



UNIVERSIDADE DE SÃO PAULO  
FACULDADE DE ECONOMIA, ADMINISTRAÇÃO E  
CONTABILIDADE  
DEPARTAMENTO DE ECONOMIA



Coordenação de Pós-Graduação

**Minicurso:**  
**“New Theoretical and Empirical Developments  
in Political Economy”**

**Professor Deepankar Basu**

*University of Massachusetts Amherst, USA*

<https://www.umass.edu/economics/basu>

[dbasu@econs.umass.edu](mailto:dbasu@econs.umass.edu)

<i>Dia e horário</i>	<i>Atividade</i>	<i>Local</i>
Terça-feira, 06/08/19, 14:00-15:50	<b>Aula 1</b>	Sala A-06
Quinta-feira, 08/08/19, 14:00-15:50	<b>Aula 2</b>	Sala A-06
Terça-feira, 13/08/19, 14:00-15:50	<b>Aula 3</b>	Sala A-06
Quinta-feira, 15/08/19, 14:00-15:50	<b>Aula 4</b>	Sala A-06

*Agendamento de horário com o Professor Basu: Gilberto Tadeu Lima ([giltadeu@usp.br](mailto:giltadeu@usp.br))*

**Aula 1:**  
**“A Marxian Circuit of Capital Model”**

Subject: Marx’s analysis of the process of reproduction of the aggregate social capital in Volume II of *Capital* offers a rich framework for macroeconomic analysis. This paper offers a formalization of Marx’s ideas using the pioneering work of Duncan Foley in the early 1980s (see Foley, 1982). The model borrows from Basu (2014) and is used to address some issues of interest to contemporary heterodox macroeconomists: (a) wage-led versus profit-led regimes of growth; and (b) impacts of rising levels of credit on economic growth. The analysis is used to offer an account of the crisis of neoliberalism.

**Readings:**

Basu, D. (2014). Comparative Growth Dynamics in a Discrete-time Marxian Circuit of Capital Model. *Review of Radical Political Economics*, 46(2):162-183.

Foley, D. (1982). Realization and accumulation in a Marxian model of the circuit of capital. *Journal of Economic Theory* 28: 300-319.

**Aula 2:****“A Marxist Theory of Rent”**

Subject: Marx’s analysis of the distribution of surplus value in Volume III of *Capital* offers a framework for understanding three key non-wage income streams in capitalist society: commercial profit, interest and rent. Each of these income streams are fragments of surplus value appropriated by different fractions of the non-working class. In this paper (see Basu 2018), I focus on the analysis of the fragment of surplus value that is appropriated by owners of nonproduced resources: rent. I offer a formalization of Marx’s ideas on rent – building on and extending the analysis in Volume III of *Capital* – and indicate some areas where it can be applied.

**Reading:**

Basu, D. (2018). A Marxist Theory of Rent. Political Economy Research Institute, Working Paper 475. University of Massachusetts Amherst.

**Aula 3:****“Evolution of the Profit Rate in the Post-War US Economy”**

Subject: This paper (Basu and Vasudevan, 2013) offers a synoptic account of the state of the debate among Marxist scholars regarding the structural crisis of capitalism that started in 2008, identifies two broad streams within the literature dealing, in turn, with aggregate demand and profitability problems, and proceeds to concentrate on an analysis of issues surrounding the profitability problem in two steps. First, evidence on profitability trends for the non-farm non-financial corporate business, the non-financial corporate business and the corporate business sectors in post-war USA are summarised. A broad range of profit rate measures are covered and data from both the US Bureau of Economic Analysis (NIPA and Fixed Assets Tables) and the Federal Reserve (Flow of Funds Account) are used. Second, the underlying drivers of profitability, in terms of technology and distribution, are investigated. The profitability analysis is used to offer some hypotheses about the current structural crisis.

**Reading:**

Basu, D., and Vasudevan, R. (2013). Technology, distribution and the rate of profit in the US economy: understanding the current crisis. *Cambridge Journal of Economics*, 37(1):57-89.

#### Aula 4:

### **“Profitability and Investment: Some Empirical Evidence from India’s Organized Manufacturing Sector”**

Subject: All schools of heterodox macroeconomics understand capital accumulation as one of the most important elements of the dynamics of capitalist economies. Capital accumulation, in turn, is profoundly impacted by profitability. In this paper (Basu and Das, 2017), we offer a summary discussion of the evolution of thinking on the investment function in heterodox macroeconomics, and provide some empirical evidence on both the short and long run impacts of profitability on capital accumulation. The empirical analysis in the paper estimates several variants of linear dynamic panel data models using a state-industry panel data set from India’s organized manufacturing sector between 1983 and 2007 to investigate the impacts of profitability and its components on investment.

#### **Reading:**

Basu, D., and Das, D. (2017). Profitability and Investment: Evidence from India's Organized Manufacturing Sector. *Metroeconomica*, 68(1):47-90.