POST KEYNESIAN ECONOMICS SINCE 1936: A HISTORY OF A
PROMISE THAT BOUNCED?

By

Éric Tymoigne
University of Missouri-Kansas City

And

Frederic S. Lee
University of Missouri-Kansas City


Department of Economics
211 Haag Hall
University of Missouri-Kansas City
5100 Rockhill Road
Kansas City, Missouri 64110
USA

e-mail: leefs@umkc.edu, tymoignee@umkc.edu
This article reviews John King’s book on the history of Post Keynesian economics. The reviewers take two views in evaluating the book—one from an older Post Keynesian and the other from a younger Post Keynesian. The two views then comment on King’s rendition of the intellectual and institutional history of Post Keynesian economics, each finding different strengths and weaknesses. This multi-focus approach also reaches different positions about King’s discussion of the tradition Post Keynesian topics of money, uncertainty, expectations, method, the coherence debate. The article ends with a discussion of King’s vision of the future of Post Keynesian economics.

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POST KEYNESIAN ECONOMICS SINCE 1936: A HISTORY OF A PROMISE THAT BOUNCED?

John King has written a highly engaging but somewhat disjointed history of Post Keynesian economics, and specifically Post Keynesian macroeconomics, starting in 1936.¹ By this we mean that the book is not a straight intellectual history of Post Keynesian economics, a chronological-geographical descriptive history, or an institutional history; rather, it is a mixture of all three. That is, the first four chapters of the book deal straightforwardly with its intellectual history from Keynes-Kalecki, through the generalizing of The General Theory, and ending with the Cambridge controversies. This Cambridge-centric story is then supplemented in the following chapter with the intellectual beginnings of American Post Keynesianism, featuring Sidney Weintraub, Paul Davidson, and Hyman Minsky. In chapters six and seven, the story changes focus, with the institutional history of Post Keynesian economics in the 1970s now the point of interest followed by a survey of its spreads around the world. Then, the book changes focus again, with the next three chapters being concerned with theoretical themes within Post Keynesian economics—money, uncertainty, expectations, method, and the Keynes-Kalecki-Sraffa and coherence debate. Shifting focus once again, chapter eleven deals with the relationship of Post Keynesian economics to other heterodox approaches and even to New Keynesian economics. The book ends with a reflective look at whether there is a future for Post Keynesian economics.

This multi-focus, changing focus approach to the history of Post Keynesian economics may seem at first, disconcerting but it is in fact a highly successful way of presenting the material. The reason is that the readers of the book will come from many different age-based perspectives and knowledge bases.

¹ Lee (2000) gives 1971 as the starting date of Post Keynesian economics. The difference is the result of different starting points. King starts with Keynes and macroeconomics while Lee starts with the building of a social network of economists who identify themselves as Post Keynesians.
If the reader has been involved with Post Keynesian economics for twenty-five years, s/he will provide the implicit connections between the chapters to make the book a near seamless story. S/he would probably find the first six chapters a passable presentation of a well-known history, but would find the last five chapters much more interesting because they deal with topics that have contemporary relevance to her/his work. In contrast, for young, vibrant Post Keynesians, the first part of the book is exciting, for the systematic story from Keynes to the 1970s is one they are not familiar with. And King’s use of tidbits, some almost gossip, and retorts bring vividly alive Michael Kalecki, Joan Robinson, and Nicholas Kaldor whom these youngsters have not meet and perhaps have not heard Geoff Harcourt talk about. They also find the institutional and geographical histories interesting because it gives them a sense of belonging to a broad community of Post Keynesian economists. On the other hand, to these young Post Keynesians the chapters on the theoretical themes are quite ordinary because they present contemporary subjects with which they deal everyday. The importance of these two perspectives is that the book reaches the old and young Post Keynesians on these different levels and so speaks directly to them. Hence this review will be a dialogue of two voices, an old and a young Post Keynesian—the younger voice indicated by the **bold** type.

So far we have had PK the older indicate the general nature of the book, so what is the view of PK the younger? **First it is important to note that students interested in Post Keynesian economics and who want to talk about it with their professors usually face a wall of incomprehension.** The first question asked is usually “What do you mean by ‘Post Keynesian’?” And, when students start to talk in class about “capital controversy”, “endogenous money”, or “uncertainty”, professors, if they are aware of what students are talking about, replied that this is all “old stuffs” that are irrelevant for current economic practice. Some professors have started even to rewrite the past and to claim that neoclassical economists won the capital controversy (see Etner, 2000).
In face of these obstacles, students may become rapidly skeptical about Post Keynesian economics. However, like in a John Ford film, John King comes writing to the rescue and provides students with a book that will answer most of their question concerning the emergence, the strengthening and the spreading of this school of thought all around the world. The book will also give them clues about why Post Keynesianism did not become dominant in academia and will provide them with a good historical presentation of the capital controversy and hot macroeconomics topics in Post Keynesianism.

The necessity for young Post Keynesians (or students interested in Post Keynesian economics) to understand its origin is crucial from two points of view. First, if they do not look at the contribution of past Post Keynesian scholars, they will not have a stable foundation upon which develop their own economic research. The knowledge of existing established results, but also errors made by their predecessors, is essential for scientific progress. Secondly, by learning what happened in the past, students and young scholars will discover that Post Keynesianism is a viable framework of analysis that can be developed consistently to provide good insights about capitalism.

PK the older entered into Post Keynesian economics in the 1970s through taking courses from John Eatwell, Paul Davidson, Jan Kregel, and Alfred Eichner; listening to Harcourt give papers on the capital controversies and Cambridge economics and economists; and reading volumes 13, 14, and 29 of Keynes’s Collected Works as soon as they came out. Keynes, Kalecki, Robinson, and Kaldor made up his reading lists and their books lined his shelves; and what was not obtained from the courses, seminars, and books was obtained via oral tradition. Thus, King’s story of Post Keynesian economics from Keynes to the capital controversy, while well told, is all quite familiar. However, PK the younger does
not have the same acquaintance with the material and the oral traditions. Thus the first five chapters of
the book took him on a revealing and exciting journey (in which he kept a dairy) showing him the long
struggle to produce a coherent Post Keynesian theory after the publication of the General Theory as well
as the relationships between its principal Cambridge and American architects.

Travel Diary Excerpts

September 15, 10.00 a.m.

The book’s first four chapters deal mainly with the impact of the General Theory in
England and at the University of Cambridge. Starting with the first reactions to Keynes’s book,
King shows how misreading led several economists (John Hicks, Roy Harrod, James Meade, and
others) to create simultaneously the IS-LM model (also see Young, 1987). This reintroduced the
neoclassical system of analysis and allowed Franco Modigliani (and Don Pantinkin) to make
Keynes’s results a special case where unemployment exists only because of direct (sticky wages) or
indirect (liquidity trap) barriers imposed on a labor market that does not have any role in the
General Theory. This system of analysis based on the IS-LM model was completed by the
introduction of the Phillips curve by Paul Samuelson and Robert Solow. In contrast to this
neoclassical interpretation of the General Theory, several economists, whom King considers to be

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2 For King, Keynes accepted the IS-LM model. This is quite problematical. Even though Keynes
told Hicks that “I found [your model] very interesting and really have next to nothing to say by
way of criticism” (Keynes, 1937, p. 79), one has to read the two important criticisms of the IS-LM
model that appear farther in the same letter: the interest rate is a monetary variable and the
marginal efficiency of capital is different from the marginal productivity of capital. Indeed it is
important to remember that Hicks shows that the IS-LM model was only one among 6 alternatives
models. Hicks thinks, at this moment that, the General Theory can “be cast into more traditional
form [interest rate fixes on the loanable funds market] and even that this might have some
advantages.” (Hicks, 1936, p. 73). The correspondence of Keynes with Bertil Ohlin, Dennis
Roberston, and Ralph Hawtrey shows that the two latter also shared this idea: it does not really
matter if the interest rate is a monetary phenomenon. Keynes is strongly against this idea.
Morever, since Foley (1975) we know the conditions under which loanable fund theory and
the first Post Keynesians, provided another analysis of the General Theory. Robinson, Townsend, and Kaldor together grabbed the essential ideas of the General Theory. Robinson pointed out that the marginal productivity of labor curve is not a demand curve for labor and that the wage rate is exogenously determined by distributional conflicts; Townsend showed how liquidity preference is more than a simple addition to the demand for money because it is at the heart of asset price valuation; and Kaldor emphasized the endogeneity of money and the role of liability management and speculation for economic activity. He also pointed out problems in capital theory that presaged the capital controversy by twenty years. Thus, the significance of the chapter is that it shows that Post Keynesianism did not emerge as a respond to Neoclassical economics; rather it emerged as a different interpretation of the General Theory--one that did not try to integrate Keynes’s analysis into a general equilibrium model, but tried to develop Keynes’s ideas in a progressive and positive perspective.

September 15, 2.30 p.m.

Chapter 2 covers Kalecki’s work before and during his presence in Cambridge. His business cycle model, the principle of increasing risk, and the profit equation are presented clearly. One also learns that the “poor foreigner, […] with limited, highly-accented English and uncertain prospects” (49) developed a close relation with Joan Robinson and had a decisive influence on her by making “her take Marx seriously” (49). The chapter ends by delineating the seven characteristics of any Kaleckian model. Of all of them, I found three to be similar to Keynes’s approach. First, long run and short run are closely related to define a position of equilibrium. As Keynes showed, the point of effective demand is an equilibrium point that puts together long-run and short-run expectations in the sense that it indicates the level of production liquidity preference theory lead to the same interest rate. These conditions are not those of the
that entrepreneurs would implement if short-term expectations were realized and long-term expectations were given. Second, fallacies of composition can appear if one tries to apply microeconomic analysis to macroeconomic level. Third, full employment is a special case that is difficult to reach even with active public policies. These characteristics remind me that the IS-LM model is not a good representation of Keynes’s analysis. The General Theory is far more complex and richer than a five simultaneous equations model and has to be studied carefully with an open-mind. And the stock-flow diagram can be drawn only by assuming that long-term expectations are always realized, which eliminate all justification for the desire to stay liquid (Hicks, 1980).

*September 15, Late at Night*

Chapter 3 extends Keynes’s system of analysis to growth and distribution, and presents Harrod’s, Robinson’s and Kaldor’s contributions. What is interesting in this chapter is not only the theoretical content, but also that one starts to learn more about the relations between the first Post Keynesians. Apparently, the relationship between Harrod and Robinson was just formal whereas Kaldor and Robinson were relatively close. The chapter also shows Robinson becoming frustrated with mainstream economics as her Accumulation of Capital and Essays in the Theory of Economic Growth were ignored or misread by neoclassical economists. Finally, the chapter shows that Post Keynesians, via Robinson, strengthen the notion of equilibrium given by Keynes: equilibrium means that “an economy [is] in a state of tranquility” (Robinson, 1956, p. 59). The General Theory.

3 It would have been interesting to include the Domar’s model in this chapter because it is more Post Keynesian than Harrod’s. It does not need to use the notion of capital and does not assume full employment. Moreover, before going further, I must note that Pigou’s criticism about the incoherence of net investment and a given capital stock in the General Theory is not valid: even if new capital asset are produced, they usually are not immediately available for production. Thus there is no incoherence in assuming stable capacity of production and net investment.

4 This definition of equilibrium is compatible with an historical analysis because this definition shows that economic system is path-dependent and contains endogenous sources of
following chapter is an excellent review of the capital controversy.\(^5\) Moreover, it is an eye-opener in that it shows how flawed the conception of production function is, which is still heavily used by mainstream economists. One might think that this state of affairs exists because there are no other tools of analysis, but this is not the case. There are different ways to analyze production, such as circular production schemas and input-output tables. It is easy to get rid of the black box represented by the production function—all one has to do is to make the intellectual step that is required to use new tools of analysis. Finally, a sub-theme of the chapter shows, indirectly, that Robinson was looking for people who shared her “unusual” point of view. For a while she became neo-Ricardian expecting to find in these scholars, people who, at last, would understand her innovative method of analysis.

*September 16, Morning, first light*

Neoclassical up until the late 1950s, Sidney Weintraub suddenly became a fervent critic of Samuelson’s interpretation of the *General Theory*, that is ‘Classical Keynesian,’ because its explanation of prices and distribution was not adequate. As a replacement, Weintraub developed an aggregate supply and aggregate demand model of effective demand and a wage-push theory of inflation. In spite of not entirely eliminating his neoclassical roots, his work makes, in King’s eyes, the first American Post Keynesian economist. There were also two other early American Post disequilibrium. Thus the notion of equilibrium can be used in Post Keynesian analysis as long as it is not confuse with market clearing. The aggregate supply and demand diagram used by Sidney Weintraub and Davidson to determine the level of effective demand is an example of this non-market clearing equilibrium. [Davidson 1994]

\(^5\) There is, however, one serious flaw with the discussion: Keynes did challenge the neoclassical theory of capital in that his marginal efficiency of capital has nothing to do with a marginal productivity of capital, contrary to what King suggests (81). Moreover, it is true that Keynes accepts the first postulate of classical economics but he does so to show that one needs to drop only one assumption (that assuming that the wage rate equalize the marginal disutility of working at equilibrium) to not get the classical results. In addition, in the *General Theory*, this marginal productivity curve is not a demand for labor as Robinson, Weintraub and Davidson have shown.
Keynesians, Hyman Minsky and his financial instability hypothesis and Paul Davidson and his work on money and the real world—both contributions well described. But most interesting were the views the American Post Keynesians had of each other works and their relationships with the Cambridge Post Keynesians—for example, Minsky did not find Davidson’s approach very relevant to tackle the main properties of the capitalist system and Davidson had a stormy relationship Robinson. This confirms for me who did not know Joan Robinson that she had a controversial but also attaching personality. Robinson is the hero of this book; she was constantly struggling with male scholars as well as herself to develop a new viable framework. She is one of the shoulders that Post Keynesians stand upon even when they do not look down to see who it is.

II

King is correct to argue in Chapter 6 that, in the heady days of the late 1960s and early 1970s—May 1968, Vietnam War, civil rights, and student unrest, capitalism in general seemed to be in crisis. And it also appeared that neoclassical economics was in a severe crisis and that it could be replaced. Post Keynesians certainly hoped they would take the mantel--optimism and revolution were in the air. That this optimism was blunted and the revolution put down by neoclassical economics striking back in a variety of ways is well known; and the story King tells is a very good introduction to this convoluted history. But this is not the same as paradigm failure as he suggests because the efforts of the early Post Keynesians created a community of Post Keynesian economists that continue after thirty years to challenge neoclassical economics and to promote and develop alternative theoretical framework. The formation of such a community is in fact an outstanding accomplishment because, like the community-forming efforts of the Association for Evolutionary Economics, Union for Radical Political Economics, and Conference of Socialist Economists, it contributed to the break up of the hegemony of
neoclassical economics that had been in place since 1945 if not for the entire 20th Century (Lee, 2002a). The pessimism of Robinson and Lorie Tarshis dismal evaluation of Post Keynesian theory were actually completely misplaced. The revolution may have receded into the distant future, but where nothing existed in 1970 there was after a decade of blood, sweat, and tears an established community of Post Keynesian economists and a developing body of theory.\textsuperscript{7}

The significance of chapter to PK the younger was King’s story of optimism blunted by the neoclassical counter-attack. The 1970s was a period of great hope for Post Keynesianism. They won the capital controversy, Samuelson admitting the doubtfulness of the notion of “capital”. This led many economists to inquire a bit more about the Post Keynesian approach and gave hope to Post Keynesians that their paradigm would become dominant. This optimism was reinforced when Galbraith, as president of the American Economic Association, gave Robinson the opportunity to present her views at the 1971 AEA annual meeting. The immediate impact of the lecture seems to have reinforced her hope on the possibility to replace the neoclassical paradigm. This optimism is palpable in Robinson writing after the publication of Introduction to Modern Economics:

\begin{quote}
    The main purpose of the book…was to get it into the hands of American students. There is a lot of prejudice among American professors of economics against our line but once the students know about the book they will demand that their faculties allow them to use it”
\end{quote}

(cited in King, p. 123)

\textsuperscript{6} This same optimism lead to the creation of the Union for Radical Political Economics (1968) and the Conference of Socialist Economists (1970). [Lee, 2001 and 2002b]

\textsuperscript{7} When first told about Tarshis’ comments in 1980, PK the elder asked who was he. For a very young Post Keynesian in 1980, Tarshis was neither an eminent Post Keynesian or well-acquainted with Post Keynesian theory, especially pricing theory. Moreover he seem not have a clue about the trends in Post Keynesian economics circa 1980. Instead of being a promise that bounce, Post Keynesian was a promise poised to take-off.
In addition, Kregel and Eichner contribute to the emergence of the paradigm by the publication of their own books and the publication on an article in the *Journal of Economic Literature* in 1975. However, Robinson’s optimism appeared to have been too great: *Introduction to Modern Economics* never knew success among students; after the mid-1970s Cambridge declined as a stronghold of Post Keynesian economics; major journal closed their doors to PK papers; and research grants were more and more difficult to get. This discrimination led PKs to regroup themselves and to create their own journals (*Cambridge Journal of Economics* and the *Journal of Post Keynesian Economics*) and to publish in the heterodox journals (*Journal of Economic Issues, Review of Social Economics, and Review of Radical Political Economics*). This is good, in a sense, because it brought Post Keynesians and other heterodox economists together to produce a common ground in which to discuss their theories afar from the oppressive critical eye of the mainstream. However, one would think that a confrontation with neoclassical theory is sometimes necessary for two reasons. The first is to present what is new in Post Keynesian analysis. What is amazing is that most of mainstream economists still believe that there have been no new developments since Robinson. They, thus, have a very biased view of what Post Keynesian economics is (if they have a view at all). Second, a confrontation with the mainstream, that is to say totally non-friendly scholars, can also be good because it can reveal flaws in an explanation that colleagues were not able to find because they were too close to each other. Confrontation with other paradigms is thus necessary, even if the criticisms that they generate may be incoherent because of misreading, misinterpretations and pure dogmatic negative criticisms.

III

King covers four theoretical themes central to Post Keynesian macroeconomics: money, uncertainty and equilibrium, method, and coherence. While well presented, the first three themes did
not really capture the attention of PK the elder. Rather it was King’s interpretative narrative of the issue of coherence with regard to Keynes, Kalecki, and Sraffa that was the attention grabber because of its fundamental importance for current theoretical work in Post Keynesian economics. King does an adequate job of delineating the issues included in the coherence debate, but there are some “micro” historical problems. First of all, during the 1970s most Post Keynesians, especially the young ones, did not see any conflict between Keynes, Kalecki, and Sraffa. But a debate did emerge and by the early 1980s possible differences between the three became known and articulated. Yet for many Post Keynesians circa 1980-85 this did not mean anti-Keynes-Kalecki-Sraffa; rather it suggested that they were individually incomplete if not wrong in some parts. For example, the Sraffians were correct to reject the Marshallian foundations of the General Theory as well as the specific discussion of investment in Book IV while the Kaleckians were correct to argue that the issue of monopoly was absent in Keynes. Moreover, Kalecki’s production model is problematical and Kaleckian analysis that does not use a circular production input-output model is suspect, as Ian Steedman (1992) clearly showed. Finally, there is no question that the criticisms of directly using Sraffa’s system of equations with its uniform rate of profit, long period methodology, and non-monetary production to build a Post Keynesian macroeconomics are valid. But each of these criticisms is not anti-Keynes, anti-Kalecki, or anti-Sraffa (unless the three are considered deities of which not questions can be broached); rather they are criticisms leading to a possible emergent synthesis of the three approaches. To be sure, the showy

PK the younger found the coherence discussion interesting and agrees with PK the elder assessments. But his attention was drawn more so to money and uncertainty because of their importance in contemporary macro discussion. However, he notes that King’s criticism of the lack of development of monetary theory until the rise of monetarism is misplaced. Keynes in 1930 and after 1936 developed an endogenous money framework with liquidity preference of banks, and accommodative or non-accommodative policy of the central bank; and Kaldor in 1938 already talked about liability management, endogenous money even if it was not as consistent as today. For these reasons, Post Keynesians did not feel the necessity to go further on this subject for many years until the monetarist treatment of money.
rhetoric gives the illusion of anti-ism, but the real story, as King shows, is synthesis—but what kind? King is open-ended on this, but perhaps the rhetoric has clouded his judgement as he implies that Sraffa/Sraffians are excluded from it.\(^9\)

IV

King devotes two chapters to dealing with the spread of Post Keynesian economics around the world and its relationship to other heterodox approaches and even to New Keynesianism. The brief but very interesting surveys of Post Keynesian economics in Australia, Austria, Canada, France, and Italy shows the importance of social networks with established Post Keynesian economists, such as Joan Robinson as well as the importance domestic intellectual traditions and economists, such as Kurt Rothchild and Josef Steindl in Austria. In fact, King’s survey makes it clear that there are significant national histories to be written, bringing to life what is buried or not clearly discernable to outsiders. Indicative of these possibilities is PK the younger darker view of Post Keynesianism in France.

France very early developed a great enthusiasm for the General Theory. It was translated, sometimes awkwardly, by Jean de Largentaye and published in 1939. One has to wait Alain Barrère (1910-1995) to get a large diffusion of Keynes’s ideas in France.\(^10\) While being a prisoner of war in Germany, he received in 1942, via a Red Cross package, a French translation of the General Theory. Because he had few books, he had studied Keynes’s book for three years (and even started to give lecture about it inside the military camp!). From this in-depth study of the General Theory, Barrère wrote two books, La Crise de la Reconversion in 1947 and, more

\(^9\) King takes the issue of theoretical coherence seriously, but never asks the question whether coherence is really important. It is well known that neoclassical economic theory is incoherent and has been that way for over 100 years, but of course no one wants to admit that because to do so would mean that this particular yardstick to judge Post Keynesian Economics by would not useable. The more important issue is whether Post Keynesian Economics is empirically grounded. This should be the yardstick for judging its theoretical adequacy.
importantly, *Théorie Economique et Impulson Keynésienne* in 1952. The latter was translated in Spanish and Portuguese and it puts forward the role of uncertainty, expectations, and institutions. Because of Barrère a progressive interpretation of the General Theory that takes seriously the analysis of a monetary production economy provides the foundation of Post Keynesianism in France. During the 1970s he gave lectures about Keynes in weekly seminars. All economists (Poulon, Parguez, Schmidt, Cartelier, Deleplace, Orléan, and many others) interested by Keynes came to these seminars that took place in Barrère’s research center (the CEREF). In the 1960s-70s, the circuitist approach emerged via Barrère but also Bernard Schimdt, Alain Parguez, and Frédéric Poulon. The contemporaneous endogenous money approach was clearly set by Jacques La Bourva in the early 60s. Moreover, two journals contributed to the diffusion of Post Keynesian ideas: *Économie Appliquée* and the nearly annual issue of *Monnaie et Production* (in which authors like Kregel, Dow, Chick, Lavoie, Wray, Arestis and many others, published) in the journal *Économies et Sociétés*. *Monnaie et Production* was created by Parguez and was the main instrument for the diffusion of Post Keynesianism from 1984 to 1996. In parallel, the ADEK (Association pour le Développement des Études Keynésiennes) was created in 1983 by Barrère and other members of the CEREF (Gerard Grellet and M.H. Devillers) for the conference *Keynes Aujourd’hui* (Keynes Today). This conference took place in Paris in September 12-15, 1983 and regrouped many well-known foreign Post Keynesians (Kaldor, Davidson, Dillard, Kregel, Steindl, Garegnani, Minsky were there). Following the demise of *Monnaie et Production*, Edwin le Héron, Frank Van de Velde, Patrick Maurisson, decided, in 1997, to revive the ADEK via two conferences in Lille and Amiens. Other annual conference followed with additional collaborators (Frédéric Catz in 2000 and Claude Gnos in in 2001) and in November 2002 another international conference

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10 Much of the following information concerning Barrère and the ADEK has been provided by Edwin le
took place in Dijon (among others, Wray, Moore, Lavoie, Arestis, Rochon and Palley were there). Today in France only few scholars know the circuitist approach and students usually do not learn anything about it. This poor diffusion of modern Post Keynesian ideas can be explained by the willingness of many scholars to make it disappear from French academic discourse. In addition, the closed-minded behavior of some Post Keynesian scholars hindered academic intercourse with mainstream economists. Thus, the lesson to be learned by young scholars and students in France and elsewhere is that closed-minded, blind criticisms of orthodox papers are not relevant and moreover quite destructive for the school that adopts this method of criticism. Indeed, this happened in France and it closed the door to dialogue and mutual fruitful criticisms.

When discussing other heterodox approaches—radical political economy, Marxism, and Institutionalism (but leaves out social economics), King makes it clear that from 1970 onwards, Post Keynesians had some sort of working relationship with Institutionalists and radical/Marxian economists and their associations, Association for Evolutionary Economics, Union for Radical Political Economy, and Conference of Socialist Economists. This is because, as King makes quite clear, Post Keynesian economics did not exist in a vacuum and its adherents had social/political relationships that extended beyond Post Keynesian economic theory per se. Of course there were differences but over time they have been reduced on all sides. So much of the disagreements of the 1970s (of which there were a number) have become muted by the 1990s, as King shows in the case of Institutionalisms. As for Austrian economics, King points out that its relationship with Post Keynesian economics has been less cordial and fruitful for both theoretical and political reasons, less so for methodological reasons. But relationships are still maintained. PK the younger mostly agrees with the above, but also feels that it suggests important recommendations for young Post Keynesians. Indeed, it is true that heterodox

Héron (who was one of the last students and a close friend of Barrère).
schools of thought have some if not many theoretical similarities; however, this does not imply that the rest of their analytical framework nor their political agenda are the same. This even does not imply that the same theoretical conclusions are drawn. Moreover, this chapter shows that it is good to look was going on outside PK economics. For example, a heterodox approach (or even the mainstream) might deal with an economic problem that Post Keynesians do not talk about. Hence progress in Post Keynesian economics depends in part on the capacity of its developers to look constructively and positively beyond their paradigm borders.

V

Is Post Keynesian economics a promised that bounced? King addresses this question in the final chapter of the book. He points out that Post Keynesian economics has not penetrated the mainstream economics profession or made much of an impact on public opinion or government policy and that Post Keynesian economists have been shut out of mainstream journals and excluded from teaching at prestigious universities. King notes that some might say that the lack of progress indicates paradigm failure; but he suggests another reason: attempted suppression by the mainstream. Establishing and building Post Keynesian and other heterodox journals, associations and study groups, conferences, and academic departments have all contributed to building a community of Post Keynesian-heterodox economists that shielded its members (at least in part) from the oppressive dominance and professional ostracism by neoclassical economists. This broad heterodox community building prevented Post Keynesians from retreating into a self-contained group largely because it was the broad heterodox community that contributed significantly to the emergence of Post Economics in the first place. So in spite of recent pessimistic comments on the future of Post Keynesian economics, King rightly concludes

11 Also see Lee (2002a).
that it (and I should add heterodox economics in general) will survive into the 21st Century as an embattled minority.

More than simply surviving, PK the younger drew inspiration from King’s book that Post Keynesian is alive and provides a coherent framework through which the capitalist economic system can be analyzed. In addition, this book shows that Post Keynesianism did not emerge as a criticism of neoclassical but rather as a progressive interpretation of the General Theory. Post Keynesianism is not an anti-neoclassical school of thought in its theoretical framework. This anti-neoclassicism is only true at the level of the political agenda notably concerning the proper role of market regulation. This is a school that has developed its own tools and method of analysis which have no reference to neoclassical analysis: analysis of the monetary system, analysis of the production system, prices, consumption, analysis of investment decision, and analysis of the public sector. Of course major works still need to be done. The future is therefore to use Post Keynesian theory in a progressive way by a constant positive criticism of the works of other scholars, Post Keynesians or not. Then, if Post Keynesians can be open-minded and if they can convince themselves that it is relevant to teach Post Keynesian economics to graduate and undergraduate students, then a future is possible. Even if Post Keynesians are a minority, the potential of their theory is unlimited, as indicative by the current increase in students’ interest for this approach.

Post Keynesianism a promise that bounced? No! A promise with a future and that fights the good fight? Yes! King’s book does not just provide an excellent history of Post Keynesian economics, warts and all; it also shows that there is a future to work for. His book belongs on the shelf of all Post Keynesian and all heterodox economists without exception.
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