

# Post Keynesian Economics Through the Lens of History of Thought

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## Definition of Post Keynesian Economics

- *“(i) Post Keynesian economics refers to the set of macroeconomic perspectives that use Keynes’ theory of effective demand determined output. (ii) This theory of output determination holds at all times, though the scale of output response to an increase in effective demand can vary with economic conditions. (iii) 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. (iv) The real wage is not equal to the marginal disutility of labor except in the limiting circumstance of full employment.”*

Figure 1. A stylized history of economics.

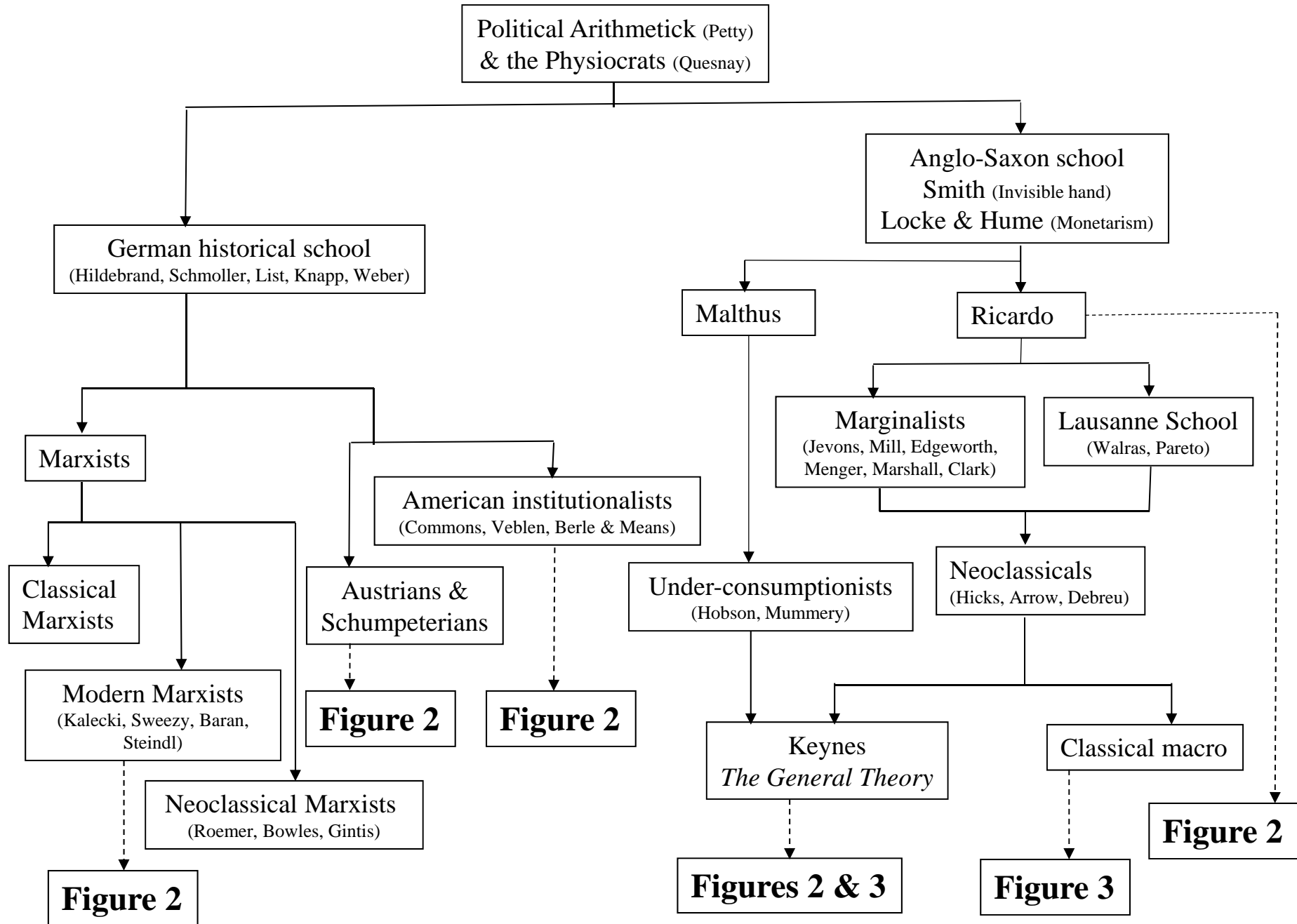


Figure 2. Post Keynesian varieties of Keynesianism.

