

INTERNATIONAL INITIATIVE
FOR PROMOTING
POLITICAL ECONOMY
(IIPPE)



WHAT IS IIPPE?

IIPPE was founded in 2006 aiming to strengthen the presence of political economy across the social sciences through critical and constructive engagement with mainstream economics, heterodox alternatives, interdisciplinarity, and activism.

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IIPPE IN BRIEF

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Special Issue:

TEACHING POLITICAL ECONOMY

The period since the financial crisis has seen a resurgence of interest in classical political economy and non-neoclassical economics. UK institutions of higher education have seen increasing pressure from students who demand an economics education that reflects the real world as opposed to the highly abstract approach of neoclassical economics based upon unrealistic and reductionist assumptions about human and societal behavior. Both the post-crash economics group in Manchester University and the Rethinking Economics movement have received attention from both within and outside of academia.

Since founding the organization in 2006, IIPPE members have been active in promoting pluralist economic education and political economy. IIPPE has organized seven successful training workshops, with the eighth taking place ahead of the annual conference in Naples this year. It is the aim of IIPPE to continue with the organisation of training workshops with greater participation of working groups in relation to particular themes and issues covered in future workshops. IIPPE is also in the process of forming a working group on education to take forward issues of training and curriculum development. This group will be conducting a roundtable discussion at the upcoming annual conference on challenges in and reflections of, teaching political economy.



Images taken from the 3rd IIPPE training workshop which took place at the International Institute of Social Studies, the Hague, in advance of the 4th Annual Conference in Political Economy. Recordings of the sessions can be accessed from www.iippe.org

As a prelude to furthering IIPPE's work in developing and promoting education in political economy, this issue of IIPPE in Brief carries the theme of Education and Pedagogy in Political Economy. We are delighted to be able to publish a number of opinion pieces from leading practitioners and promoters of heterodox economics teaching as well as an extended interview on the topic of economics education with Ha-Joon Chang.

In this issue, we also report back from the hugely successful 'Rethinking Economics' conference and reflect upon some recent initiatives to reform economics education.

Rethinking Economics London Conference



*Participants of the conference, 28-29 June 2014
Photograph courtesy of Rethinking Economics UK*

Last June the grandiose buildings of the University College London (UCL) saw economics students, academics and the interested public engage for a weekend in rethinking economics. The student-organised Rethinking Economics conference was launched last year and this was its second run in London. There was a similar event organised in Tübingen, Germany, in 2013 and another one will be held in New York later this year.



Report by Ewa Karwowski

This time, the bustling event attracted over 300 participants. It was a manifestation of the discontent that economics students, their future employers and society at large have been feeling about economics teaching, not least since the global financial crisis. It was also a manifestation of the fact that economics stu-

dents are fed up with the lack of realism and social relevance of most economics programmes taught not only around the UK but around the world. Many of them have been listening to the half-hearted excuses of their lecturers that the unrealistic standard economic models had to be accepted initially, and could only be amended with further and more (technically) advanced study. No, students have had enough of that and they are taking it into their own hands to re-organise economics teaching. Recently, economics students from around the world voiced this discontent by writing an open letter calling for more pluralism in economics, calling for rethinking economics. The letter received wide coverage in the mainstream press, kicking off a debate about economics teaching in – among other places – the pages of the Financial Times.

The two days at UCL were dedicated to challenging the status quo and providing an overview of heterodox economic thought as an alternative. Adair Turner and Ha-Joon Chang delivered the opening and closing keynote addresses. Victoria Chick, Tony Lawson and Sheila Dow were some of the numerous speakers invited.

The event was a huge success for the organisers and the student initiative has to be applauded for its resourcefulness and innovative thinking (see for example the elegant documentary ‘Oikonomos’ about transforming economics education at oikonomosthefilm.com). However, many of the participants were demanding a more fundamental rethink than some of the speakers were offering. Time and again the question about power relations in society at large and specifically in employment relations was raised. Questions of environmental sustainability were on students’ minds, as were issues of democratic representation and the role of influential interest groups, such as the finance industry. While there were glimpses of economic solutions and answers to these questions, the conference seemed stuck in rethinking economics as a technical discipline, and reluctant to move towards reviving a wider, and more critical, political economy. This is where there is space

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for a stronger engagement by IIPPE and its members in the Rethinking Economics movement. Students are genuinely concerned about socio-economic issues such as income and wealth inequality, social justice and environmental sustainability. Any realistic solution to these concerns has to be found and campaigned for in the political realm, making an understanding of political economy indispensable. Therefore, we should get engaged in the rethinking which is currently underway to make sure that students' dynamism is not lost to a narrow re-interpretation of what economics teaching is about, or even captured by specific interest groups. The Institute for New Economic Thinking (INET) has

been one of the major sponsors of the student movement. Since the inception of INET in 2009 by a generous donation of the financier George Soros and other – hardly progressive – figures and conservative thinktanks such as Paul Volcker, David Rockefeller and the Carnegie Corporation of New York, the project has gradually revealed itself to be less new in its thinking than the label suggests (see for example the top-down approach that INET takes to restructuring the economics curriculum in its INET CORE project). Therefore, you do not need to have a weakness for conspiracy theories to realise that the economics rethinking that some people favour is of a superficial nature. Take the example of Winton Capital, a UK-based hedge fund

that funded the Rethinking Economics London conference alongside INET. According to their webpage Winton Capital encourages economic heterodoxy because their investment philosophy is to provide 'a genuine diversification to a conventional portfolio'. However, students are interested in a genuine diversification of the economics discipline and that must go far beyond the financial portfolio of a hedge fund and delve deeply into social and political issues. We should enter the discussion to offer alternative theories and viewpoints, helping to broaden the debate again and to strengthen political economy in economics teaching.

The Post Keynesian Economics Study Group

By Jo Michell

The Post Keynesian Economics Study Group (PKSG) was founded in 1988 by Philip Arestis and Victoria Chick, supported by the UK Economic and Social Research Council (ESRC), with the intention of encouraging collaboration among scholars and students of Post Keynesian economics. During the 1980s and 1990s, the Group played an important role in consolidating the role of Post Keynesian Economics in the UK and Europe. PKSG has gone through a number of changes in the subsequent years. The most recent incarnation of PKSG can be traced to 2006 when an entirely new committee was elected, with Jonathon Perraton as Chair and Mark Hayes as Secretary. In 2011 the board was substantially extended to include Engelbert Stockhammer, who took over from Jonathan Perraton as chair, as well as other new members Gary Dymki, Ozlem Onaran and IIPPE organisers Annina Kaltenbrunner and Jo Michell. Over the past three years, the activities of the group have expanded significantly. Until 2011, the main points of focus were the ongoing seminar series in Cambridge, the mailing list and occasional workshops. A number of new initiatives have since broadened the reach of PKSG. Firstly, a regular full-day Annual Workshop has been held at SOAS since 2012. This has been very successful, both as a forum for the discussion and dissemination of new research and as a platform for networking and collaboration between Post Keynesians and PKSG 'fellow travellers' (to borrow a phrase from Jan Toporowski). Another new initiative is the highly successful three-day summer school on Post Keynesian Economics and Marxist Political Economy held at Kingston University in col-

laboration with the Kingston-based Political Economy Research Group (PERG). This event has now run twice and attracted over fifty students each time both from the UK and across Europe. The commitment and interest of the students who attended the Summer Schools has been extremely impressive and encouraging.

An important recent development for heterodox economics is the growing student movement for curriculum reform. PKSG strongly supports the students in their aims, and has forged strong links with the various campaigning student groups. A letter from the PKSG committee voicing support for the students was published in the Guardian in November 2013 (<http://www.theguardian.com/education/2013/nov/18/post-keynesians-comeback>). A number of other groups such as the Association for Heterodox Economics also published similar letters.

PKSG continues to expand and develop its website. The online Working Paper series has recently been converted to full open access and the series has also been registered with RePeC, providing Post-Keynesian authors with a highly visible repository for work in progress. Plans are currently underway for a full revamp of the website over the next year. On behalf of its members, PKSG has negotiated free electronic access to two journals published by Edward Elgar. PKSG members have free access to the Review of Keynesian Economics (ROKE) and the European Journal of Economics and Economic Policies: Intervention (EJEEP) for one year from April 2014.

The PKSG website can be accessed at postkeynesian.net

What kind of (modern) economics should we teach (post-2007 crisis)?

By Ioana Negru



Since September 2007, I have been interested in studying the economics profession and how it has reflected on the global crisis in the economy and the crisis within the economics discipline and whether realistically these reactions could foster 'desirable changes in the discipline'. An important part of these reflections relates to economics pedagogy and whether the

teaching and learning practices which economists employ have contributed to the stagnation and crisis within the discipline (Negru 2010a, 2013). Deep dissatisfaction with various aspects of the economics profession (including teaching techniques and content) has existed since the 1940s and was prevalent during the 1970s and 1980s. In 'The Making of an Economist', Colander and Klamer (1987: 98) found that even if students believed that reading in areas such as history and philosophy was important for their development as economists, in reality most of them "did not undertake such reading because they lacked the time". A more dramatic finding was that students believed that knowledge of the economy and knowledge of economic literature do not make an economist successful. By contrast, 65% of the interviewed students rated 'excellence in mathematics' as very important in their future formation. This study influenced the COGEE report (Commission on Graduate Education in Economics) commissioned by the American Economic Association that made several recommendations regarding the content of curricula. According to Colander (1998), the COGEE report made no impact on the economics profession. Mathematical requirements were raised and the existing culture continued to relegate the importance of economic history, history of economic thought and economic methodology in the training of graduate economics students. The self-selection of graduates comfortable with the mainstream mathematical approaches within the profession makes the process of stepping outside the norms that value mathematical skills much harder and probably explains the

reluctance to do so even in the context of the current crisis.

The teaching of macroeconomics has taken a particularly hard hit with perceived failures of policy informed by mainstream theory. In my paper, "Plurality to Pluralism in Economics: The Role of Critical Thinking", published in 2010, I stated that, "[t]o improve economics pedagogy requires a pluralistic outlook both within the economics profession and within the economics curricula. We need to question accepted economic thinking, and debate both what and how we teach economics" (p.186). The issue becomes one of how we can develop a curriculum that is pluralist in its objectives, content and methods of assessment and how we help our students to become critical and independent thinkers.

What is required of economists is engagement in critical conversations. Many pluralist courses are inherently superior to orthodox courses in enhancing a range of skills such as critical and independent thinking (O'Donnell, 2009). I argued last year in a panel on pluralism and methodology at IIPPE's 4th annual conference that there is a need for pluralism not just in the economics discipline in its various formats (such as theory, methods and methodologies) but also in our teaching practices and policy advice. What I argued then is that the ethical side of the pluralism argument, especially in the context of how we teach economics, has been lost. If there are multiple perspectives on how we understand the functioning of the economy and its mechanisms why not introduce them to the students? Why would we, instead, present a single perspective as the only true explanation of the (socio-economic) world, and one that has actually failed to have any explanatory or predictive power in the context of the current economic crisis? The students' petitions in UK and around the world echo all these concerns with economics education.

One way in which pluralism enhances communication and other interpersonal skills is through the range of debates concerning contentious issues that embrace various belief systems and evaluation processes. When we design economics degree programmes, we often identify critical thinking as a key skill. "Student-

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Teaching political economy - style

By Andrew Mearman

Every teacher has educational goals which inform both what and how they teach. These goals may not be known, or made explicit. If there is an average economics teacher in the UK system, they probably have the goals of ensuring that students command the standard economic theory, can 'think like an economist', and be furnished with useful and purportedly true knowledge. However, alternative approaches are possible. One role of the political economist is to explore these possibilities.

Let's consider three educational philosophies. The liberal tradition emphasises the virtues of autonomy and critical thinking, and sees education as intrinsically valuable. The instrumentalist approach sees value in the concrete outcomes education can yield. The employability agenda might be seen in these terms. Instrumentalism can also aim at social control or reproduction. Liberal and instrumental education can conflict; for instance, if the educator's main goal is that their students learn mainstream economics uncritically, or without reference to alternatives. A third, more radical approach, is critical pedagogy

(Freire), a specific goal of which is to liberate those who are excluded from and oppressed by the system. In practice it emphasises a student-centred approach and stresses the critical evaluation and re-evaluation of common concepts. It is founded on a belief in students' abilities to think critically about their own situations.

Is there a pedagogy of political economy? Despite the apparent affinity with critical pedagogy, there is no necessary relationship between one's approach to political economy and one's attitude to teaching. In fact, all of the educational philosophies above are consistent with elements of teaching political economy. A teacher could have instrumental goals: s/he could aim for their students to know key readings in political economy; or even aim that their students take specific views on the world. S/he might further see education as a crucial site for societal change. Alternatively, taking a liberal position, s/he might encourage students to understand the political nature of economics, to take critical positions and to consider competing positions on key issues. Finally, critical pedagogy

highlights existing power relations, and places stress on student empowerment, as a clear educational objective in itself.

Most teachers in higher education have multiple roles: researcher, activist, administrator, and educator. These roles have associated goals, which are not always compatible. It may not be appropriate for the educator to bring their other selves into the classroom. The educator must consider this carefully. The political economist must be acutely aware of these questions – indeed more aware than most, because the political economist teaches about power. At the same time, then, they must consider their own power as an educator, and how to use it. To do this, s/he must articulate a clear set of educational goals, with the needs of the student clearly in focus.

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What Economics?

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centred" approaches, critical and creative thinking have been at the core of feminist pedagogy, for instance. Economists have tended to develop more analytical thinking via the teaching of mathematical models that are based on a set of underlying assumptions, which students might be or not required to evaluate. Complexity and 'critical skills' rarely appear in economics beyond the level of mathematics that is introduced to students (Bartlett and Feiner, 1992; Feiner and Roberts, 1995). The crucial question around any curriculum transformation remains: what kind of economists we would like to educate? Methodological issues around the pedagogy

of pluralism will be discussed at the 5th IIPPE Conference that takes place this year in Naples. If we would like to have a future generation of economists that are ethically and professionally responsible, then maybe we should adopt a different strategy to achieve such 'a good curriculum for economists'. We should focus on teaching courses on methods of research in economics and other social sciences, history of economic thought, philosophy of science, economic history, whilst also introducing awareness of environmental problems, and that many of the economic problems have ethical and normative implications throughout undergraduate and postgraduate curricula. What we need are economists that can think critically and formulate critical questions and find (ethical and responsible) solutions to various world (socio-economic) problems. This task is feasible, realistic and achievable.

HA-JOON CHANG ON ECONOMICS EDUCATION

Interview conducted by Susan Newman
21st July 2014



Susan Newman: I'd like to congratulate you on your new book, 'Economics: A User's Guide'. Could you tell me what your motivations for writing the book were?

Ha-Joon Chang: Well, it might sound slightly pretentious, but I

wrote the book in an attempt to democratise economics because economics has become like the ruling ideology of our time, probably playing a role equivalent to that of the catholic theologian in the middle ages: justifying what is going on, making it difficult for people to even discuss those things by being completely impenetrable. In the middle ages all bibles were in Latin, the Vatican refused to allow translation of the bible in local vernaculars so that only trained priests could read the bible and people had to take their word for it. Don't get me wrong, I have nothing particularly against the Catholics. I'm a genuine atheist; I don't hold any particular grudge against any particular religion. But economics has become like that and it has been fantastically successful in creating this impression among ordinary citizens that it is so difficult that you have to just leave it to the experts. My view is that most of it can be perfectly understood by anyone with secondary education if it is explained in an accessible way. Of course, this feeds into the debate on economics education as well. Educating the general citizen is obviously linked to educating economists.

One thing that I am at pains to emphasise in the book is that there isn't just one correct way of doing economics and we should know all different schools to be able to understand this complex world. Each school is interested in different things and they conceptualise the economy differently. They have different theoretical categories; they are based on different assumptions about institutions, politics and history.

SN: We'll come back to your thoughts on pluralism in education later. Our readers might be interested in to know a bit more about your own training in economics. When did you become aware of alternative schools of thought and what led you to criticism of mainstream economics?

HC: Actually I was educated in economics in South Korea in the 1980s and it was quite a different intellectual atmosphere. To begin with we had a lot of influence from Japan due to colonial rule. In Japan, at least until the 1980s, Marxist was the predominant school in academia and there were a lot of people doing classical school or Schumpeterian, German historical school and so on. By the time that I arrived at university, they [older professors] were on their way out and the education was dominated by younger professors that just came back from the United States. So it was a predominantly neoclassical education, but still there were these older professors doing different things. At least history of economic thought was an option you could take. Also, this was a time of radical student movements fighting against the military dictatorship and a lot of people were drawn to Marxism and other radical theories. So, most of the people of my generation are at least aware of the existence of other schools.

I personally was not happy with what was being put in these neoclassical textbooks because they were so different from the reality that I was living. Like many of my friends, I started exploring different schools. Unlike some of my friends, I was never totally convinced by Marxism. I started reading about other schools. I think that right from the beginning my training, some of which was self-training, was of a pluralist kind.

SN: Could you tell me a bit about your experience in promoting and teaching non-neoclassical economics both in Cambridge and elsewhere?

HC: I have been lucky in the sense that I was hired from the beginning to teach mainly on the development studies program which used to be within the economics faculty in Cambridge. I started in 1990 and by that time things were rapidly moving in the

wrong direction as far as I'm concerned. I am actually the last non-neoclassical economist hired by the faculty of economics in Cambridge, and that's twenty-four years ago.

I was ok with teaching what I wanted to teach because when the economics department became very hostile to development studies, it moved out of the economics faculty, and since then I have always belonged to both places. But with time, the economics faculty kept pushing me out, so four or five years ago they finally made the decision that my master's level development economics paper, which has been offered as a joint paper for economics and development studies, would not be accessible to economics faculty students anymore because these are intellectually incompatible. That's the interesting things about neoclassical economists – they always praise the virtue of competition, but when it comes to their own area they don't want competition.

The general education program in Cambridge has become much narrower, much less tolerant of different views, much more determined to teach only one theory rather than teaching economics through various debates, and increasingly putting more and more emphasis on mathematical skills. Now the programmes in Cambridge are indistinguishable from other programmes in English-speaking universities.

Amid all this, I have been trying to teach different types of things for people who come from outside Cambridge. The APORDE [African Programme on Rethinking Development Economics] programme was inspired by this programme that used to run in Cambridge itself called CAPORDE, which was the Cambridge Programme on Rethinking Development Economics. It ran between 2001 and 2008 with funding from the Ford Foundation. That programme was an attempt to teach mainly young professors from developing countries different kinds of development economics. We had people from all over the world. I had a range of heterodox, or rather non-neoclassical, economists - I don't like the term heterodox as it is already conceding that there is orthodoxy – like Ben Fine, Jose Antonio Ocampo, Deepak Nayyar, Barbara Hariss-White, Sanjaya Lall before he died, and people from within Cambridge: Ajit Singh, Gabriel Palma, Peter Nolan and so on.

That programme was very successful and had a lot of impact both in the sense that it has encouraged some of these young professors to remain non-neoclassical because they were energised and they could go through difficult times with moral support from their friends who they met in the summer school. If you are from some small Latin American or African country, you might be the only non-neoclassical economist within a two hundred mile radius. A lot of these people are very lonely, demoralised, so we built this international network which then expanded in the form of APORDE and another programme called LAPORDE, Latin American Programme on Rethinking Development Economics, based in Sao Paulo.

I have been very much of the view that we need to teach the teachers differently so that they can teach their students differently. I'm willing to say that is one thing that I am really proud of having done in my professional life.

SN: *To what extent do you think that the current student campaigns for economics education reform have been successful in bringing about actual change in economics education both in Cambridge and elsewhere?*

HC: They have been extremely successful. When the Manchester group, the Post-Crash Economics group, started just two years ago, that was the only group I knew of. I went to one of their first talks in October 2012. Now, in over 10 universities in the UK, we have this international network which has members everywhere: Chile, Brazil, Germany, Denmark. So far, no concrete results have been obtained because there is a great resistance, but I think that it is going to be very important in shaping the future of economics education in the UK and beyond.

They [Rethinking Economics] have two particular strengths. One is that most of them are pluralist, so they are not asking for one particular alternative like, say, the sixties revolt that was led by Marxist economists. I'm not trying to devalue that movement but politically if you say, 'we have the answer', it is much more difficult to change the status quo. Whereas here they are saying, 'we want to be exposed to different things'. If they keep pushing this line, it will be very difficult for mainstream economists to say, 'we cannot absolutely allow you to be exposed to anything other than what we teach'. I think that's one strength. Another is that these guys are very savvy. I have been very impressed. They have been transferring organisation know-how to emerging groups. For example, if some students in a university are interested in organising a group on rethinking economics, the guys that are already running these groups in other universities go there and tell them how to organise; what is the tactic they can use to talk to the faculty.

They have been successful in being exposed in the mainstream media. In the early 2000s there was this famous post-autistic economics movement which had quite a significant impact within the economics profession but no one outside knew about that. This time around, you have articles in the Financial Times, in the Observer, in the Guardian. It isn't in the Daily Mail but there is a big contrast to the experience of the post-autistic economics movement. I think that these guys are going to be very important. Another strength is that they are acutely aware that today's students are tomorrow's ex-students so they are very conscious of passing the torch, so to speak, and making sure that this movement continues. There is of course a huge resistance and I don't know what the final outcome will be, but these guys are having a huge impact.

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Interview with Ha-Joon Chang

(Continued from page 7)

SN: *What would be your advice to sympathetic faculty members who are themselves on their own islands in institutions dominated by neoclassical economics?*

HC: As far as those people are left, I mean, there are not that many places where those people are left. Of course there is UWE, Kingston, Leeds and SOAS. There are several places, but overall there isn't much. In Cambridge, when my colleagues Gabriel Palma and Tony Lawson retire at the end of September, I will literally be the only non-mainstream economist in the economics faculty. So, this can be very difficult but I think that the members of the faculty that are sympathetic to this kind of teaching reform should try their best to work with the students, because in the end the

establishment cannot completely ignore student demand. They are going to ignore a lot of it but they at least have to make a cosmetic gesture. Whereas if faculty members make this kind of protest then they say, "Wait until you get five publications in the American Economic Review and then maybe we'll listen to you. In the meantime, please shut up." I think that for these teachers, it is important to work with the students.

SN: *The rethinking economics movement, the Manchester students' campaign and what you have been doing has been very*

much about promoting pluralism, comparative theory, bringing in debate and situation-specific theory and theorising. If what we want is to bring about economic change and to move towards a more just and sustainable society, is calling for economic pluralism enough or do we have to become more actively antagonistic?

HC: Pluralistic education is an absolutely essential ingredient but of course it's not enough. In terms of your last question about being actively antagonistic to the status quo, I would put it slightly differently. In an ideal world all economists should be open to questioning the status quo but that doesn't necessarily mean that you have to question the status quo all the time. Very often you are interested in a limited set of questions and in some instances it might be perfectly ok to accept most of the status quo as given, so I don't think that in itself should be a criterion of judgement.

Ultimately we should question the status quo and for this I have a good example which I partially discuss in my new book and that is Paul Krugman's engagement with this American NGO activist campaigning against

low wages paid in American factories in countries like Bangladesh. I think that this involvement happened in the late nineties or early two thousands. Krugman waded into this campaign and said that these activists are people of good heart but essentially misguided because they are talking as if the alternatives that these workers in Bangladesh are facing is between a high wage job and a low wage job. But actually the choice they face is between a low wage job and no job so these people should be grateful for the low wage job. He's absolutely correct in so far as you are totally accepting the status quo in Bangladesh, but should we stop there? If you have a land reform then perhaps there will be less pressure on the urban labour market; if you abolish child labour then perhaps there will be less downward pressure on wages; if the government can use industrial policy and create high wage jobs then workers may face the choice between a low wage job and a high wage job. I don't know Krugman personally but if you put it to Krugman he'll probably say, 'I know those possibilities but those are impossible'. But are they really impossible? What I have just described is exactly what happened in South Korea in the 1960s and '70s. We had land reform in the '50s; we made primary education compulsory in the '60s, we created high wage jobs through industrial policy in the '60s and '70s, so how far do you want to push the status quo? Ultimately we have to question everything but at a particular point in time and in a particular context we might take some of these things as given and concentrate on one particular thing – for example, we can focus on raising the minimum wage without questioning why low caste people cannot get a decent job and why women are discriminated in wages and so on. Essentially we are saying the same thing but I am trying to slightly modify it to make it more sensitive to political feasibility.

The main problem I have with neoclassical economics is exactly the unwillingness to question the status quo. They take it for granted that the status quo cannot be changed or they are at least saying that it is not the economist's job to ask questions about the status quo. We just do whatever marginal analysis which is feasible within the status quo. And even worse, some of them don't even realise that there is a status quo.

SN: *Any final words?*

HC: As a footnote I would like to add that I am genuinely advocating pluralist approach not as a tactic. The version of pluralism that I promote is what philosophers of science call interactive pluralism. It's not just peaceful coexistence but active engagement with different schools. Personally I have read probably as much Hayek as I have read Marx. In the end I don't agree with either of them but both are very profound thinkers and I learnt a lot from both of them. My pluralism is quite different from some of the pluralism of other non-neoclassical economists who believe that they are right but are willing to accept the right of other people to believe what they want to believe. That's not what I believe in.



A PELICAN
INTRODUCTION

**Economics:
The User's Guide
Ha-Joon
Chang**



Working Groups form the backbone of IIPPE. The purpose of the working groups is to facilitate discussion and collaboration in order to strengthen and further the development of political economy. We currently

have working groups organised around 17 topics (see box below for a full list of the VVGs as well as contact details for each). IIPPE working groups are at various stages of development with each running itself subject to conforming to broader IIPPE aims. So far, activities that have been organised by IIPPE working groups include workshops, panels at conferences, online debates and exchange of literature and other resources. The IIPPE working groups have brought together researchers from across disciplines, institutions and countries. A number of working groups are planning working paper series and other collaborative work. IIPPE is looking to expand the

diversity and scope of the working groups, and we welcome suggestions and offers to organise new working groups as well as collaboration with other working groups from outside the initiative. Those interested in this should contact individual working groups or, for more general enquiries, those interested in setting up new groups please contact iippe@soas.ac.uk.

**Find the IIPPE
Financialisation Working Group
on Facebook**

Current Working Groups

Agrarian Change

[D. Johnston \(dj3@soas.ac.uk\)](mailto:dj3@soas.ac.uk)

Beyond Developmental State

[J. Saraswati \(js6258@nyu.edu\)](mailto:js6258@nyu.edu)

Commodity Studies

[L. Campling \(l.campling@qmul.ac.uk\)](mailto:l.campling@qmul.ac.uk) &
[S. Newman \(susanamynewman@gmail.com\)](mailto:susanamynewman@gmail.com)

Conflict, War and Development

[N. Hahn \(nsc.hahn@gmail.com\)](mailto:nsc.hahn@gmail.com)

Environment

[M. Arsel \(arsel@iss.nl\)](mailto:arsel@iss.nl) & [B. Buscher \(buscher@iss.nl\)](mailto:buscher@iss.nl)

Financialisation

[A. Kaltenbrunner \(A.Kaltenbrunner@leeds.ac.uk\)](mailto:A.Kaltenbrunner@leeds.ac.uk) &
[J. Michell \(jomichell@gmail.com\)](mailto:jomichell@gmail.com)

International Financial Institutions

[E. van Waeyenberge \(elisa@btinternet.com\)](mailto:elisa@btinternet.com)

Law and Development

[R. D'Souza \(r.dsouza1@westminster.ac.uk\)](mailto:r.dsouza1@westminster.ac.uk)

Marxist Political Economy

[G.H. Gimm \(ghgimm@gmail.com\)](mailto:ghgimm@gmail.com)

**Minerals-Energy Complex /
Comparative Industrialisation
Neoliberalism**

[Basani Baloyi \(bbasibal@yahoo.co.uk\)](mailto:bbasibal@yahoo.co.uk)

[A. Saad-Filho \(as59@soas.ac.uk\)](mailto:as59@soas.ac.uk) & [K. Birch \(kean.birch@lbss.gla.ac.uk\)](mailto:kean.birch@lbss.gla.ac.uk)

Political Economy of Institutions

[D. Milonakis \(milonakis@econ.soc.uoc.gr\)](mailto:milonakis@econ.soc.uoc.gr) &
[G. Meramveliotakis \(meramveliotakis@yahoo.gr\)](mailto:meramveliotakis@yahoo.gr)

Political Economy of Work

[A. Brown \(A.Brown@lubs.leeds.ac.uk\)](mailto:A.Brown@lubs.leeds.ac.uk) & [D. Spencer \(das@lubs.leeds.ac.uk\)](mailto:das@lubs.leeds.ac.uk)

Privatisation

[K. Bayliss \(Kb6@soas.ac.uk\)](mailto:Kb6@soas.ac.uk)

Social Capital

[A. Christoforou \(asimina.christoforou@gmail.com\)](mailto:asimina.christoforou@gmail.com)

Urban and Regional Political Economy

[J. Gough \(Jamie.Gough@sheffield.ac.uk\)](mailto:Jamie.Gough@sheffield.ac.uk), [Ozlem Celik \(ozlemcel79@yahoo.com\)](mailto:ozlemcel79@yahoo.com)

What ever happened to Post-Marxism?

By Andrew Rowcroft

Almost thirty years after the publication of Ernesto Laclau and Chantal Mouffe's book *Hegemony and Socialist Strategy*, and seven years after the global financial crisis that is still producing massive aftershocks in the global capitalist system, the timing seems relevant for a re-assessment of some key departures from Marxist orthodoxy.

Post-Marxism, or Poststructuralist Marxism cannot be considered a conceptually unified position, but can be conceived of as a method of thinking, a collection of critical reading practices and a 'radical democratic politics'. It is based on the writings of iconoclastic theorists; predominately European critics inspired by the legacy of French intellectualism.

Devoted to the theoretical re-construction of Marxism, Post-Marxism is best understood as a loose and heterogeneous assemblage of writings within the 'orbit' of Marx. Simon Tormey and Jules Townshend have drawn an important distinction. They claim that while heterodox varieties of Marxism have been in operation throughout the twentieth century – think for instance the theoretical projects of Georg Lukács, Antonio Gramsci and Ernst Bloch – these intellectuals sought 'development and elaboration' while Post-Marxists are more motivated by the apparent exhaustion of Marxist praxis and seek to supplant traditional orthodox categories.

Hegemony and Socialist Strategy seeks to do exactly that. It responds to the wider currents of dissatisfaction and disenchantment that became exposed with the collapse of the Berlin Wall and the break-up of the Soviet bloc more broadly. Laclau and Mouffe reject the working class as the revolutionary agents of change and instead opt for more fragmented models of action in which the social takes precedence over the economic and political. These theorists are concerned with establishing the ground for popular 'cross-class' alliances, with the ambition of turning a substantial majority of the populace towards socialism, rather than coordinating the path of working class struggle.

Laclau and Mouffe begin their book by stating that their method is both **Post-Marxist** and **Post Marxist**. Their approach, therefore, encompasses those who have rejected and abandoned Marxism, such as the philosopher and critic Jean-François Lyotard, alongside those whose who have sought theoretical rejuvenation, like Jacques Derrida. In *Spectres of Marx* (1993), Derrida attempted to settle accounts and proposes a particular strain of Marxism has been in crisis for the better part of a half century.

For many of us the question has the same age as we do [...] For many of us, a certain (and I emphasise

certain) end of communist Marxism did not await the recent collapse of the USSR and everything that depends on it throughout the world. All that started – all that was even *déjà vu* indubitably – at the beginning of the 50s.

Jacques Derrida, Spectres of Marx: The State of the Debt, the Work of Mourning and the New International

Derrida is advocating the progressive decline of Marxism as evidence of a desire, a need, a requirement for a Marx antithetical to the totalising variant of Eastern bloc Communism. He is enacting a post-Marxist operation here: he refuses to abandon Marxism – there is he thinks 'no future without Marx' – but the embraced conceptual changes need to pursue pluralism.

Hegemony and Socialist Strategy certainly contains some speculative claims. For instance, the authors believe their version of post-structuralist Marxism, one rooted [in] 'the Gramscian matrix and in the centrality of the concept of hegemony', has proven 'a far more adequate approach to contemporary issues' than contending paradigms. Nonetheless, it is responsible for initiating a new wave of Marxist scholarship during a period when the ambitions of the left appeared seriously in doubt.

More recently, interest in Post-Marxism is gaining traction. In 2000, Stuart Sim published two critical volumes: *Post-Marxism: An Intellectual History* and *Post-Marxism: A Reader*. Sim considers Post-Marxism as a series of conceptual and theoretical reconsiderations favouring scepticism, difference and spontaneity while working to oppose those central tenets of classical Marxism: orthodoxy, party control, totality and rigid theory.

Sim argues that Post-Marxism came to flourish during the period from the 1960s to the 1980s, when Marxism was subjected to sustained internal scrutiny and rigorous testing, especially in the collaborative work of Barry Hindess and Paul Q. Hirst, alongside Nicos Poulantzas and Rudolf Bahro.

In many circles Post-Marxism has a bad name and is considered by many as a kind of theoretical betrayal. But, perhaps, it is better understood as a Marxism distanced from orthodoxy and one in confrontation with new historical developments and theoretical revisions. Post-Marxism obviously lies on the periphery of Marxist thought, but perhaps in the 21st century we should be careful not to forget the theoretical advances proffered by this post-structuralist version.

Announcements

NEW BOOKS

Polarizing Development: Alternatives to Neoliberalism and the Crisis

Forthcoming Pluto Press, November 2014

Edited by Lucia Pradella and Thomas Marois

The global economic crisis has exposed the limits of neoliberalism and dramatically deepened social polarization. Yet, despite increasing social resistance and opposition, neoliberalism prevails globally.

Radical alternatives, moreover, are only rarely debated. And if they are, such alternatives are reduced to new Keynesian and new developmental agendas, which fail to address existing class divisions and imperialist relations of domination.

This collection of essays polarizes the debate between radical and reformist alternatives by exploring head-on the antagonistic structure of capitalist development. The contributors ground their proposals in an international, non-Eurocentric and Marxian inspired analysis of capitalism and its crises. From Latin America to Asia, Africa to the Middle East and Europe to the US, social and labour movements have emerged as the protagonists behind creating alternatives.

This book's new generation of scholars has written accessible yet theoretically informed and empirically rich chapters elaborating radical worldwide strategies for moving beyond neoliberalism, and beyond capitalism. The intent is to provoke critical reflection and positive action towards substantive change.

This book emerged in close connection with IIPPE – from individual members contributing chapters, to draft chapter presentations being made at the 2013 Hague Conference.

Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Production

London: Routledge

By Susanne Soederberg

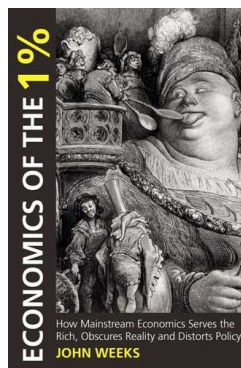
Under the rubric of 'financial inclusion', lending to the poor—in both the global North and global South—has become a highly lucrative and rapidly expanding industry since the 1990s. A key inquiry of this book is: what is 'the financial' in which the poor are asked to join? Instead of embracing the mainstream position that financial inclusion is a natural, inevitable and mutually beneficial arrangement, *Debtfare States and the Poverty Industry* suggests that the

structural violence inherent in neoliberalism and credit-led accumulation has created and normalized a reality in which the working poor can no longer afford to live without expensive credit.

The book further transcends economic treatments of credit and debt by revealing how the poverty industry is inextricably linked to the social power of money, the paradoxes of credit-led accumulation, and 'debtfarism'. The latter refers to rhetorical and regulatory forms of governance that mediate and facilitate the expansion of the poverty industry and the reliance of the poor on credit to augment/replace their wages. Through a historically grounded analysis, the author examines various dimensions of the poverty industry ranging from the credit card, payday loan, and student loan industries in the United States to micro-lending and low-income housing finance industries in Mexico.

Economics of the 1%: How mainstream economics serves the rich, obscures reality and distorts policy Anthem Press

By John Weeks



In straightforward language, this book exposes the myths of mainstream economics behind the public discourse and explains why current policies fail to serve the vast majority. It demonstrates that to understand the economy it helps not to be an economist. The book is ideal for non-economists and 1st year economics students, as well as for a general audience.

Available now at <http://www.anthempress.com/economics-of-the-1-percent>

The Global Development Crisis Polity

By Ben Selwyn

The central paradox of the contemporary world is the simultaneous presence of wealth on an unprecedented scale, and mass poverty. Liberal theory explains the relationship between capitalism and poverty as one based

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around the dichotomy of inclusion (into capitalism) vs exclusion (from capitalism). Within this discourse, the global capitalist system is portrayed as a sphere of economic dynamism and as a source of developmental opportunities for less developed countries and their populations. Development policy should, therefore, seek to integrate the poor into the global capitalist system.

The Global Development Crisis challenges this way of thinking. Through an interrogation of some of the most important political economists of the last two centuries - Friedrich List, Karl Marx, Leon Trotsky, Joseph Schumpeter, Alexander Gerschenkron, Karl Polanyi and Amartya Sen - Selwyn argues that class relations are the central cause of poverty and inequality, within and between countries. In contrast to much development thinking, which portrays 'the poor' as reliant upon benign assistance, this book advocates the concept of labour-centred development. Here 'the poor' are the global labouring classes, and their own collective actions and struggles constitute the basis of an alternative form of non-elitist, bottom-up human development.

Understanding Globalization: A Multi-Paradigmatic Approach

By Kavous Ardalan

This book discusses eight dimensions of globalization—world order, culture, the state, information technology, economics, production, development, and Bretton Woods Institutions—from the perspective of four diverse sociological paradigms: functionalist, interpretive, radical humanist, and radical structuralist. This multi-perspective approach forces readers to abandon their preconceived assumptions and offers them the opportunity to view globalization through new eyes.

Conferences

European Economists for an Alternative Economic Policy in Europe (EuroMemo Group) 20th Annual Conference

What future for the European Union - Stagnation and polarisation or new foundations?

Sapienza University Rome, 25-27 September 2014

Speakers include Alessandro Roncaglia (Sapienza University and Economia Civile), Susan Watkins (New Left Review), Marcello de Cecco (LUISS University of Rome), Gian Paolo Calchi Novati (LUISS University, Rome), Joachim Becker (Vienna University of Economics), and Kees Van Der Pijl (University of Sussex)

Details at www.euromemo.eu

University of Warwick 50th Anniversary Conference on New Directions in IPE

15-15 May 2015

Conference Section Themes:

1. The changing geography of IPE
2. Global development and IPE
3. Gender in IPE
4. Everyday and Cultural Political Economy
5. New actors and networks in IPE

Deadline for abstracts 3rd October 2014.

For more details visit:

www2.warwick.ac.uk/fac/soc/csgr/ipeconference2015/

Other

The economics and political economy of Milton Friedman: an old Keynesian critique

&

The Phillips Curve: Missing the Obvious and Looking in All the Wrong Places

by Thomas Palley

<http://www.thomaspalley.com/?p=444>

Green Growth: critical perspectives

The strategy of 'green growth' is widely hailed as a clean path toward a balanced prosperity, achieved through engineering sophistication and managerial smartness. Its promise is to overcome the accumulated harms and avert the impending calamities of "old" industrialisation while facilitating the fulfilment of human potential and the amelioration of poverty. But what if this is a mirage, an ideological conceit that permits an abundance of sanctimony and complacency while altering carbon emissions, at most, only at the margins? In July, Gareth Dale, Manu Mathai and Jose Puppim de Oliveira invited a range of critics of green growth—from academia, NGOs, and the UN—to attend a symposium at the United Nations University in Tokyo. An edited collection will follow, to be published by Zed Books.

<http://portal.unu.edu/events/8310>

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Please send announcements, short book reviews and opinion pieces of no more than 800 words to

susanamynewman@gmail.com or iippe@soas.ac.uk

to be considered for inclusion in the next newsletter to be published in November 2014. Please include 'iippeinbrief' in the subject line.

Inside next issue:

Announcement and call for papers for the 6th Annual Conference in Political Economy