

Notes for presentation

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1) What are we currently facing? In terms of headlines – possibly an incomplete list:

- Environmental destruction;
- Growing inequality;
- Socio-economic instabilities;
- Geopolitical tensions;
- Uncoordinated and “desperate” searches for alternative visions and ideas of how to organize a transition to more balanced ways of organizing social life (or whatever we choose to call it...).

2) Conceptual tools and theories to understand where we are and where we may go.

- 2.1 The importance of ideas and visions
- 2.2 Conceptualizing the economy and its social embeddedness
- 2.3 Varieties and/or divergencies of capitalisms: institutionalist theories
- 2.4 Marxian-Kaleckian-Keynesian approaches to long-run dynamics, crises & change

2.1 The importance of ideas and visions:

- Inspirations – many and including:
- Keynes on the role of the state
- Gramsci on the role of hegemony and the difficulties of the emergence of new orders: “the old is dying and the new cannot be born” – in between an interregnum.
- J.G. Ruggie on power and purpose
- Dani Rodrik on interests and ideas
- Contemporary CPE literature on ideational institutionalism, ideas versus interests etc.

Keynes (1927)

- "The most important *Agenda* of the State relate not to those activities which private individuals are already fulfilling, but to those functions which fall outside the sphere of the individual, to those decisions which are made by *no one* if the State does not make them. *The important thing for government* is not to do things which individuals are doing already, and to do them a little better or a little worse; *but to do those things which at present are not done at all.*" (italics added)

An invitation I:

- *The important thing for government is to do those things which at present are not done at all.*
- I will not provide a list of all those things...
- But it is indeed an invitation for creative thinking!
- A good example of what that could be:

An invitation II:

- At the Bretton Woods conference in 1944 and on behalf of the British government J. M. Keynes submitted an original proposal for a new post-war multilateral international monetary system not based on US hegemony and the \$ but on a new multilateral institution and a new multilateral currency to be created.

J. G. Ruggie

- J.G. Ruggie (1972) interpreted the Bretton Woods conference in terms of power and purpose and introduced the Polanyian concept of embedded liberalism to characterize the US dominated but still multilateral post WWII system.
- A system combining liberalism, social regulation and a degree of national autonomies.

Dani Rodrik on interests and ideas

- Rodrik (2020) in his analysis suggests that:
- "The critical change in these instances was not a transformation in the structure of power, but the implementation of new ideas by those in power. Indeed, reforms often happens not when vested interests are defeated, but when different strategies are used to pursue those interests, or when interests themselves are redefined".
- Perhaps a suggestion to be explored further?

More on interests and ideas

- An excellent book by Ben Clift:
Comparative Political Economy. States, Markets and Global Capitalism, Red Globe Press, 2nd edition 2021

2.2 Conceptualizing the economy and its social embeddedness

- Karl Polanyi in *The Great Transformation* (1944) suggested an understanding on the economy as being socially embedded rather than a separate and autonomous social sphere.
- The economy as being embedded in the social system – the Polanyian conception;
- A conception perhaps to be extended: embeddedness in “the living world” – extending the Polanyian conception; perhaps a work in progress – to be developed!
- There is a vast discussion of the very concept of embeddedness which I will not focus on. Rather I suggest to deal with his understanding of fictitious commodities.

Fictitious commodities

- When fictitious commodities (i.e. goods not created for being bought and sold) become subject to marketization, they tend to become mortally threatened.
- In Polanyi's work: land, labour and money are fictitious commodities.
- But nature, human beings and business cannot survive when only subject to market regulation. I.e. we may see e.g. destruction of nature, child labor, deflation and scarcity of means of payment due speculative flows etc.
- Other fictitious commodities? Knowledge? Trust? Land in a broader and more encompassing sense of the word (nature, "our common world"). Perhaps a theme to be developed?

The double movement

- The double movement: between commodification and decommodification. Social forces countering processes of commodification via attempts to protect society against the blind forces of commodification – a counter-movement of groups within society.
- Who is there to represent – to fight on behalf of – our fictitious commodities being destroyed? Why do we calculate foreign, public and private debt but not ecological debt – or debt to the coming generations? Unorganized and/or weak creditors is a likely reply.
- The double movement giving rise to cyclical movements in the social embeddedness of the economy. And perhaps evolutionary change and dynamics?

2.3 Varieties or divergencies of capitalisms: institutionalist theories

- From classical institutionalism incl. Polanyi to French Régulation theory:
- Long term dynamics and change within a structuralist conception:
- At least two different conceptions:
- Long-run *cyclical* change, e.g. in the form of long waves or;
- Long-run *evolutionary* change.
- From my point of view the French Régulation approach provides the best way of understanding such issues:

Basic notions of the theory of Régulation (Boyer 2022)

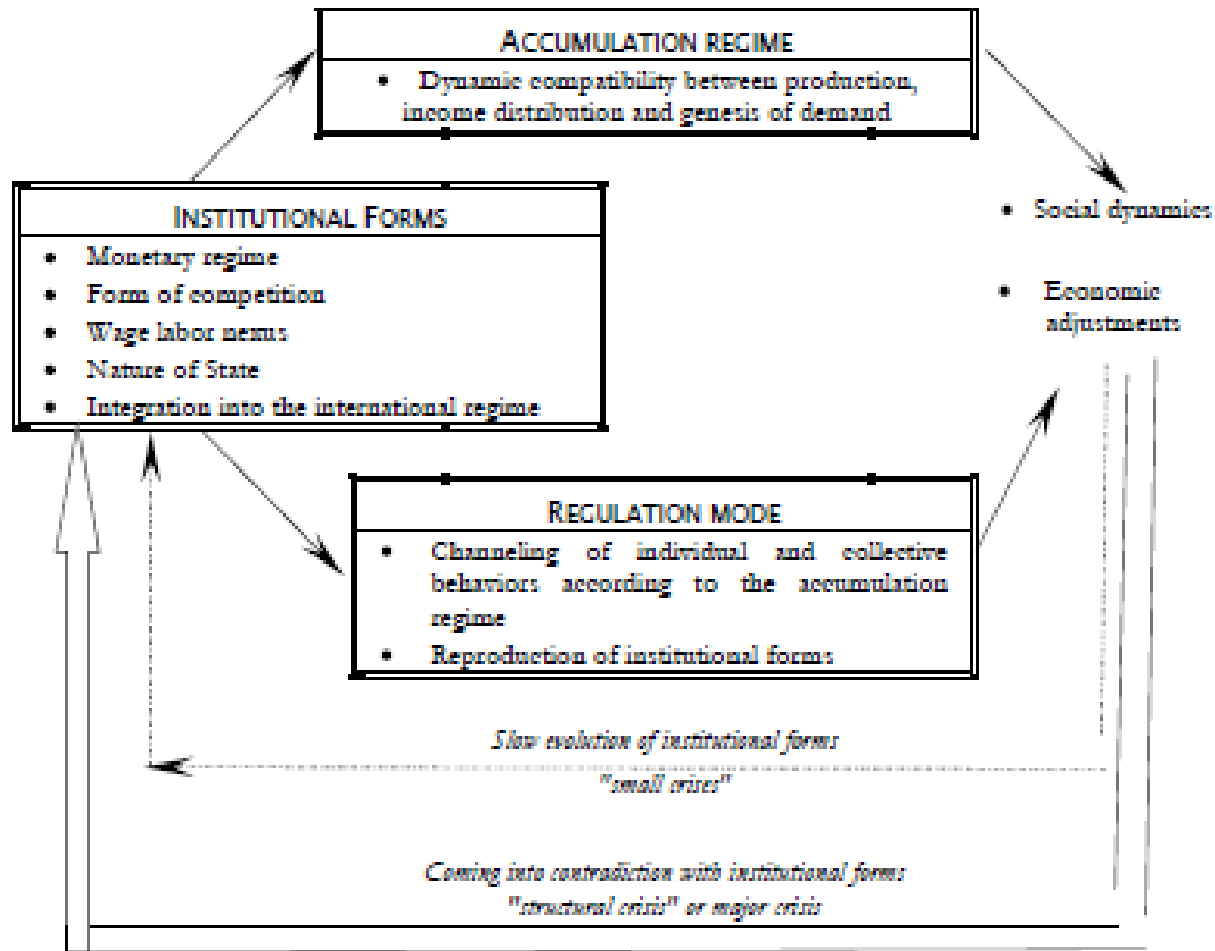


Fig. 5.4 The architecture of the basic notions of the theory of regulation

A taxonomy of crises:

Table 5.2 Implementing the taxonomy of crises

<i>Type</i>	<i>In history</i>	<i>Contemporary period</i>
1. Apparently exogenous shock	Supply crisis	Oil shocks 1973, 1979, first and second wars of Iraq
2. Crisis as part of regulation	Nineteenth-century business cycle	Stop and go in monopolist regulation
3. Crisis of regulation	Non-reproductive cycle: 1929–1932, USA	Acceleration of inflation and demand for indexation in the 1960s
4. Crisis of the accumulation regime	Intensive accumulation without mass consumption	Japanese crisis of the 1990s, 1997 Asian crisis
5. Crisis in the production mode	Crisis of feudalism	Collapse of the Soviet regime economy

2.4 Marxian-Kaleckian-Keynesian approaches to long-run dynamics

- Building blocks:
- A structuralist supply side;
- A demand side formulated in terms of a class-based distribution
- Interacting via institutionally mediated mechanisms – subject to the dynamics of double movements.

“Non-creative” destruction

- In recent decades (since approx. 1980) the institutionally mediated mechanisms have been subjected to “neo-liberal” mechanisms weakening the embeddedness of competitive forces and freeing the self-destructive(or predatory) mechanisms of capitalist competition.
- Could be seen as a part of the double movement (growing commodification)

“Non-creative” destruction

- Functioning in a double movement providing space for rent-seeking (as seen already by Smith and Ricardo) and “non-creative” destruction.
- The search for easy profits via financial speculation, technological conglomerates, oligopolistic competition etc.

In the words of Gabriel Palma (2023):

- “For him [Ricardo], the original sin of capitalism is that it will always have rentiers lurking around in search of “easy” rents; and that under certain conditions, in a laissez-faire economy they are bound to get the upper hand. If so, they would transform capitalism into a self-destructing rentier paradise. In other words, what has happened in the West (North and South of the Equator) since their 1980s neo-liberal reforms are basically facets of one and the same phenomenon: the inequality augmenting, investment weakening and productivity-growth retarding impact of a specific type of rentier-based accumulation. And the key link between them is the negative impact that a rentier-based increased in inequality can have on investment.”

New paradigms?

- Understanding the embeddedness of the economy in the natural system
- Subordinating the imperatives of profitability and easy profits to other imperatives – social, cultural, class-based, equality-based, sustainability oriented etc.
- In terms of developing strategies and instruments many important ideas and tools are already available: social, technological etc.
- Perhaps it could be useful to redevelop the ideas developed by the late André Gorz: non-reformist reforms aiming at shifting away the power from dominating elites.