***Rethinking Economic Analysis:***

***The Perspective of Political Economy***

**A Statement of the 15th Forum of WAPE**

The 15th Forum of the World Association of Political Economy (WAPE) took place on 17-18 December 2021, at the Shanghai International Studies University, China. It was hosted by the Shanghai International Studies University and co-sponsored by the Greek Association of Political Economy. Academics participating in the proceedings of the 15th Forum presented some 200 papers on a broad range of subjects in the field of Political Economy. International participants took part online due to the COVID-19 pandemic travel restrictions. Nevertheless, international participation was vigorous coming from many countries. This high rate and broad range of participation verified once again the international appeal of WAPE and its contribution in advancing Political Economy.

The broad theme of the conference focused on the controversy between the two main alternative traditions in economic analysis, Political Economy and Economics. Since the demise of Classical Political Economy (represented prominently by A.Smith and D.Ricardo) at the end of the 19th century, economic analysis – at least in the Western world – has been dominated by Economics. The latter have a myopic understanding of the economy as an individualist ‘game’ void of social relations, classes and class struggle and they idolize capitalism. Economics’ record has been truly dismal. Despite their dominance and the huge resources thrown behind it by the capitalist countries, it has been historically proved incapable of grasping how economies work and forecast and confront competently economic crises.

On the other hand, Political Economy (offering a social understanding of the economy, focusing on the sphere of production, linking economic analysis to social and political factors and to class struggle) has been more successful in comprehending the actual workings of the economy and in analyzing economic crises. More specifically, Marxist Political Economy (the main contemporary version of Political Economy) - despite its remarkable diachronic scientific appeal, its influence in the Labour Movement and its role in countries in the process of socialist transition – could never become accepted in capitalist countries. On the contrary, it is persecuted and purged from academia and its analyses and policy proposals are being suppressed, deformed and vilified by the Orthodoxy of Economics, which rightfully see them as a threat to capitalist rule.

This struggle – both academic but also regarding policies – between Political Economy (and especially its main contemporary variant, the Marxist Political Economy) and Economics is even more acute nowadays. The capitalist world, from the 1990s, celebrated the demise of the Soviet Union and declared capitalism as the one and only type of socio-economic organization. Neoliberalism (a very dogmatic version of Neoclassical Economics), became the new Economics Orthodoxy and instigated a relentless assault of the labouring classes and the weaker and less developed countries. Directed by the dominant capitalist powers (USA, EU etc.), neoliberal policies increased labour’s exploitation, economic inequality and poverty and the imperialist economic exploitation of weaker and less developed economies. In academia, the Neoliberal onslaught led a truly McCarthyist purge of dissenting to the Economics Mainstream views and voices and especially of Marxist Political Economy. Dissenting and Heterodox views were marginilised and pressurized to compromise with Neoliberalism. But Marxist Political economy was literally hunted down and systematically pushed out of the universities and the academia in general. However, Neoliberalism and its policies could not save capitalism from its own contradictions. Despite increasing labour exploitation and bolstering Western imperialism, Neoliberalism failed to solve the deep, organic contradictions of capitalism. Capitalist economic crises appeared in increasing sequence and depth. Beginning from the 1990s peripheral crises and culminating in the 2009 global crisis and the current COVID-19 twin health-cum-economic crisis proved once again that capitalism is not a paradise but an exploitative system creating poverty and misery. On top of that, capitalism – instead of promoting peace and international co-operation - is increasingly sounding his war drums and producing wars and conflicts.

These cumulative failures have led to Neoliberalism’s fall from grace. Starting from the 2009 global crisis all major capitalist economies in the face of recent economic crises disregarded neoliberal policy prescriptions and embarked in Keynesian monetary, fiscal and industrial policies. The accursed by Neoliberalism state economic interventionism returned with vehemence as, in the face of deep and protracted crises, the neoliberal mantra of ‘the market will solve it itself’ was rightfully considered even by the bourgeoisie as disastrous. Notwithstanding, the successor of Neoliberalism as the new Economics’ Orthodoxy, is equally problematic and pro-capitalist with its predecessor. New Keynesianism (and its New Macroeconomic Consensus) is similarly conservative and pro-capitalist. The return of state economic intervention aims to the bolstering of capitalist profitability at the expense of labour. Social policies remain tied to the capitalist market and only a small residual of their past. International antagonisms and tensions and imperialist exploitation are continuously aggravated. The persecution of Marxist Political Economy publicly and within academia continues unabated.

Against these developments there are increasing glimpses of hope. The Marxist Political Economy is proved resilient despite the Orthodox assaults on it. It attracts a growing mass of economists and it offers realistic and pertinent analyses and policy proposals for the contemporary world. It continues to inspire and to inform the struggle of the labouring classes against exploitation and for a better future of the humankind. Interestingly, the growing revulsion within economics students in the West with Orthodox Economics, their lack of realism and their class hypocrisy is leading them towards the rediscovery of Marxist Political Economy.

The works of the 15th Forum of WAPE express and also reinforces further this return to Marxist Political Economy. Not as a sidekick of bourgeois reformism and Heterodox Economics’ half-baked critique of Mainstream Economics, but as the only realistic and socially liberating scientific analysis of the economy and the society. The contributions presented and discussed in the WAPE Forum showed once again the vitality, the depth and the extent of Marxist analysis.

A crucial aspect of this WAPE Forum is the push for the increasing co-operation between Political Economy Associations and groups worldwide. It is a move that WAPE intends to pursue and expand even more in the immediate future. This co-operation will bolster the standing of Marxist Political Economy, produce analyses and policy proposals supporting humanity and the working masses against capitalist barbarism and exploitation and promote international friendship and co-operation against imperialist war-mongering.