Welcome Back, Welcome Back, Welcome Back!

Dear ASE members,

Our January membership meeting underscored to me the importance of ASE as an organization in these times. The energy many of us feel to help to shape economic thinking and policy in these times that are both troubled and full of potential for significant positive change was palpable.

This year’s ASSA online conference witnessed a substantial increase in “attendance” over previous years. No doubt this was in part due to the ability of a virtual conference to bring in more people than in-person conferences.

And it got many of us thinking about how ASE could embrace the technologies we have now become so familiar with to be a more intellectually visible organization by hosting webinars on topics of interest and to highlight the research of our members. In the coming weeks, I will be working with the ASE leadership team to develop a position(s) of seminar series coordinator. I am grateful to a number of members at the meeting who stimulated this discussion by sharing their excellent ideas with us.

Our journals, the Forum for Social Economics and Review of Social Economy, have been working on a series of webinars on how to publish, aimed at supporting PhD students and junior scholars.

An interrelated activity for this coming year is the work of the Equity and Inclusion Committee which is engaged in a self-study of our organization that will culminate in recommendations on how to promote these goals in ASE’s membership, leadership, and functioning. The committee will be coming to you as members to participate in this self-study, and I hope you will embrace their work and invitation to participate.

With warmest regards for 2021.
Stephanie
President, ASE

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1. ASSA 2022 Call for Papers/Sessions

The Multiple Facets of Inequality

The conservative revolution of the 1980s led to significant institutional changes that eroded public interventions in the economy. These changes led to an increase in inequality and both relative and absolute deprivation. Forty years after, no alternative has yet emerged to this conservative “consensus” of the late 20th century. The theme of the 2022 ASE sessions at the ASSA meetings will explore the multiple facets of inequality such as:

- Political economy of inequality.
- Is there a link between inequality and the rise of populism?
- Inequality and the erosion of democracy
- Racial, gender or other identity-based discrimination and their impact on inequalities.
- Income and wealth inequality.
- The importance of inheritance on the life cycle financial outcomes.
- Non-monetary inequalities.
- Inequalities in the benefit/cost of environmental/ecological amenities
- Political philosophy and inequality. What and how much should we equalize?

Please note that the plan so far is that the 2022 Annual Meeting will be held on January 7-9, 2022 (Friday, Saturday, Sunday) in Boston, Massachusetts.

2. The ASE YouTube Page is Live!

Please note that we now have an active YouTube page. It is updated with various talks and panel sessions from many ASE members, including the
plenary session and 6 of the panel sessions from the 2021 ASSA Conference. We are live on YouTube here.

3. Zoom In: A Snapshot Focus on Carolina Alves

Carolina Cristina Alves is a Joan Robinson Research Fellow in Heterodox Economics at Girton College at the University of Cambridge. She is a co-founder of Diversifying and Decolonising Economics (D-Econ), and an editor of the Developing Economics blog (DE Blog). She sits on the Rebuilding Macroeconomics Advisory Board (RM Advisory Council), the Progressive Economy Forum Council (PEF) and Positive Money.

ASE Newsletter: Good day, please can you introduce yourself?

Carolina: My name is Carolina Alves, I am an economist. My field of expertise is international financial macro. My region of expertise is Latin America, but I've been expanding to developing countries more broadly. I'm currently the Joan Robinson Research Fellow in heterodox economics, the Girton College University of Cambridge did my PhD in the UK at SOAS, University of London, in the Department of economics, which is fantastic and a very interesting department for anyone who is doing both heterodox economics plus developing countries. Before that, all my education as an economist was in Brazil. I'm Brazilian. I have a BA in economics from the University of the State of São Paulo (UNESP) and a MPhil in Sociology from the University of Campinas (Unicamp). So, this is my background. To me, the macro is the most important part in economics or at least the part that I am passionate about.

ASE: Can you tell us a bit about your research?

Carolina: Yes, of course. The research that follows from my PhD is about
public debt and the development of government bond markets in developing countries in the context of financial integration. Let me unpack this a little. Public debt is usually related to government deficit, that is, it is related to either governments spending more than their revenues or implementing fiscal policy. The latter refers to the use of government spending and tax policies to influence macroeconomic conditions, including aggregate demand, employment, inflation and economic growth. Of course, the debate around public debt focuses mainly on the debt threshold, debt sustainability and the effect that public spending may have in the economy (aka, the multipliers). All the factors involved in these analyses would influence/determine how the government should plan/organise its spending. The amount of money that should be spent on education, healthcare, pension, social benefit, investment plans and so forth – this is where the talk about austerity fits in as well.

When I was looking at the specific case of Brazil, I wasn't really convinced that the above was the entire narrative behind the dynamics of the public debt. So, I decided to assess public debt in Brazil from a slightly different angle. With the development of financial systems, the increase in financial transactions since the 1970s and with government bonds being nothing more than a financial security (a financial instrument), I argue that government bonds have a wider role than just 'covering' government deficits or financing development/investment plans/projects. I argue that given the link between the state and the tax system, government bonds become (and they have somehow always been) an instrument to control liquidity in the financial markets, an asset to be used as collateral, as a guarantee, as a benchmark for financial yields, an attractive financial investment and so forth. These features/functions give government bonds a much wider role in the financial system. This role also involves the use of government bonds by central banks to implement monetary policy in a way that has ‘nothing’ to do with fiscal policy. Although this mechanism may seem obvious for the majority of the economists, the main theoretical framework analysing public debt does not directly acknowledge these features of government bonds – features that explains why they are a very active tool in the financial market and not a passive one covering deficit, as I argued in my PhD thesis. In my research, I point out these features while arguing that we have to move from seeing government bonds as playing a passive role to understanding how government bonds have a very active role. This implies that their issuance may happen regardless of government deficits, as it is much more directly related to what is happening in the financial market. The implications of admitting these aspects and this more active role of government bonds are very important, as it goes through challenging the standard wisdom about cutting governments’ primary
expenditures, for example, – and also bringing attention to incorporating more directly the cost that monetary policy has to governments. Many of the questions my research tries to answer about this active role of government bonds is not clearly discussed or assessed by the mainstream theories on public debt. In the context of financial globalization, I thought that financialisation could be an interesting starting point to look into the dynamics of the public debt in Brazil. In heterodox economics, financialisation offers a very interesting take on the opening of the economy in developing economies in the 1980s and 90s, which casts a critical eyes on financial globalization or international financial integration.

This is what I did my PhD looking to Brazil. I'm now trying to expand this analysis to developing economies more broadly and see what's the role of government bonds in that sense, but this is not all. My interest in international macro-finance in developing countries and my personal journey in a remarkably male and Western-centric field have also influenced my research agenda. I'm also interested in the nature and appropriateness of economic theories and methods. This has led me to dive into debates on the Eurocentric nature of the discipline and heterodox economics. I am one of the leading founders of the academic initiative ‘Diversifying and Decolonising Economics’ (Decon), the first of its kind, and I am currently co-authoring a book to be published by Polity Press entitled ‘Decolonizing Economics - An Introduction’ (Summer 2022). The book discusses what decolonisation means for the field of economics: politically; historically; epistemologically; and practically. It addresses issues such as capitalist development and the British Empire, what decolonisation means for development economics, and racial capitalism. This will be the first book to directly address the issue of decolonisation in the field of economics.

The discussion on heterodox economics brought me closer to political economy. I have been trying to understand and define heterodox economics. Together with a co-author Ingrid Kvangraven, I have defined heterodox economics as ‘the study of production and distribution of economic surplus, including the role of power relations and institution in determining economic relationships’. My interest in heterodox economics is also about the nexus between classical political economy and macroeconomics. I have been working on Joan Robinson's engagement with Marxian economics, highlighting how Marx’s political economy gave Robinson the insights and motivation she needed to move away from marginalist tradition and closer to a more classical approach. I particularly focus on two issues: profit and exploitation, and employment and effective demand, which can perhaps cast some light on today's profound macroeconomic and development challenges.
ASE: Can you just give us a short answer to what your view is about the field of economics after COVID-19? Where do you think we're going from here?

Carolina: This is a great question. The first point for me is related to macroeconomics and how this subfield is, the tools that we have to address crises. For example, the treatment of crisis as an external shock. The implication of this approach is that we can never be prepared to deal with a crisis. To be clearer, I do agree with the concept of fundamental uncertainty. It is indeed impossible to try to predict a crisis. However, this is completely different than not dealing with crises at all because they are outside our domain, outside our models, our training. I co-authored a paper titled 'Changing the Narrative: Economics after COVID-19' where we discussed the extent to which the current paradigm in economics have stopped us from being more prepared to deal with the pandemic. The discussion does get into how the formalization of field, the reliance mainly on mathematical modelling and econometrics technique, and the idea of a closed system, have imposed limits to our ability to expect and deal with crises. This discussion also includes the implications that arise from understand society mainly through markets, the supply and demand, and the optimization problem. Here there is no space to discount nature, power, ethics and so on, which are also key aspects that can help us to understand and deal with the current pandemic.

Perhaps another point worth mentioning here, which is also related to the current state of the field, is about how we understand the role of the state. I believe that after COVID 19, we have to go back to really old debates where we force economists to have an understanding of the state that goes beyond (and it is much broader than) correcting market failures. I think there's a discussion there not only of how the state has to intervene, but also how the state is an institution that we have to rely on. I think we should revise the role of the state going beyond this crisis. The New Public Management that emerged in the 1970s, which June Sekera characterises as a “real-world manifestation of neoclassical economic theory”, brought a market-oriented approach to the government sector. We had changes at the very administrative and managerial level which followed the efficiency discussion within this state, that is, how the state should also try and minimize its costs. Thus, implying a type of cutting of government expenditure that have stopped the state from playing a role in proving a resilient structure of its citizens. So, I believe there is a question here related to revisiting the organization of the state/government sector under market axioms. What if the government sector is not a profitable sector? What if its role is about providing and reinforcing a resilient system/society? Perhaps if
this discussion was on the table before, we would have a much better structure to deal with the current pandemic.

**ASE: Can you please explain more about decolonizing the curriculum?**

**Carolina:** Yeah, the decolonization of economics has made up a big part of my current role as an academic. As an economist coming from the Global South, I had never had to emphasize or openly call myself a heterodox economist before arriving in the UK. I was very lucky because my training in Brazil was pluralistic. When I arrived in the UK, I properly understood both the hierarchy we had in the profession not only related to how field is dominated by white men from English speaking countries, but also how the foundation of the mainstream economics is very much a Eurocentric one. This excludes and diminishes other approaches arising outside the ‘core’ producing knowledge in the field.

To me this, this knowledge production dynamics means that the possibility of welcome and give space to view points coming from the Global South was very thin. So how could we make the field more diverse and inclusive? This was the context where a group of early-stage career economists and I found ourselves. Our solution for this impasse was to come up with an organization where we could tackle this issue. So, D-Econ was born as an initiative that looks into how to diversify and decolonise economics. Our goal is very simple in a way, ‘let's make economics free of discrimination, which not only includes discrimination resulted from sexism and racism, but also discrimination based on approach and geography’.

The American Economic Association has been dealing with the issue of discrimination in the field, but we go a step further because we believe that the systematic exclusion of black scholars and other ethnic minorities and female economists in the economists is also related to the lack of diversity of ideas, methodologies and theories. If we want to make the profession more inclusive, if we want to improve society, we have to look into all the power relations and hierarchies in the field. We want to dig deeper. Decolonizing economics is not, and should not be, only about ‘adding’ black scholar to your syllabus or to your department. It is about tackling the eurocentrism in the discipline, which means dealing with the unbalanced production of knowledge dynamics. This also covers how to deal with how we understand capitalism itself because the ‘formal’ origins of the discipline is deeply embedded in the development of capitalism, the question of enlightenment versus progress, the question of profit motivation, the question of how markets were built and so on. Economists should never ignore the fact that development of capitalism was brutal, violent,
exploitative and based on slavery. This has still implications for current economic analysis.
Challenging the Eurocentrism in the discipline means to go back and investigate capitalism’s roots, its violence and hierarchy and how these aspects persist and continue through time in different forms. It is a big challenge. We don't usually challenge the Eurocentric aspects of the discipline, quite the opposite. We accept the argument that economic principle should be neutral, value-free, universal and objective, which by default hinders the discipline from looking into power relations in the production of knowledge in the field while not giving space to different perspectives either.

**ASE: Thank you very much for everything you have talked about and thank you for granting this interview and I wish you all the best.**

**Carolina:** No, thank you for inviting me.

4. Harvard University's Radcliffe Institute

The Harvard University's Radcliffe Institute is now accepting applications for the Radcliffe Fellowship for the 2022–2023 year. This year's target are faculty and professionals within the economics industry.

Radcliffe fellows are exceptional scientists, writers, scholars, public intellectuals, and artists whose work makes a difference in their professional fields and in the larger world. This fellowship is an opportunity to step away from usual routines and dive deeply into a project. Applicants may apply as individuals or in a group working on the same project. Interdisciplinary exchange is a hallmark of the program, and proposals that take advantage of diverse intellectual community by engaging with concepts and ideas that cross disciplinary boundaries are welcomed.

A full description of the fellowship program can be found [here](#). Applications are due by September 9, 2021.

5. Dialogos: A Corner for Dialogue and Change
This is a brief interview with Muhammad Salman Khan. Salman is an early-career researcher, who currently works as a postdoctoral research associate at the Department of Geography, School of Social Science and Public Policy, Kings College London (UK). Salman’s research adopts an interdisciplinary and social economics perspective. His PhD from Middlesex University focuses on marketplaces, social capital, and local governance to highlight the social embeddedness of markets and the contextual impact of local governance institutions. Salman is interested in economic and institutional sociology and in local political economy, especially in relation to the informal economy, local governance, networks and trust, borderland markets, cultural production and affect theory. Some of his research outputs are under review in prominent development, social economy and Asian studies journals. He has published in Strategic Change, Review of Social Economy, and Research in Economic Anthropology, along with a book chapter on the informal economy.

The interview was taken by Asimina Christoforou, Assistant professor at Panteion University (Greece) and ASE Council Trustee.

Asimina: The Robinson Crusoe metaphor in economic textbooks underestimates the ways in which the economy is embedded in social relations. How important do you think social networks are in shaping market relations?

Salman: Dear Asimina, first of all, thanks for inviting me to this platform. The dominant Robinson Crusoe metaphor in economic thought has received criticism for centuries. However, I understand that the fictional isolated rational man, which is at the heart of neoclassical economics, is unsustainable in the world where the questions of profit, value, capital, and market are all relational and socially embedded. Your question reminds me of Lionel Robbins’ tack on the distinction between economic and noneconomic, which he notes lacks validity once Crusoe is back in society. Market and society are deeply intertwined and hence the distinction between economic and noneconomic
cannot be employed to separate material and non-material aspects of life. I am thinking about Pierre Bourdieu’s forms of capital here, and particularly social capital. The scholarship on social capital, which is broadly defined as networks of relations and norms of cooperation, offers extensive evidence and some reasonable arguments against the shallowness of Crusoe economics. In my PhD on marketplaces, social capital, and local governance structures, I highlight how the role of the economy in the development of institutions, the implementation of regulations, and social welfare provisioning cannot be explained without reference to social networks and class relations. Economy, as I understand it, is a social process. Therefore, in his *Fundamental Thoughts in Economics* (New York and London: Kennikat Press, 1971) Gustav Cassel correctly alerts us to the fact that economic science has very little to learn from the study of the household of an isolated person.

**Asimina: Is there a “dark side” to social networks when they pursue anti-social objectives (violence, discrimination, violation of human rights) against values of democracy, solidarity, and social and ecological protection?**

**Salman:** Unquestionably, there is a dark side to social networks. They undermine the functioning of networks and institutions serving broader goals of social welfare in areas as diverse as health governance to heritage preservation. A stream of my research is developing along these lines. For instance, in my article in the *Review of Social Economy* (“Quality of governance, social capital and corruption: local governance and the Pakistan marketplace”), I show how social networks facilitate corruption in the governance of food and health-related businesses. Similarly, in my current work on the affectual and social ecology of the antiquities market, I observed that social networks are a key ingredient to the operation of the black market of cultural artefacts. Having said that, I maintain that the poor quality of government and social inequalities also shape the dark side of social networks. For instance, as I argue in my recent paper (in press) in *Research in Economic Anthropology* (“God, gift and charity: the case of Zakat and Dasvandh in the local governance of social welfare provision in Pakistan”), in the same society where social networks are facilitating corruption and the looting of cultural artefacts, social and religious reciprocity offers a support system for the destitute. Hence, instead of attributing the dark or sunny side to social capital a priori, we must understand the specificities of context that underpins the development and operation of social capital.
Asimina: How do you think the pandemic impacted the economy and the ways we interact with one another? Is there a “silver lining”?

Salman: Covid-19, as a mirror of global society that we live in, has exposed the limits of dominant economic and development models and the vulnerabilities across geographies and social groups. We are once again reminded of the uncertain future where expectancy of, resilience to, and rejuvenation from shocks in a world characterized by extreme inequalities need to be a key problematic at the heart of development theory and practice. The responses of the international community and individual states to the pandemic once more laid bare the structural violence where vulnerable groups such as the poor, informal workers, women, people of color, and immigrant labor (who lack access to facilities provided by the state) paid the highest price for pandemic curtailment policies. “I fear hunger more than the virus” powerfully captures why isolation was easier for the resourceful than those who lack access to resources. However, there are silver-linings too, emerging out of Covid-19. First, the informal economy, with which I am mainly concerned, has received ever greater attention in policy, governance and development processes. Second, with travel restrictions on academics in the western institutions, ethical questions of equality, respect, and value of research collaborators in the developing and less-developed world has received critical attention. Finally, at the societal level, people’s attention is redirected towards the value of informal support networks of family, friendship, and community, especially in the success of state policies in response to future crises.

Asimina: In closing, please tell us a few words about your current research interests and projects.

Salman: I am currently working on a British Academy-Global Challenges Research Fund project, which falls under the theme of Heritage, Dignity and Violence, and explores the affective geography of women’s markets in Northwest Pakistan, where women are traditionally excluded from the public space of the market. Additionally, I am investigating the affective dimensions of antiquities markets. This is a collaborative learning project aimed at highlighting the significance of local voices in the Swat region of Pakistan and informing academics and international donors about the multiplicity of perceptions and practices regarding heritage preservation and the causes of heritage destruction. My economic individual (not “economic man”) is not just socially, but emotionally embedded in the structure of feelings that is shaped by culture, regulations and the nonhuman environment. Finally, I am interested in the
gendered dimension of economic networks. In a research network called “InFACt - Introducing futures of academic collaboration”, I am organizing workshops which deal with decolonizing entrepreneurship research and will become part of an online compendium. The first of these workshops will critically examine the existing theoretical development frameworks and the top-down policy initiatives for “empowerment of women through entrepreneurship”, which are applied in Pakistan and project in a distorting manner the real lives of women entrepreneurs.

6. Please Renew Your Membership.

This is a reminder to please renew your membership, if you have not done so. Also, please feel free to circulate this newsletter as a way of spreading the word about ASE globally. If you are not a member of ASE, please consider joining. Your membership package comes with access to two journals - the Review of Social Economy and the Forum for Social Economics. Members are provided with online links to past issues of these journals and specific articles can be downloaded for free. Other benefits include permission to present at ASE sponsored conferences, vote on ASE governance issues, suggest announcements for the ASE Announcements list, and to (optionally) subscribe to ASE journals in print at a special members-only rate. Annual memberships run for twelve months, starting with the date a person joins. Thank you!

A New Hope. If you would like to submit contents, please contact Salewa Olawoye. Please check us out on Facebook. Be safe out there. We hope to see you on the other side of the Covid-19 pandemic. Enjoy the rest of your Spring!