

Βιβλιοκρισίες - Book Reviews

Contemporary Economic Theory: Radical Critiques of Neoliberalism

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by

*Max Fraad Wolff**

Professor Andriana Vlachou has assembled a broad and persuasive chorus of voices critical of neoliberalism and its ongoing impacts on the process of European economic and monetary union. *Contemporary Economic Theory* includes sweeping theoretical and applied works that seek to profoundly question the theoretical assumptions, specific analytical tools and policy implications of the dominant Neoliberal paradigm.

Andriana Vlachou and Georgios Christou offer, by way of introduction, a remarkably thorough and detailed presentation of neoliberalism and its theoretical and practical implications. A comprehensive survey of central precepts and critical issues prepares readers well for the array of critiques offered in the ensuing chapters.

The first collection of essays represents a painstaking effort to familiarize readers with the wealth of critical analyses of the basic dualities assumed by neo-liberal theory. Ben Fine offers a well-crafted criticism of the theory of privatization. By re-introducing the need to consider privatization programs as state policy initiatives, in specific social contexts, Fine opens a previously closed debate. Given the primacy of privatization in Neoliberal discourse, questioning its foundational beliefs is of the utmost importance. Stavros Mavroudeas and Lefteris Tsoulfidis strenuously propose the advance of an alternative theory of privatization as a necessary next step in the effort to critique and supplant neoliberalism and its effects. Richard Wolff offers a broad and far reaching argument against accepting as central the debate over

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state versus market economic coordination and control. This essay offers a radical alternative – in theory and in political strategy - to the endless struggle over the quantitative and qualitative role of the state. Anwar Shaikh's comments underscore the central points of Wolff's chapter while seeking to re-enforce that the chapter's rejection of efficiency calculus is not a rejection of Marxian modes of economic measurement and evaluation of alternatives. Anwar Shaikh continues the profound questioning of the dominant Neoliberal paradigm by offering theoretical and empirical evidence mortally damaging to the presumed inflation/unemployment trade-off as necessarily limiting economic growth. He proposes and demonstrates an alternative metric of the limitation on growth based on the relationship between normal profit and accumulation rates. Thanassis Maniatis and Nikos Petralias underscore this work by empirically testing the offered model against the Greek economic experience. David Laibman furthers the book's criticism of Neoliberalism by suggesting the ability of socialism to facilitate both enhanced social and personal development. He suggests the development of a socialism based on the acknowledgement of the successes and failures of the Soviet era and dedicated to democratically fulfilling the material and ideological needs of all. Dimitris Milonakis offers a rationale for the superior compatibility of Laibman's vision with traditionally socialist goals and aspirations. Richard Wolff adds to this discussion a questioning of the many and divergent meanings that class, capitalism, socialism and communism have in the Marxian tradition. It is suggested that a recognition of this complexity and a self aware statement of position would reinforce David Laibman's powerful argument.

Contemporary Economic Theory moves from criticizing neoliberal theory to a second set of essays that profoundly question the way this theory has guided the prevalent public understanding of and action toward European Union. This transition leaves one wanting more in the way of exploration of the many and diverse theoretical alternatives sketched in the first part of the collection.

Georgios Katiphoris offers both a broad sketch of the great potential offered by integration and a demonstration of how the actual path taken by governing elites today fails to achieve that potential. He argues that the criteria for Union, as developed in the Maastricht Treaty and Amsterdam Stability agreements, will likely undermine a historic opportunity. Louka Katseli attacks the widespread Neoliberal presumption that economic and political policies

can be understood or applied separately. The example that she develops shows how Neoliberal economic policies undermine social equity as well as produce inadequate aggregate demand and unemployment. Guglielmo Carchedi presents a powerful critique of the belief that technological innovation will solve all the problems of European integration. Professor Carchedi offers a theory of the dialectical employment results of innovation in the context of European Monetary Union (EMU). He shows how the dominant German agenda combines with Neoliberal policies within the southern nations of the Union, to increase exploitation. In their commentary on Professor Carchedi's essay, George Liodakis and John Milios offer supportive critiques that well display the diversity and breadth of the radical heterodox tradition from which all three contributions emerge. Costas Lapavistas debunks the foundational assumptions of the operations of both the EMU and The European Central Bank. He carefully reviews the theory underlying central bank independence to reveal the social biases of central bankers and their policy agendas. Alternative agendas and guiding principles are seen as possible and practical when the breadth of central bank activity and the subjectivity of neoliberal assumptions are laid bare. Jorg Huffschmid closes this compilation with a thorough exploration of the dangers of the present course of economic integration and, by contrast, the great possibilities, theoretical and real, that integration holds forth. An alternative to the present deflationary and damaging thrust of EMU is offered as within reach. The two discussants, Panos Tsakloglou and Guglielmo Carchedi, offer endorsements of Professor Huffschmid's alternative view while questioning its viability and extent of transformation, respectively.

Despite an abrupt transition, the two distinct sections of this compilation, when taken together, offer a systematic and far reaching alternative to the presently dominant Neoliberal paradigm. Beyond that they also present an alternative to the actually existing European integration path that embodies Neoliberalism.

