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## Editorial

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**Biographical notes:** Daniela Tavasci is a Visiting Lecturer at City University, London, Teaching Fellow at the School of Oriental and African Studies and at Queen Mary University, University of London. She has seven years of experience in the financial sector. She studied in Bologna, Faculty of Economics and Faculty of Political Science and in Buenos Aires, Facultad Latinamericana de Ciencias Sociales.

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This collection of papers in the *International Journal of Management Concepts and Philosophy* is the first of two special issues dedicated to the International Initiative for the Promotion of Political Economy (<http://www.iippe.org>). IIPPE is a pluralistic forum where all progressive brands of political economy are welcome. It was founded in 2006 to promote political economy in and of itself, but also through critical and constructive engagement with mainstream economics, heterodox alternatives, interdisciplinarity, and activism understood broadly as ranging across formulating progressive policy through to support for progressive movements. Thus, in terms of intellectual content and direction, IIPPE offers alternatives from within political economy and addresses the nature of contemporary capitalism and corresponding policy and applied issues. It draws upon and contributes to the presence of political economy, and offers a critique of 'economics imperialism' (economics as a discipline is colonising other social sciences; see for example, Fine, 2002; Fine and Milonakis, 2008, 2009).

The papers offered in this and in the next special issue were presented at IIPPE's First International Conference, 'Beyond the Crisis' held in Crete in 2010. This first collection of articles is more specifically dedicated to the parallel issues of the economic crisis and the crisis of economics, while the next one will focus on issues relating to labour and the accumulation process in contemporary capitalism.

The current crisis has dramatically exposed the deficiencies of mainstream economics and various political economy approaches with respect to the focus of their analysis, the methodology on which they have relied, and the policy prescriptions they have been promoting in recent decades. However, the intellectual reaction to the crisis has not been far-reaching within mainstream economics which has long marginalised and ignored different perspectives deriving from both political economy and heterodox economics. This development within the discipline imposes the necessity of promoting and developing different analyses leading to alternative policy perspectives in response to the current crisis. It also requires an investigation into the parallel crisis of economics, by questioning the analytical foundations and apparatus of mainstream economics that have become detached from contemporary problems.

Thus, the rationale for this special issue stems from the consideration that the economic crisis is attached to a crisis in economics: while we are experiencing a global economic downturn, and countries are facing the risk of default, the void between mainstream economics and realism is increasingly evident. As a result the ideas of Keynes, Minsky and Marx are recently gaining currency in the attempt to fill in the analytical gap left by mainstream economics. There is a danger, however, that mainstream economics becomes the economics for periods of stability while other paradigms are used for periods of crisis. For this reason, discussions about where the crisis is heading and possible solutions are necessarily accompanied by discussions on the intellectual reactions to the crisis.

This special issue is composed of six articles: the first four concentrate more specifically on the crisis of economics while the last two articles relate it with the economic crisis. In the first article, Fine discusses the prospects for political economy in light of its detachment from economics. This is considered in relation to a number of issues within mainstream economics, its evolution, the methods it employs, its assumptions, the way it has responded (or not) to critiques and, finally, and as a result, its empirical relevance. He concludes that the future of political economy depends on the revival of progressive forces aimed at alternative policies and changes in social relations in anticipation of which it is vital to keep heterodox traditions alive.

Within the issue of the crisis of economics, the work of Athina focuses on the role of free market ideology: it discusses how financial crises are exposing the ideological character, as opposed to the scientific validity, of market self-regulation and of the need for minimal state intervention as a mechanism to ensure economic growth. The author mentions the rising consensus on reforming international financial supervision. This consensus, it is argued, exposes some of the shortcomings of the free market ideology but it does not threaten its hegemonic rule. The ability of the dominant ideology to reproduce itself has depended on its capacity to neutralise opposition by dismissing and ignoring alternatives and critiques.

The following two pieces by Lopes and Tzotzes also contribute to the debate on how economic downturns expose the crisis of economics by addressing the question of the inability of mainstream economics to theorise crises. For Lopes, this inability is seen as caused mainly by the centrality of Say's law which states that supply necessarily meets its own demand. The article shows how Marx and Keynes rejected Say's law as an equilibrating principle and suggests an alternative heterodox framework.

Tzotzes also addressed the issue of the crisis of economics by reflecting on the use of methodological individualism and its evolution within the economic discipline. The detachment of economics from society depends on the use of abstract concepts which are universally applied with disregard for social and the historical specificities. The article concludes that debates on methodology are an important way to expose the narrowness of scope in which methodological individualism is confining economic theory.

The last two articles discuss the crisis of economics in relation to the present economic downturn. Bellofiore and Garibaldo concentrate on the European crisis, the nature of competition and industrial restructuring within the Euro area. They highlight how employment, as opposed to economic growth, should be the main policy objective and conclude by proposing avenues to achieve this objective. And Gualerzi and Nell address the crisis in terms of a long-run perspective across various countries including the USA and China. They suggest a re-orientation of Keynesian economics to address the specific challenges that the present crisis is posing.

As will be clear throughout this special issue, IIPPE encourages critical perspectives on the developments of mainstream economics, including its rejection of alternatives and its attempts to colonise other social sciences. In this respect, it is necessary for political economy to be promoted within the analysis of business, within other disciplines and across fields and topics that have become perceived as non-economic. For this reason, apart from sustaining a critique of mainstream economics, IIPPE wishes both to assess and advance political economy and also to address and engage with its presence across other social sciences: political economy needs to establish a more developed presence, without which the economics content of social science will become subject to capture by orthodoxy and arbitrary and fragmented heterodoxy.

### References

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