

Manifesto for freedom of economic thought. Against the dictatorship of the dominant theory and in favour of a new ethic.

1. The dominant theory is in crisis

Today, after years of atrophy, a new spirit is making itself felt, and it is up to economic science to show fitting response. The global crisis underway marks a momentous turning point. As many have pointed out, lapsing into crisis today are the dominant economic theories and the laissez-faire fundamentalism that drew legitimation and vitality from them – theories that had failed to grasp the fragility of the neo-laissez-faire system of accumulation. They had played their part in constructing the system, promoting transition to a finance-dominated economy, liberalisation of the financial markets, slackening defence and control of labour, with drastic worsening in the distribution of incomes and aggravation of problems of demand. Thus they also played a part in bringing about a state of crisis. The need is now to restore the economy to the ethical foundations that underlay the thinking of the classical economists.

2. Urgent need for a new round in the economic debate

There is an urgent need to reopen debate on the foundations of the various theoretical approaches in the field of economics. It is time to abandon the idea that there is one truth with no alternative in economic science, convenient though it may be as a justification for so many economists and mainstream economic commentators. It is indeed time to make room for alternative theories – Keynesian, classical, institutionalist, evolutionary and historical, with all the wealth of their variants – in teaching and research. We must adapt our tools to the times we live in, including gender analysis in our studies. And we must give a fair hearing to every new idea in the field of economics for the sake of freedom and free exchange. Concentrations of power (in the universities, the national and international research centres, the national and international economic institutions and the media) such as have led to the recent climate of uncritical acceptance of laissez-faire fundamentalism are to be vigorously opposed.

3. Economics at the service of people

Economic science is to be conceived of in the broad sense, with no unilateral definitions and no preclusions to exchange with the other social sciences. The aim of research must lie in achieving understanding of the social realities that surround us, as preliminary condition for policy choices to enhance the general quality of life and the common good.

4. A method no longer an end in itself

To this end, use must be made of the techniques available, from historiographical to econometric analysis, from analysis of the institutions to construction of mathematical models, without preclusions towards any technique but, at the same time, without refinement of analytic technique becoming a self-referential objective, a source of conformism and levelling down in the education of the young generations of economists. Critical confrontation between diverse approaches and analyses is to be encouraged to this end.

5. A new agenda

We suggest five issues that are, we feel, particularly significant at the present stage, and merit the promotion of study and projects:

a. Market, state and society. After decades that have seen the market and its alleged “invisible hand” encroaching heavily on areas of public action and social relations, it is time to contemplate new ways of integrating market, state and society, with due attention to matters of democracy, justice and ethics, and in terms of environmental sustainability in development.

b. Globalization of the human face. After the globalization of the markets, unregulated and driven by finance, it is time to look to an international integration of peoples that is democratically governed, fuelling flows of knowledge/know-how and indeed of people alongside the flows of goods, and promoting social cooperation rather than fierce global competition.

c. A new humanism of labour. New thinking is called for on the role of labour in modern societies, as a source of decent income for all, of knowledge and social

relations, and as means for the personal development and civil emancipation of the citizens.

d. Reduction of inequality. The differences in income and power, between countries and – within them – between social groups and people have widened to an unacceptable degree, and the need is therefore to conceive of an organizational model of relations designed effectively to reduce inequalities at the social and territorial level, between men and women, and between individuals. This is also an essential condition for credible exit from the crisis, calling for revitalization of collective and individual consumption as well as public investments, and stimulation of new demand on the part of countries and groups that had hitherto remained on the fringe of development and social wellbeing. Without such changes there is a real risk of restoration of the neo-laissez-faire regime of accumulation founded on financial speculation, thereby opening the way to further crises even more serious than the present one.

e. More balanced development. We need to move on from unlimited, quantitative growth in the direction of more balanced development based on quality. Attention should turn to constructing indexes alternative to the gross national product, which may be misleading since it fails to represent the full range of economic activities, the costs in terms of environment and the real wellbeing of the people.

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