wages, steady nominal unit labour cost growth and compressed wage structure
International economic policies	Free trade, free capital flows and flexible exchange rates	Regulated capital flows, managed exchange rates, infant industry protection, regional and industrial policies
Economic policy co-ordination	Clear assignment in the long run; co-ordination at best only in the short run	No clear assignment; economic policy co-ordination required in the short and the long run, both nationally and internationally
Source: Based on Hein (2017a, p. 154)		

Macro-policy debates in post-Keynesian economics

- **Monetary policy:** ‚activist‘ vs. ‚parking it‘ approach to interest rate (Rochon/Setterfield 2007)? But agreement that QE is ‚pushing on a string‘ and requires supporting fiscal policies
- **Fiscal policy:** functional finance? Limits to government debt? MMT (Wray 2012, Kelton 2020) and their critics (Palley 2015)
- **Wage policy:** Only nominal stabilisation? Or also re-distribution? Focus on wage structure instead of wage share?
- **International economic policy:** floating (Wray 2012) or managed/fixed exchange rates?
- Link **PK macropolicies with supply-side challenges:** socio-ecological transformation, industrial & regional policies

5.2 On micro and macro – and political economy

- **Post-Keynesian microeconomics** (King 2015, Chapter 5, Lavoie 2014, Chapters 2-3)
- **Basic principles of post-Keynesian micro** (King 2015):
 - decisions of firms are the driving force
 - oligopolistic or monopolistic competition
 - Fundamental uncertainty, satisficing behaviour

Neither ‘micro-foundation of macro’ nor ‘macro-foundation of macro’:

‘As Kalecki maintained, macroeconomics and microeconomics should be thought of as existing side by side, closely related to and influencing each other but also relatively autonomous and neither constituting the foundations of the other.’ (King 2015, p. 45)

- Integration of **changes in micro of firm and households** into post-Keynesian **macro models of financialisation**
- PKs have and should draw(n) on other schools of thought and social sciences: should provide **macro for broader political economy**
- **Evolutionary micro based on pure quantity adjustment** (Shiozawa et al. 2019, Lavoie 2020)?

5.3 Post-Keynesian institutional academic infrastructure

PK survived as a **contested and embattled minority in economics**
Managed to develop an **academic infrastructure** – as part of heterodox economics in general:

- Textbooks/Intellectual biographies (s. Section 2.4)
- Journals
- Networks/associations/conferences/summer schools
- Graduate programmes

Journals

- *Cambridge Journal of Economics*
- *Journal of Post Keynesian Economics*
- *Review of Political Economy*
- *European Journal of Economics and Economic Policies: Intervention*
- *Review of Keynesian Economics*
- *Metroeconomica*
- *International Journal of Political Economy*
- *Journal of Economic Issues*
- *International Review of Applied Economics*
- *Review of Radical Political Economics*
- *Review of Evolutionary Political Economy*
- *PSL Quarterly Review*
- *Bulletin of Political Economy*
- *Brazilian Keynesian Review*
- *Brazilian Journal of Political Economy*
- *Contributions to Political Economy*
- *Panoeconomicus*
- ...

Networks/ associations/conferences/ summer schools - 1

- **North America:** Levy Economics Institute, annual Hyman P. Minsky/PK conferences and Minsky summer seminars in Annandale-on-Hudson, NY
- **South America:** *Brazilian Keynes Association*, annual conferences, PK group in Argentina
- **Australia:** PKs as main organisers of and contributors to the *Australian Society of Heterodox Economics (ASHE)* conferences.
- **Asia:** *Japanese Society for Post Keynesian Economics*, seminars, conferences, *Keynes Society Japan*, annual conferences
- **UK:** *Post-Keynesian Economics Society (PKES)*, annual workshops, PhD seminars and summer schools
- **Denmark:** Nordic post-Keynesian network, Aalborg conferences

Networks/ associations/conferences/ summer schools - 2

- **France:** PK conferences moved from Dijon via Roskilde and Grenoble to Lille, partly co-organised by the French *Association pour le Developpement des Etudes Keynesiennes* (ADEK), French PKs involved in the *Association Francaise d'Economie Politique* (AFEP) with conferences and other activities
- **Italy:** *Italian Post-Keynesian Network*, participation in ASTRIL (*Association for Interdisciplinary Studies and Research on Work*) and STOREP (*Italian Association for the History of Political Economy*) conferences
- **Spain:** University of the Basque Country in cooperation with the Cambridge Centre for Economic and Public Policy, annual conferences until 2019, *Association for Critical Economists*, annual conferences with PK participation
- **General:** post-Keynesians are actively involved in broader associations, as for example the *Association for Heterodox Economics* (AHE), the *European Association for Evolutionary Political Economy* (EAEPE), the *World Economics Association* (WEA), or the *INET Young Scholars Initiative* (YSI).

Networks/ associations/conferences/ summer schools - 3

- **Germany:** *German Keynes Society*, annual conferences for German speaking participant with now increasing participation of the younger generatio, *Forum Macroeconomics and Macroeconomic Policies* (FMM), annual international conferences in Berlin, biennial summer schools

The FMM - 1

1996 – 2001 Establishing a German (post-)Keynesian network

- 1996: **Workshop in Düsseldorf** (20 scholars), application to German Research Foundation (DFG): Alternative Concepts of Macroeconomic Policies under the Conditions of Unemployment, Globalisation and High Public Debt - failed
- 1997-2001: **FMM** (German acronym for **Research Network Macroeconomics and Macroeconomic Policies**) **Coordination Group**: Heise (WSI/HBS, lead), Evans, Heine, Priewe, Thomasberger (HTW), Herr (HWR)
- 1997: **FMM** starts with **annual workshops/conferences** in Berlin funded and supported by Hans Boeckler Foundation:
- ➔ **‘Renaissance of Macroeconomics’** (German, 35 scholars, 14 papers) & book publications
- Further annual workshops of similar number of papers, but gradually increasing number of scholars
- **Book series of the FMM** with Metropolis Publisher Marburg with conference volumes

The FMM - 3

2001 – 2009 Rapid internationalisation

- 2001-2009: **Coordination Group**: Hein (WSI/IMK/HBS, lead), Truger (WSI/IMK/HBS), Heise (HWP until 2006), Heine (until 2006), Priewe, Thomasberger (HTW), Evans, Herr (HWR), Dullien (HTW, since 2007), Niechoj (IMK/HBS, since 2007), Hartwig (Zurich, since 2007), Spahn (Hohenheim, since 2007) Stockhammer (Vienna, 2007 - 2025)
- 2001-03: Increasing participation of **international scholars** (Arestis, Sawyer, Gnos, Rossi) and further increase in terms of participating scholars
- 2003: Workshop **‘Fiscal Policies in controversy’** (70 scholars, 14 papers)
- 2004: **First international conference: ‘Wages, Distribution and Growth’** (28 papers from 8 different countries, 90 scholars)
- 2005: **Joint conference with PKESG (UK) and ADEK (France): ‘Macroeconomics and Macroeconomic Policies – Alternatives to the Orthodoxy’** (72 papers from 16 different countries, 150 scholars)
- Since 2003: **Cooperation with EJEEP**: Intervention (then Intervention: JoE), Special issues
- 2004-6: **Working groups** on European Economic Policies (in cooperation with AK Vienna) and on Keynesian Macroeconomics

The FMM - 3

2003 – 2009 Rapid internationalisation contnd.

- 2008: **Macroeconomic Policies on Shaky Foundations – Whither Mainstream Economics?** (81 papers from 15 different countries, 200 scholars)
- 2009: **The World Economy in Crisis – The Return of Keynesianism?** (100 papers, 240 scholars)
- **Graduate student sessions** at FMM conferences
- Since 2009: **Graduate student workshop** at first day of FMM conference
- 2008: **First Berlin Summer School of the FMM** (Hein, Niechoj, Stockhammer): **‘Keynesian Economics and European Economic Policies’** (55 participants, 17 countries)
- 2009: **Second Summer School**, every second year since then, except for 2021 (Covid), then 2022, 2024, 2026
- ➔ **Summer School book**: Hein/Stockhammer (eds) (2011): **A Modern Guide to Keynesian Macroeconomics and Economic Policies**

The FMM - 4

2010 – 2026: Further expansion and stabilisation at high level

- Since 2010: **FMM Coordination Group**: van Treeck (IMK/HBS, lead 2009-14, D-E), Gechert (IMK/HBS, lead 2014-16, speaker 2016-22, Chemnitz), Dullien (HTW, speaker 2016-19, IMK/HBS), Joebges (HTW, speaker since 2019), Watt (IMK/HBS, speaker 2022-24, ETUI), Behringer (IMK/HBS, speaker since 2024), Bauermann, Paetz (all IMK/HBS), Flechtner (Siegen), Evans (until 2019), Hein, Herr (all HWR), Hartwig (Zurich, Chemnitz), Kaltenbrunner (Leeds), Logeay (until 2014), Priewe, Thomasberger (until 2015) (all HTW), Niechoj (IMK/HBS, R-W), Onaran (London), Rehm (AK Vienna, D-E), Spahn (Hohenheim, until 2010), Stockhammer (London, until 2025), Truger (HWR, D-E)
- 2016: Conference: **20 Years of the FMM: Towards Pluralism in Macroeconomics?** (120 papers, 300 scholars, slightly increasing since then, except for Covid)
- 2022: **Joint conference with PKES: Post-Keynesian Economics and Global Challenges** (150 papers, 350 scholars)
- 2023: Conference: **Inflation, Distribution Conflict and Just Transition** (140 papers, 350 scholars)

The FMM - 5

2010 – 2026: Further expansion and stabilisation at high level contnd.

- 2024: Conference: **Progressive Perspectives in Times of Polycrisis**
- 2025: Conference: **Gendering Macroeconomics**
- 2026: Conference: **30 years of FMM: Shaping Macroeconomics in Times of Global Transformation**
- 2016, 2018: **Workshops and books on European Economic policies** (Herr, Priewe, Watt)
- 2017: Start of **FMM Fellows** (currently 30 Fellows plus 18 members of coordination group)
- 2017: Start of **FMM Working Paper series** (125 papers in Augusts 2026)
- **Summer School**: next generation has gradually taken over and slightly modified the concept (van Treeck, **Gechert, Rehm**, Behringer, **Joebges, Bauermann**)

Some challenges for the FMM

- **Role of PK in the FMM**
- **Network vs. membership organisation**
- **Gender balance** in coordination committee and groups of fellows
- Linking **macroeconomics expertise with new global challenges**: ecological crisis and socio-ecological transformation, global imbalances and global political tensions, international political economy, ...

Graduate programmes with relevant PK content - 1

- **Brazil:** Campinas, FU Rio de Janeiro, ...
- **US:** American University, Washington, DC, Colorado State University, University of Massachusetts Amherst, New School for Social Research, New York, the University of Missouri, Kansas City, University of Utah, Salt Lake City, some under pressure currently ...
- **UK:** Leeds University Business School, Greenwich University, SOAS London, University of the West of England, Bristol, ...
- **France:** Sorbonne Universite Paris Nord, Lille, Grenoble
- **Italy:** Rome 1: La Sapienza, Rome 3, Siena, ...
- **Spain:** University of the Basque Country, Bilbao, Complutense University Madrid, Autonoumous University Madrid, University Castilla La Mancha

Graduate programmes with relevant PK content - 2

- **Germany:** Berlin School of Economics and Law (HWR, will soon be lost), HTW - UAS Berlin, University Duisburg-Essen, University of Technology Chemnitz, UAS Karlsruhe, ...
- **Erasmus Mundus Master Programmes** on *Economic Policies in the Age of Globalisation (EPOG)*, *Economic Policies or the Global Transition (EPoG+)*, *Economic Policies for the Global Bifurcation (EPoG-JM)*: University Technology Compiègne etc. (coordinator) (France), University Torino, University Rome 3 (Italy,) Berlin School of Economics and Law (Germany), University of Economics and Business Vienna (Austria), University of Geneva (Switzerland), University of Witwatersrand (South Africa), University Campinas, FU Rio de Janeiro (Brazil)
- **New: Erasmus Mundus Master GLOBAL COOP:** University Technology Compiègne etc. (France), University of Siena (Italy), University of Campinas (coordinator), FU Rio de Janeiro (Brazil), National University San Martin (Argentina), National University of Colombia

6. PERSPECTIVES FOR POST-KEYNESIAN ECONOMICS

- Post-Keynesian economics has generated a considerable body of research in the areas of macroeconomics, employment and unemployment, distribution and growth, money, credit and finance, international money and finance, financialisation, financial instability and financial crises, the economics of European integration, as well as development and emerging-market economics, socio-ecological transformation
 - **solid foundations for alternative macroeconomic policies**
- But post-Keynesian economics since Kalecki and Keynes has only survived as a **contested and embattled minority in economics, managing generational changes**
 - **Perspectives** - given the experiences of the 2007-09 Global Financial Crisis and Global Recession, the 2020 Covid-19 crisis, and the socio-ecological transformation needed in the face of the ecological crises?

- **Perspectives and future tasks for post-Keynesian economics have been discussed intensively after the 2007-09 crises**, as for example reviewed by Dequech (2012), King (2012c), Lavoie (2012), and Lee (2012)
- Colander (2009) and Fontana and Gerrard (2006): post-Keynesians should observe the developments within orthodox/mainstream economics more closely, avoid attacking a textbook ‘strawman’, **use modelling methods which are acceptable to mainstream economists, engage in dialogue and cooperate with mainstream economists.**
- Davidson (2009): post-Keynesians should **actively fight orthodox economics**, with the aim of convincing mainstream economists that their approach is wrong.

- Stockhammer and Ramskogler (2009): both strategies overestimate the potential for constructive dialogue or controversies, given the contradicting presuppositions of orthodox and heterodox economics, and they **overrate the willingness of mainstream economists to enter into such dialogues or controversies, given their power and superior access to university positions, financing funds, political influence, ...**
- King (2008b, 2012c): the developments and openness within mainstream macroeconomics should not be overrated, and PKs should **avoid the risk of running into fundamental methodological debates and into ‘sectarian intolerance’.**

- PKs should sharpen their own research programme, which should focus on **‘useful explanations of ongoing socio-economic transformations’** (Stockhammer and Ramskogler 2009, p. 228).
- Primary target should be too **contribute to a change in attitudes and power relations in the economy and the society as a whole**. Only if this is successful, will the power relations in academia have the potential to change, too.
- Engage with mainstream economists when possible, to have an impact on economic possibilities, **dialogue with ‘orthodox dissenters’** (Lavoie 2012) could be helpful

Implications:

- PKs should **improve their research programme** in those areas which are underdeveloped, without giving up strengths in macroeconomics and macroeconomic policies, i.e. **ecology, gender, political economy**.
- **Cooperate with other heterodox schools**, like ecological economics, institutional economics, Marxian economics, and with comparative political economy, and international political economy, in order to contribute to a **pluralistic political economy research programme**.

- Focus and concentrate on **defending and improving the heterodox academic infrastructure**, regarding university positions, research funding, graduate programmes, journals and appropriate journal rankings, associations and networks, conferences and summer schools.
- **Maintain and improve cooperation with trade unions (f.e. FMM), social movements and progressive political parties**, as well as with research institutes and think tanks outside the university sector.
- **Make use of windows of opportunity in periods of crises** when orthodox economics again and again proves its weaknesses (f.e. FESSUD, EPOG, MMT, ...)

THANK YOU

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More on the FMM: <https://www.fmm-macro.net>

- Coordination committee: <https://www.fmm-macro.net/coordination-committee-14237.htm>
- Fellows: <https://www.fmm-macro.net/fmm-fellows-14236.htm>
- FMM conferences: <https://www.fmm-macro.net/conferences-14184.htm>
- FMM summer schools: <https://www.fmm-macro.net/summer-schools-14182.htm>
- FMM Working Papers: <https://www.fmm-macro.net/summer-schools-14182.htm>
- Book Series of the FMM: <https://www.metropolis-verlag.de/Reihen/Schriftenreihe-Forschungsnetzwerk-Makroökonomie-und-Makropolitik/catalog.do>
- European Journal of Economics and Economic Policies: Intervention: <https://www.elgaronline.com/view/journals/ejeep/ejeep-overview.xml>