

**THE REVIVAL OF POLITICAL ECONOMY:
PROSPECTS FOR SUSTAINABLE PROVISION**

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Abstracts

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Waste Dumping Practice at Mount Ida Villages: A Collective Action Problem

Environmental problems such as unregulated waste disposal can be regarded as collective action problems that result from the fact that environmental goods and services are used by many individuals in common. At the heart of collective action problems lies the motivation of rational, self-interested individuals to “free-ride”. In practice, however, some communities have more or less succeeded in developing various institutional arrangements to govern natural resources to maintain their long-term viability. To provide further inputs into the research on governance of common environmental goods and services, we conduct a field research at villages of Mount Ida, north-west of Turkey, to investigate their waste disposal problems. In most urban areas in Turkey there is no waste collection system and households usually dump their waste in open areas (wild dumping) outside their villages (especially in nearby riverbeds). In addition to adverse health effects, especially on children, open waste dumping can have detrimental effects on ecotourism, a growing business through which villages directly or indirectly benefit. Although local communities can collectively benefit from proper waste disposal, in many villages individuals fail to cooperate to solve this problem. The study will focus on the use of waste disposal services of the environment as an example of collective action problem in rural setting and investigate the forces that affect the governance of this service through a field research to be conducted in villages at Mount Ida. More specifically, the following questions will be explored:

1. Whether and how the communities in the selected villages regulate their waste disposal? Do these communities face collective action problem in relation to waste disposal? Are there institutional arrangements developed to solve these problems? What factors are important in the establishment and maintenance— or the failure, thereof— of such arrangements?
 2. Whether and how the processes of change that result from development of eco-tourism activities affect the institutions of waste disposal governance?
 3. Whether and how the existing institutions of environmental governance mediate the effects of these processes of change, and even shape them?
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Capitalism, institutional complementarities and third sector funding modalities

In view of the variety of forms, dynamics and working principles that third sector organisations (TSO) adopt at an international level, some authors have sought to identify, in an effort towards a new theoretical framework, various third sector regimes. Generally, the different regimes are based on already existing classifications of the types of welfare state and social welfare. However, by using the contributions of the varieties of capitalism approach, it is possible to obtain a broader perspective that explains the existence of different third sector configurations, not through one or several selected criteria, but by resorting to a dynamic process which involves the constitution of institutional complementarities which are established within various sectors of society.

From this perspective and using the European framework as our background, we seek to demonstrate that the different TSO funding modalities are explained by its embeddedness in different models of capitalism, consolidated through a specific set of institutional complementarities.

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Institutional economics: Back to basics

The paper acknowledges that social scientists use the term ‘institutions’ with a variety of meanings, a situation that only adds to the already existent obstacles to a fruitful dialogue between Institutionalists within each field, and between fields, of research in social science. The paper builds on a metaphysics of process, a multi-level ontology and an interactivist epistemology to make a distinction between social systems and culture, and between both of these and individuals’ interactions/communications. Building on these meta-theoretical concepts, and connecting with relevant contributions from sociology (Simmel, Parsons, Luhmann), I argue that institutions are emergent, socio-cultural sub-systems of societies. An important outcome of this understanding resides in its analytical power to identify the micro-macro articulations that economists need in order to account for both stability and change in the economy.

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How to map changing (semi-) peripheral capitalisms? Methodological considerations

What is the appropriate typology to map changing national capitalisms including (semi-) peripheral varieties? The paper discusses the various typologies put forward in the debate on capitalist varieties, particularly those on (semi-) peripheral capitalism. Using the state-economy and capital-labour relationships as criteria it proposes a typology consisting of five types: *liberal* (politics only market-facilitator), *statist* (politics setting main economic parameters), *corporatist* (capital – labour cooperation), *meso-communitarian* (company networks as communities) and *patrimonial/'crony'* (patron-client relationships between state and economy). The latter type is strongly present in most (semi-) peripheral economies that, in fact, require its construction – though core economies also contain patrimonial features.

The paper pleads for the rigorous distinction between ideal-typical constructions and empirical cases (e.g. Brazilian, Chinese and Indian capitalism). Ideal types idealize empirical reality by emphasizing certain aspects of it. This distinction contrasts the often used but static classifications where cases represent types. Cases only approximate ideal types and combine aspects of different types. Cases, not types, are hybrids. In the paper this distinction will be illustrated by drawing a spider web with the cases located in the field in-between the five types. Change has to be understood as movement in this field. Mapping changing national capitalisms then means to determine their location in the field at for example T_1 (x years ago) and T_2 (most recent). Finally, the paper asks *how* to localize capitalisms at T_1 and T_2 and what indicators reflecting the capital-labour and state-economy relations in (semi-) peripheral countries have to be considered.

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Can, and should economics remain relevant in the 21st Century? Reflections on the challenges to economics in the light of a double crisis

Given declining rates of growth in the real economy, structural unemployment, a steady decline in real wages, and a redistribution of income and wealth to the top, mainstream economics - or the 'science of growth'- might be seen conclusively as the science of 'unequal growth'. Add to this, environmental implications, epitomised by the co-called climate crisis, and the result is an unequal and irresponsible growth. Yet, neither the financial nor the climate crisis are the result of sudden or unpredictable events. This papers explores the proposition that both crises share (1) the same root: the extraordinary rise in importance of 'the economy' as the principle concern of governments, and of 'economics' as the 'tutor of governments', combined with the decline of the political dimension of political economy and economics; and (2) the same consequences: unequal and irresponsible growth, where the lowest income-earners – or poorest countries – carry the greatest burden from the crises, and the richest stand to benefit. The second part of the paper examines the elements of a new political economy, which can return to its roots in society – in line with the classical stage of political economy – but with a necessary 21st century dimension: a new understanding of 'the economy' as endogenous to the ecological system, and a redefinition of purpose which includes environmental and social responsibility that is at once local and global.

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Politics and Trajectory in Brazilian capitalist development: recent trends

This paper focuses on the Brazilian trajectory of capitalist development arguing that there are elements of continuity in terms of the role of the state (in particular a strong Executive and pockets of efficient bureaucracies), the existence of business/state relations that evolved out of a corporatist tradition, and the presence of democratic institutions capable of legitimately processing goals and preferences in terms of a national development project. Special emphasis is given to the simultaneous emergence of a workers' party and the process of democratization which made room for the adoption of social policies aimed at reducing inequality and social inclusion and, in turn, a development strategy based on the internal market, in addition to competitive external integration. The early regulation and reform of the financial system, the adoption of macro-economic orthodoxy side by side with the maintenance of strategic public agencies such as the BNDES (National Development Bank) combined with the recent incorporation of labor through the management of pension funds, allows for a sort of late social democratic variety of capitalism in Brazil.

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The contemporary crisis: a political economy approach/

L'économie en crise : Le prix de l'oubli de l'économie politique

La crise contemporaine est aussi celle du paradigme économique dominant des deux dernières décennies. Sa perte de crédibilité est certes beaucoup moins dramatique que les conséquences économiques et sociales de la récession de 2008-2009 mais l'absence d'une construction alternative risque d'hypothéquer les chances d'une sortie de crise. En effet, si persiste la configuration antérieure au sein du champ des théories économiques standards, s'accroît la probabilité que les stratégies, qu'elles suggèrent, conduisent en fait à la répétition d'une crise de même type, plus grave encore puisque s'accumuleraient de nouveaux déséquilibres associés à une relance par le crédit, non plus privé mais essentiellement public.

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Economics Against Democracy

Although historically many of the democratic achievements in the past two centuries have been intimately connected to the development of liberal economics, one can assert that mainstream liberal economics is intrinsically contradictory with the democratic ideal. The first stage of the demonstration of this thesis concerns the deconstruction of the naturalization process that economics has undergone with the purpose of transforming economic decisions into plain technical issues supposedly free from democratic debate. The second stage concerns the ways in which the market has managed to legitimise its hegemony in society and the reasons why this contributes to the erosion of democracy. Within this hegemony five aspects will be dealt with; the imposition of a market jurisdiction; the deregulation of the economy; the process of political and economic unaccountability; the de-politicization of free choice and the conflict between the territorialization of democracy and the de-territorialization of economics. Democratizing the economy demands also democratizing economics. Some principles of democratizing economics will also be presented.

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For a New Mainstream Economics

The 2008 Global Financial Crisis ended the 30 neoliberal years of capitalism as signaled the collapse of the mainstream economics' core: hypothetical-deductive neoclassical economics. What next? For sure, the revival of political economy. But which revival? Just the strengthening of the several heterodox approaches or the fight for a *new core* for mainstream economics ? No. Instead, to build a new core based on historical approach to markets and to development macroeconomics in the Marxian, Schumpeterian and Keynesian tradition, i.e., to build an economic theory or political economy modestly based on the generalization of observed regularities and tendencies, instead of being based on the rational expectations' assumption leading to the construction of arrogant mathematical castles in the air. A new theoretical core that helps economists to devise econometric research programs, and to formulate pragmatic and economic policies. A new mainstream economics that views Marshallian microeconomics and game theory as a complementary science: the economic decision-making science. A less ideological and more pragmatic mainstream. A mainstream economics that asks for competitive and regulated markets and for a democratic and effective state. A mainstream economics or a new political economy that republican citizens may use to build more prosperous, more equal, and more self-sustained economic systems.

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Beyond the Fact-Value Split: Political Economy

Lionel Robbins (1984 [1932], 1981) famously construed the separation between economics and political economy along the lines of a fact-value dichotomy. He believed economics (science) to be a domain of statements of existence or possibility, grounded on “ascertainable facts”, not statements of valuation or obligation. The latter would be no less relevant but belonged to the non- scientific domain of political economy (Caldas and Neves, 2010).

Equally famous is Gunnar Myrdal’s (1969) challenge to this conceptualization of economics and political economy. Myrdal came to disbelieve the “existence of a body of scientific knowledge acquired independently of all valuations” and to the conclusion that “[v]aluations are ... necessarily involved already at the stage we observe facts and carry on theoretical analysis...” (Myrdal, 1953: xli). For him political economy (and economics) was necessarily value-laden. Nonetheless, it might be scientific, provided that the values at the foundation were brought out into the open.

Arguably, however, Myrdal never overcame what Putnam (2002: 145) coined as the last dogma of empiricism: the presupposition that “facts are objective and values are subjective and ‘never the twain shall meet’”.

Overcoming this “last dogma” by ascertaining the possibility of knowledge on the economy which encompasses both ends and means and nonetheless is scientific is a precondition for the revival of political economy. This, or so we suggest in this paper, can be achieved with the assistance of John Dewey’s pragmatist philosophy.

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From amnesia to historicity: reflections on teaching political economy

In the period that preceded the financial collapse and the present economic crisis, the enthusiasm with the “great moderation” went in par with similar satisfaction with the state of “economic theory”. The hegemonic opinion uphold that economics had not only achieved theoretical unification in a “core” model that reconciled new classical (rational expectations) foundations and “Keynesian” insights on price rigidities, but had learned once and for all how to tame cycles. According to the mainstream view, the teaching of the discipline should therefore focus on training students on the basics and subtleties of this “core” model – having them “think like economists” – thus leaving aside “complications” as the contributions of other social sciences and humanities for the understanding of processes of social provision, past and present real economic trends, change and problems and, first and foremost, past and present theoretical controversies within economics. According to the conventional view economics had overcome the pre-scientific stage: erroneous theories of the past were outdated, dissent was overcome and unification achieved. The past was irrelevant and should be forgotten. As a consequence history, namely the history of economics itself, was marginalized and almost eradicated from graduate studies.

However, in particular circumstances, this pressure could be resisted and the history of economics could still be cultivated as part of teaching and research. This paper reports on one of such experiences in Portugal. From this experience we infer implications on the place and role of the history of ideas in teaching as part of the revival of political economy.

In Portugal, as elsewhere, the compression of graduate study curricula in economics induced by the Bologna process has favoured the trends towards concentration on the supposed “core” of economics, and the eviction of other social sciences, history and methodology. In the particular case being reported, the history of economic thought could only be preserved as an introductory discipline to incumbents. However, the previous trend, before the eviction of history, had located courses on the history of economics at the final stage of graduate curricula. Most courses and textbooks on the history of the discipline were designed according to that presupposition. Faced with

a new location at the introductory stage, the challenge for us was therefore to conceive a course that did not presuppose any previous reference to economic knowledge and might, at the same time, serve as an entry point for further advance. The course therefore required the drafting of texts that might serve the requirements of young students and motivate them at the same time to consult “the classicals” and other secondary literature and move forward on the study of the economy.

Contrary to initial expectations and fears we found in young first semester graduate students an interested and open-minded audience. Furthermore signs exist that the introduction to economics by the hand of the history of ideas may have helped shape a richer understanding of economic knowledge and attitude during the latter stages of the graduate studies. In fact, contact with the history of ideas, inevitably fosters the awareness of the historical contingency of theories, the inherent plurality of economic theory and of the permanent interchange of political economy with philosophy, history and other social sciences. Contact with the history of the discipline in the early stages of graduation stimulates the intellectual attitude of “thinking about the economy with all the resources available” thus offering an effective antidote against the pressures towards “thinking like an economist”.

The original texts drafted for the young first semester of graduation studies, circulated and several times redrafted, are presently being compiled and extended to be published as a book that intends to be not another “history of economics though” but rather an entry gate to political economy by the history of ideas. This is one contribution for the revival of political economy. Presently the need for “new economic thinking” is starting to be clearly felt. Economists aware of the historical and spatial contingency of economic processes and the resulting historicity of economic knowledge, ready to face problems that to some extent are unique in their manifestation, nor economists that have learned to “think like economists” and advance universally valid formulas, are in demand. With this limited experience we have learned that the history of ideas is an entry gate for the study of political economy that may foster the needed intellectual attitude. However, we also believe that this should not be the only entry gate. Besides the history of ideas (not necessarily only “economic”) incumbents should be exposed to economic history, exercises on the identification and characterization of facts and contemporary problems, studies on the economy originated in other social sciences (sociology, anthropology, social psychology), political and moral philosophy.

Political economy when understood as the transdisciplinary study of processes of social provision should mobilize all intellectual resources available. This is the intellectual attitude to be stimulated as part of the revival of political economy.

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What is political economy today?

For a long time, the transition from feudalism to capitalism was one of the most interesting debates undertaken by economists and historians of Marxist inspiration. It has attracted such a great deal of interest that it has reached far beyond its original field to involve thinkers in various disciplines and schools. Among the most critical issues it was highlighted the applicability of historical materialism in the interpretation of actual historical events, and in particular, the explanatory power of the "internal contradictions" of feudalism which were assumed to cause the observed changes in that "mode of production."

Despite the richness and depth of the work of many researchers along the years, such studies have had no influence (with rare exceptions) to a different but essentially similar discussion: the transition from capitalism to socialism. However, after the emergence of the current crisis, the American geographer David Harvey states the need for thinking in a context of "anti-capitalist transition" and invites us to begin with the transition from feudalism to capitalism because nowadays we have conditions simultaneous and similar to those that existed in that time: a new relationship with nature, new technologies, new social relations, new habits, customs and values of ordinary life, and new political arrangements and institutions.

This article seeks a rapprochement between the Marxist reflection on the feudal crisis and transition and the provocations of Harvey on the capitalist contradictions and present crisis.

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Incommensurability: an object for social sciences?

In this paper I address the recent emergence of a sociology of commensuration which points out the social nature of the operations that allow for the existence of spaces of equivalence in which a common metric guarantees the comparison of objects that are usually qualified according to a plurality of forms of evaluation (potentially conflicting). As pointed out by Espeland and Stevens (1998), commensuration is a way to make things visible (e.g. the use of statistics to show inequalities). At the same time, in the creation of the conditions for comparability not only the objects involved undergo a transformation (usually in terms of a reduction of the moral complexity they bear) but new objects emerge as well, that participate in the construction of our world in common, thus becoming part of the objective world we agree upon. Commensurability is then a creative process and a way to overcome the gap separating different forms of evaluating things, which accounts for their being incomparable. According to some theory of decision, this operation is needed in order to rationally decide, especially as far as public decision is involved. My effort in this paper is to clarify the existence of different kinds and degree of commensurability, and, at the same, to clarify the place for incommensurability. In particular I am interested in investigating two issues: representations of the decision process that not imply necessarily commensuration still bringing to a reasonable (in terms of publicly justifiable) decision; incommensurability as an instrument of critique addressed to processes of commensuration considered as unjustifiable.

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Women, Economy and the State in Portugal: where are they going together?

Dramatic improvement in the economic and social status of women has been one of the most profound changes in Portugal during the last four decades. It is impossible to understand today's Portuguese society ignoring the intertwined effects this change produced in the patterns of consumption, production, human capital, family and fertility, income distribution or the relationships between the state and the community.

This process was strongly determined and shaped by the state, either as legislator, service provider or employer. This also means that public resources were fundamental for the promotion of Portuguese women's economic emancipation during the period.

This paper is intended to document and discuss this process and the probable specific slowdown effect on Portuguese women's empowerment that may result from the current state budgetary crisis.

We argue that measures intended to restrain public employment and to devaluate wages in the sector (together with the downsizing of manufacturing traditional activities) are threatening the social regulation system overall coherence in a non-neutral gender way.

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Rent-seeking in climate negotiations

Rent-seeking behavior results in a waste of resources and leads to corruption and un-democratic decision-making. This concept is, therefore, useful in dissecting the zero-sum game that is the creation of markets with fictitious environmental commodities and the subsequent allocation of allowances. We analyze empirical evidence on the UN climate negotiations, highlighting the role of corporate lobbying, to shed some light on the reasons for the capitulation of the international community to the US pretension of allowing carbon trading to be introduced in the Kyoto Protocol. More specifically, the paper will deal with the *volte-face* of the EU, that went from carbon trading opponent to an international leader in carbon markets creation. To understand how carbon markets were devised, we look into the political process of negotiating a climate agreement and how corporate lobbying influences the outcome. Also, we contextualize carbon markets creation in the light of the conflict of interest that arises when its mentors are traders and other market players. Finally, we discuss the proposals for regulation of carbon credits generation, given the possibility that they will lead to regulator capture in a “lemons market”. We conclude the paper by analyzing the recent developments in climate negotiations, including the clash between left-wing Latin American governments and the US, caused by divergences on the future role of carbon markets.

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How to manage sustainability? Some insights toward intelligent public decision making

The shift towards a new political economy should be characterized by the replacement of a restricted and technical approach to choice and deliberation, in which ends – economic prosperity and wealth – are just stated, having the process of public decision to address only the task of picking the best means to those ends, by a conception of choice and deliberation where ends are open to discussion and reflection. The concept of sustainability, through which social justice and environmental values must be considered along with economic prosperity, is then crucial to address the question of the desirability of the different courses of action which could be under construction and to acknowledge a plurality of values in public debate and public policies.

This essay starts by arguing that the proper recognition of the issue of sustainability calls for a reflection on what is meant by deliberation. Deliberation is, thus, viewed as a process of search developed in order to cope with and manage the incommensurability and the value conflict arising in action. The relevant values which could be considered under the concept of sustainability do not allow a closed, complete and consistent goal. In fact, it could be said that the proper recognition of these values as qualitatively distinct implies that always, or in most of the situations, they claim competing and inconsistent courses of action (Dewey, 1922; Wiggins, 1975-1976). Public decision-making dealing with sustainability starts from a vague description of the goal, which means that deliberation will have to deal with the definition of what would constitute sustainability in certain given situations, or what would count as an adequate achievement of a certain specification of the goal under construction.

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Urban Governance and the Sustainability of Creative Milieus: Use Conflicts, Gentrification and Creative Dynamics in Three Cultural Quarters

Drawing on some results of the research project “*Creatcity – A governance culture for the creative city: urban vitality and international networks*”, the aim of this paper is to discuss the relation between use conflicts, governance mechanisms and the sustainability of territorial dynamics, departing from 3 case studies of creativity-led territorial systems in Lisbon, Barcelona and São Paulo metropolitan areas.

The general conceptual and empirical framework of this project is briefly presented and the methodological approach that was followed is described. Then, attention is focused on 3 of the 10 case studies analyzed on this project, three cultural quarters, one in each city (Bairro Alto, Lisbon; La Gracia, Barcelona; and Vila Madalena, São Paulo). The main characteristics of each of these territorial systems are briefly presented, as well as their main regulation mechanisms and the main conflicts verified. The analysis is focused on the evolving pattern of activities and practices in each cultural district, in order to understand and compare their evolutions, and the economic, social and urban impacts of these dynamics. Particular attention is dedicated to some external effects of certain agents’ actions, as well as to some dimensions of the gentrification processes which occur in all these areas.

The relation between the use conflicts verified in these quarters, the governance mechanisms in which these systems are based, and the sustainability of these areas as “vital” and “creative” centers is discussed, with special attention to the coordination mechanisms that regulate these systems and their implications in terms of public policies.

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Water tariff design and sustainable use of water

Water Supply Services (WSS) and the corresponding water tariff structures are important vehicles to achieve the sustainable use of water. Therefore, water tariffs should be designed in order to accomplish four main principles: (1) (full service and water) cost recovery, (2) economic efficiency, (3) (social) equity (e.g. incorporating concerns favoring low income householders), and (4) administrative feasibility.

Considering recent developments in the economic literature of water use, this research paper proposes a comprehensive and integrated analysis of these four main dimensions, stressing that to establish the water tariff design they should be simultaneously considered.

Accordingly, an evaluation model for WSS managing companies, based both on qualitative and quantitative data, will be set up. Regarding a policy oriented critical analysis, the model will be tested in a set of Portuguese municipalities (which are the major actors of WSS in Portugal).

Some conclusions can be drawn from this case study. Generally, current tariff structures in the chosen set of Portuguese municipalities seem to stand out of the equity criterion; moreover, cost recovery and economic efficiency are still misaligned with the expected requirements. As a result, there is the need for further improvements in the water tariff design to promote a more sustainable use of water.

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The role of TEV and Ecological Certification for the sustainability of cork oak forests

In Economics, the environment is generally considered as a special asset, which provides several services and functions that can be regarded as components of one more general function - life support. Thus, the management of any natural resource deals with decisions on whether to use or to preserve (non-use) it. To define this balance, some sort of value must be placed on the wide range of environmental, economic, social and cultural benefits (and costs) provided.

The values associated with some environmental goods and services pass directly through markets, but others are not valued through price mechanisms, making difficult to establish the corresponding monetary value. Therefore, it is becoming increasingly important to identify and evaluate these non-market benefits to achieve a more sustainable management (and use) of natural resources.

The concept of Total Economic Value (TEV) has been increasingly used as a tool to frame alternative forms of market intervention, namely to support instruments able to integrate the complexity of the functions provided into the corresponding price. Ecological Certification (EC) is one of these tools, aiming to promote the use of economic, social and environmental sustainable practices, namely through the inclusion of non-market values in the market price of resources such as, e.g., forests.

Cork Oak is the most common specie in Portuguese forests, supporting high levels of biodiversity and assuming an important role in the economy. Thus, this paper aims to discuss and analyze the potential contributions of actions like the Cork Oak Landscapes Programme (which is focused in an EC mechanism) to the sustainability of Portuguese Cork Oak forests.

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Economic policy and its importance for Capitalism: A comparison between the 1929 and the recent global financial crisis

The aim of this paper is to analyze the role played by economic policy in two crucial moments of contemporary capitalism: the crisis of 1929 and the recent global financial crisis. The aim of this paper is to analyze the role played by economic policy in two crucial moments of contemporary capitalism: the crisis of 1929 and the recent global financial crisis of 2008. The central argument of the article is that, contrary to traditional economic literature, in moments of crisis, the fiscal and monetary policies play a key role to prevent the collapse of the system. The market adjustment mechanism proposed by the traditional literature of wage and price deflation is not used in times of acute crisis of the system

The paper is organized as follows. The first section presents a comparison between the traditional literature and post-keynesian theory - highlighting the contributions of Paul Davidson and Hyman Minsky - on the role of economic policy. The second section presents a review of economic policies implemented during the 1929 crisis. The third section discusses the recent global financial crisis of 2008, with emphasis on analysis of recent economic policies used to combat the impacts of the crisis. The fourth section presents a comparison of selected historical moments.

In summary, the paper demonstrates that in moments of crisis, the conventional prescription is replaced by the use of Keynesian fiscal and monetary policies. Finally, the article concludes that the combination of fiscal and monetary instruments is essential in overcoming the critical moments of financial crises.

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The Political Economy of Social Identity

“Individuals construct their own identity, but they do not construct their identity just as they please; they do not construct it under circumstances chosen by themselves, but under circumstances encountered, given and transmitted from the past” (Darity, Mason, and Stewart, 2006, p. 290). What are the circumstances that determine how individuals construct their social identities, and how do individuals construct them? This paper addresses these questions in order to lay out elements of a political economy of race, class, and gender. It differentiates between two forms of social identity, collective social identity and relational identity, and relates these as a structure of social identity people individually negotiate in producing their different respective socially embedded personal identities. Contrary to many traditional views of social identity as offering common ground for individuals of like background in political conflict, I argue that what individuals have in common is their heterogeneity, and this provides an argument for human rights and a value pluralism that justifies a deliberative democracy view. This position is contrasted to the leading mainstream economics view of social identity (Akerlof and Kranton, 2010) which argues that individuals are largely shaped by shared social identities. I argue that view rather lends itself to libertarian paternalism and an aggregative conception of democracy.

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'Subjective wellbeing' as a tool of commensuration

Studies and measures of 'subjective wellbeing' have been a feature of empirical economics and economic psychology since the 1970s, and expanded rapidly in the 1990s. 'Subjective wellbeing' is now something that is quantified and measured by government policy-makers, for various purposes. It can be used to evaluate and compare diverse public goods in quantitative terms. It can be used to bridge between market regulation and health policy, fusing economic and psychological analyses, as manifest in the UK Government's 2008 'Black Review' of work and wellbeing. And it can serve as a macro-social indicator of 'progress', as manifest in the French Government's 'Stiglitz Commission' of economic measurement and social progress. In these and other ways, it offers governments a new tool of commensuration, though an unusual one inasmuch as it depends on a particular reflexive or therapeutic self-understanding of individuals being governed (Espeland & Stevens 1998; Rose & Miller 2008). This paper explores what sort of object subjective wellbeing is, what techniques of knowledge it depends on, and what type of convention of evaluation it presupposes (Boltanski & Thevenot 1991). It also seeks to identify where the tensions lie in such acts of commensuration, and what incommensurability might mean under such a regime of government.

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On the Governance of Power in Finance: Reshaping Economics in a Global Crisis

This paper makes two interlinked arguments: one about the current economic global crisis, and the other about the crisis in economics that has arisen due to that global crisis. Regarding the global economic crisis, this paper argues that restoring socially efficient and economically productive financial systems – and thereby helping reverse slower macroeconomic growth – depends on recognizing and responding to the considerable, multi-dimensional power accumulated by the very financial firms whose dysfunctionality built that crisis in the first place.

The 2007-10 economic and financial crisis has posed such a profound challenge precisely because it is rooted in the system failure of this brave new world of intermediation. Re-imagining and rebuilding a financial system means, first of all, acknowledging the current financial system's inordinate, multi-dimensional power. Only after comprehending the distortions caused by excessive power can a meaningful re-engineering of the financial system be undertaken.

Regarding the crisis in economics, this paper argues that a re-shaped and socially productive economics must give explicit attention to the problematic of power. The existing rhetoric of financial regulation among academic experts and policy insiders evaluates the "efficiency" and "stability" of the financial system in narrow terms: it focuses attention on mechanism design and ignores the presence and implications of systemic power. Economists engaged in the debate over financial regulation need a "toolkit" that incorporates power relations; otherwise, decades of sub-par growth and excessive financial exploitation lie ahead.

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Crisis: risks and opportunities

We used here as a starting point the very fruitful discussions at the International Seminar on Development, which allowed us to have an overview of the financial, social, environmental and cultural trends, as seen from Brazil. We organized the ideas along 10 points of an agenda, based on the various presentations, aggregating lectures and discussions with other sources of information on the main subject: the opportunities arising from the crisis. As a matter of fact, in two decades we saw, with the Berlin Wall, the collapse of a statist outlook of development and with Wall Street that of a liberal outlook. Likewise we observed the erosion of unilateral leadership by the United States, which since World War II and the Bretton Woods agreements and later the Washington Consensus, whether we liked it or not, set forth the planet's agenda. Indeed, we are only now turning the page of the millennium to become aware of the dimension of these challenges when compared to our meager governance instruments. In the array of outlooks that include, in the words of Ignacy Sachs, a rethinking of our energy-production paradigm, as well as the functioning of our financial intermediation according to the thinking of Conceição Tavares, a new universe is being drafted. Here we sought only a systematization of the challenges encouraged by the diversity of outlooks.

1. Rethinking the energetic and productive paradigms
 2. Facing the challenge of inequality
 3. Retrieving the central role of the State
 4. Reorienting the role of credit
 5. Ensuring full utilization of labor
 6. Boosting the economy by productive inclusion
 7. Democratizing government
 8. Capitalizing the potential of local development
 9. Organizing the instruments of financial regulation
 10. Generating convergent policies in economic, social and environmental terms
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Cultural economies in an era of sustainability: Privileging ‘localism’, diversity, and cooperation in building ‘creative and sustainable’ cities

The rising economic importance of the ‘creative economy’, incorporating culture-based products and experiences, has led to substantial investments in city infrastructures and city branding strategies, and has formed the basis of much intercity competition in recent years. Now, in the face of growing environmental and economic urgencies, issues of sustainability and resiliency are moving to the forefront of planning and policy in cities and communities of all sizes. City paradigms are mutating from a focus on building ‘creative cities’ to that of achieving ‘sustainable cities’. Yet cultural and creativity based

urban economies (and their broader cultural ecosystems) tend not to be integrated into

‘sustainable city’ planning in a widespread way. While a variety of efforts are focusing on ‘greening’ cultural production processes, there is general uncertainty as to how to conceptualize and operationalize the broader connection between culture and urban/community sustainability (Duxbury & Jeannotte, forthcoming). Situated between political economy of culture perspectives and emergent culture-inclusive models of sustainability, this paper will explore current thinking on relations between culture, the economy, and sustainable communities by examining recently proposed culturally sensitive approaches to sustainable urban development that are intertwined with cultural production. For example, Nadarajah (2007) puts forward an array of principles that aim to focus urban planning efforts on an ‘enlightened localism’ and multicultural realities, and thus develop more culturally sensitive approaches to urban development. Sasaki (2007) proposes an urban cultural mode of economic production based in originality and artisanal work traditions that would be ‘global yet varied’, fostered within an international network of ‘creative and sustainable’ cities. Sacco et al. (2009) discuss the ‘culturation’ of the productive process and present a model of a ‘progressive culture district’ based on an emergent, self-organizing, cooperative model of cultural supply that displays significant strategic complementarities with other production chains. Increasingly, globalized forces of cultural homogenization are countered by economic and socio-cultural initiatives to promote local distinctiveness, differentiation, and cultural diversity while retaining global connectivity (Duxbury & Murray 2009). In this context, and with an eye also to sustainable development, this paper will synthesize some of the emerging conceptualizations of models of cultural production integrated with urban development and sustainability. In doing so, it aims to inform evolving views on the evolution of the creative economy within ‘sustainable city’ contexts.

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Opposite Evolutionary Patterns under Similar Historical Legacies: The Evolution of Retail Sectors Across Different Political Regimes in Portugal

One of the greatest gaps in the existing literatures on Varieties of Capitalism (VofC) is the lack of research on semi periphery capitalist nations of relatively small size and with relatively small weight in the international economy. Portugal is a case in point. Although the movement from autocracy to democracy in Portugal in the early seventies inspired successive political regime change in Europe and Latin America, and provided the push for Phillippe Schmitter's seminal works on corporatism, little has been written on how interest group politics changed after democratic consolidation in this country and if and how such changes interests have influenced collective business outcomes.

Have the traditional groups of the authoritarian regime been replaced by new corporatist associations with new concerns and functions, new models of leadership and control, and representing and legitimizing different kinds of business interests? Who have been the agents of reform towards democratic models of business representation? Have democratic models of sectoral politics induced high levels of inter firm coordination that sponsor technology and human resources updating, efficient distribution networks, expanded market reach and adaptive capacity amidst the low technology sectors of SMEs which make up the large part of economic activities in this small, opened economy?

My work draws on the trajectory of two retail sectors in Portugal, before and after democracy, to examine these queries. Ultimately the goal is to unearth the institutional and political conditions that lead to opposite evolutionary patterns, notwithstanding similar historical legacies and the common movement to political and economic liberalization, as well as the pressures associated to regional economic integration.

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Realities of Activation

The transition from fordist, status-oriented to activating labour market policy regimes is accompanied by extensive research on the effects of such a large-scale policy change.

Quantitative research evaluates policy effectiveness primarily in terms of the numbers of people 'activated' or the duration of employment and unemployment spells. Such an

approach can declare policies desirable or undesirable from a macroeconomic point of

view – but an estimation of what factors the quantitative effects are based on and whether the outcome of the reform is socially sustainable requires knowledge about 'what actually happens' in implementation and how those affected by the new policy deal with the new requirements. My contribution addresses these questions from the perspective of a qualitatively oriented sociology of power relations. In such a perspective, any kind of policy is a specific set of technical devices or 'tools' intended to create a certain kind of social reality – in this case, a 'more flexible' labour market populated by active, entrepreneurial subjects. So what realities *does* an activating labour market policy create? And can these realities be assumed to be socially sustainable? How could we define social sustainability in such a context? Drawing on examples from the evaluation of a German pilot scheme for the integration of unemployed youth, I will show that there is a profound difference between (a) the aims postulated by the political programme of 'activation', (b) the actual practices found at 'ground level' and (c) the requirements perceived by those addressed and their responding strategies.

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Capital Accumulation, External Restriction, Technological Gap and Structural Change: Theory and the Brazilian Experience

The aim of the paper is to shed some light on the institutional arrangement that favoured Brazilian industrialization process from post-War until the end of the seventies. In doing so, we call attention to the actual external vulnerability facing the economy. We start showing that the Brazilian economy was the most dynamic in terms of growth among developed and developing economies from post-War until 1980, when a severe external constraint interrupted this trend. We propose in this paper a model, based on Kaldor, where capital accumulation, technological gap and long run external constraint are connected. Our hypothesis is that capital accumulation, under certain circumstances, can overcome external constraint if the accumulation effort promotes structural change increasing the importance of sectors more technological-intensive. It is expected that the structural change in this direction will contribute to an increase in the income-elasticity of exports and to a decrease in income-elasticity of imports, resulting in the increase in the growth rate of real product compatible with the balance of payments equilibrium in the long period. The last part of the paper shows that the high investment rate observed in the Brazilian economy from the post-War until the end of the 1970s resulted in the deepening of the import substitution process, what, in our interpretation, contributed to partially increase the long run growth rate of the Brazilian economy compatible with the balance of payment equilibrium.

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Bringing the economy in line with human rights in the European Union

The role of Law has been primarily instrumental in the process of European economic integration. Accordingly, in so far as individual rights are concerned, the “basic economic freedoms” of the Internal Market have been privileged in detriment of fundamental human rights, either civil and political or economic and social. The European Court of Justice’s case-law evinced this trend until recent times. Yet, the entering into force of the Charter of Fundamental Rights of the EU (first adopted in 2000, with no binding force) may be regarded as a step on the way to the materialization of a primacy of fundamental rights within the EU; that is to say, to a shift of rights from a merely limiting to a determining factor of the Internal Market policies, rules and practices. Based on an examination of how far EU economic goals and criteria have been restrained by the consideration of human rights in ECJ’s case-law following the Charter’s adoption in 2000, this paper will discuss the limits of commensurability whenever the logic of economic integration confronts fundamental human rights. The policy and legal framework of the use of genetically modified agriculture and food, endorsed by the EU in the name of internal market freedoms, will be drawn upon as a case study; in fact, GMOs raise critical issues with respect to fundamental rights, namely like the right to a high level of environmental and human health protection (Articles 35 and 37 of the Charter), thus offering a suitable base for analyzing the difficulty to balance economic freedoms against fundamental rights, and the ensuing need to seek appropriate methodologies to that effect.

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Transnational discourse on rural territorial development and the social institutionalization in Brazil: changing the agrarian question to the developmental question

The deployment, in the last decade, of the rural development policy by the Brazilian Government, influenced by international agencies - such as the World Bank and the Inter-American Institute for Cooperation in Agriculture – territorialize the State through the control of social relations in spaces where the dynamics, until then, did not favor the capital reproduction. These geographic areas are defined by a National Government scale of intervention through the institutionalization of social reproduction for recognition of Rural Territories. We argue that the way the State has territorialize itself in these spaces encrusts economy in social life (conditioning the construction of the social ethos by work) and implements control strategies that facilitate the capital reproduction by putting aside the agrarian question, turning it in a debate for development. To this end, the State aims at inclusion of Brazilian peasants in capitalist dynamics through its transformation into households farmers. What we show is that this developmental policy is a technique appropriated by the State in order to depoliticize development when internalizes the development of the market as a natural social reproduction and turns it into the simple rational movement of the world's space-temporal progress. Thus, the State operates a procedural conception of individuals' inclusion in society through the market – what makes a person gain social relevance only by their mercantile dimension.

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The normative foundations of public decisions: protection of natural and cultural heritage

The question of how public policies could envisage the protection of natural and cultural heritage offers an opportunity to reflect on fundamental aspects like the mechanisms throughout which it would be possible to cope with plural and conflictive values, the role of the normative (legal) framework, as well as the different configurations of social and political debates in these controversies. Quantitative methodologies, proposed by some disciplinary areas within economics (e.g. Environmental Economics), have to rely on some critical presuppositions in order to capture the importance of natural and environmental 'services', like landscapes and other amenities. The presuppositions of the commensurability of all values and of its monetary expression are in the core of these kinds of methodologies. The paper argues that they need to be scrutinized. The appeal to the presence of a plurality of values, likewise nature with its importance to the maintenance of life (biodiversity), as well as its aesthetic value, puts a stress on the calculative/monetary perspectives of valuation. The significance of this plurality of values is also attached to their historical, social and cultural embeddedness. In fact, the way they could be articulated in action belongs to the identity of a community. In order to perceive the significance of a plurality of values and their local attachment, in areas related to the protection of environmental and cultural values, some empirical cases regarding the Portuguese reality will be scrutinized (e.g. Foz Côa). The reference to case studies will consider central aspects in the definition of the relevant public policies, including the design of legal norms, both substantive and procedural, and the public debates that took place.

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Aspects of economics and management in precautionary environmental decision

The precautionary principle is presently one of the main philosophies of environmental regulation in the world. It is inserted in national law in many countries and also in most environmental international treaties and conventions (on climate change, chemicals, mobile phones, food security, etc.).

Besides the conventional legal focus on formulation and definition matters, the role of the precautionary principle in the implementation of science-based decision processes in contexts of scientific uncertainty and conflicting value interests is a recurrent theme in recent literature.

Yet, despite its potential role in improving environmental decision-making economics and management is not being thoroughly used in current precautionary practice. In order to highlight the possible contribution of this area of study, we briefly present a critical survey of the main theoretical approaches (namely result-oriented rationality and procedural rationality) and models that have been proposed for the economic interpretation and application of the precautionary principle. We also present the results of a survey of judicial cases analysis on the application of the principle in Portugal and other countries, where the need to clarify decision rules and improve economic decision-making devices in public as well as corporate decision processes is illustrated.

Based on our survey of judicial cases analysis we argue that an inclusive perspective, that recognizes the multidimensional nature of environmental risks should be envisaged. This would contribute to help decision-makers in the determination of environmental values, management of value conflicts, evaluation of social relevance of impacts and in improving planning, transparency and participation in decision-making.

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Political economy versus *economics* in politics

The birth of political economy was closely associated with a project of “economicization” of political life which purpose was either the pacification of this, or even more broadly its democratization, with the emergence of plebian, vulgar and everyday life as the centre of interest: the greatest happiness of the greatest number as the *ultima ratio* of political institutions.

From this initial project, with all its limitations and equivocations, we have evolved, specially via a number of processes of academic division of labor and professional differentiation, unto a mainstream economics characterized by extreme narrowness out of the idea it suggests — and partly performatively induces — as to the nature of both individual human beings and the dynamics of societies.

The bulwark of safeguards over times added to this mental scheme (asymmetric contracts, costly information, imperfect rationality, interdependency of utility functions, etc.) does not break up with the fundamentals of the “economicistic” mental frame, yet still representing an endless contortionism aiming to provide it a minimum of plausibility and realism.

This attitude of modesty and safeguard has, however, a counterpart in the supreme arrogance consisting in pretending to apply to politics — the “instance” where par excellence is expressed the collective self consciousness of society, and via which its self-determination may therefore be exerted — the intellectual schemes originating from strict economics: that is, the group of cogitations generically known under the name of public choice.

The poverty implied by this trajectory must still be considered with attention, since it has unquestionably relevant repercussions, again mostly performative, both concerning the nature of prevalent social theory, and also in the laypeople’s level, where the consequences of the activities of “the economist as a preacher” are patent and indeed overwhelming.

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Transatlantic regulatory governance and market integration: modes and actors

The purpose of this paper is to analyze transatlantic regulatory governance as a means of fostering market integration between two important trading economies, the EU and the US. The paper assesses the existing regulatory methods, policies, strategies and practices used to promote transatlantic product market integration, and analyses how the relevant actors project their interests into governance modes of market integration such as the removal of technical barriers to trade, standard setting, harmonization strategies, or conformity assessment. The paper will focus on two research questions. The first relates to what role actors, such EU member states, the EU Commission, the US government, the industries, and private regulatory bodies, play in designing the regulatory and governance modes of transatlantic market integration. In this respect, the importance of networks and networked governance will be central in the analysis. The second research question deals with the impact that these actors' interests have on the establishment of regulatory cooperation across the Atlantic, namely harmonization and mutual recognition. In addressing this question, a specific attention will be given to the negotiation processes involved transatlantic regulatory cooperation.

Given the importance of transatlantic regulatory governance, this analysis may be relevant and quite insightful to policymakers in designing governance modes of regional market integration.

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Permanent People's Tribunal X Transnational companies: a counter-hegemonic use of the law?

In this article I will analyze the negative impact of globalization in Latin America and the crimes committed by transnational companies in this continent. The actions of transnational companies don't respect national laws, especially labor and environmental codes, and don't respect international agreements of human rights. In this context, a new court was created by social movements and NGO's (no governmental organizations) called Permanent People's Tribunal that judges the crimes committed by the transnational companies against social movements. This court reproduces an estate tribunal, with lawyers, jury, witnesses and sentence. So, this paper pursues the objective of identifying if the Permanent People's Tribunal may be a form of social emancipation or if this reproduction of the estate courts makes a counter-hegemonic use of the law impossible.

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The Political Origins of our Economic Discontents

This paper develops a perspective on the political economy as an institutional regime dependent on sets of public policies whose character depends, in turn, on appropriate electoral coalitions. It grounds that perspective in an analysis of how the post-war political economies of the developed democracies changed from the 1950s and 1960s to the 1990s and 2000s and then uses this perspective to explain the responses of several contemporary political economies to the 'great recession'. Building on work in the regulation school of economics, I argue that the economic formula of the initial post-war decades, organized around Fordist production and Keynesian policies, was the reflection of a political formula built on class compromise in the electoral and industrial arenas. I ask what the corresponding formulas were for the 1980s and 1990s, arguing that the shift to a service economy underpinned by neo-liberal policies depended on a political formula characterized by the erosion of the class cleavage and rise of new electoral divisions. I explore the variations in these formulas found across types of capitalism and argue that the response to the Great Recession is a reflection of this variation.

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Limits to Growth and concepts of sustainable development.

Evidence validating Club of Rome models showing Limits to Growth (Turner 2008; Donella H. Meadows et al. 2004; Simmons 2000; Jackson 2009) will be considered. It will be shown that Limits to Growth calls into question key assumptions regarding projected minimal economic costs of per capita Contraction & Convergence strategies for achieving global greenhouse emission reduction targets sufficient to avoid dangerous warming, whilst simultaneously meeting legitimate expectations of development by current low emission countries (Athanasίου & Baer 2002; Baer et al. 2007). In the absence of economic growth, such economic transfer models for funding low emission development will become problematic.

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Human Needs and Anti-Poverty Action: Contemporary Challenges

The contemporary expansion of poverty in the capitalist world can be understood as resulting from a model of social and economic organization heavily dependent on the *commodification* of intermediate needs, on the social production of the subjective interpretation of 'unwell being' as lack of consumption and on the subjective interpretation of action aimed at satisfying unmet needs exclusively as consumption behaviour. Therefore, the conditions for the avoidance of serious harm become increasingly *market-dependent*.

That is the reason why the relation between *needs*, *satisfiers* and *wants* requires careful examination in the framework of anti-poverty action. In fact, the conceptual reduction of the expression of human needs to demand leads to the conceptual reduction of human agency in experiencing and meeting needs to consumption behaviour and possible demand in the market.

Given the centrality of human needs in conceptualising poverty, the hegemonic paradigm in Economics became a severe obstacle to the development of anti-poverty action. It assumes the identification between demand intensity, utility level and the potential to meet human needs.

These kinds of assumptions hinder the possibility of identifying needs that might *not* be met by consumption and therefore cannot be expressed in the market as demand. It also legitimates *social inequality* in consumption. It further legitimates the possible contribution of socio-institutional mechanisms to *producing* the subjective interpretation of unwell being exclusively in terms of lack of consumption or that these same mechanisms may stimulate the individual *lack of consciousness* of needs that might not be met by consumption. It legitimates the fact that socio-institutional mechanisms favour the *commodification* of society and the growing *dependence on money* even if it occurs in a context of increasing unemployment and decreasing welfare protection, as is the case in the majority of contemporary European societies.

The action-oriented concept of 'economic integration' to be discussed relates to such processes potentially leading to overcome unmet basic-needs by means of the lowest possible market-dependency in particular territorial contexts. Hence, 'economic integration' will be associated with preventing the failure to avoid unmet basic-needs and promoting the recovery of autonomy in meeting intermediate needs by poor households.

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The metamorphosis of popular economy into a solidarity-based economy. Some conceptual issues

The persistence of petty production defies capitalism. This assertion, made in such a round and direct way, covers a very complex set of issues that have been the subject of much vivid debate and theoretical reflection over decades. Among them are included the conceptualization and the particular rationality of the small independent production, as well as its relationship with the capitalist system.

The practices of resistance, both active or passive, of the small independent production and the strangeness of the latter towards an economic system that forces it to compete in a non personalized market are some issues repeatedly invoked in the literature. In this world of practices and representations the distinctive nature of the motivations of small independent producers is quite apparent. What moves them is not the blind and incessant pursuit of the profit but the improvement of living conditions through a prudent use of their own resources and the cooperation with relatives and neighbours. Not only to ensure survival but to live better.

The paper discusses first the persistence of economic forms distinct from capitalist ones, such as those of the popular economy, and the way they relate to capitalism in different contexts. Then focuses on the emergence of new social movements and solidarity-based economic initiatives coming from popular economy, in order to question their contribution for a paradigmatic change, towards a more equitable economic system, a better matching of resources to needs and an increased human and social wellbeing.

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Accumulation without Production

The current financial crisis came as a revelation to most orthodox economists. Consequently, the failure of neoclassical economics has been celebrated as a victory for heterodox scholars who have been warning about the crisis-ridden nature of modern capitalism for decades. However, even the most prominent heterodox traditions have failed to give credible explanations about the crisis. Most notably, the celebrated Marxist overproduction/underconsumption thesis has come short as woefully as the neoclassical rationalizations. The common problem with most standard analyses and many heterodox alternatives is the misconception that ‘real factors’ are the driving force behind capitalism. Accordingly, this article intends to show that capital accumulation is based on nominal money values. Furthermore, it is argued that the two most important mechanisms which make modern capitalist accumulation possible are endogenous money supply and the rapid increase in the liquidity of global financial markets from the late 19th century onwards. In an advanced capitalist world economy, capital accumulation is founded on continuously rising capital values – not on production-related factors. Therefore, the most severe capitalist crises are caused by a sudden collapse in capital prices. The paper insists that this was also the case with the global financial crisis. The article combines Keynes’s liquidity theory with Post Keynesian money circuit theory and Nitzan and Bichler’s (2009) capital theory in order to give a more accurate description of the accumulation process in a monetary economic system.

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With Arms Wide Open – The Reaction of Sociology to the Ongoing Economic Crisis.

The presentation draws on a primary data set that constitutes the central case study of my Master Thesis, fifty-one scholarly articles in eleven journals, all published between January 2008 and September 2009, in the fields of critical sociology, critical geography, and ‘independent movement research’. The data set is genuinely international, drawing on scholarship both in German and English, which addresses local protest cultures in Europe, North America, Latin America, and elsewhere.

I construct the argument that in light of the recent economic crises: 1) social actors have invented new forms of protest which are ‘invisible’ in the conceptual universe of traditional and posttraditional sociological theories, and 2) a new generation of scholars, if read with care and sympathy, have begun to account for a set of diverse ‘alternative realities’ and ‘practice-based’ critiques which allow a reformulation of the categories of engagement not only of activists themselves but also of the scholars who turn attention to them.

The presentation will focus on the democratic tendencies sociologists are detecting on that social ground. While the prevalent opinion understands late-capitalism as diversification, decentralization of power, self-organisation and local creativity, some sociologists make clear that there is a difference between *plurality* that is immanent to the system, and *diversity* that is not digestable by – and thus transcending late-capitalist structures. In that regard, discussing the features of community production as a matter of *transcending diversification* may be a lecture for those searching for ways for democratized economies.

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Causes and Consequences of Financialisation of Workers' Income in Turkey"

One of the key aspects of financialisation is the penetration of finance into daily lives of individuals along with the developments in the banking sector. By focusing on Turkey, the paper aims to shed light on the causes and consequences of the financialisation on workers, in particular. Formal statistics does not us tell much about the impact of debt on various income classes. For this reason, the paper is built upon an analysis of the fieldwork that has recently been carried out in the Marmara region in Turkey. After giving a general overview of the reasons and aspects of financialisation in Turkey, the paper discusses the mixed methodology undertaken in the context of this research. Later on, it evaluates the financialisation of metal workers in Turkey based on fieldwork results. The paper argues that there exist an unequal market and social power relation between workers and banks which has strengthened in Turkey, especially in the post-crisis period. While, on the one hand, workers have begun to depend more and more on consumer loans and credit cards to maintain their existing life style on the other hand, banks have actually strengthened their positions thanks to increased concentration ratios and technological developments.

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Environment and Social Inequality

The relation between environment and social inequality has been an issue that has generally carried little weight in the social sciences. This is indeed surprising as the analysis of social structure in modern societies is a key issue for the social sciences. In my presentation, I wish to investigate the relation between the environment and social inequality. *Firstly*, I will inquire into what the social sciences have contributed to this issue to date. *Secondly*, I will scrutinize how the subject has been taken up in the debate on sustainable development. And *thirdly*, I would like to outline a proposition for the analysis of social inequality in utilizing the environment. Four separate dimensions of distributions need to be distinguished: (1) Natural resources are unevenly distributed among the different climate zones. This *natural distribution* is irrelevant for the problem I am concerned with because it is not a result of human activity but arises from the endogenous dynamics of ecological systems. (2) The *social distribution of adverse environmental impact* must be differentiated from natural distribution patterns. Cases of large-scale environmental impact are, however, neutral in terms of social distribution. They affect all to a greater or lesser degree. A different situation arises in the instance of locally restricted, small-scale environmental damage. Affluent groups have the option of moving to preferred residential areas (*exit option*). (3) Who benefits from measures taken to protect the environment? Who profits more than average from improved environmental quality? Who pays for the costs of environmental protection? The facts and figures are clear: environmental taxes and environmental fees are political measures having a regressive effect on income distribution. The burden on lower-income households is much greater than on high-income households. Taxes or fees on energy and water consumption in private households are cases in point. (4) So far, I have considered the social distribution of adverse environmental impact and costs of environmental protection. I would like to focus on *uses* of the environment (environmental consumption). My thesis is that the opportunities for utilizing environmental goods are also socially unevenly distributed.

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(De)Constructing a Sustainable Biofuel

This paper comparatively explores the highly contested idea of "sustainable" biofuels over time and space. Analyzing the political economy of biofuels in the three leading producing and consuming nations of Brazil, Germany/EU and the United States from a neo-Gramscian perspective, the paper explores how nationally unique constellations of corporate, political, and civil society power have selectively created, framed and/or ignored scientific and social knowledge about biofuels to create three nationally distinctive (but not exclusive) understandings of what biofuels are, what they are to be used for, whom they are to serve- and therefore how their sustainability is understood.

Using primary and secondary material, the paper begins by illustrating how historically different underlying national governmental and industrial motivations to produce biofuels have shaped the varying perceptions of biofuels today. It is shown how these histories have created nationally unique justifications and caveats for, continued governmental support for biofuels industries in the wake of international crises in all aspects of their sustainability: economic, environmental and social. Finally, the consequential emptiness of the normally globally applied "sustainability" term is explored, along with multiple implications this presents on the environmental front, and in terms of their global governance, focusing in particular on the precariousness of using the WTO as a framework for building a global biofuels market. The paper concludes by recommending that despite globalizing pressures and desires, the sensitivity of issues surrounding biofuels may be better served by devolving both market expectations and regulation to lower levels.

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Reversing Paths - Towards a Democratization of Financial Concerns

This communication intends to contribute to a deeper awareness of social scientists towards financial issues by suggesting new lines of research and discussion while at the same time identifying some inefficiencies of contemporary critical discourse. Its perspective is mainly ethnographic or ethnomethodological, in the sense that it is dependent on the gathering of information through the practice of fieldwork. This kind of information — highly qualitative, focusing on the concrete agency of people, machines, documents, standards — can be very useful when it comes to understand how financial markets actually work. Ethnography may foster a deeper insight on the economy not only by adding more qualitative data to the discussion but also by helping to reverse the course of some information pathways that render contemporary finance more exclusive, opaque, and highly unstable. Social scientists are thus invited to appreciate four complementary lines of reflection: *From private to public* (or how to turn the discussion of financial issues more democratic, instead of leaving it for dominant actors with privileged access to information); *from the invisible to the visible* (or the revelation of structural elements of contemporary economy that either go unnoticed, are accepted as given or are simply not procured, like situated practices, unsponsored standards or undesirable data); *from hard to soft* (or how to turn numerical values, scores and ratings into words and sentences, promoting a more qualitative discourse on economic issues); *from the future to the past* (or how to insert economic and financial phenomena into broader socio-historical contexts thus articulating stock crashes and peaks with more persistent trends of the “real economy”).

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The market and the state: how to guarantee a human right to water?

The marketisation of water resources has created the conditions for the demand of a human right to water. The marketisation of water resources not only brought a focus on cost-recovery and efficiency, but it created the opportunity for people to be excluded from access to water based on their economic ability to pay. The principle of public provision of water has been suspended in some countries and questioned in others. The market alone has had structural problems in dealing with unequal water access due to lack of financial funds to pay the water bill. The consecration of a human right to water will not, on its own, solve this issue, although it might bring the principle of public provision of water back to water governance. This paper explains these dynamics, by comparing the water governance models before and after marketisation. The role of the state is discussed and the paper argues its centrality to achieve social equity concerning water access. The argument is explained based not on the economic nature of water resources or even on the business potential of water services, but on the need for a public oversight and guarantee of water access to all human beings. This discussion ties in with the efforts for the recognition of a human right to water.

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Sustainability of public provision: collective action face to the danger of recession

The paper covers two topics.

The first is the logic of collective action as seen by different currents of thought in economics, and in particular how the contemporary debates reassess the role of the individual agent, the State and the international and regulatory bodies.

The second topic discusses the evolution of the major economies in a long term perspective, since the downturn of the seventies, and investigates why the profit rate and accumulation process diverge for so long. As a consequence of such tension, the economic strategies followed in the main economies, as part of a vision of collective and individual action, emphasise the role of the markets, namely that of the labour market, as part of the recovery of competitiveness. These strategies are central to the financial packages adopted in the spring of 2010, although they represent a return to the liberal solutions that were dominant before the 1929 crisis. As a consequence, the sustainable provision of public goods is challenged by the danger of a new recession, in particular in the weakest economies of the Eurozone.

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On the institutional conditions for an effective and legitimate industrial policy – the case of Portugal

In most countries, public authorities and resources play an active role in promoting the development of the domestic industrial fabric. The effectiveness of State intervention often depends on a close interaction with private actors involved in the productive sphere. As Rodrik (2007) emphasizes, an important part of the State's role in industrial policy consists on helping to identify the constraints to, and the opportunities for the development of productive forces. Typically, this implies the need for a strategic collaboration between the private and the public sectors, aiming at identifying the collective actions that are most appropriate for addressing the prevailing constraints and opportunities.

The need for such a proximity between public and private actors poses delicate problems that risk undermining the legitimacy and even the efficacy of industrial policy. In particular, it increases the risks of the State been captured by particular interests, thereby increasing the resources commanded by privileged groups, without significant benefits for the society as a whole.

Taken to the extreme, the valorization of such risks leads to question the benevolence of any effort that is made in order to improve the democratic control of the processes of industrial development. Any solution short of an utopian libertarian view, in which no role is left for the State, is liable to such risks.

In practice, however, the question is not whether such risks exist, but rather what are the institutional conditions that most favor an effective and legitimate intervention of the State. The present paper starts from the identification of the variety of industrial policy instruments that are in place in Portugal, discussing the room from improvement in the relevant institutional framework.

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Derivations, Social Circles, and Imitation

Taking into account some conceptual contributions derived from the work of three social theorists of the late 1800s – Pareto, Simmel, and Tarde, we'll try to formulate a consistent approach to a variety of economic phenomena, not shaped by rational action, but by the presence of "animal spirits" and social heuristics. In order to do so, we'll present some situational frames where "picking" substitutes choice and decision; where "exuberant and panic imitation" take the place of well thought action and, where "ex post rationalization supersedes ex ante rationality". In a context defined by high levels of uncertainty, with a complete inability to calculate objective risks, social heuristics dominated by imitation and signal reading can be considered as a way to reduce the perceived risk incurred by social actors in their day to day economic walk. The justification dimension of rationalization will also be explored, as a way of showing how social actors try to make sense of their actions, both to themselves and to others. The accounts and the narratives used in economic contexts reflect not only the way people varnish their actions with a cape of rationality, but also show how the mainstream economic discourse conditions and colonizes today's advanced societies.

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Environmental justice and economic degrowth: an alliance between two movements

The flows of energy and materials in the world economy have never been so large as today. This article argues that this increased social metabolism is causing more and more conflicts on resource extraction and waste disposal. This gives rise to a movement for environmental justice around the world. The words "environmental justice" were first used in the United States in the early 1980s for local complaints against "environmental racism", i.e. the disproportionate pollution burdens in areas primarily inhabited by disadvantaged ethnic groups but the term is now applied to spontaneous movements and EJOs anywhere in the world (and to the networks or coalitions they form across borders) resisting extractive industries and complaining against pollution and climate change.

The EJOs (environmental justice organizations) are potential allies of the environmental groups in rich countries which criticize the obsession for GDP growth. These groups form the Degrowth movement born from experiences of co-housing, squatting, neo-ruralism, reclaiming the streets, alternative energies, waste prevention and recycling.

This is a new movement, and also a new research programme towards a branch in the sustainability sciences closely related to "socio-ecological transition studies". The keyword "Economic Degrowth" has successfully been introduced in special issues in 2010-11 in the Journal of Cleaner Production, Ecological Economics, Environmental Values. Research is needed on the environmental, technological, demographic, social and socio-psychological aspects of socially sustainable economic degrowth leading to a steady-state economy in rich countries, in alliance with the environmental justice movements of the South.

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Heterodox Economics and the Revival of Political Economy

Classical political economy explains economic activity in terms of the reproduction and distribution of a surplus produced by labour. This classical framework, which underpins the work of authors from Adam Smith to Karl Marx, was abandoned by orthodox theory after the marginalist revolution. Alfred Marshall, the founder of the Cambridge economic tradition, attempted to provide a view that would unify classical political economy and the marginalist revolution, leading to an approach which was termed as neoclassical economics. However, the marginalist elements of neoclassical economics became increasingly more important than the contributions of the classical political economists, and economics became known as the study of optimising behaviour under scarcity, rather than the study of the reproduction of a surplus, while resorting extensively to mathematical modelling.

Effectively, during the twentieth century, the use of mathematical methods in economics, pioneered earlier by the marginalists, became the defining characteristic of mainstream economics. The mainstream perspective which dominates contemporary academic economics is in fact best characterised by an uncritical acceptance of mathematico-deductivist methods, which are inadequate for the analysis of economics and social reality. In this context, many heterodox traditions, such as Marxian Political Economy, Austrian economics, 'old' Institutionalism or Post Keynesianism, have been suggested as better explanations of the economy and society. However, because heterodox traditions adopt different economic theories, the question arises as to whether a coherent heterodox perspective can be achieved.

I will argue that a methodologically informed revival of the framework of classical political economy, which underpins the work of many authors of the Cambridge economic tradition, can be most useful, in order to provide the building blocks of an alternative economic theory that takes into account the contributions of the heterodox traditions.

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Indian Capitalism: A Case That Doesn't Fit?

This paper shall argue that the characterization of contemporary Indian capitalism as a particular variety confronts some vexing problems which also raise some larger questions related to the construction of typologies of capitalisms. Two factors related to its origin and initial emergence have strongly conditioned capitalist development in India after the country's independence in 1947, and remain crucial for explaining many of the key and sometimes very specific outcomes of the operation of Indian capitalism in its current stage of liberalization. The specific process of its birth out of the womb of capitalist colonialism and the absence of a thoroughgoing agrarian transformation at any stage, are these two factors. These placed Indian capitalism firmly within the distinct category of Third World capitalisms; influenced many of its other characteristic features like the nature of its capitalist class and the prevalent forms of corporate governance; generated a distinct class structure and political economy; and gave rise to an enduring agrarian constraint on industrialization. In comparison to other late-industrializing Asian capitalisms, the transformational impact of Indian capitalist development has been consequently relatively limited, and insufficient to transcend these factors. Yet changes have happened over time which even if not of a most deeply fundamental nature, cannot be dismissed as entirely superficial. This historical motion lay behind the break state economic policy made with the past in 1991, which itself significantly altered Indian capitalism's context. The source of the problem in characterizing Indian capitalism lies in such a combination of continuity and change.

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The paper State: the impacts of transnational capital on national agendas in the global North and South

The article analyses the impacts of the pulp and paper industry's transnationalization on legal systems and national States of the global North and South. The main hypothesis is that the institutional responses to economic globalization are not unidirectional in different normative and political contexts. Rather, they vary and might be even contradictory. Empirical research was done to test the plausibility of this hypothesis. The globalization of the pulp and paper industry was taken as a case study. The legal and political "agendas" of Finland and Brazil were analysed through a historical and socio-legal perspective in face of the expansion of transnational corporations from one country to another. From the data gathered, the meta-narratives about economic globalization and its consequences to the modern concepts of law and sovereignty were discussed. Against the discourses sustaining the global convergence of legal responses to transnational capital, the data collected suggests that law and the national State are dynamic sources of contradictions, reflecting structural political and economic differences between the contexts where they are found. Although mobilized in different directions, it is also argued that those resources are arranged in a way that fits the global expansion of the transnational economic sector studied.

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Political economy and the establishment of the ‘modern view’: an assessment of selected histories of economic thought

The development of a new conception of political economy, adequate for the present times, should not proceed independently of historical investigation into the conception of economics and its evolution. An important source for this historical investigation are the histories of economic ideas. The present paper focuses on selected histories of economic ideas, with a view to critically assessing the changing conceptions of economic theory that historians choose to privilege.

As Schumpeter observes, “there was a time when... there was a ‘liberal’ or ‘socialist’ or ‘mercantilist’ theory, and all those theories more or less meant political doctrines or at least practical recommendations. This is not the modern view. The modern economist considers theory simply as an instrument of research”. Correspondingly, histories of economic ideas bear witness to a process of gradual change in the course of which ‘old’ political economy is superseded by economics, ‘theory’ loses its explanatory content to become a mere engine of analysis, and scientific progress takes a new meaning.

We focus on a selected set of renowned histories of economic ideas, or essays in the history of economic ideas – by Cossa, Ely, Gide and Rist, Ingram – with a view to analysing this process of change in detail and recovering the various conceptions of economics that preceded the ‘modern view’.

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Social costs revisited: a comparison of Ronald Coase and Karl William Kapp

Ronald Coase (1910-) and K. W. Kapp (1910-1976) were both distinguished contributors to the debate on social costs/externalities in economics. Coase is widely known (although perhaps considerably less read) as the author of “The Problem of Social Cost”, an article he published precisely 50 years ago, and which was explicitly acknowledged as a reason for his awarding of the Nobel Memorial Prize in Economic Sciences in 1991. Kapp, much less well-known, was a leading European institutional economist émigré in the United States for a number of years. “The Social Costs of Private Enterprise”, published for the first time in 1950 and renamed in a second edition as “The Social Costs of Business Enterprise” as a tribute to Veblen, was only the first of a series of works he wrote on social costs until his untimely death.

The richness, originality and relevance of their contributions to the analysis of social costs need not be emphasised. Actually, a wide literature on each of these authors (in particular on Coase) is already on hand. Not available, as far as I know, is a comparative analysis of their very different approaches and implications. This, and the completion of 50 years since the publication of “The Problem of Social Cost” and 60 years since that of the first edition of “The Social Costs in Private Enterprise” (together with the circumstance of 2010 being also the centenary of both Coase’s and Kapp’s birth), seem good reasons to undertake such a contrastive endeavour. My main focus will be on the problem of valuation. This is perhaps where the two approaches show themselves most far apart. Whilst Coase relies on market prices and comparison of costs and benefits based on the “measuring rod of money”, Kapp strongly struggled to put forth alternative, appropriate indicators and criteria of valuation of costs to society fully consistent with his assumptions of an open-system character of the economy and circular cumulative causation. As I will try to show, the problems Coase and Kapp tackled and the difficulties they faced are as much relevant today as they were at the time they wrote their works.

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The cartographies of decision: public policies, inscription devices and political ontologies

In processes of political decision-making, statistical information, indicators, maps or graphs are among the resources or instruments mobilized to shape decision. These instruments allow populations and territories to be turned into objectified, measurable and comparable entities, which can be acted upon in a manageable way. These instruments may be generally described as inscription devices (Latour and Woolgar, 1979), as modes of ordering reality and making it amenable to political intervention. They give rise to diverse forms of ontological politics (Mol, 2008), depending on how they are mobilized and articulated during decision-making, performing different versions of reality, populations, territories, their attributes and their problems. They thus contribute to the creation of new spaces of knowledge(s) and ignorance(s) and to definitions of reality with implications for governance. This presentation explores the making and enacting of inscription devices in political decision-making based on participatory procedures. It builds on case studies of the Health Municipal Council and Participatory Budgeting of the city of Belo Horizonte, in the state of Minas Gerais (Brazil). These case studies provide instances of the making and use of inscription devices and processes as means to the enacting of public participation in decision-making involving the definition and mapping of inequalities and needs within a territory and the allocation of public resources on the basis of principles of equity and justice. The effectiveness of these participatory procedures is assessed through the ability of the citizens engaged in them to inscribe their needs and demands in available inscription devices and to mobilize the latter as resources for deliberation and collective decision-making.

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The hypothesis of the economic agents' rationality: questioning contemporary worldviews and the cultural inheritance from modern science

The present paper's rationale is that there is an adequate level of knowledge at philosophical level which may elucidate the economic dilemmas faced by current societies. Yet there is the need to effectively integrate such knowledge in a practical and pragmatic manner within present institutional and political decision-making spheres. Addressing the hypothesis of the economic agents' rationality within a broader framework of analysis enables such an exercise to be conducted, and such is the goal of the present paper. Crises have the benefit of forcing long needed change. At societal and at individual level, often external stimuli is needed in order to trigger the necessary energy to overcome inertia and accommodation. That which has become taken for granted, i.e. that which has been naturalized, suddenly becomes the object of suspicion. According to Heidegger, (following Husserl's work on the crisis of European sciences), it is precisely at times of disruption when the ontological assumptions, or better, presuppositions which have sustained the epistemic construction of every particular science are questioned and, ideally, revised. The present paper argues that the 2008 financial crisis is an example of a bubble burst which may be explained through the use of a broader spectrum framework. Such wider perspective has been the characterising feature of institutional economics, from Granovetter's sociological critique, and the development of the concept of social embeddedness of institutional relations, to the path dependency concept of historical institutionalism theory, from Pierson and Skocpol. Such critical insights have remained marginal to mainstream economics. However, the present proposal is to go beyond and to analyse that which is common to different scientific and non-scientific areas and that characterised the transition and emergence of modern sciences. In other words, in the 17th and 18th centuries there were still scientists who valued and who were experts in philosophical reasoning though gradually the shift was made towards that which may be quantitatively measured and mathematically formalized, at the expense of the rhetoric's and of the informal process which sustains every knowledge creation. This movement is visible in sciences such as economics and medicine. More surprisingly, it can also be identified in areas such as theology. The argument is that the criticisms which have been voiced in relation to liberal economics are misaligned in the sense that the problem lies somewhere else and that if that puzzle is sorted out then even liberal economics may be saved, or better, reinterpreted. The answer to this enigma is not new and it has been voiced by the philosophers of the suspect – Nietzsche, Marx and Freud – as well by scientists who had a philosophical background, such as Charles Sanders Peirce. What is needed is a mediating venue that may play the role of the translator, the interpreter, performing the exegesis of the often assumed to be sacred scientific texts.

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Climate Change Trends and Governance: History, Contradictions and Prospects

This paper examines the dominant contradictions within the climate change (CC) mosaic that prevent serious governance from reducing greenhouse gasses at or below 300ppm Co2 in the long-term. First the history of climate change is summarised, then the dominant contradictions are scrutinised, and finally policy plans and priorities are evaluated. The core of the paper is the six contradictions that have prevented Copenhagen and are likely to continue to prevent major global initiatives into the future from being put into practice. These contradictions include (a) the knowledge we have of climate change and the lack of effective policy to address the problem; (b) the fundamental problematical trade-offs between ecological capital and durable fixed capital; (c) structural uneven development between core, periphery and semi-periphery; (d) conflicts of interest between present and future generations; (e) the interaction of multiple crises such as CC, subprime, terrorism, etc; and (f) ignorance or asymmetrical information about the science of climate change

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Political Economy of the Subprime Crisis: Culture, Financial Fragility, Uneven Development

The purpose of this paper is to examine the subprime crisis through the lens of some of the core principles of institutional-evolutionary political economy. Special attention is given to the principle of culture, norms and institutions, which illustrates that the way of life of financial capitalism is critical to the problem. This is linked to Polanyi's principle of the disembedded economy, which shows that the rise in fictitious capitals was fuelled by a decline in industry. Minsky's principle of financial fragility is instructive as the rise in debt to finance speculative and uncertain projects were major factors involved in the crisis. The principle of uneven development then seeks to examine this in the light of core-periphery differentials as numerous nations evaded the depths of the crisis while others were at the core of the problem. This then leads us to the principle of social structure of accumulation and the reasons why these deep crises tend to emerge during long wave downswing.

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Core General Principles for the Revival of Political Economy

My contribution to the Plenary Session on The Revival of Political Economy will include a discussion of the main core general principles that I have been elaborating on in various forums and journals for the past 5-10 years. Soon this work will emerge as a book, *Principles of Political Economy—Applied to Contemporary World Problems*. The main principles discussed here will include (a) historical specificity, (b) heterogeneous agents and groups, (c) circular and cumulative causation, (d) contradiction, (e) risk and uncertainty, and (f) uneven development. (There are other principles but these are discussed elsewhere.) These principles are used as core concepts and methodological tools with which to embed political economy problems and policies into the historical juncture, generating a social perspective of the role of human beings and other species, but including geography, in a holistic science of provisioning through protecting and regenerating community assets for present and future generations. Examples of how these principles may be used to example specific problems such as financial crises, climate change, etc, are given throughout the session.

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Rival Conceptions of Political Economy: Trends and Prospects

The concept of political economy originated in the 17th and spread in the 18th century. It became a discipline in its own right on the British soil during the 19th century and was subjected to various critiques during its heyday. One line of criticism took off from the fact that it was deductively generated and far too abstract (*pace* Richard Jones). Thus the emphasis was to be placed instead on the priority of the study of empirical economies and polities. Most prominent among 19th century criticisms was that of Marx, who subjected Ricardian political economy to a critique through the prism of continental philosophy. Ironically, Marx was eventually absorbed into the domain of political economy as his followers volunteered to distinguish themselves from the mainstream as political economists. The explanation lies in the fact that Marx's critique transformed political economy far too little. We insist that the most original and thorough critique of political economy exists albeit in dispersed form in the work of another Karl, (this time of the 20th century) that is, Karl Polanyi. We aim to delineate this critique, the full vigor of which has not yet been recognized. We then link this institutional critique with the now prolific use of the term as the study of the nexus of economic and political units. We argue that the persistence of political economy has been due to its conceptual flexibility and its ability to carry multiple meanings. We conclude by arguing that contemporary trends require that the concept be once again reinterpreted and reinvigorated.

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**Is the systematic disqualification of emotions a good thing for a knowledge based economy?
Uncovering the bias of current conceptions of rational homo oeconomicus through a political
economy lens**

This paper aims to tentatively frame a debate on what might seem to become an increasingly important paradox of our knowledge based societies. While it is more and more acknowledged that in our societies we need to explicitly take the role of emotions in order to increase the efficiency of knowledge based activities (which imply discovery processes that are increasingly cognitively more complex) and that emotions lie at the basis of the discovery of new products/process, reality is that these tend to be neglected or viewed under an ideology of control (Hochschild,1979, Furedi, 2003, 2005). It is increasingly acknowledged that the impressive levels of efficiency reached by our knowledge based economies rely on the development of capabilities that draw upon the role of insights, intuition discovery and emotions (reason and emotions are intertwined, and emotions play a central role in these creative processes, Simon, 1963)). Studies from psychology/industrial relations/organizational science discuss and provide empirical evidence which suggests at least three areas of applications of this argument, which are critical for knowledge based societies, scientific and technological discovery -for discovery to occur emotions are important (Thagard, 2006), the importance of training creative students within universities in which their emotions are acknowledged, entrepreneurial processes -the role of emotions for the insight to occur is important and this argument dates back to Schumpeter (Schumpeter, 1911, Goss, 2005). However, although the decreasing returns of the rational paradigm have been noticed in the economics of innovation literature, emotions are barely recognized in this literature which deals with knowledge based activities. We distinguish 3 phases of the development of the rationality paradigm labeled as, Mr. Rational (Arrow, 1962,1969), Mr. Bounded rationality (Nelson and Winter, 1982) and Mr. Skeptical (Rosemberg, 1982) which criticize an over rational view of human agents but do not integrate the role of emotions. Secondly, when the role of emotions is recognized by economical scholars they unpack it under a view/ ideology of control: it is argued that controlled emotions (the slogan of the fear based society) are a way forward to achieve efficiency.

Part 1 of the paper focuses on theoretical literature on rationality whereas the second highlights the increasing fragmented/uncertain society where we live, under a political economy angle in order to uncover the assumptions which surround this type of analysis. It builds critically on the work of Giddens (1989). Giddens's arguments draw on notions of individualism and autonomy but do not discuss issues of equality, without which a society can hardly be seen as empowering . Drawing on this literature we aim at uncovering some of the arguments that support this controlled view of emotions (namely to identify emotions linked with this type of view and the reasons to support them even when interpreted in the new rhetoric of empowerment). After uncovering the assumptions which underlies this type of analysis, section 3 of the paper , based on psychology/management studies literature, discusses the pros and cons of a controlled emotions view for a knowledge based society, namely in terms of its efficiency. By doing so, this paper aims at providing a starting point to frame the debate of emotions/discovery and its relationship with efficiency in knowledge based activities.

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Will Poland fit into a “German” Europe? Institutional challenge of the Eurozone

enlargement

The process of the European integration has been generally aimed at elimination of “noise” in competition of national economic models. The monetary union should have been a crucial step on this way, but insufficient fiscal coordination distorted much of the expected effects and contributed to the “Greek” crisis. The debate, how much convergence needs euro and how much divergence could it endure, is back with a great stir.

It looks like the Eurozone has two survival options. The first one is to jump directly on the level of political integration and introduce a kind of fiscal federalism. This solution assumes, that surpluses on current accounts are as suspected as deficits. A more probable way is a deeper integration in form of a strict coordination of the fiscal policy of the member states with a strong bias on competition of national institutional arrangements. This decision will move the power to countries able to sustain advantageous macroeconomic position due to their effective, long term microeconomic foundations.

The current situation suggests that such a comfortable position (if sustainable is another question) has Germany, which balances a relatively high public debt with extremely strong position on the current account, coming from the vibrant export sector. Also Scandinavian countries, another combination of CME, had proved well in the time of the crisis. A still efficient solution might be still LME, although most countries representing the model had been strongly hit by the crisis. They can believe, however, in their flexibility. Between these solutions it is hard to find place for models from southern Europe, which hardly possess institutions providing effective cooperation or flexibility. They will presumably drift to one of the existing, successful solutions.

This development will not be politically neutral. More CME-oriented members in Europe will push the EU-policy towards specific tax policy, labor market regulations, etc. More preference for flexibility will have a different effect respectively. From this perspective it is not indifferent, which institutional architecture is characteristic for prospective members of the Eurozone, which will join between 2011-2016. Do they fit into a “German” logic or rather to a “liberal” one? Or do they just not match with their arrangements into the post-crisis evolution of the monetary union?

I will allude to these questions by analyzing the institutional architecture of Poland, the biggest and the most intriguing economy among the new members. It was the only growing one among the bigger members of the EU and many have tried to find an interpretation of this fact: was it just a lucky coincidence or an effect of clever institutional solutions? In this context it might be only more interesting to ask, if and how could Poland fit into the post-crisis scenarios in the Eurozone.

There are two methodological anchors to keep answer to this question(s) clear. Firstly, Poland’s institutions will be studied by the institutional qualitative comparison, a method mainly followed by the Varieties of capitalism approach and the regulationist school. It will grasp the institutional

domains of education and vocational training, industrial relations, labor market, social security, financial system, corporate governance, relations between companies. Secondly, to make the research more distinct, detailed and transparent I will compare Poland directly with the German model.

In the conclusions two intertwined questions should be answered. 1. Is the Polish model in the current stage coherent in the sense of macroeconomic performance? If not, what kind of reforms must be carried out to balance the country's economy and guarantee its safe existence in a monetary union, like the post-crisis, reformed Eurozone? 2. What type of institutional designs currently observed in the Eurozone corresponds with the one of Poland? Or is Poland a special arrangement, hardly comparable with the existing ones?

This article is a general attempt to give up the quite outdated approach to the "new" EU-members as "countries in transition" in favor of a Europe-wide comparisons of economic systems.

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Why variety is still a good reason to think about political economy?

Institutional based strategies and “mixed economies”

This presentation has two parts. Initially, I will gather the major arguments (or variables) that can help us understand the persistency of variety in the contemporary world and develop a comprehensive picture that incorporates differentiation of economic landscapes. This will require selecting the following variables: time, space, institutions, political conflicts and agreements, refraction and national strategies.

The exploration of these arguments will lead to a discussion of the concept of institutional based economic and political strategies. The central idea is that such strategies involve and depend on a collection of actors and mechanisms of economic coordination, with a specific role for public and private action. This will suggest the recovering of the notion of “mixed economy” used to describe the post-war development of industrial societies. This last idea naturally suggests that in concrete situations we will necessarily find strong relationships between the economy, society and politics. More precisely, in the current days of deep and generalized crisis, I have in mind Karl Polanyi’s statement that the economic system has to be reabsorbed by society.

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What is realist and what is utopian in the provision process?

The political and moral economy of Karl Polanyi and F. A. Hayek compared

The recent economic crisis has raised topics of political and moral economy for a long time absent in public discussion. Triggered by a growing awareness of the perverse effects on morality of the overreliance on money-making, prominent economists have signaled that the crisis could and should mark the beginning of a revision of the established boundaries between states and markets. This communication intends to show the contemporary relevance of the works of F. A. Hayek and Karl Polanyi, by confronting their main theses in political and moral economy. Particular attention will be given to the normative implications derived from the shared ideas of the spontaneous and planned developments in moments of crisis. For Hayek, so-called free markets are mostly spontaneous developments, to which mankind stumbled upon and which attempted to preserve, refine and expand to prosper. The mixed economy, on the contrary, is a unsustainable “muddle”, the product of a constructivist and utopian mindset devoted to reconfigure social order so as to approximate it to a predefined socialist blueprint. For Polanyi, clearly the opposite holds. The free-market is an ideological and utopian construct, which hide the fact that real existing markets are malleable artefacts of centralized state power that have expanded with the intransigent ideology of economic liberalism. Mixed economies, which may later evolve towards socialist societies, are the product of the counter-movement of social protection, which starts off as the spontaneous, unplanned and realist political response to the social ravages created by the crisis of existing market societies.

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Commensuration and its limits: Venice, cost-benefit, and the defence of place

This paper discusses some institutional preconditions for “making things the same” by means of quantification and economic calculation. It looks at a controversial cost-benefit analysis, conducted as part of the environmental appraisal of a large public sector project in Italy: the long-debated scheme for flood protection in Venice. By tracing the different “styles of calculation” that accompanied the economic and environmental appraisal of the project, the paper analyses the inter-relationship between economic representations of the urban and natural environment, its political symbolism, and various attempts to intervene upon it. It follows how the objectivity of numbers is negotiated, stabilised or disrupted, as differing appeals to the realism and accuracy of numbers are advanced for different practical aims and administrative tasks. The paper ultimately explores some of the limits to the “commensuration” and “standardisation” that numbers are supposed to bring about.

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Recent Economics and the Revival of Political Economy

Classical political economy used to treat the economy as part of a wider social and historical context, concerning itself with explaining economic activity by drawing upon relevant historical and social factors. The marginalist revolution led to the removal of social and historical content out of economic theory. The subsequent consolidation of the neoclassical research program further narrowed the scope of economics to the market domain and reduced its focus to the individual, the basic unit of economic analysis. Economic theorizing was to be based on principles abstracted from the broader social context, namely utility maximization subject to constraints, and the social and the political turned into the exogenously given background. Economics hence became a separate science, apart from other social sciences. And this situation remained with economics imperialism, the posterior application of the neoclassical toolkit to other social domains.

Economics is now undergoing a process of transformation driven by the emergence of new research programs, which not only make important departures from standard neoclassical economics, but also draw on contents from other fields of research. The proliferation and consolidation of the emergent research programs carry a transformative potential insofar as the incorporation of the 'non-economic' may impact on the methodological, conceptual and theoretical character of economics. Expectations arise regarding the emergence of a new orthodoxy capable of replacing the old neoclassical program.

Based on the revisions of the neoclassical economics model of human action, homo economicus, and on the recent economic approach to market design, I will argue that these departures from neoclassicism highlight the relevance of the institutional setup to both individual and collective action, and that this emphasis not only brings in the social and the historical, but they also bring politics and morality back into economic analysis.

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Financial Markets and a Democratic Economic Order

In a context in which the political responses to the economical crisis are heavily conditioned by an institutional structure that places them in the dependence of liberalized financial markets, it becomes urgent to rethink the relation between those financial markets and democracy.

This paper aims to expose the incompatibilities between the theoretical and institutional principles of neoliberalism and a democratic economic order. For that purpose, we direct our focus of analysis to financial markets, which both constitute the best example of a sphere of liberalized, unrestricted market relations, and provides explanation to the democratic deficits that the present context of economic crisis has exposed.

We begin with a comprehensive synthesis of the theoretical principles that compose neoliberal institutional arrangements and form the neoliberal allegation that unrestricted, politically neutral markets constitute the best way towards democracy.

A second section will describe the institutional context of financial markets as a translation of those principles and will expose the elements which converge to a limitation of democracy in the economy, both in the theoretical level and in the institutional, practical level.

Finally, we conclude the paper with a section that presents the potential of financial markets in democratizing the economic order, underlining its privileged role in the allocation of financial resources, and suggesting a rearrangement of its institutional context that results in a politically significant (and, therefore, more democratic) determination of that allocation.

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Social Policies and Economic Development in Latin America: the cases of Brazil and Chile

The present work aims to compare social-economic development and social policies in Chile and Brazil from the second half of the twentieth century onwards. Starting from an analysis of macroeconomic data and social indicators, we reach the conclusion that, despite important differences, Chile has achieved a higher level of social welfare than Brazil. In the Brazilian case, there is the need of improving the country governability, at the same time that the country aims the end of poverty and the improvement of its income distribution, what would allow social-economic development, guaranteeing the Brazilian population a more just society, with higher levels of economic security.

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Complementarities and Continuities in the Political Economy of Labour Markets in Latin America.

In a comparative institutional or 'variety of capitalism' perspective, the distinctive traits of labour markets in Latin America differ in most respects from labour markets in developed countries. Moreover, there are strong economic complementarities among five core features of labour markets in Latin America: low skill levels, high labour regulation, short job tenure, a large informal sector, and small, politicized unions that lack plant level representation. While numerous and strong, economic complementarities among these five components do not tell the whole story, and we analyze additional political complementarities. This integrated perspective on the economic and political interactions helps explain continuities in labour markets in Latin America and their disappointing response in recent decades to market reform and globalization.

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Between Rethoric and Context: possible contributions from Skinner's theses on the History of Ideas to the debates on the History of Economic Thought

Nearly three decades after the publication of *The Rethoric of Economics*, McCloskey's thesis still retains much of its vitality. Regarded by many as one of the dominant readings in the History of Economic Thought, the positions advocated by the authors in line with this theoretical perspective have raised (and raise still) wide debate. Our purpose with this work is to discuss the propositions advocated by this tradition from criticisms expressed by Leda Paulani (based essentially on the theories of Habermas and Rorty) and theoretical developments made by the group of historians of ideas that are conventionally called 'Cambridge School', led by Quentin Skinner and his peculiar view of the history modern political thought. We believe that both the critical appraisal done by Paulani on the debate around rethoric as the methodological advances of the Cambridge contextualists represent an advantageous position for revitalizing a field often relegated to the background in the academic setting of Economy schools.

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The Application of Non-Market Valuation Techniques to Environmental Resources: A Review of Empirical Studies for Portugal

Environmental resources provide multiple goods and services which are of great economic importance. However, frequently the public nature of these resources and the

externalities they produce are serious obstacles which preclude the determination of their value by the market mechanisms. Consequently, non-market valuation must be considered in order to estimate their Total Economic Value. Among the most popular models of non-market environmental goods and services valuation are: the travel cost method (a revealed preferences method), the contingent valuation method and choice modelling (both stated preference methods).

In this paper we begin by a brief description and comparison of each of these methods, which had been seen sometimes as substitutes and other as complementary. Then we review the work done in Portugal concerning the application of these methods in the environmental valuation field. The main conclusion is that work in this domain is sparse.

Then, we present the preliminary results of a study conducted by us in one of the most beautiful woods in Portugal, Mata do Bussaco. This is a semi-natural space used mainly for recreational purposes. Although the main objective of the study is the valuation of the recreational use benefits using travel cost method, our attention is also focused on the respondent's perceptions concerning the actual conservation of the Mata and the environmental protection in Portugal. The results offer valuable information to the policy design and management of this and similar spaces.

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Southern Europe's Social Model of Economic Growth in an Age of Financialisation and Crisis

Southern European countries (Greece, Italy, Portugal and Spain) are characterised by a peculiar institutional configuration where welfare institutions are still relevantly based on informal redistribution operated by families. The persistence of a wide agriculture sector retarded the perception of the need of fostering some welfare institutions leaving too many problems to be solved by traditional solidarity. These countries suffered from relevant migration flows up to 1970s and important unemployment or underemployment problems with high percentages of self-employment and micro-firms. These facts have been considered at time as a factor of underdevelopment or of strength of its capitalism. The state, however, always represented an essential support to assure the viability of the economy: the finance-industry structure was quite fragile and required massive state intervention to assure a viable development. That was particularly relevant if we consider the existence of an evident dualism in their economic development.

In the last two decades these economies passed relevant reforms to cope with European integration and with the financialization of the global economy. This has limited state intervention and modified the whole set of institutions – with the exception of welfare. Financialisation, intended at both macro, micro and institutional levels, slightly touched Southern European capitalisms. However, the financial crisis severely hit these countries in terms of loss of GDP and financial instability.

In this paper we take a long term view of these economies, linking the economic to the social aspect of economic development to analyze the issue of sustainability of these cultures and social institutions with a financialized economy.

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Personal Liberty in Modern Society: A Classical Economic View

Recent literature devoted to the founding fathers of political economics emphasises the relevance of Classical Thinking in the present social and economic context shaped by a powerful alliance of government, business and science.

This paper interprets John Stuart Mill work in light of current issues and outlines how his views on democratic morality provide a distinctive framework to discuss and teach political economy today. The following aspects of his proposals are emphasised. The tension between liberty and authority, or how to safeguard personal liberty in modern society. Empowerment and employment of women, and the dichotomy protection/positive discrimination. These topics remain as challenging today as when Mill set out to sketch his proposals. He was aware that individual liberty, the cornerstone of his thinking, raised a host of vexing problems, starting with the question of who decides what hurt others. His pronouncements in favour of women enfranchisement made him a forerunner of feminist principles while remaining strikingly modern. John Stuart Mill, as I suggest, shows us that the revival of political economy is connected to the history of the discipline, that a reinterpretation of the classics within the current context allows us to better understand the road that was travelled as suggests guidelines for the route ahead.

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Lessons from the Economic Crises of 2008: how to manage a political solution? How to solve the 2010 Euro-zone mess?

The main idea is that this crisis may have had a fundamental impact, a vision of the Kuhnian paradigmatic revolution, a Nozickian libertarian versus a Rawlsian vision, or an application of the Senian utilitarian principles in government programmes. The economy will be simultaneously the space of ethics and not just a form of social engineering. In fact, a genuine political science – this is the new escape clause – a redefinition of the capitalist system through a deeper spread of the founding trinomial (P, L, A) of International Organisations (IO), with a view to their greater coordination, and the EU acting with one single, but stronger, voice, as we witness a decline in the USA and simultaneously the affirmation of the BRIC countries at the heart of the G20.

In Section 1, we illustrate what is understood by a crisis; in Section 2, we contextualise this economic crisis by comparing it to previous ones; in Section 3, we seek to define the social impact of this crisis; in Section 4, an analysis is made of the political process underlying this crisis; finally, in Section 5, we propose alternative views of a solution that would prevent the recurrence of similar crises. To achieve this, we suggest the use of greater preventive supervision and the more efficient use of the following policy trinomial: proximity, legitimacy and accountability (P, L, A) in keeping with the logic of International Organisations (IO). In section 6, we update our vision taking into account the subsequent Euro-zone mess, and propose some other measures to curtail recurrent European crises.

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The Current Financial Crisis and the Brazilian Economy

The most recent global economic crisis, started in the second half of 2008, continues to make victims, especially in the European Economic Community. But some countries, like China, India and Brazil, also continue to present, otherwise the vigorous growth of 2005 - 2007, at least one set of economic indicators that deviate from the crisis. The Brazilian case is particularly curious in that the trajectory of economic growth the country is relatively recent. In these notes, we examine the structural elements of the Brazilian economy since 2003, as Product development, macroeconomic aggregates such as household consumption and government, public and private investment, savings and foreign commercial and financial relations of the country. As early indicators that can explain the behavior of the Brazilian economy to the world crisis, we can point to: (a) reducing the level of external indebtedness of the country, (b) the stimulation of domestic demand by increasing disposable income to previously disadvantaged sectors by income distribution, (c) government investment in infrastructure, yet insufficient, but showing its impact on National Accounts, (d) a policy of encouraging international trade, with the search for new partners and increased trade relations with the partnerships already established, (e) independence from the economic policies dictated by the International Monetary Fund, once paid off its foreign debt.

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Global Business Regulation versus the Rise of 'Indian MNCs'

One of the most interesting developments within the global political economy recently has been the rise in non-triad multinational companies (NTMNCs) actively participating in international production. Perhaps the most salient element posed by the recent rise in NTMNCs, is their increasing preference for and pursuit of mergers and acquisitions in the triad (EU, Japan, USA).

The relevance of these developments lies in whether they are apt enough to structurally transform the power relations defining and regulating the global political economy. Currently there is a dearth of empirical evidence on the dynamic interaction of the current wave of Indian MNCs with global governance institutions. Still, we may gauge the direction of recent developments by looking at the domestic socio-economic institutions supporting the rise of Indian MNCs. Our basic assumption is that Indian MNCs will not only tend to protect these institutions when dealing with global governance arrangements, but moreover it is precisely these domestic institutions which will shape the interests and strategies Indian MNCs pursue regarding global business regulation.

Departing from a Varieties of Capitalism framework we focus on the socio-economic institutions supporting Indian MNCs and shaping their regulatory preferences and internationalization strategies. After a short literature review, we move onto assessing the extent to which we may expect a new North-South conflict to arise, or conversely, a rather smooth adaptation of Indian MNCs into existing global governance institutions. Empirical topics covered will include corporate governance and corporate finance regulation, and industrial relations.

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The Role of the Italian State in Industrial Fragmentation

In spite of the postwar economic development seen in most industrialized countries, in Italy, small-scale firms have become hegemonic. The diffusion of most small firms arose during the “economic miracle” and has produced many micro production systems across the country. As small firms have increased, diffusion and the strength of labor intensive specialization patterns have been explained by the theories of delayed development and backwardness or “last-comers” theories that have assigned Italy to a low position in the global value chain. Industrial process lag has often been considered the heritage of rural roots, strictly related to human relations and institutions preceding industrialization. Nevertheless, this distinctive form adopted by industrial development has filled a strategic position in promoting national economic growth.

The division of labor within firms in Italy has been associated with rapid growth in self-employment and activities related to finance and rental intermediation. Italian entrepreneurial spirit has mostly based its wealth on labor-force accessibility and State financing, which has driven the manufacturing specialization in textiles and leather products, basic metal products, and furniture. These manufacturers need a low technological outlay and a high human labor amount that can easily be portioned. The low capital investment required for enterprise start up has supported a huge increase of firms all over the country.

The State has provided a huge range of measures to decrease the production costs, including incentives for many types of firms, financial aid for areas with low socioeconomic status, interventions for exportation and trade, a special system of shock absorbers, and monetary devaluation policies. Despite the significant amount of economic analysis concerning the firm size and its transformations, only contingent research has deepened the relations between industrial structure and State regulation. Contrary to historical approaches based on backwardness late-comers or economic sociology theories of “small firms society”, this paper shall attempt to investigate the central role played by national institutional laws in modeling manufacturing structure. This analysis will point out the engagement of institutions in providing huge financial aid to the growth of enterprises and regulation of specific labor relations.

Hence, the system of incentives and financing has produced a dependence attitude that has reduced the entrepreneurial hazard and the commitment to firm investment over a long-term period. Despite economic and historical explanations about Italian poor specialization and backwardness, I will show that the State contingent strategy approach, involving the replacement of industrial policies, indeed, has caused the progressive diminishing of resources to converge to innovation and research, in addition to inducing skill downgrading. The result is a circular process which is enhancing the erosion of Italian manufacturing industry and increasing the vulnerability of the economic system.

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Public foundation, private profit. Present and pass of the Mental health commercial logic in Galicia.

This proposal compares two types of data in two moments in Galicia (Northwestern Spain Autonomous Community): first, public health foundations in our twenty-first century; second, data of the founding of the Asylum of Conxo in the nineteenth century. Financial reports of mental health institutions are analyzed; and, a description of how those financial data are legitimized is provided. Both institutions work with a capitalist logic of private profit. But each organization uses a different source of justification: while then Conxo used Catholic Christian Religion and an incipient psychiatry; public health contemporary foundations use scientific and medical management to legitimize.

Since its founding by Santiago's Cathedral Bishopric in 1885 until its sale to the County Council in 1969, Conxo Insane Asylum worked as to obtain private benefit. Between 1892 and 1906 the Archbishop borrowed capital that was returned by 1906. Then, a foundation to lead the institution was established with the lenders. Between 1906 and 1924 lenders became shareholders of the Foundation, and they obtained annually several times the original amount provided. Asylum revenues came from two sources: the principal amount was provided by the provincial councils which by law had to take care of the insane poor. The minor second source of income was constituted by inmate family contributions. The legitimacy of this approach was built with the civil Charities laws, Christian Charity pulpits discourses and Private Philanthropy medicines. The commercial logic of Conxo was therefore based on public funding but private profit. Private foundations Galician health system currently operating today with the same logic but its legitimacy is different. Today, public foundations legitimize themselves on economic data and the ideology of the effectiveness of management.

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Continuity and Change in Russian Capitalism since the 1990s

The paper focuses on the capitalist development in Russia since 1990 when the breakup of Soviet socialism and the initial installation of a capitalist market economy had largely been completed. The interplay of continuity and change is a central question in this context. In Soviet times Russia's state and economy were intermingled under the totalitarian ideology of communism. Since *perestroika* in the 1980s and particularly after 1990 profound changes have taken place in Russia: the state and the economy became disentangled in the course of liberalisation ("shock-therapy") and democratisation (the break-up of the monopoly of the communist party). Liberalization was the dominant trend of institutional development in the 1990s. This paper argues that the process of economic transformation had not been finished then. Further important changes occurred since Putin became president in 2000. Putin started the reverse process to the negatively connotated liberalisation of the "wild 1990s"—the concentration of firms of strategic economic sectors (such as oil/gas and technology) in form of large state-owned or state-controlled enterprises (*goskorporacii*). This appeared to be a process of 're-etatisation', a development going on until about 2008. Crony or patrimonial capitalism, which flourished in the 1990s, remained characteristic for Russian capitalism, however, and became even strengthened in concert with the re-etatisation. The economic course of the new president Medvedev seems to go into the opposite direction: the leitmotifs are modernisation and re-liberalisation of the economy. However, it remains unclear whether true change beyond rhetoric will occur. Currently, Russian capitalism is a specific mixture of liberal, statist as well as patrimonial elements. The paper will analyse this mixture, its development and tensions within it.

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Diamonds in the Rubble: The Women of Haiti - *The Importance of Gender Equitable Policies & Practices for Haiti's Recovery.*

The devastating earthquake that ravaged Haiti this past January gathered world media attention and brought to light the inconceivable poverty existing in the Western Hemisphere. However, what the media has failed to cover is the ongoing struggle for economic development in Haiti, which pre-dates the earthquake as well as the global financial crisis of 2008 (which heavily impacted developing nations). Many factors—including the form of government control—have led to reoccurring economic breakdown in Haiti. These failures in economic development have led to widespread failures in human development as well. While over the previous decade there have been goals set to beat poverty and reduce hunger in Haiti, improvement in gender equitable outcomes (such as establishing equal educational enrollment and health services for males and females) has been very hard to come by. In a country where more than 50% of the people live in extreme poverty and HIV/AIDS is still highly prevalent, it is imperative to establish gender-equitable development practices in order to reach educational, health and labor outcomes capable of positioning Haiti to achieve sustainable economic growth and development. In other words, focusing on gender equity can facilitate the rebuilding of Haiti.

We will argue that human development theory is the best mode for change following the ruinous earthquake and the financial crisis. This theory focuses on many aspects of capital (political, social, and human) and corroborates how women can make a substantial impact on the economic development of Haiti. We will analyze the following:

- The status of Haiti's economic development prior to the 2008 financial crisis
- Haiti's post-financial crisis economic recovery plan (prior to the earthquake)
- The status of women's rights in Haiti before the financial crisis, after the financial crisis, and currently (in light of the recent earthquake)—and how this translates into gender-differentiated socio-economic outcomes
- The ways that policy neglect of gender equity in Haiti has contributed to failed economic development outcomes in the past
- The ways that other developing countries (such as Indonesia) have successfully incorporated focus on gender equity as an economic development strategy, particularly in the face of natural disaster and/or financial crisis, but also generally speaking

This study on the progress of Haitian women over the last decade will help to determine a set of "best practices" that can be used in relating gender inequality to economic development. Using economic theory, the important role that Haitian women can play in terms of economic development will become more apparent, as well as bring hope for a country that is currently in certain need of it.

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China and Varieties of Capitalism

Though China is now the world's second-largest economy, there is a dearth of published works that analyze the country from a varieties of capitalism perspective. Our experience suggests that few scholars working within the varieties of capitalism paradigm are familiar with the Chinese political economy to a degree sufficient for rigorous academic debate. At the same time, most China specialists do not refer to the varieties of capitalism approach. As a result, an important opportunity for understanding Chinese capitalism and potentially amending and extending existing theory goes largely un-captured.

The objective of our contribution is to help stimulate more debate about Chinese capitalism within the varieties of capitalism paradigm in particular and socio-economics more generally. We show that capitalism in China does not come in a single variety, but manifests itself in three distinct, co-existing forms. We examine the characteristics of these forms with respect to the five sub-spheres of the political economy laid out by Hall and Soskice (industrial relations, vocational training and education, corporate governance, inter-firm relations, and firms' own employees), and we note important differences. Our paper contributes to varieties of capitalism research by clarifying the shape of the extant institutional structures in the Chinese political economy. It also raises important questions about theory, such as how individual national contexts can sustain multiple varieties of capitalism with fundamentally different characteristics.

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The Revival of Political Economy: Bringing Capitalism Back In (Again), the State (Once Again), and Financial/Economic Culture(s)

Not only is the global economy in shambles, but so too is the economic paradigm of the efficient market hypothesis which was dominant in the years before the crisis. Paul Krugman asked: “How did Economists Get it so Wrong? What happened to the economics profession and where does it go from here?” (NYT 2009). The same question can be asked about Political Science/Political Economy. Theoretically we have stripped the state of the capacity to act. In the final analysis, it was the state which bailed out the banking sector and saved the economy from a global meltdown. Since the collapse of the Fordist production regime, political science tried to copy the rational expectation model of human behavior that gained dominance in economics. In many respects the mainstream in political science/political economy has become equally doctrinaire in believing in the self-regulating market myth and market efficiency. As a result, the existing political science and political economy paradigms did not anticipate the fragility of the postwar institutional forms in either its coordinated market economy or liberal varieties. Thus while Hall/Soskice did stipulate that “Financial deregulation could be the string that unravels coordinated market economies” (2001), the financial/credit/economic crises unravelled both coordinated and liberal market economies.

Where do we go from here, and where do we turn for inspiration for new ideas and paradigms for reinvigorating the study of political economy? First we need a diversity of views, expertise, critical voices and change in norms and values to rethink and reform the present dominance of global finance in theory and praxis, and link theoretically global finance once again to the real economy. This paper focuses on three aspects to re-conceptualize the field of political economy: 1. Bringing Capitalism Back in Again, 2) Bringing the State Back in Again; and Bringing Economic/Financial Culture(s) Back In Again.
