

Post Keynesian Economics Through the Lens of History of Thought

Thomas Palley

Senior Economic Policy Adviser, AFL-CIO

Washington, DC

Mail@thomaspalley.com

My definition of Post Keynesian economics

- *“Post Keynesian economics refers to the set of macroeconomic perspectives that (i) believe economic reality is characterized by fundamental uncertainty; (ii) use Keynes’ theory of effective demand determined output; (iii) believe the failure of the economy to automatically adjust to full employment is not the result of market imperfections including nominal wage, price or interest rate rigidities – though these features may also affect employment and output; and (iv) hold that the real wage is not equal to the marginal disutility of labor except in the limiting circumstance of full employment.”*

Figure 2. The Anglo-Saxon school in the history of thought.

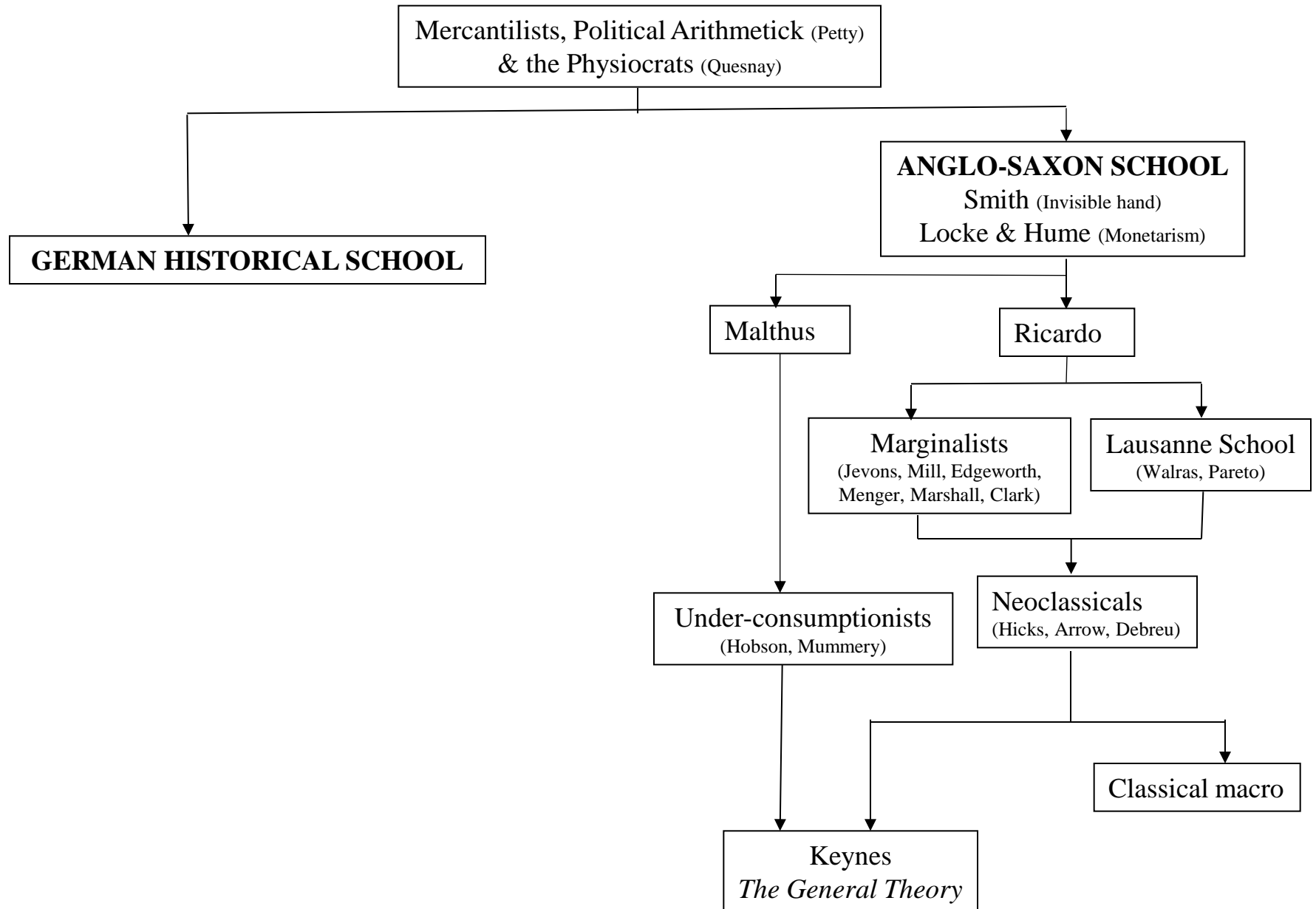


Figure 3. The German historical school in the history of thought.

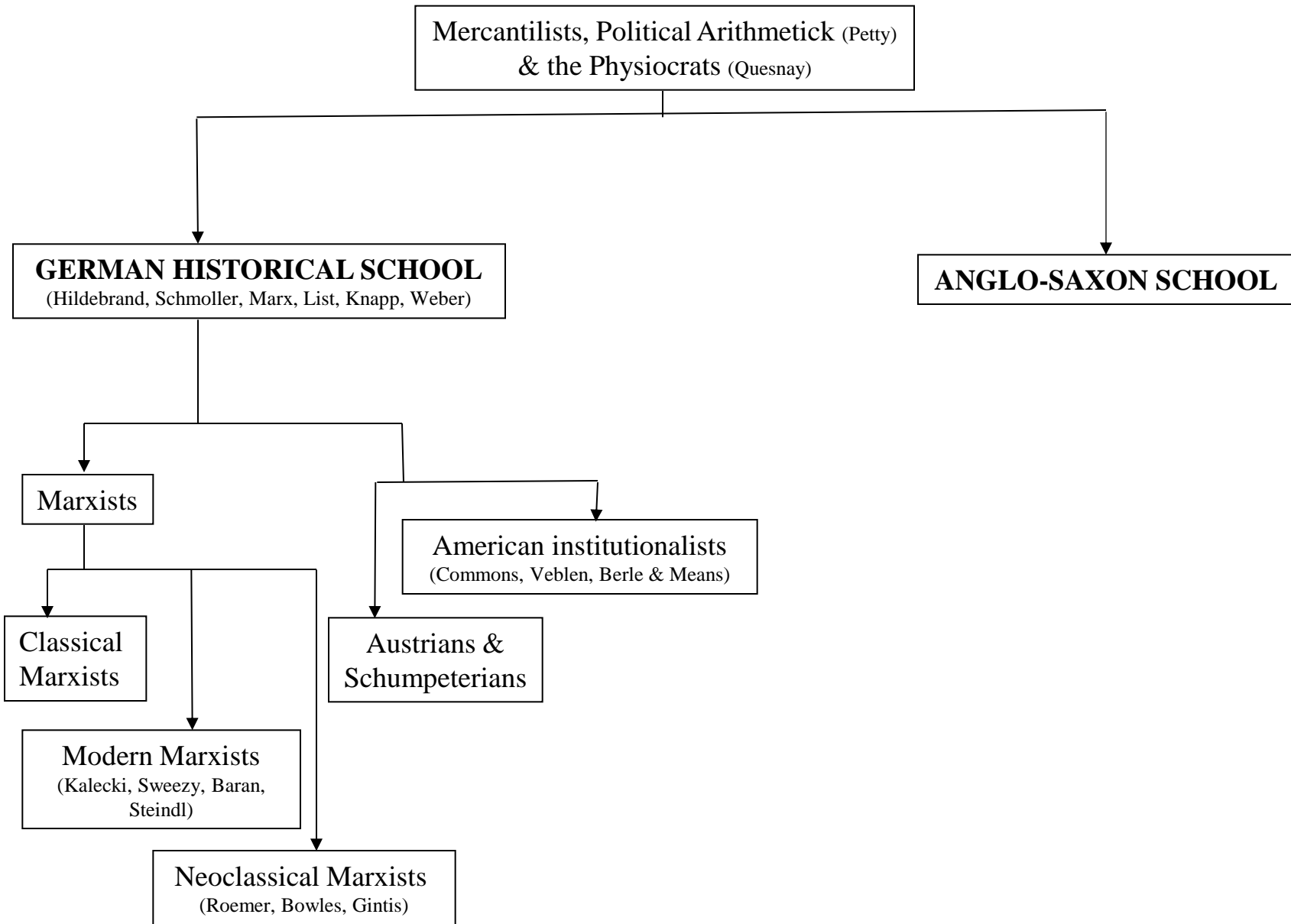


Figure 4. Post Keynesian varieties of Keynesianism.

