COURSE OBJECTIVE AND OVERVIEW

The objective if this course is to introduce the student to capital theory (the literature surrounding controversies on the relationship between interest, capital and capital goods), to use that background to understand Thomas Piketty’s *Capital in the Twenty-First Century*, and finally, to look at the critiques of Piketty that have been made by both orthodox and heterodox economists.

Students are expected to read the assigned reading(s) each week and discuss the major topics addressed by the authors being read. To facilitate discussion, students are encouraged to keep a notebook of observations on each reading.

TEXT

Other readings will be either handed-out in class or linked at the course webpage

COURSE OUTLINE

Hennings, “Capital as a Factor of Production” in The New Palgrave: Capital Theory

Clark, “Distribution as Determined by a Law of Rent”
Clark, “Kinds of Capital and of Capital-Goods,” pp. 141-156 in *The Distribution of Wealth*
Fisher, “Time Preference (Human Impatience)” sections 1-8, and “The Investment Opportunity Principles” sections 1-5, in *The Theory of Interest*
Samuelson, “Irving Fisher and the Theory of Capital” (Handout)
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<th>Date</th>
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Feb. 20  Piketty, “Course Notes: Models of Growth & Capital Accumulation, Is Balanced Growth Possible?”
Piketty, Capital in the Twenty-First Century, Introduction, Chapters 1 & 2

Mar. 6  Piketty, Capital in the Twenty-First Century, Chapters 3 - 6

Mar. 13  NO CLASS

Mar. 20  Piketty, Capital in the Twenty-First Century, Chapters 7 - 10

Mar. 27  SPRING BREAK

Apr. 3  Piketty, Capital in the Twenty-First Century, Chapters 11 & 12

Apr. 10  Piketty, Capital in the Twenty-First Century, Chapters 13 - 16, Conclusion

Apr. 17  Varoufakis, “Egalitarianism’s latest foe: a critical review of Thomas Piketty’s Capital…”
Pettifor and Tily, “Piketty’s determinism?”
Koo, “Piketty’s inequality and local versus global Lewis turning points”
Hudson, “Piketty vs. the classical economic reformers”
Hillinger, “Is Capital in the Twenty-First Century, Das Kapital for the twenty-first century?”
Galbraith, “Unpacking the first fundamental law”
Fullbrook, “Capital and capital: the second most fundamental confusion”
Apr. 24  Colander, “Piketty’s policy proposals: how to effectively redistribute income”
Beker, “Piketty: inequality, poverty and managerial capitalism”
Baker, “Capital in the Twenty-first Century: are we doomed without a wealth tax?”

May 1  Magness and Murphy, “Challenging the Empirical Contribution of Thomas Piketty’s Capital in the 21st Century”
McCloskey, “Measured, unmeasured, mismeasured, and unjustified pessimism: a review essay of Thomas Piketty’s Capital in the twenty-first century”
Jones and Kim, “A Schumpeterian Model of Top Income Inequality”
Ray, “Nit-Piketty”
Rognlie, “A note on Piketty and diminishing returns to capital”
Krusell and Smith, “Is Piketty’s ‘Second Law of Capitalism’ Fundamental?”
Acemoglu and Robinson, “The Rise and Fall of General Laws of Capitalism”
Auerbach and Hassett, “Capital Taxation in the 21st Century” (Handout)
Weil, “Capital and Wealth in the 21st Century” (Handout)
Mankiw, “Yes, r>g. So what?” (Handout)
Piketty, “About Capital in the 21st Century” (Handout)

May 8 (12:30 – 2:30 pm)  CATCH UP PERIOD