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MACROECONOMICS AFTER KALECKI AND KEYNES

Post-Keynesian Foundations

(Edward Elgar 2023)

Chapter 10

'PERSPECTIVES FOR POST-KEYNESIAN ECONOMICS'



- Post-Keynesian economics has generated a considerable body of research in the areas of macroeconomics, employment and unemployment, distribution and growth, money, credit and finance, international money and finance, financialisation, financial instability and financial crises, the economics of European integration, as well as development and emerging-market economics
 - solid foundations for alternative macroeconomic policies
- But post-Keynesian economics since Kalecki and Keynes has only survived as a contested and embattled minority in economics
 - Perspectives - given the experiences of the 2007-09 Global Financial Crisis and Global Recession, the 2020 Covid-19 crisis, and the socio-ecological transformation needed in the face of the ecological crises?



- Perspectives and future tasks for post-Keynesian economics have been discussed intensively after the 2007-09 crises, as for example reviewed by Dequech (2012), King (2012c), Lavoie (2012), and Lee (2012)
- Colander (2009) and Fontana and Gerrard (2006): post-Keynesians should observe the developments within orthodox/mainstream economics more closely, avoid attacking a textbook ‘strawman’, use modelling methods which are acceptable to mainstream economists, engage in dialogue and cooperate with mainstream economists.
- Davidson (2009): post-Keynesians should actively fight orthodox economics, with the aim of convincing mainstream economists that their approach is wrong.



- Stockhammer and Ramskogler (2009): both strategies overestimate the potential for constructive dialogue or controversies, given the contradicting presuppositions of orthodox and heterodox economics, and they overrate the willingness of mainstream economists to enter into such dialogues or controversies, given their power and superior access to university positions, financing funds, political influence, ...
- King (2008b, 2012c): the developments and openness within mainstream macroeconomics should not be overrated, and PKs should avoid the risk of running into fundamental methodological debates and into ‘sectarian intolerance’.



- PKs should sharpen their own research programme, which should focus on ‘useful explanations of ongoing socio-economic transformations’ (Stockhammer and Ramskogler 2009, p. 228).
- Primary target should be to contribute to a change in attitudes and power relations in the economy and the society as a whole. Only if this is successful, will the power relations in academia have the potential to change, too.
- Engage with mainstream economists when possible, to have an impact on economic possibilities, dialogue with ‘orthodox dissenters’ (Lavoie 2012) could be helpful



Implications:

- PKs should improve their research programme in those areas which are underdeveloped, without giving up strengths in macroeconomics and macroeconomic policies, i.e. ecology, gender, political economy.
- Cooperate with other heterodox schools, like ecological economics, institutional economics, Marxian economics, and with comparative political economy, and international political economy, in order to contribute to a pluralistic political economy research programme.



- Focus and concentrate on defending and improving the heterodox academic infrastructure, regarding university positions, research funding, graduate programmes, journals and appropriate journal rankings, associations and networks, conferences and summer schools.
- Maintain and improve cooperation with trade unions (f.e. FMM), social movements and progressive political parties, as well as with research institutes and think tanks outside the university sector.
- Make use of windows of opportunity in periods of crises when orthodox economics again and again proves its weaknesses (f.e. FESSUD, EPOG, MMT, ...)