

Heterodox Economics
Vienna University of Economics and Business
Winter Semester 2019-2020
PI 2024

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Course Description:

This course introduces students to heterodox economics. Along with addressing core conceptual issues in defining heterodox economics, we will cover in some detail five heterodox traditions in economics: Post-Keynesian Economics, Marxian Economics, Feminist Economics, Institutional Economics, and Ecological Economics. In the first class meeting, we discuss the structure and goals of the course, as well as the expectations and requirements from the students. In addition, we will discuss the concept of heterodoxy in economics, along with discussing the concepts and key issues in mainstream and neoclassical economics.

Each of the following five units is dedicated to one specific heterodox approach. For each of the five approaches, we will discuss the core theory and ideas of the approach. Moreover, for each approach, we will discuss how this particular school of thought approaches or understands economic inequality. During these discussions, students are encouraged to compare each heterodox approach with the others, as well as with the contemporary mainstream.

By the end of the semester, students should have a clear idea about what heterodox economics is, as well as deeper knowledge on the five schools of thought we will cover as a group. They should be able to identify the strengths and weaknesses of all discussed schools of thought, as well as those of contemporary mainstream economics.

Assignments and Assessment:

Attendance and participation are a very important part of the class – 40% of the grade. Students are thus strongly encouraged to come to class prepared (having read both papers for the week) and ready to discuss them. You may miss one class without penalty, but each additional class missed will result in the loss of ten points.

There are three portions to students' grades: class participation (40%), a group presentation (20%), and an individual or group paper (you get to choose!) (40%).

Each week, there will be a **group presentation**. The group is responsible for giving a brief (maximum five minute, total) overview of both readings for the day. For the remaining 25 minutes, the group will discuss what is "heterodox" about the school of thought they are covering, discuss the strengths and weaknesses of the school of thought, and suggest and explain a research question what would be better answered with this school of thought than with neoclassical approaches and tools. The group should plan to build some group discussion into their presentation! The presentation should be more of a "teaching session" than a

presentation. Therefore: be creative in how you communicate what you want everyone in the class to learn!

At the end of the semester, students will write a **final paper**, either alone, or in groups of up to three people. In this paper, you should answer the following questions:

- What should, in your opinion, economics as a discipline be able to explain?
- Does neoclassical economics succeed in meeting these goals?
- What is heterodox economics? Does it succeed in meeting these goals?
- Which aspects of any of the schools of thought covered in this class should definitely be included in “economics” in order for the discipline to meet the goals you named in answering the first question?

Final papers should absolutely draw upon the literature assigned in the class, as well as students’ own experiences in economics thus far and any additional readings they would find useful. Papers should be double-spaced, 12-point font, 12-15 pages long. Papers should use correct citation for academic literature, including a full bibliography. The papers are due via email by midnight on 26 January 2020.

Grading rubric:

1: 90+ points

2: 75-89 points

3: 65-74 points

4: 50-64 points

5: 0-49 points

Schedule of topics covered and mandatory readings:

3 December: Introduction to the class and to heterodox economics.

- Fischer, L. et al. (2018). "Introduction." In: *Rethinking economics: An introduction to pluralist economics*. Abingdon and New York: Routledge, pp. 1-5.
- Harvey, J. T. (2015). "Economics as a scientific discipline." In: *Contending perspectives in economics: A guide to contemporary schools of thought*. Northampton, MA: Edward Elgar Publishing. Chapter 2, pp. 6-37.

10 December: Marxian Economics

- Wolff, R. and S. Resnick. 2012. *Contending Economic Theories: Neoclassical, Keynesian and Marxian*. Boston: MIT press. Chapters 4.4-4.6.
- Fessler, P. and M. Schürz. 2017. "The functions of wealth: renters, owners, and capitalist across Europe and the United States." OeNB Working paper 223.

17 December: Institutional Economics

- Hamilton, W. H. 1919. "The institutional approach to economic theory." *The American Economic Review* 9(1): 309-318.
- Brown, C. 2005. "Is there an institutional theory of distribution?" *Journal of Economic Issues* 39(4): 915-931.

7 January: Post-Keynesian Economics

- King, J. 2013. "A Brief Introduction to Post Keynesian Macroeconomics." *Wirtschaft und Gesellschaft* 39 (4): 485-508.
- Goda, T., O. Onaran & E. Stockhammer. 2017. "Income inequality and wealth concentration in the recent crisis." *Development and Change* 48(1): 3-27.

14 January: Feminist Economics

- Nelson, J. 1995. "Feminism and Economics." *Journal of Economic Perspectives* 9(2): 131-148.
- Perrons, D. 2015. "Gendering the inequality debate." *Gender & Development* 23(2): 207-222.

21 January: Ecological Economics

- Nadeau, R. L. 2015. "The unfinished journey of ecological economics." *Ecological Economics* 109: 101-108.
- Jorgenson, A., Schor, J., & Huang, X. 2017. "Income inequality and carbon emissions in the United States: a state-level analysis, 1997–2012." *Ecological Economics* 134: 40-48.

Further suggested readings on neoclassical versus heterodox economics:

- Grix, J. 2002. "Introducing students to the generic terminology of social research." *Politics*, 22(3): 175-186.
- Jo, T. H. and Z. Todorova (2017). "Social provisioning process: a heterodox view of the economy." In: T. H. Jo, L. Chester, and Z. Todorova (eds.): *The Routledge Handbook of Heterodox Economics*. New York: Routledge. Chapter 2, pp. 29-40.
- Lawson, T. 2006. "The nature of heterodox economics." *Cambridge Journal of Economics* 30: 483-505.
- Morgan, Jamie (2015). "Introduction." In J. Morgan (ed.): *What is neoclassical economics? Debating the origins, meaning and significance*. New York: Routledge, pp. 1-29.
- Morgan, Jamie and John Embery (2017). "Heterodox economics as a living body of knowledge: community, (in)commensurability, critical engagement, and pluralism." In: T. H. Jo, L. Chester, and Z. Todorova (eds.): *The Routledge Handbook of Heterodox Economics*. New York: Routledge. Chap. 37, pp. 515-533.