Marx, Keynes and the Economics of the 99%

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With few exceptions all paradigm changing contributions in the social sciences fall victim to multiple interpretations. These often dilute and obscure what made the contribution intellectually innovative. This is notably the case for Keynes and especially The General Theory. *I argue that the core of Keynes's "game changing" contribution was the analytical insight that market economies are demand constrained, not relative price constrained. It is from this core that all his other enduring insights flow, especially his treatment of uncertainty. The difference between demand constrained analysis and the quantity adjustment it implies, and relative price constrained analysis with its price adjustments, is analogous to the difference between Euclidian and non-Euclidian geometry. I demonstrate the implications of demand constrained analysis, and in doing so suggest why the mainstream of the economics profession was and is so loath to embrace it.*

J. M. Keynes stands out as the greatest economist of the twentieth century, so far above the others that even the most prominent seem minor by comparison. As is typical of the work of great theoretical innovators, debate continues, even rages, over the essence of his contribution. Yet, despite his towering stature in both theory and policy, the current mainstream in economics has relegated Keynes and his work to the margin of the profession. Almost fifty years ago Milton Friedman, icon of right-wing economics, would write with notable displeasure, "we are all Keynesians now" (*Time Magazine*, 31 December 1965). By contrast, today the professional treats "Keynesian economics" as a small sect, with its practioners, "Keynesians", viewed as semi-exiles from respectable discussion.

> ***On the purely ideological level this blasphemous recognition of the real nature of unemployment, inadequate demand, provided a devastating critique of the Marginalist apologies for free market capitalism. This recognition was the fundamental contribution of Keynes. It placed him firmly in the Classical tradition of Ricardo and Marx.***

I begin by explaining the apparently simple but fundamental insight that raised Keynes and his work to the level of the iconic, and why this same insight makes him an anathema to the current mainstream. I follow this by developing the analytical implications of the insight that undermine the entire theoretical structure of the mainstream.

The final section summarizes the discussion and speculates on the "future of Keynesian economics". Through this speculation I hope to explain why the entire spectrum of progressives, radicals and socialist revolutionaries should recognize the importance of Keynes. Despite Keynes' own casual dismissal of Karl Marx,[1] the greatest economist of the nineteenth century, the contributions of the two are complementary, not rivals to explain capitalist production, distribution and circulation.

In the course of this explanation I distinguish between so-called Keynesianism and the contribution of Keynes. This allows me to account for the relentless marginalization of this contribution over the last thirty years, derivative from the *de facto* class bias of Keynes' contribution. This, in turn, demonstrates that Keynes fundamental contribution will remain a key element in progressive and radical critique of capitalism.

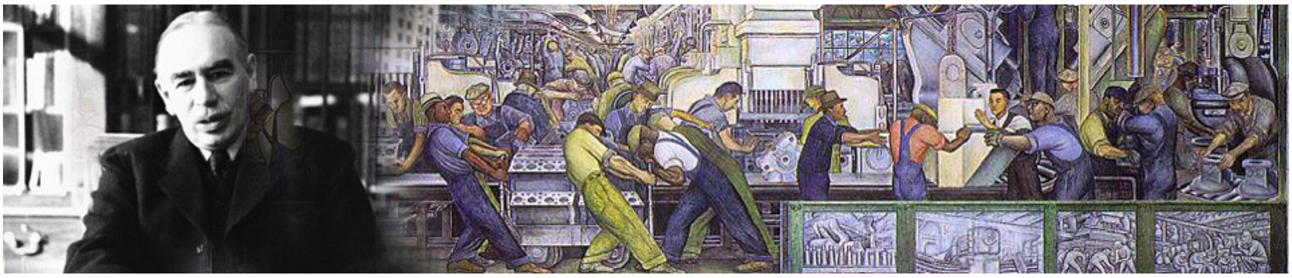
Demand versus Price. Keynes in the History of Theory

The history of economic theory divides itself into four analytical and ideological periods, the Classical, the Marginalist, Keynesian and Neoclassical, with the third by far the shortest. One analytical issue most clearly divides the periods, the treatment of the labour force as fully employed or partially idle. While the Classical and Keynesian periods had substantial theoretical differences, the current, Neoclassical brought the return of the Marginalist in barely altered form.

Analysis derivative from unemployed labour characterized the Classical and Keynesian periods, with the Marginalist and Neoclassical eras theoretically governed by full employment. One work above all others set Keynes apart from his contemporaries. The title of that work, *The General Theory of Employment, Interest and Money* (Keynes 1936), uses the word "general" in a very specific sense, that Keynes explains in the Preface referring to his earlier 1930 book,

"When I began to write my *Treatise on Money* I was still moving along the traditional lines … When I finished it, I had made some progress towards pushing monetary theory back to becoming a theory of output as a whole. But my lack of emancipation from preconceived ideas showed itself in what now seems to me to be the outstanding fault of the theoretical parts of that work, that I failed to deal thoroughly with the effects of changes in the level of output."
(Keynes 1936, vi-vii)[2]

Further along in the same paragraph he promises to correct the "fault", "This book, on the other hand, has evolved into what is primarily a study of the forces which



determine changes in the scale of output and employment as a whole". Full appreciation of the analytical and ideological import of this passage requires a brief excursion into the history of theory.

Over one hundred years from 1750 to 1850, Scottish and English political economy produced the first major contributions to what would later become "economics" without the modifier. While justifiably famous Adam Smith's principle work, *An Inquiry into the Nature and Causes of the Wealth of Nations*, includes relatively little theoretical analysis. Its greatness lies in its critique of the vestiges of feudalism and mercantilism, and important insights derivative from observation and commonsense, his discussion of the "division of labour" being the best example. The subsequent Marginalists would convert these commonsense insights into theoretical generalizations severely constrained by *a priori* assumption.

David Ricardo has the distinction of being the first economic theorist, in the sense that he sought with limited success to specify general analytical structures, "models", to explain the great questions presented by the emerging capitalist society. Ricardo identified the most important of these in the first sentence of his most famous work,

"The produce of the earth − all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community; namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated." (Ricardo 1817, p. 1)

In the course of his analysis of the distribution "of the produce of the earth" and all derived from it, he developed theories of value, economic growth, international trade and the impact of technical change. Ricardo's work subsequently suffered more at the hands of the Marginalists and Neoclassical theorists than any other of the founding figures in economics, including Marx (whom they almost completely ignored other than to occasionally insult). Ricardo is most known for two contributions, "comparative advantage" as the basis of international trade, and "diminishing returns" in production. For ideological reasons these two contributions suffered distortion beyond recognition in their neoclassical versions.

Whether one agrees with his analysis or rejects it, Karl Marx qualifies as the foremost Classical theorist; indeed, the greatest economist of the nineteenth century. Marx's great contribution consisted of developing a dynamic theory of production, distribution and circulation of commodities. Unlike Ricardo, technological change entered Marx's theory endogenously, explained by the process of capitalist accumulation itself.

Perhaps the most important distinguishing element in Classical economics was not that they all used some version of a labour theory of value to explain relative prices and theory of profits. More fundamentally, they all treated productive resources, labour being the most important, as in surplus. As I explain in more detail below, idle resources imply that the overall (aggregate) level of output results from the level of overall demand. Further, if aggregate demand determines the level of output, the absolute prices of commodities and the relative price of each compared to another also changes with demand.[3] The level of output is limited or *constrained* by the quantity of it demanded. Hence, for the economy in its entirety, the generalization can be simply stated, "economies are quantity constrained" (see Leijonhufvud 1968, 335-337).

The Classicals focused on growth and distribution in a quantity constrained economy. By contrast, the Marginalists took it as their task to demonstrate the stability of capitalism and the inherent equity in the distribution it generates. Demonstrating that a capitalist economy by its nature tends to provide employment of all who seek it, represents an obvious requirement to carry out this ideological task. To achieve this apparent absurdity, they divided the unemployment we observe into two categories, "frictional" and "voluntary". The former referred to those between jobs and the latter to those unwilling to work at the current market wage.

As a practical matter, the Marginalists attributed unemployment to two villains, trade unions and minimum wages. Trade unions, typically with the full consent of their members, created unemployment by demanding wages above what would bring "equilibrium to the labour market". Minimum wages represented a counter productive attempt to improve the lot of workers, which had the principle effect of driving many of them into unemployment.

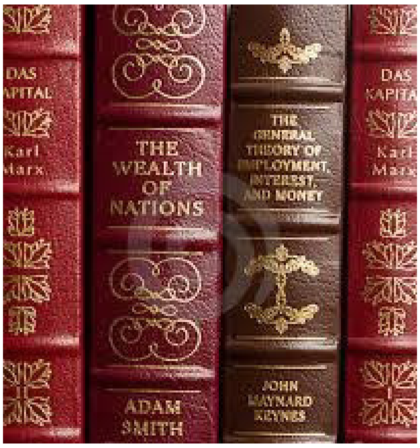
If capitalist economies tend to full employment automatically, it must hold that aggregate demand automatically adjusts to the level consistent with full employment. Therefore, output and the demand for it are determined simultaneously at full employment. Capitalist economies allegedly achieve "general equilibrium" at full employment through the adjustment of relative prices, most importantly in the labour market through the movement of the "real wage rate" relatively to the profit rate.[4] The construction of this framework began in the second half of the nineteenth century.[5] It reached its full development in the early twentieth entury, for example in the work of Keynes' contemporary, Arthur Cecil Pigou.[6]

The Marginalists earned their name as a result of their theory of value, itself predicated on full employment. In each market price, which is synonymous with value, reaches equilibrium through the equating of "demand" and "supply" under the requirement that "competition" among buyers and sellers is "prefect". On the demand side, households ("consumers") determine their purchases by subjective utility or the pleasure that goods and services provide. This utility declines with each unit consumed, implying that consumption choice results from a product's "marginal utility". On the supply side "marginal cost" determines the offers to buyers by producers. Costs rise as output increases because of the "law of diminishing returns", which bears no kinship to the similar term used by Ricardo.[7]

In this framework, each market reaches equilibrium simultaneously through adjustments at the margin, which produces a "general equilibrium" with full employment. In this general equilibrium more of any commodity can be produced only if less of another is produced. Changes in relative prices provide the only mechanism to shift production from one commodity to another. In this economic system production is *price constrained*, not demand constrained.[8]

During the first decades of the twentieth century many economists challenged the price constrained model, especially in the 1920s and 1930s as unemployment reached scandalous levels in the advanced capitalist countries. It fell to Keynes to provide the innovative synthesis that would briefly transform economics from ideological nonsense to logical and empirical credibility. An understanding of the Marginalist system clarifies the quotation from Keynes at the beginning of this section. If output quickly adjusts to its maximum, money serves no purpose except to determine the general level of prices. That extremely limited role of money explains the second sentence, "pushing monetary theory back to becoming a theory of output as a whole". To put it simply, he sought a theory in which money affected the level of output and employment.

The analytical framework available prevented this project, because of "my lack of emancipation from preconceived ideas". Only by abandoning the presumption of full employment would he find it possible to link money to output, and "deal with the effects of changes in the level output". To



the non-economist it may seems blindingly obvious that to link money to the level output and employment the analysis cannot assume output never changes. However, to the ideologically myopic Marginalists, Keynes' project to construct a general theory of output and employment, a theory in which they could vary, represented the deepest heresy.

The suggestion that the unemployment we observe might be involuntary represented the central blasphemy in Keynes' heresy. To be sure that no one missed his point, Keynes made it explicit in *The General Theory* (chapter 2, Section II), where he describes the "voluntary unemployment" doctrine as "this strange supposition", that "apparently underlies Professor Pigou's *Theory of Unemployment* [1933], and it is what all members of the orthodox school are tacitly assuming".

On the purely ideological level this blasphemous recognition of the real nature of unemployment, inadequate demand, provided a devastating critique of the Marginalist apologies for free market capitalism. This recognition was the fundamental contribution of Keynes.[9] It placed him firmly in the Classical tradition of Ricardo and Marx.[10]

The purely methodological consequents of abandoning the full employment assumption proved equally devastating.

Analytical Implications of Quantity Constrain

The entire structure of neoclassical economics, what neoliberals call simply "economics", has as its necessary condition that resources in the economy be fully employed. Every one of its concepts breaks down if part of society's resources lies idle. Consideration of a few of the most basic concepts demonstrates this general analytical collapse.

The ideology of neoliberal (neoclassical) economics derives from a central axiom: the resources of each country and the world are insufficient to meet human needs. Therefore, decisions on how to allocate those limited resources for human satisfaction dominates human existence. This axiom implies that economics is the science that studies the allocation of limited resources to achieve unlimited human needs. Though this axiom dominated neoliberal economics since Jevons in the 1870s, the standard statement comes from Lionel Robbins,

"Economics is the science which studies human behaviour as a relationship between given ends and scarce means which have alternative uses."
(Robbins 1932, p. 16)

This principle of scarcity appears credible, especially in the twenty-first century with the threat of climate change and other sources of pressure on resources, such as an aging population that reduces the labour force participation rate. However, neoliberal economics means something quite different from this by "scarcity". It uses the term to mean something quite specific, that all the resources available to society are continuously used at their maximum potential. Most important, the economy operates to continuously employ the human capacity to work to its fullest possible extent.

If this were the case, it follows that in order to increase the production of any good or service, the production of one or more of the others must contract. The contraction of one good or service and the expansion of another requires that the resources to produce these switch between the contracting and expanding goods and services. This reallocation of resources amount outputs results from changes in their relative prices. Thus, market prices provide the signal to bring about the reallocation demanded by consumers.

The analytical explanation of unemployment, by Marx, Keynes and many other theorists undermines the entire neoliberal economic framework. If some labour remains unemployed, by definition it is not scarce. If it is not scarce society could in principle produce more of everything. Therefore, the "economic problem" could not be how to satisfy human wants with limited resources. At any moment society and nature sets a limit to the availability of human labour, the productive instruments of human labour and other resources, but the social relations of capital trump these limits by continuously generating unemployment.[11]

Neoliberal economics finds itself caught in its own logic. It treats the supply of the human capacity to work as a result of nature, not capitalist social relations. However, if the supply of labour were naturally determined, then when unemployed it should be free for the taking, as air is free for the breathing. If part of the supply of human labour lies idle wages should fall to zero, and the prices of goods and services should be zero. To put it simply, partial unemployment of the labour force means all inputs and outputs, should have zero prices.

Keynes recognized that his theory of employment could not rely on the neoliberal or Marginalist theory of wages, even though at the beginning of The General Theory he explicitly accepts it. In the insufficiently appreciated Chapter 4, "Choice of Units", he contradicts his earlier concession to the Marginalist theory of employment and prices. There he tells the reader, "In dealing with the theory of employment I propose, therefore, to make use of only two fundamental units of quantity, namely, quantities of moneyvalue and quantities of

employment" (Keynes 1935, Chapter 4, Section III). While a break with Marginalism, his concept of the "labour unit" lacks theoretical consistency (Weeks 2012a, Annex to Part II, "Keynes on Aggregation").

Of all the theorists of the causes of unemployment, only Marx offers an analytically explanation of prices, in his version of the labour theory of value. Keynes incomplete rejection of Marginalism left *The General Theory* open to attack from the apostles of full employment without the defence of internal coherence. As a result his path-breaking work would fall prey to accusations of triviality from both the Right and the Left. Criticisms of the internal logic of *The General Theory* would expand into an attack on theorists of unemployment in general and of the concept of unemployment itself.

So-called "Keynesian Economics"

Central to the marginalization of the key insights of the Classicals and Keynes, to which some on the left have contributed, has been the use of the term "Keynesianism" or "Keynesian economics" to refer to any analysis who seriously addresses the endemic problem of capitalist societies, its failure to provide employment for all that seek it. This comes out clearly and overtly ideological in reference to an active public sector fiscal policy as "Keynesian".

As should be clear from the previous discussion, the assumption that capitalist economies automatically achieve full employ dominates current mainstream economics, underpinning all of its conclusions, major and minor. The ideologically inspired nonsense claims for itself the field of "economics". Imagine for a moment that the alchemists took over the chemistry laboratories, the astrologers expelled the astronomers from the observatories, and creationists replaced the geneticists in science departments throughout the world.

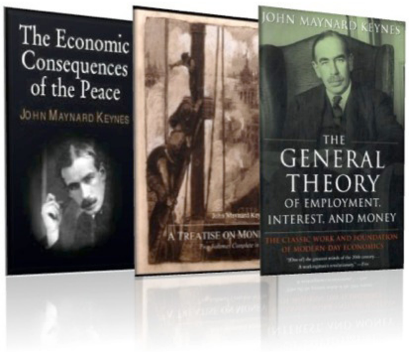
This regression to the pre-enlightenment era has occurred in economics. As a result of the triumph of this regression, the reactionary mainstream appropriated the general category, "economics", and expelled all others into a catchall category, "Keynesians". The equivalent in astronomy would if those embracing a false geocentric theory of the solar system claimed the title "astronomers", and called those holding the heliocentric theory "Copernicans".

This is the context for assessing the term "Keynesian economics", the relationship between Marx and Keynes, and the "future of Keynesianism". If what most people use the term "Keynesian economics" to mean an analysis that identifies unemployment and its origin in the lack of sufficient aggregate demand, then the modifier should be dropped. That analysis is economics, and "alternatives" such as Neoclassical "economics" fall into the same category as "Ptolemaic astronomy".

If Keynesian economics refers to the specific theory of endemic demand failures, then the term takes on analytical content. In the first sentence of Chapter 5 of *The General Theory*, Keynes signals the underlying principle in the determination of output and employment, "All production is for the purpose of ultimately satisfying a consumer". Given this analytical view, it should not surprise the reader that at the end of *The General Theory*, Keynes states clearly that he agreed with those who attributed unemployment to inadequate household consumption,

"Whilst aiming at a socially controlled rate of investment … I should support at the same time all sorts of policies for increasing the propensity to consume. For it is unlikely that full employment can be maintained, whatever we may do about investment, with the existing propensity to consume. There is room, therefore, for both policies to operate together; — to promote investment and, at the same time, to promote consumption, not merely to the level which with the existing propensity to consume would correspond to the increased investment, but to a higher level still." (Keynes 1936, Chapter 22, section IV)

Two famous British economists influenced by Keynes, Nicholas Kaldor and Joan Robinson, took a different view, endorsing the famous comment attributed to Michał Kalecki by the latter, "workers spend what they get, and capitalists get what they spend" (Robinson 1966, 241).[12] These two approaches can be interpreted as analytical oppositions. The position of Keynes represented "underconsumptionism" in pure form: lack of investment appears as the cause of demand failures, but it results from



lack of sufficient consumption demand. To a great extend this consumption-based analysis also characterized the Harrod-Domar growth model that treats advanced economies as subject to "secular stagnation" (Harrod 1939).

In Kaldor and the subsequent extension of his argument by Passinetti (Kaldor 1957, and Passinetti 1971), we find an approach close to that of Marx. In the first volume of *Capital* Marx demonstrates that the two-fold nature of commodities, use value and exchange value, presupposes capitalist relations of production. Marx specifies the famous "circuit of capital" in which money advanced by capitalists returns to them as a larger amount, M-C-M' (M is money capital and C is commodity capital and the prime indicates M' greater than M, see Marx 1974, Chapter IV). He then demonstrates that this circuit requires production at its centre, "M - C…P…C'-M' (where P stands for the production process)"

In this, the Marxian analysis of demand failures, unemployment results from capitalists advancing an amount of money capital (M) insufficient to convert or realize the produced output (C') into money capital (M'). The great contribution of Marx to the theory of demand failures lies in linking them to the contradiction between the production value and the realization of value.

The analysis of Marx that demand failures arise in production does not imply the frequently encountered assertion that "Keynesians" believe government expenditure can prevent recessions and depressions while Marx refutes this. Even a superficial reading shows that so-called Keynesian or "post-Keynesian" analysis argues that government expenditure can counter recessionary tendencies in some cases but not others. For example, James Galbraith, a self-described Keynesian, argued that a government demand stimulus cannot generate sustained recovery from the crisis of 2008 without fundamental reform of the US financial sector (Galbraith 2012).

Analogously, Marx did not think that all fluctuations in output and employment resulted from fundamental and intractable problems arising from capitalist production. Distinguishing among periods of inadequate demand, between what might be called recessions and depressions, represents one of the great contributions of Marx that sets him apart from all other theorists of the causes of unemployment. In volume III of *Capital*, Marx tells the reader,
"In a system of production, where the entire continuity of the reproduction process rests upon credit, a crisis must obviously occur − a tremendous rush for means of payment − when credit suddenly ceases and only cash payments have validity".
[Karl Marx, *Capital* III, p. 490]

All of these financial crises do not lead to severe contractions in output and employment, as the experience of the last forty years demonstrates. Two clear examples are the US stock market crash of 1987 and the financial instability of 1998 provoked by the collapse of the *rubble*. Marx alone among theorists of unemployment could demonstrate why some financial disruption results in major contractions and others do not (see Weeks 2011, Chapters 9-11).

The general use across the political spectrum of the terms "Keynesian economics" and "Keynesian economist" represents a triumph of neoliberal ideology. The terms suggest that something called "Keynesianism" represents a faction of a larger profession called simply "economics". The neoliberal intend to convey implication that all those who treat unemployment as evidence of demand failure are disciplines of Keynes and a discredited minority within the profession. Some who identify themselves as Marxian economics contribute to the neoliberal ideological labelling under the impression that commitment to radical change requires them to dismiss "Keynesian economics" and "Keynesian policies".

Before, during and after the brief period of the great influence of J. M. Keynes many others developed theoretical frameworks to analyse capitalism as it is, a system that rarely achieves full employment. Convincing people to label all non-neoclassicals as "Keynesians" represents a major ideological step toward discrediting critics of capitalism from the mildly reformist to the radical. The discrediting of these critics clears the way to present reactionary analytical and policy conclusions that require as their necessary conclusion an economy of full employment.

Summary and Conclusion

The level of aggregate demand determines output and employment in a capitalist economy because quantities adjust, not relative prices. Keynes did not discover this obvious causality, which appears in the work of Malthus over two hundred years ago. Marx provided the fullest development of the relationship between demand and explaining the demand-output link for both short and long time periods, while Keynes focused on the "short run".

Rendering respectable discussions of the cause of unemployment represents the great contribution of Keynes. For all its inconsistencies within that discussion one finds striking insights, many of them based on his direct experience with financial institutions. The question, does "Keynesianism" have a future might be rephrased, "does the principle that demand determines output have a future"? One hopes so, because if it does not, the Troglodytes of continuous full employment have consolidated the victory of nonsense over good sense from Marx to Keynes and on to the present. As Nobel Laureate Paul

Krugman has written,
"[W]e're living in a Dark Age of macroeconomics … What made the Dark Ages dark was the fact that so much knowledge had been lost … And that's what seems to have happened to macroeconomics in much of the economics profession … I'm tempted to go on and say something about being overrun by barbarians in the grip of an obscurantist faith ..."
(http://krugman.blogs.nytimes.com/2009/01/27/a-dark-age-of-macroeconomicswonkish/)

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Notes:

[1] Keynes wrote of *Capital*, "…an obsolete economic textbook, which I know to be not only scientifically erroneous, but without interest or application for the modern world" (1925, 14).

[2] All quotations from *The General Theory* come from the on-line version, at http://www.marxists.org/reference/subject/economics/keynes/general-theory/ch04.htm

[3] This general conclusion, that aggregate demand determines relative prices does not contradict price theories based on their labour content, "labour theories of value". The most sophisticated version of a labour theory of value, that developed by Marx, is consistent with the demand-determines-output generalization (see Weeks 2011, 123-25).

[4] Before the critique by Keynes in the 1930s, the Marginalist models accepted this adjustment process as obvious, which it is not. The alleged causal links are as follows: unemployment results in a fall in money wages; the competitive process lowers prices to maintain the equilibrium rate of profit; prices fall less which lowers the real wage, and employment rises. I treat below the objection of Keynes and others to this adjustment process.

[5] Though John Stuart Mill initiated the "Marginalist Revolution", the end of the Classicals came with the work of William Stanley Jevons. In 1871 he published the mis-titled *Theory of Political Economy* with the purpose of distinguishing between science, "economics", and policy, "political economy". This distinction became the defining characteristic of Marginalism and its subsequent reanimation as Neoclassical economics.

[6] It is unfortunate that contrary to standard usage, Keynes identified economists from Jevons to Pigou as "the Classicals" (Keynes 1936, Preface, first paragraph). I shall avoid this usage for sake of clarity, using Marginalists, Neoclassicals and Neoliberal Economics interchangeably.

[7] In Ricardo's theory of growth and distribution the production of food determines the wage and, therefore, the distribution of output among rent, profit and wages. Population growth results in an increased demand for food. In his logic this increased demand prompts agricultural capitalists to bring land of lower productivity into production, which reduces profit and increases rent. Diminishing returns occur at the extensive margin, not within each production unit. Ricardo proved incorrect in his analysis. Through the nineteen century in Britain productivity increases resulted in less land in production even as output rose. At least Ricardo's logic is credible. The Marginalist argument that returns diminish within a production unit, at the *intensive* margin, is not (Weeks 2012b).

[8] The framework suffers from many internal inconsistencies (see Weeks 2012a, Chapter 8, which has a summary of the inconsistencies).

[9] As to be expected, those who consider themselves influenced by Keynes offer many candidates for his most important contribution. A frequent

candidate is the predictions of capitalists about the future states of the economy, “expectations”. For example, “Taking fundamental expectations seriously is the critical [sic! “crucial”] innovation Keynes introduced in economics” (Arsenio 2012, 21). Several of the essays in the volume in which this appears take a similar view. I have argued that Keynes’ approach to expectations derives from the less-than-full-employment framework, not the reverse (Weeks 2012a, Chapter 8-10). I have demonstrated this in detail in Weeks (1989, Chapters 12 and 13).

[10] Strange to the point of astounding, Keynes himself dismissed both Ricardo and Marx in favor of Thomas R. Malthus, famous for his negative view of population growth. The attraction of Malthus for Keynes lies in his championing of the interests of the English landlord class, on the grounds that their profligate consumption played an essential role in maintaining sufficient aggregate demand to prevent recessions. A common but suspect story is that Keynes claimed to have read Capital “in an afternoon”. His failure to see the importance of aggregate demand in Marx’s theory of capitalist circulation lends the story some credibility.

[11] Marx called this “The general law of capitalist accumulation”, the title of Chapter XXIII of Volume I of *Capital*. The process of accumulation generates technical change that reduces the labour required to produce any given amount of output. He used the term “expelling of labour from production”, by which capitalist accumulation creates its own labour supply to augment natural population growth.

[12] This paraphrase refers to an article by Kalecki in which he wrote, “capitalists as a class gain exactly as much as they invest or consume, and if—in a closed system—they ceased to construct and consume they could not make any money at all” (Kalecki 1990, p. 79). For a thorough treatment of Kalecki’s contribution to demand constrained analysis, see Toporowski (2013).