

World Economics Association Newsletter

To *plurality*. The Association will encourage the free exploration of economic reality from any perspective that adds to the sum of our understanding. To this end it advocates plurality of thought, method and philosophy.

Volume 3, Issue 1

February 2013

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Past Newsletters

available at:

<http://www.worldeconomicsassociation.org/newsletters/>

Contribute to the
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Call for contributions:

<http://www.worldeconomicsassociation.org/contribute/>

Timetable for WEA Conferences in 2013

The WEA conferences are going very well. We are managing to attract very high level leaders. Most papers are of high quality and are attracting interest for publication. This is true of many papers from the conferences we have organized in 2012: from the **Ethics** conference to the **Sustainability** conference and the **Financial Markets** one.

This calendar year will see several very interesting and high profile conferences. We have started very well with the **Political Economy of Economic Metrics** currently ongoing. It will be followed by one on **The Economics Curriculum: Towards a Radical Reformation**; it is attracting much attention and several good papers have been promised. The spring will see our first conference on Regional themes: **Inequalities in Asia: The interaction with growth, structural change, economic openness and social and political structures**. The autumn will see a conference on Turkey: **Neoliberalism in Turkey: A Balance Sheet of Three Decades**.

These are the conferences which are already fully planned. Others are under discussion as listed below.

Planned and ongoing conferences

Conference and leaders	Paper Deadline	Discussion Forum
<u>The Political Economy of Economic Metrics</u> (Merijn Knibbe)	7 th Jan 2013	28 th Jan to 25 th Feb
<u>The Economics Curriculum</u> (Jack Reardon)	10 th Feb 2013	3 rd to 31 st March
<u>Inequalities in Asia</u> (Jayati Ghosh)	28 th April 2013	12 th May – 8 th June
Neoliberalism in Turkey (Eric Yeldan)	1 st October	1 st – 30 th Nov

Conferences under discussion

Europe and the Euro*. Leaders: Mario Pianta and Claudio Gnesutta
Economies and politics of Arab countries*. Leaders: Ali Kadri and Linda Matar
The economy and politics of Mexico*. Leaders: Juan Carlos Moreno and Alicia Puyana
*Provisional titles

All members are invited to participate. The WEA needs:

- Your reviews and comments for posted journals and conference papers.
- Your papers for the journals and the conferences.
- Your suggestions for future conferences and leaders.

Grazia Ietto-Gillies
Chair, Conference Organizing Committee
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The Economics Curriculum

Conference starting soon.

Late paper submissions may still be accepted ([see here p.2](#)).

Join us from 3rd March at:

<http://curriculumconference2013.worldeconomicsassociation.org>

WEA Conferences 2013 Inequalities in Asia: The interaction with growth, structural change, economic openness and social and political structures

It is generally recognized that inequalities of various kinds have been exacerbated during the period of globalization. This is true of global/regional inequalities as well as within-country disparities, except in a few countries where very conscious policies have been taken to reverse this. Concerns with growing inequality extend well beyond issues of justice and fairness, since the degree of economic inequality also affects social cohesion and political instability, and can also have negative implications for economic growth and sustainability. This conference will focus on various aspects of inequality in South, Southeast and East Asia from the broader perspective of examining their interlinkages with other economic, social and political processes. This region is known to have been among the most dynamic in terms of income growth as well as structural change, and the evidence of increasing inequalities is also marked in several major countries of the region.

The broad themes to be covered are noted below (I-VII). In addition, some more specific questions that could be taken up in individual papers are mentioned, but these should be seen only as indicative suggestions. Papers that consider other aspects that are not explicitly noted here are also welcome.

I. Growth, structural change and inequality

- What are the broad trends in horizontal and vertical inequalities in countries of the region, and what arguments facilitate the understanding of these trends?
- Is inequality necessarily associated with rapid economic growth? Does the Kuznets relationship hold for fast-growing Asian countries? If not, why not?
- What are the implications of reaching “Lewis turning points” for factor shares and other aspects of inequality?
- Is there a relation between the shift to service sector from manufacturing and rise in inequality in East Asian and Southeast Asian economies (other than China)? Can we understand this relationship by studying individual economies in East Asia and Southeast Asia?
- How significant is the relative absence of structural change in South Asia in explaining changes in income inequality over the period of high growth?

II. Economic openness, trade and financial flows and the impact on regional and vertical inequalities

- Has the export-oriented model of economic growth contributed to increasing inequality in fast-growing countries? What are the mechanisms?
- What is the relation between capital flows from Asia and domestic inequalities in the capital exporting countries?
- How have recent trends in global commodity prices contributed to horizontal and vertical inequalities in income and consumption?

III. Technological change and economic inequality

- Is there any relevance to arguments that the East Asian technological path has changed considerably since 1980s from the pre-1980s model? Does this have a bearing on the inequality relationship?
- How does the continuing technological diversity of production in South Asia impact upon patterns of inequality?

IV. Asset distribution and its impact

- What is the importance of land reforms and such progressive redistributive measures on the levels of inequality in Asian economies?
- What are the trends in asset (of both real and financial assets) inequalities and how have they been influenced by policy?

V. Wage inequalities and employment patterns

- What are the factors affecting growing wage dispersion in most Asian countries?
- What is the impact of greater global integration on wage inequalities?
- How have gender wage gaps changed over the most recent phase of accumulation?

VI. Inequality over the economic cycle and the impact of the ongoing global crisis

- How have factor shares moved over the course of the economic cycle in particular Asian countries? (The Southeast Asian crisis could be taken as one example.)
- Is there any causal relationship between inequality in Asia and the recent crisis in global capitalism?

VII. The interaction of social, political and economic processes in determining patterns of inequality

- How do existing social inequalities (by gender, age, skills, class and other social categories) interact within market processes and patterns of accumulation?
- Does high GDP growth result in changes in earlier forms of social discrimination and exclusion?
- How have political processes in specific Asian countries affected social and economic inequalities?

Timetable

Deadline for papers: 28th April 2013

Discussion Forum: 12 May to 8th June 2013

Conference organizers

Jayati Ghosh, Professor of Economics at Jawaharlal Nehru University, New Delhi, India, and Executive Secretary of International Development Economics Associates (IDEAs – www.networkideas.org)

Vamsi Vakulabharanam, Associate Professor of Economics at University of Hyderabad, India, working on the political economy of inequality in Asian economies.

Parthapratim Pal, Associate Professor of Economics at Indian Institute of Management Calcutta, India.

Sustainability – Missing points in the development dialogue: Post-conference feature and follow-up activity

The WEA on-line conference, “Sustainability – Missing Points in the Development Dialogue,” was open for a Discussion Forum from 24th September to 21st October, 2012. The conference’s aims were: to raise issues from and about fundamental perspectives on sustainable development; to broaden the dialogue through an articulation of alternative or complementary perspectives; and to foster thoughtful, pluralistic conversation on missing points in the dialogue. We are pleased with the stimulating and inspiring discussion that developed and thank all authors and commentators for their contributions. We invite the WEA members to visit the conference website:

<http://sustainabilityconference2012.worldeconomicassociation.org/>. We decided to keep it open as its content can serve as a useful resource now and in the future.

Although this on-line event has come to an end, the discussion continues. Due to the many very good papers received, we decided that it would be worthwhile to use the output for the purpose of fostering further dialogue. Given that many of the authors expressed an interest, we were exploring a variety of possibilities for a special journal issue on sustainability. We would like to thank all of the interested authors for their excellent contributions.

Currently the sustainability conference follow-up ac-

tivity is progressing well. With Peter Söderbaum, Małgorzata Dereniowska, and Joachim Spangenberg on the board, we are preparing a proposal for a special issue for the *International Journal of Sustainable Development*, tentatively entitled “Sustainability economics: Missing points in the sustainability dialogue.” Our special issue proposal includes ten papers, each reflecting from a different angle the core themes of sustainable development. Each of these still must go through a final review process specified by the journal. The choice of papers was very difficult due to so many high quality articles.

The leader and co-leader of the sustainability conference are grateful for the support and help of the WEA and people behind it. Special thanks are extended to Grazia Letto-Gilles for her indispensable assistance, highly valuable advice, and professionalism during the organization of this conference. She also gave us the impulse to undertake this follow-up activity and assisted us in the many twists and turns the project has taken as possibilities and plans have unfolded.

We believe that the outcome of our cooperation with the *International Journal of Sustainable Development*, aimed at an audience both within and outside of the WEA, will be a significant contribution that facilitates cooperative learning and open, pluralistic dialogue, moving us further toward sustainability transformation.



World Economic Review

An Open Access, Open Peer Review Journal from the World Economics Association

Issue No 2, 2013...[DOWNLOAD THE ISSUE IN FULL](#)

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5. [Basel III and the Strengthening of Capital Requirement: The obstinacy in mistake or why “it” will happen again](#) Bernard Vallageas
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Papers 3, 4 and 5 are from the WEA online conference, [Rethinking Financial Markets](#).

118 books on new and appropriate economics

By [Michael Marien](#)

“Economic theory is broken,” writes Michael Hudson in a recent *WEA Newsletter*

(2:6, p.5). And many others would agree. In addition to describing the numerous ways in which economics is broken, or dangerously inadequate, it is also useful to identify the many critics of established economic thinking that has installed bad ideas in high places. And it is valuable to put this generalized critique in a broader evolutionary context, whereby old paradigms of the industrial era now need to be replaced by an economics appropriate to 21st century conditions of disruptive climate change, ruinous pollution, increasing natural resource scarcity, burgeoning technology (for better and worse), globalization, large multinational enterprises, an aging-yet-still-expanding population with rising expectations and frustrations, and growing complexity, uncertainty, and concern for sustainability.

I am not an economist, but, rather, a wide-ranging social scientist/futurist who has tried to track the literature of trends, forecasts, and proposals for several decades. This was enabled through *Future Survey*, a 24-page newsletter published monthly by the World Future Society (1979-2008), and, since 2009, my www.GlobalForesightBooks.org website. One of the major themes that I have followed is the swelling critique of outmoded economics. Drawing on *Future Survey* and my GFB.org website, I recently compiled a bibliessay on “[New and Appropriate Economics for the 21st Century: A Survey of Critical Books, 1978-2013](#)”, published by the World Academy of Art and Science in their new journal *CADMUS* (1:5, Oct 2012, pp86-102), which calls for “a revolution in economics.”

The 118 items in the bibliessay are divided into five parts: 1) *General Critiques* (49 items mostly questioning the growth paradigm, calculations of GDP, and unfounded assumptions of neoclassical theory); 2) *Ecological Economics* (33 items explicitly advocating attention to natural wealth and valuation of ecosystems ser-

vices); 3) *Scientific and Global Organizations* (8 items from the US National Research Council, World Bank, Organization for Economic Cooperation and Development, and United Nations reflecting the above critiques, e.g.: the 2012 [Inclusive Wealth Report](#) from the United Nations University); 4) *Textbooks Supporting a Broader View* (7 items promoting “contextual economics” or ecological economics); 5) *Alternative Labels* (18 items illustrating the profusion of labels, e.g. heterodox economics, post-Keynesian economics, socio-economics, economics of well-being, evolutionary economics, etc. 6) *Late 60s/Early 70s* (3 prescient items). An Appendix lists 10 organizations promoting new economics.

The essay also includes a section proposing needed actions in seven areas: a clearinghouse that identifies and analyzes books and articles on new economics (my bibliessay is a mere suggestion of what needs to be done), an on-going summary statement that brings the best of these ideas together (similar to the periodic reports of the Intergovernmental Panel on Climate Change), national champions to promote new economics to policymakers (with ongoing assessment of what works and what does not work), public debates with mainstream economists (there must be some book that defends their thinking, but I don’t know of it), indicators of progress in adopting new economics (e.g. textbook adoption and publications of the UN, OECD, and World Bank), priority surveys of what elements of new economics are most needed in years ahead (one such survey from 2009 is cited), and one or more investigative reporters addressing obstacles in academia to adopting new and appropriate economics for the 21st century (a



Kickstarter appeal for Steve Keen’s Minsky Project

The only international organization that warned of the potential for a financial crisis before it happened was the Bank of International Settlements—since its then economic advisor, [Bill White](#), was a proponent of Hyman Minsky’s “Financial Instability Hypothesis” approach to macroeconomics. Now, in an important new BIS paper “[The financial cycle and macroeconomics: What have we learnt?](#)”, Claudio Borio makes the following statement about the need to reform macroeconomics:

Think monetary! Modelling the financial cycle correctly, rather than simply mimicking some of its features superficially, requires recognising fully the fundamental monetary nature of our economies: the financial system does not just allocate, but also generates, purchasing power, and has very much a life of its own. (Borio 2012,

p. 2. <http://www.bis.org/publ/work397.htm>)

This modelling objective motivated the development of the Minsky project by Professor Steve Keen, which, with [initial funding from INET](#), has developed a monetary macroeconomic modelling program called Minsky.

The program lets users construct dynamic models using visually designed equations. There are many existing programs that do this; what Minsky adds is the capacity to model financial flows using a double-entry bookkeeping system that is named the Godley Table, in honour of [Wynne Godley](#).

Professor Keen is launching a campaign on the crowdfunding site Kickstarter to raise more funds for its development from the public and the heterodox economics community. See:

<http://www.kickstarter.com/projects/2123355930/minsky-reforming-economics-with-visual-monetary-model>

The campaign runs from January 9th till March 18th. As with all Kickstarter campaigns, funds can only be pledged while the campaign is running. Any pledge is not activated until the campaign ends, and only if it has reached its target. Payment is via your account at Amazon.com.

The current Windows and Mac beta versions of the program can be downloaded from either Professor Keen's blog:

<http://www.debtdeflation.com/blogs/minsky/>

or from the "SourceForge" site where the Open Source project is managed:

<https://sourceforge.net/p/minsky/home/Home/>

Professor Keen explains the basics of Minsky in a series of short videos. See:

<http://www.debtdeflation.com/blogs/2013/02/09/ten-videos-on-using-minsky/>

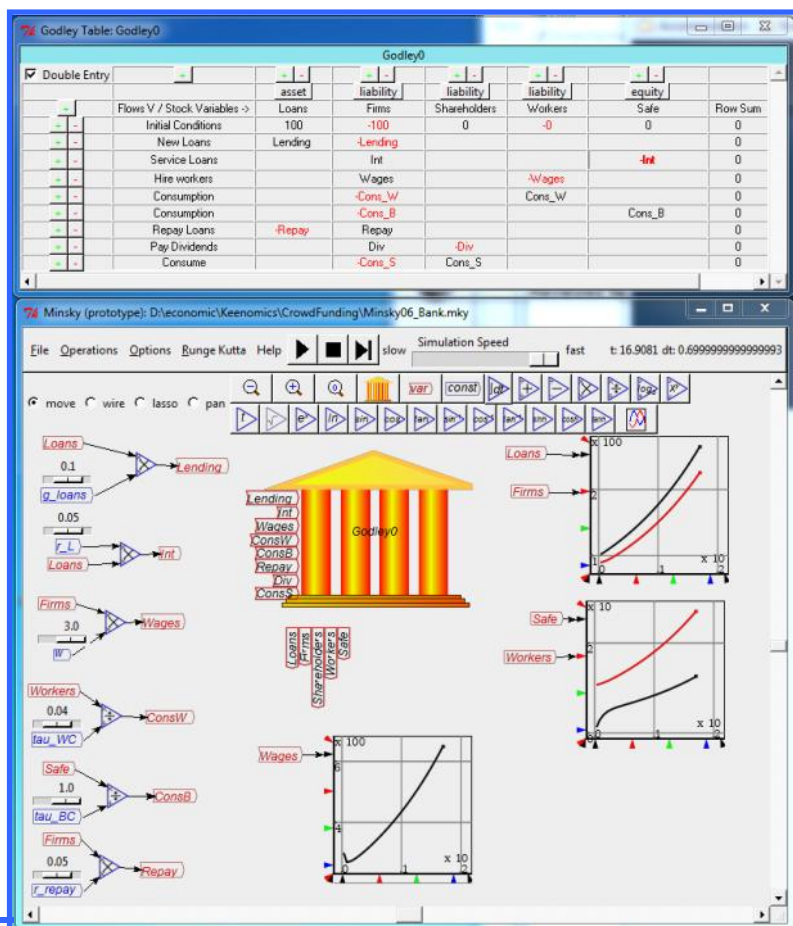
or

http://www.youtube.com/playlist?list=PLqs7-zw9kiAKI9Sw6RXrUPrfx5koa_ftg&feature=view_all

Please bring this project to the attention of your colleagues and students.

Borio, C. (2012) "The financial cycle and macro-economics: What have we learnt?" [BIS Working Papers](#).

Figure 1: Sample Minsky model



WEA Pedagogy Blog

Coming soon @

<http://weapedagogy.wordpress.com/>

Objective:

the reformation of economics education

"A pluralist tent for reforming economics education should be broad enough to harbor all views... We have much to learn from each other..."

Blog editors are: Jack Reardon (USA); Maria Madi (Brazil) and Asad Zaman (Pakistan)

Book stalls at WEA conferences

Our conferences are very successful and can reach a potential audience of 11,000. Many of our members have written books relevant to the topic of specific conferences. We now propose to start digital BOOK STALLS at our conferences. They will work like this:

Individual members can promote their conference-related books on the conference web site for a fee of £10.

Moreover, publishers can promote as many books as they like related to the conference theme on the Book Stalls. Our next two conferences are a wonderful opportunity to promote your books.

1. **The Economics Curriculum: towards a radical reformation:** In this conference you can promote any textbook you have written or edited
2. **Inequalities in Asia:** The Book Stalls for this conference will contain books related to inequalities – social, economic, political, cultural – in Asian countries.

We need from you:

- A high resolution image of the book cover (preferably JPEG format)
- A URL of the preferred place where the book can be bought

Please send this information, specifying the conference, to me at: lettogg@lsbu.ac.uk

Grazia Letto-Gillies
lettogg@lsbu.ac.uk

Focus on IDEAs



How old is IDEAs?

IDEAs was established in September 2001, following a conference in Cape Town, South Africa, on “Rethinking Development Economics” organised by UNRISD with the support of Ford Foundation, participants at which felt the need for such an organisation. The first executive committee was chosen at that conference, with the mandate to establish and build the IDEAs network. With financial support from UNRISD, a secretariat was set up in New Delhi in October 2001.

What are its aims/objectives?

IDEAs or International Development Economics Associates was formed as a pluralist network of progressive economists across the world, engaged in research, teaching, and dissemination of critical analyses of economic policy and development. Its members are motivated by the need to strengthen and develop alternatives to the current mainstream economic paradigm as formulated by the neo-liberal orthodoxy, which has failed to achieve sustainable, equitable and participatory growth. The organisation is based in the South and led by economists based in several developing countries, but membership of the network is open to all those committed to developing and using alternative non-orthodox tools of economic analysis appropriate for meeting development challenges.

Why is a south-based organisation necessary?

A South-based organisation was thought to be necessary because for long teaching and research in economics have been overly influenced by agendas and concerns originating in the Anglo-Saxon world. This was particularly disconcerting because of the overwhelming domination of neoclassical economics in academic institutions in those contexts. The result was a growing influence on public and policy discourse of analyses that were implicitly or explicitly based on unsustainable assumptions or by versions of a reformed neoclassical economics that obscured the problem at hand. On the other hand, the adoption of policies based on such reasoning, such as the dilution or dismantling of capital controls or the indiscriminate liberalization of trade, was leading to crises that were questioning the validity and motivation of such analyses. The dangers for growth and human development were underlined by the Southeast Asia crisis of 1997. This affected some of the strongest developing countries after they adopted policies of the kind recom-

mended by views based on market fundamentalism. This provided the push to create a community of scholars based in the South and directly engaged in addressing developmental problems. The aim is to revive and develop traditions and analytical frameworks relevant to the context and requirements of developing countries. There were many such scholars but a tradition in which academic discourse was mediated through the West had separated them. IDEAs seeks to bring them together and encourage interaction, even while engaging with similar minds located in the developed countries.

How would you describe your membership?

IDEAs allows for two kinds of membership. Membership of the network is open to anyone interested in the goals of the organization and willing to participate in various ways in its activities. Full members with voting rights are invited from among the network membership, and typically include not only the EC members but also members of the Activities Advisory Committee. The composition of the Executive Committee has changed over time: the current EC was voted in a General Body Meeting of members in February 2010 for a term of three years.

The IDEAs network already has a large membership across the world, especially in developing countries, with a current total of around 4,000 members from 118 countries. IDEAs network members have been and continue to be engaged in a wide range of activities relating to policy formulation and audit, social movements, and so on, and have become important voices in the global development debate.

What does membership provide?

IDEAs has been envisaged as a participatory, pluralistic and democratic network. The objective is to (i) provide members with a regular forum in the form of the [web-site](http://www.worldeconomicassociation.org/) that permits interaction, provides reportage and analysis of important developments in developing economies and collates heterodox analyses on relevant themes (such as the financial crisis of 2008 and its aftermath); (ii) organize periodic conferences that permit face-to-face interaction of small groups among the members; and (iii) organize workshops that bring together younger scholars from different developing countries for intensive interaction and exposure to each others' contexts and experiences.

“...mercantile absorption lessens a people’s power of radiance, lowers its horizon by lowering its level, and deprives it of that intelligence, at once both human and divine of the universal goal, which makes missionaries of nations.”

Victor Hugo [Volume 5, P.101 of *Les Misérables*, 1st World Publishing]

Report to the WEA Executive Committee, 14 February 2013

By [Edward Fullbrook](#)

The WEA's five original organizers, Peter Radford, Grazia Letto-Gillies, Norbert Häring, Vicki Harris and I continue to be the primary participants in ongoing policy discussions. Stuart Birks is often included.

Membership

11,150 people have now registered as members and are entered in our database. However, the mailing list maintained by Feedblitz, the mass e-mailer we use, has only 10,109 addresses. This is because it deletes addresses after one "hard bounce" or two "soft bounces".

I stopped actively recruiting new members six months ago when the database total reached 10,000. Most of the new members since then have come via new subscribers to the RWER, who are automatically sent a WEA invitation and which about a third accept.

Using various email lists I could now probably recruit another 1,500 to 3000 members in a few months, but, as will be explained below, we are soon to launch a new dimension to the WEA which we expect to gradually generate many new members.

Finances

Our recent fundraising drive has generated approximately \$25,000, not as much as we had hoped, but probably enough to keep the WEA running at its current level until the end of 2013.

We are now looking for large donors, but lack experience at doing so. To this end I will be putting together a short "prospectus" outlining the WEA's *raison d'être*, its activities, its plans and its financial needs. Four prominent WEA players, Norbert Häring, Steve Keen, Sheila Dow (now co-editor of ET) and I have been invited to take part in INET's annual meetings in Hong Kong the first week in April; this may present fundraising opportunities.

Journals

It has been a struggle, as with nearly all new journals, getting our two new ones (*World Economics Review* and *Economic Thought*) on their feet. But they have now both published two issues, and editor morale seems to be up. The download rate for both journals is excellent. For example, WER's issue no. 2 published last week, after only four days its full issue had been downloaded 2039 times. ET's download statistics are comparable.

As indicated above, the RWER continues to run its own Feedblitz subscription list, which overlaps with the WEA mailing list. Taken together the RWER's net number of unique subscribers is 21,941.

Conferences

Three online conferences have been held, one is currently in session, and two more are scheduled for the first half of this year. Grazia Letto-Gillies is responsible for this success of the WEA's conference program. The WEA database is used to compile targeted email lists to promote participation. There are signs that this online conference format may be "catching on".

Newsletter

7 issues of the bi-monthly *WEA Newsletter* have been published, with the 8th expected in a few days. Stuart Birks in New Zealand has on his own edited them all. Their download rate continues to be impressive.

Website

Within a few weeks the WEA will have a new website, redesigned by our by-the-hour IT person, Jake McMurchie. (In case any of you are jazz fans, yes, he is also the saxophonist.) This will not only help our public image, but also be a significant first step toward the goal of making the WEA's website a major focal point for the economics profession. The redesign is currently at the mock-up stage.

National Chapters

To date the WEA, despite its origins, has generated little grassroots participation, exchange of ideas and mutual support among its members. Nor do I see it coming under the current setup. This makes the WEA's medium and long term future a bit precarious. So to fundamentally change this, several new developments are planned to increase grassroots activity, the most significant being the creation of a network of national chapters, for example as [Amnesty International](#) has done. It appears that this will be quite easy to do.

Jake is setting up with Wordpress multisite a skeleton network of heavily WEA branded national sites (ultimately controlled by WEA international) which will use easy-to-use WordPress.org software. One or more people will be recruited to start up a national chapter and manage its website. To promote it, these people will be provided with the database material of members in their country. It will be in their interest to then recruit more WEA members from their country. The idea is for them to promote WEA network groups for scholars and students in the individual countries, and for their websites to display results of their activities in terms of memoranda, conference invitations including special sessions therein, reports, and discussions of both publications and their national economic situation.

Initially we will start with a small number of countries to sort out the bugs and to get grassroots input. Romania looks like it will be the first, which with only 52 members makes it a challenging trial case.

Our new logo can be adapted to also brand the national chapters, e.g.:



I think it is feasible that within a year we can have upwards of 50 national chapters launched, although still in the early phases of their development, and with more to follow.

Blog and Notice Boards

<http://weapedagogy.wordpress.com/about/> will soon be operational, managed by an American, a Pakistani and a Brazilian. We have been planning a set of seven regional blog-type notice boards, including one for the world as a whole, with the Latin American one (in Spanish and Portuguese) to lead off. However, these may be put on hold until we see better how to coordinate them with the national chapters.

Miscellaneous

Book publishing is being investigated but no decisions have yet been made. Likewise the selling of advertising space.

We now have someone, Kyla Rushman, working for us on an hourly basis, doing non-substantive editing and formatting for the journals, the latter being something that heretofore I have always had to do myself for the RWER. I am hoping soon to hand over to her some of the mass emailing which is integral to the WEA project. With small children requiring Kyla to work from home and with previous managing editor experience for a science journal, this promises to be at least a semi-permanent arrangement.

In Summary

Ultimately the weakest link in the WEA project is money. Although not an immediate problem, it would be if it were necessary to employ someone to put in the hours that I do, and similarly Grazia. I will be 74 next

month and anyway, ideally I would like to move on to other projects in a year.

With that in mind, and the awareness that it is not yet realistic to have an annual membership fee, I and my co-conspirators have concentrated on trying to build up permanent self-sustaining structures within the WEA, i.e., the journals, the online conferences as a new form of academic exchange and the newsletter, and now, soon to be launched, an impressive new website, and a large grassroots network of highly visible national chapters and international participatory blogs. All this contributes, we hope, toward making the **World Economics Association** something that individuals and institutions might want to financially support. Likewise the size of its membership. 17,000 will be a sort of magic figure to reach, because it will make the WEA, now the second, the world's largest professional economics association. I expect the impact of the network of national chapters to push WEA's membership to that level by the time of its third birthday in May 2014, with 20,000 to follow soon after.

We are very grateful for your support. It is inspiring to know that we have such people behind us.

Edward Fullbrook

Executive Director of the World Economics Association
University of the West of England

A French student initiative—PEPS

Pour un Enseignement Pluraliste de l'Economie dans le Supérieur, PEPS, translates into English as, "For a Pluralistic Teaching of Economics in Higher Education". It is the latest in a number of initiatives aiming to broaden the perspectives taken in economics and is again student-driven. It signals the likelihood of large changes if economists are responsive to the market.

Louison Cahen-Fourot, speaking for PEPS, describes their initiative as follows:

The initiative is composed of two distinct parts:

(1) **A seminar series** organized and led by the student members called "**Multidisciplinary approaches of Economics**", with seminars twice a month; and

(2) **Activism aimed at developing a student critique of the teaching of economics as well as proposals for reform.** To this end we have already established, (i) a cartography of the curriculum of all the bachelors in economics in France, and (ii) an alternative curriculum for bachelors in economics that is pluralistic in terms of economic paradigms and open to other social sciences.

Now we are reaching a new step in our action as we will organize an

Estates-General (National convention) on the teaching of Economics in France

April, 6, 2013, at the Ecoles des Hautes Etudes en Sciences Sociales, Paris

We will present our mapping of the teaching of Economics in France as well as our alternative bachelor proposal. There will be several sessions with a diversity of guests to fuel the debates. We are aiming to have international guests at the convention and some limited financial assistance towards travel costs may be available (although our means are limited).

Two major documents are currently available online:

1. **The PEPS Manifesto in English:** <http://minu.me/87k2>

2. **The Global Directory for Student Initiatives aiming at changing economics and its teaching worldwide:** <http://minu.me/87k4> The aim of this document is that anyone can **add their own information** about the various similar initiatives in the world and anyone can use it to establish links to other initiatives in various countries.

You can contact the organisation at: pepseconomie@gmail.com

Interview with Frank Stillwell



Frank Stillwell, Professor Emeritus in Political Economy at the University of Sydney, interviewed by David Primrose on 8th January 2013.

Frank Stillwell is a leading Australian political economist. He is well known, both in that country's universities and in the broader public sphere, as a critic of mainstream economics and a proponent of alternative economic ideas. Together with

*colleagues and students, he has made the University of Sydney one of the best places in the world to study political economy. He has written a dozen books, including the textbook *Political Economy: the Contest of Economic Ideas* [Oxford University Press, Third edition, 2012], and co-edited six others. He is the coordinating editor for the *Journal of Australian Political Economy*. This year he has become Professor Emeritus at the University of Sydney, after having taught and researched there for 42 years.*

Q.1 Do you see political economy as an alternative to economics?

Political economy certainly addresses economic issues, but it does so in a more useful way. It emphasises the social and political context within which economic issues need to be considered. Mainstream economics is notably deficient in this regard. Ever since the so-called marginalist revolution of the 1870s, economists have defined their concerns in terms of a particular analytical orientation, emphasising individual choice, competitive markets, equilibrium and efficiency of resource allocation. Concern with broader questions about historical change, the evolution of institutions and capital-labour-state relationships have been largely neglected in this neoclassical tradition. This is tragic, both for economics as a discipline and for the broader society that requires more enlightened judgements and advice about economic issues.

So the challenge for modern political economists is to try to redress this situation. That requires a thoroughgoing critique of mainstream economics. It requires the development of alternative analytical approaches. It requires reintegration of economic inquiry into the broader corpus of social sciences, alongside sociology, politics, geography and history. It requires development of educational approaches that introduce students to more insightful ways of understanding economic phenomena. It also requires vigorous participation in the public arena, so that more progressive public policies and strategies for change can be considered.

The mainstream economists resist all of these challenges because they regard political economy as undermining their claim to monopoly of the truth. Not all are so personally dogmatic, of course. Indeed, some evidently welcome dialogue and controversy, while others are engaged in some degree of product differentiation, exploring behavioural and experimental economics, game theory and other avenues of theoretical innovation. However, as a profession, mainstream economics is dominant, exclusive and discriminatory. It is very difficult for people who fundamentally challenge the orthodoxy to get a hearing, or a tenured academic position. And the core university courses, almost universally, continue to emphasise the seemingly tireless neoclassical principles in standard programs of micro theory, macroeconomics and econometrics. It is a process of professional socialisation and reproduction, seemingly regardless of the use-value of the knowledge.

That is why, here at the University of Sydney, we sought to develop a separate and coherent political economy program that students could take as an alternative to mainstream economics. It was a massive struggle to establish this program but, having done so, it has gone from strength to strength. Teaching political economy from a pluralist and heterodox perspective creates more interest in the classroom and the students develop a more actively engaged approach to their learning. Our graduates are active in many walks of life, applying their critically constructive capacities in ways that contribute to a better understanding of the economy and the potential for progressive political economic change.

Q.2 How does political economy, as you understand it, therefore differ from more contemporary developments in mainstream economics, such as those labelled as 'economics imperialism' by political economists such as Ben Fine and Geoff Harcourt?

Some mainstream economists have vigorously pursued an imperialist agenda, seeking to invade neighbouring social science territories by using neoclassical economic theory to analyse topics such as gender relations in the household, crime and punishment and environmental management. If you believe, as Jack Hirschleifer once claimed, that neoclassical theory provides the 'universal grammar of social science', this expansionary inclination is quite understandable. It is an approach to social issues that emphasises individualism and so-called 'rational choice', leading typically to market-oriented ways of dealing with social phenomena. In the extreme, as in the tradition pioneered by Gary Becker, it is the negation of enlightened social policy, seeing individual choice and incentives as the be-all-and-end-all of economy and society. So-called 'Freakonomics' also shares some of these characteris-

tics, mixing a strong emphasis on selective empirical data about various forms of personal behaviour with a continual reassertion that 'it is all about individual incentives'.

For political economists, by contrast, linking economic concerns with a broader array of social concerns is a two-way process. It involves learning *from* sociology, politics, geography, environmental science and history, in order to enrich our understanding of processes of economic development and social change. This approach is less arrogant and less assertive of the universality of rationalist economic principles. It results in a richer, more nuanced view of economy and society. It also leads, typically, to a more green, social democratic or socialist view of public policy and politics rather than to neoliberal prescriptions. Concerns about economic inequality and social justice loom large in this genuinely political economic alternative. So too do concerns about balancing economic, social and environmental goals rather than maximising GDP or any particular social welfare function.

Q.3 What led you to become a political economist rather than following mainstream economics?

My background was in the study of mainstream economics. I did a bachelors degree in the UK at the University of Southampton, followed by a PhD at the University of Reading. Like most students, I took the standard economics curriculum as given. However, looking back, I think I sensed at a fairly early stage that 'there is something rotten in the state of Denmark'. The pure theory and mathematical formulations struck me as more elegant than relevant, and I was personally attracted to some of the 'applied' areas, such as industry economics and regional economics, where the institutional and empirical aspects were more prominent.

After coming to Australia in 1970 to teach at the University of Sydney, I came into contact with some challenging and more radicalising influences. One senior colleague at Sydney, Ted Wheelwright, was particularly encouraging of the study of more heterodox perspectives, including Marxian and institutional economics. I also had other good colleagues – appointed at about the same time when there was rapid expansion throughout the Australian tertiary education system – who share my emerging interest in developing the critique of orthodox economic theory. Also highly influential was the influence of dissident students who were starting to speak out critically about their economics education. It was at the time of the Vietnam War when Australian troops were supporting the US in that disastrous military intervention; and campus activism was an established tradition.

So when the economics students started to call for change in what they were being required to study, Wheelwright, I and some other colleagues in the Department of Economics supported them and cooperated in designing an alternative curriculum. The preferred

alternative was pluralist in character, looking at central elements of neoclassical theory and Keynesian economics, but also exploring Marxist, institutionalism, feminist, environmentalist and post-Keynesian alternatives. For many of us, this was a driver for re-education, broadening our own horizons and studying currents of political economic thought to which we had not ourselves been previously exposed.

The senior professors of Economics at the University of Sydney resisted our proposals for curricular reform, defending the largely exclusive focus on conventional micro, macro and mathematical economics in the existing core courses. Since they would not agree to reform, we had to become a separatist movement. There were numerous demonstrations, petitions, occupations and a university-wide strike, calling for a political economy undergraduate program to be introduced. The student leaders were active, committed and effective; and they came along in successive waves over a number of years until the University authorities were 'persuaded' to allow political economy courses to be taught. The story of the conflict is told in detail in a book called *Political Economy Now! The Struggle for Alternative Economics at the University of Sydney* (2009), co-written with my colleagues Evan Jones and Gavin Butler.

The successful struggle resulted in new students having a choice between full undergraduate programs in either mainstream economics or political economy. There were also possibilities for individual students to choose to mix parts from each stream. Eventually, we developed a postgraduate political economy program too. Our student enrolments for undergraduate and postgraduate courses together now add to many hundreds annually. Unlike other universities where heterodox economics electives are sometimes available to students *after* they have been thoroughly schooled in the mainstream 'core' courses, our political economy program is available as an *alternative* sequence right from the first year onwards. This is one reason why, after reviewing the international array of heterodox economics courses, one recent survey described Sydney's political economy program as 'the world's most distinctive undergraduate program in heterodox economics' (Nesiba 2012, p. 191).

Personally, I've never had any regrets about embracing the political economy alternative. It has been a liberating and thoroughly fulfilling lifetime professional commitment. In teaching, it evidently meets a real need among students. Almost without exception, they find it a more engaging and interesting way to understand the economic forces shaping the world in which they live. Also, in respect of research, the political economy approach opens up a more interesting agenda. My own research and publications have focussed on economic inequalities, urban and regional studies, analyses of the state and an array of public policy issues, with particular emphasis in recent times on environmental challenges and the potential for green jobs. Research of this kind is clearly of interest to the labour movement and other progressive NGOs, who have an evident thirst for alter-

natives to the conservative and class-biased influence of mainstream economics. Editing *The Journal of Australian Political Economy* (free online at www.jape.org) is one avenue through which political economic research can be disseminated to this broader audience.

Q.4 How is your work received by economists?

Generally, mainstream economists simply ignore the contributions of radical critics. Indeed, almost by definition, people who do not subscribe to the standard principles of the subject are not regarded as 'economists'. Only rarely do mainstream economic journals allow publication of fundamentally critical alternatives, other than when senior figures in the profession recant or otherwise express doubts about the value or their investments in the discipline – usually at around the time of their retirement. Even the latter seem few and far between these days compared with the 1970s and 1980s, when prominent figures in the profession commonly expressed deep reservations about neoclassical theory and mathematical economics. Stiglitz and Krugman are renowned for their partial criticisms of the orthodoxy and misconceived public policies in more recent times, but their barbs fall a long way short of J.K. Galbraith (senior)'s memorable claim in his Presidential address to the AEA in 1972 that 'I would judge as well as hope that the current attack [on neoclassical economics] will prove decisive.' The assault wasn't decisive, of course, and nor can it be unless there is a 'root-and-branch' transformation of how the subject is taught, from the first year undergraduate level onwards.

A personal example of the difficulty of creating fissures in the wall of economic orthodoxy is illustrative. Over many years, my colleagues and I here at the University of Sydney wrote strongly argued explanations of why we were making our challenge to the discipline and what we were seeking to achieve. For example, I remember publishing an article in the 1980s in the Australian journal *The Economic Record* – when it had an editor open to alternative perspectives – which threw down the gauntlet to the orthodox economists. But none of this generated either response or impact. So, like most political economists, I've more recently published my work in books and journals which specialise in heterodox perspectives or in applied fields, such as urban, industry or environmental studies, where adherence to neoclassical orthodoxy is not required.

Q.5 What would it take to make mainstream economists sit up and take notice and change?

My former colleague Ted Wheelwright used to say that progress comes through the death of professors! While I don't advocate that – certainly not as I move into a senior stage of life myself – it does seem that change has to occur generationally. It must begin at the entry-level. In other words, unless students are opened

– up to alternative perspectives and then some of go on into academic careers that allow their teaching and research to develop in open, exploratory and critical ways, there will simply be an ongoing process of professional socialisation and reproduction. The hostility to anything that challenges the hegemony of neoclassical economics will continue. It has sometimes been said that economics is a very 'taught' subject, in that what is in the curriculum defines the core beliefs and principles of the profession. That's why, in my judgement, it is the *teaching* of the subject that is so fundamentally important. Concurrently, a second avenue through which change also needs to be pursued is in the broader public arena: delegitimizing mainstream economic views in popular journalism and the media can help to create a climate in which more progressive interpretations and alternatives can get a much better hearing.

Q.6 How do you see political economy evolving?

There is much to be done in the further development of heterodox economics – developing alternative forms of analysis that help to explain economic phenomena in the world around us more effectively and pave the way for more progressive political responses. However, if political economy is only non-neoclassical economics – without challenging the methodology and power relations of the economics discipline – then I fear it will remain marginal. Sure, there is good work to be done in extending economic analysis in the various traditions of Marxism, institutionalism and post-Keynesianism, for example, but we need to work towards developing a comprehensive alternative to the mainstream. Pluralism is important in teaching: there is no doubt in my mind about that. Simultaneously, though, it is important to seek a fusion of these heterodox traditions into a thoroughgoing analysis of modern capitalism and the forces for political economic change.

Yes, there is a contest of economic ideas, but there is also a contest of economic interests, and the two are closely related. And the contest takes place in a changing world. As J.K. Galbraith the elder said, it is ultimately the 'march of circumstances' that is decisive. That is so evident today. As capitalism stumbles from crisis to crisis, economic inequalities widen and the economy-ecology collision course becomes ever more threatening, we desperately need alternatives to the *status quo*. If political economy can contribute to developing these alternatives, through teaching, research and public activism, then it has a tremendously valuable role to play.

Q.7 What are the prospects for teaching political economy in universities around the world?

My own experience is limited to the English-speaking countries, and to date it has not been a particularly pretty scene. The University of Sydney Political Economy program is one of very precious few where a coherent alternative to mainstream economic education has been

established. There are other places in the US, Canada and UK, for example, where political economy has been strongly advocated and has made inroads into the standard curriculum. However, all too often, change of personnel has meant that the offerings are whittled away and don't survive hostile attacks from mainstream economics professors and conservative administrators. But electives in political economy commonly flourish elsewhere in other departments – in political science, sociology and geography, for example, even in urban planning, social work and environmental studies. The problem there, though, is that a critical mass is seldom established, and the mainstream economists meanwhile carry on regardless.

As always, however, dialectical processes are at work. Current socio-economic and environmental problems are, in large measure, the consequence of mainstream economic interests and ideologies expressed in practice. These adverse social and environmental circumstances create both opportunities and demands for change. Political economists need to contribute positively. And this is more likely to happen if they share their understandings of these changing real-world conditions, processes and potentials. This is why the World Economics Association, the International Initiative for the Promotion of Political Economy and political economy conferences are so important. They provide key

means of communication and bases for solidarity between otherwise isolated individuals who share that uneasy feeling about there being 'something rotten in the state of Denmark' (with all-due apologies to Shakespeare and the real Denmark!).

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[Editor's note: **A conference, in honour of Frank Stilwell's contribution to political economy, will be held at the University of Sydney on April 4 and 5, 2013.** The conference will have as its general theme: *Australian Political Economy: the State of the Art*. The sub-themes, reflecting the principal currents in Frank's work are: contesting economic ideas, teaching political economy, analyzing economic inequality, developing economic policy, studying cities and regions, and towards a green economy. For further information, visit: www.jape.org]

Institute for New Economic Thinking: Hong Kong event, April 2013

INET's Fourth Annual Plenary Conference

co-hosted by the Fung Global Institute, will be held on

April 4-7, 2013.

<http://ineteconomics.org/ysi-hong-kong>

Plus: Young Scholars Initiative

In addition to the main conference, INET's **Young Scholars Initiative (YSI)** will hold a **graduate student workshop** in the two days before the conference, on Tuesday and Wednesday, **April 2-3, 2013**. INET is now taking applications for the **all-expenses-paid** event. The workshop consists of lectures in the morning and student presentations in the afternoon. **INET will arrange your travel and hotel room and provide meals.** Be prepared to arrive in Hong Kong on Monday, April 1, and to depart on Sunday, April 7. PhD students and qualified master students are encouraged to **apply until Feb 24**. Details here: <http://ineteconomics.org/ysi-hong-kong/workshop>

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