

PERG newsletter, spring 2012

Dear friends of PERG,

Here is brief update of PERG's activities. First, as in the past years, we are organising a **workshop, Europe in Crisis**. (<http://fass.kingston.ac.uk/activities/item.php?updatenum=2117>). Speakers include E. Stockhammer, D. Gavor, J. Grahl, T. Van Treeck, J. Weeks, D. Sotiropoulos, R. Hyman and T. Evans. Second, PERG has been involved in a **project for the ILO on Wage-led Growth**. Third, we are working on growing our course provision in the area of Political Economy. In addition to the **MA Economics (Political Economy)**, from autumn 2012 we will be involved in a new **MA Politics, Philosophy and Economics**. It builds on existing programmes in the disciplines of politics, philosophy and focuses on critical approaches across all three disciplines that investigate relations of power, exploitation and inequality. A prominent topic is the instability and fragility of capitalist development. We hope to expand courses in the future. Forth, PERG is organizing a series of seminars as part of the Economics **Seminar Series**. Finally, there is a list of recent publications by PERG members. All of this can be found on our **webpage** (<http://fass.kingston.ac.uk/research/perg>). The newsletter will come out once a semester. If you do not wish to receive this newsletter in the future, please email perg@kingston.ac.uk

Workshop

Europe in Crisis, 19 April 2012, Kingston University

Europe is in a state of crisis. An international financial crisis has laid bare the fundamental flaws in the construction of the European economic policy regime. Monetary integration without fiscal and social integration has not only resulted in a mediocre economic performance, falling wage share and persistent imbalances, but has also left the peripheral countries without protection against the crisis. Rather than using fiscal policy to counteract a Great Depression in the European South, fiscal policies are firmly put into austerity mode. If the subprime financial crisis was not sufficient to lead to a new Great Depression, austerity measures might do so. The workshop will discuss the causes of the crisis in Europe, the present economic policy and strategies to deal with the crisis, and progressive alternatives for Europe.

Speakers include E. Stockhammer, D. Gavor, J. Grahl, T. Van Treeck, J. Weeks, D. Sotiropoulos, R. Hyman and T. Evans.

To register go to <http://europeincrisis-eorg.eventbrite.com/>

ILO project **New perspectives on wages and economic growth: the potentials of wage-led growth**

The Great Recession of 2008-11 has called into question the neoliberal growth model. While there is a widespread perception that mainstream conceptions of the financial sector are deeply flawed, there is little rethinking on wage policy. The project tries to reformulate post-Keynesian analyses and policy proposals of a wage-led growth model. It will clarify the concept of wage-led

growth; analyse the reasons for the decline in wage shares in the past twenty years; analyse the nature of the demand regime; analyse the supply-side effects of change in wage policy; analyse the implication of financialisation for a wage-led growth strategy; investigate the link between income distribution and present crisis. The project reports will inform the ILO's 2012 Global Wage Report and will be publicly available from autumn 2012.

M. Lavoie, Univ of Ottawa, and E. Stockhammer, Kingston Univ: Wage-led growth: Concept, theories and policies

E. Stockhammer, Kingston Univ: Why have wage shares fallen? The determinants of functional income distribution

O. Onaran, Westminster Univ, and G. Galanis, Warwick Univ: Is aggregate demand wage-led or profit-led? National and global effects

Servaas Storm and C.W.M. Naastepad, Delft University of Technology: Wage-led or Profit-led Supply: Wages, Productivity and Investment

E. Hein and M. Mundt, Berlin School of Economics and Law: Financialisation and the requirements and potentials for wage-led recovery – a review focussing on the G20

T. van Treeck, IMK, and S. Sturn, UMass Amherst: Income distribution and the crisis

MA Economics (Political Economy) launched in autumn 2011

The degree combines a solid foundation in standard economic theory and quantitative techniques with a specialization in Political Economy. It covers a broad range of political economy approaches, including Marxian, post-Keynesian and Institutionalist theories, and provides an opportunity to study contemporary issues such as the causes of the financial and economic crises and economic and social inequality. Taught modules include Paradigms in Political Economy, Advanced Political Economy, and Rise of Capitalism.

<http://www.kingston.ac.uk/postgraduate-course/economics-political-economy-ma/>

What students say about this course: "For me, the beauty of this masters is that it combines political economy with economics, enabling the critique of mainstream economics and alternatives. The lecturers are extremely well-informed with regard to a variety of economics traditions (eg the mainstream, Post Keynesian and Marxist), both in terms of their history and current debates. I have found it to be very stimulating and a great environment for learning."

MA Politics, Philosophy, Economics to be launched in autumn 2012

The MA in Politics, Philosophy and Economics (PPE) is a significant and distinctive new interdisciplinary offering at Kingston University. It builds on existing programmes in the disciplines of politics, philosophy and economics and integrates them into a co-ordinated but multi-faceted programme. It focuses on critical approaches across all three disciplines that investigate relations of power, exploitation and inequality. A prominent topic is the instability and fragility of capitalist development. The strength of the course is that it analyses the interaction between ideological formation, political structures and economic development. The course is designed to highlight the

advantages of interdisciplinary approaches to contemporary issues. As such it is ideally suited to prepare students for doctoral study and for modern working environments.

<http://www.kingston.ac.uk/postgraduate-course/philosophy-politics-economics-ma/>

Seminar series (PERG seminars within the Economics Seminar Series)

<http://fass.kingston.ac.uk/research/perg/events/>

Date	Presenter	Title	Room & time
15 February	Matt Vidal , King's College	<i>Post-Fordism as a dysfunctional accumulation regime: A comparative analysis of Denmark, Germany, the UK and the US</i>	JG2006 (16:00-17:00)
29 February	Francis Green , Institute of Education, University of London	<i>Is job quality becoming more unequal?</i>	JG2006 (16:00-17:00)
14 March	Thomas Goda , London Metropolitan Business School	<i>The Contribution of Wealth Concentration to the Subprime Crisis: A Quantitative Estimation</i>	JG2006 (16:00-17:00)
21 March	Nina Kaltenbrunner , University of Leeds	<i>Post-Keynesianism meets Critical Realism: A qualitative study of exchange rate determination in emerging markets</i>	JG2006 (16:00-17:00)
25 April	Claudio Sardoni , Sapienza University of Rome	<i>Unemployment, recession and effective demand: The contribution of Marx, Keynes and Kalecki</i>	JG2006 (16:00-17:00)

Recent (and forthcoming) publications <http://fass.kingston.ac.uk/research/perg/>

Brown, V and Mohun S (2011), The UK Interwar Rate of Profit 1920-38, *Cambridge Journal of Economics*, 35(6): 1035-59 [doi: 10.1093/cje/ber013]

Milios, J, and Sotiropoulos, D (2011), *Imperialism, Financial Markets and Crisis*, Athens: Nisos [in Greek]

- Mohun, S. (2012) "Productive and Unproductive Labour" and "The Rate of Profit", in B. Fine and A. Saad-Filho (eds.), *The Elgar Companion to Marxist Economics*, Cheltenham: Edward Elgar
- Mohun, S and Veneziani, R (2011), [Reorienting Economics?](#)⁴ [doi: 10.1177/00483931110376218], *Philosophy of the Social Sciences*
- Murphy, Fidelma, and McDonough, Terrence (2011), The spatial restructuring of work and Maquiladoras of the automotive industry, *Cambridge Journal of Regions, Economy and Society*
- Onaran, Ö, Stockhammer, E, Grafl, L, 2011. The finance-dominated growth regime, distribution, and aggregate demand in the US. *Cambridge Journal of Economics* 35(4): 637-661
- Rowlinson, M., Hassard, J. and Mohun, S. (2011), "Research Audits and their Consequences". chapter 8 in Cassell, C. and Lee, B. (eds.) *Challenges and Controversies in Management Research*. London: Routledge.
- Sotiropoulos, D (2011), Kalecki's dilemma: towards a Marxian interpretation of neoliberal financialization, *Rethinking Marxism*, 23(1): 100-116
- Sotiropoulos, D, Milios, J, and Lapatsioras, S (2012), Demystifying Finance: How to Understand Financialization and Think of Strategies for a Good Society, in Marangos, J (ed.) *Alternative Perspectives of a Good Society*, Palgrave Macmillan
- Stockhammer, E, (2011), [Peripheral Europe's debt and German wages](#)⁶, *International Journal of Public Policy* 7, 1-3: 83-96
- Stockhammer, E, (2011), [Wage norms, capital accumulation and unemployment](#)⁵, *Oxford Review of Economic Policy* 27, 2: 295–311
- Stockhammer, E (2011). Wage-led growth. An introduction. *International Journal of Labour Research* 3 (2): 167-188
- Stockhammer, E, Klär, E, 2011. Capital accumulation and unemployment in the medium run. *Cambridge Journal of Economics* 35(2): 437-457
- Stockhammer, E, Onaran, O, (2012), Rethinking wage policy in Europe. *International Review of Applied Economics* 26, 2: 191-204
- Stockhammer, E, Stehrer, R (2011), Goodwin or Kalecki in demand? Functional income distribution and aggregate demand in the short run, *Review of Radical Political Economics* 43(4) 506–522
- Stockhammer, E, Sturn, S, (2012), The Impact of Monetary Policy on Unemployment Hysteresis. *Applied Economics* 44, 21: 2743-2756
- Stockhammer, Engelbert (2012), Financialization and the Global Economy, in Gerald Epstein and Martin H Wolfson (eds.): *The Political Economy of Financial Crises*, Oxford University Press
- Wells, Julian, 2011. Review of George F. DeMartino's *The economist's oath: on the need for and content of professional economic ethics*. *Erasmus Journal for Philosophy and Economics* : Volume 4, Issue 2, Autumn 2011: pp. 89-96

Political Economy Research Group (PERG)

The Political Economy approach highlights the role of effective demand, institutions and social conflict in economic analysis and thereby builds on Austrian, Institutional, Keynesian and Marxist traditions. Economic processes are perceived to be embedded in social relations that must be analysed in the context of historical considerations, power relations and social norms. As a consequence, a broad range of methodological approaches is employed, and cooperation with other disciplines, including history, law, sociology and other social sciences, is necessary.

More on <http://fass.kingston.ac.uk/research/perg>