

industrial, innovation, education and labour policies to promote a learning society based on their local needs. The infant industry argument and its' links to innovation are also well established in the book.

Creating a Learning Society could be very useful to policy makers, academics and students in the field of economics and politics. It may also appeal to a general public who wants to understand how public policy has been created during the last century and how it should be created in the 21st century knowledge economy. This book provides a critical view of neoclassical growth theory and suggests going beyond the standard model by incorporating public policies into analysis to better understand the innovation process.

The book *Creating a Learning Society* is similar to *The Entrepreneurial State* by Mazzucato (2013) in its spirit, since both argue for the active role of government in innovation. However, they use different approaches to deliver their messages. The former is more theoretical while the later is more practical. Stiglitz and Greenwald (2014) use endogenous growth theory and models to show that better knowledge within society could increase innovation and growth, while Mazzucato (2013) focuses on IT, biotech and pharmaceuticals sector case studies to show that the state could be a successful entrepreneur in innovation. Both books stress that the state has been very active and important player in R&D and innovation and it should continue to shape markets and create more opportunities for innovation.

Reference:

Mazzucato M, (2013) *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*. Anthem Press.

Michal Kalecki in the 21st Century
J Toporowski and L Mamica (eds.)
Palgrave Macmillan, 2013
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The editors and contributors to this volume gathered at the 2012 European Association for Evolutionary Political Economy conference hosted at the Cracow University of Economics, where this book saw its beginnings, probably did not envisage how timely its publication would be. Published in early 2015 the book appears at the height of the conflict about the future of Greece's austerity programme. The European insistence on the doctrine of 'sound public finance' — as predicted by Kalecki — has pushed Greece towards the edge of economic and

social collapse — manifest in the 25 per cent contraction in its economy.

The Polish economist Michal Kalecki stressed the inability of the capitalist economy to generate full employment without persistent fiscal expenditure and the contractionary consequences of deflationary policies aimed at cutting wages. This autodidact, whose economic education consisted of keeping the books for his father's small company, wrote lucidly on economic challenges in capitalist and socialist countries, advanced and developing economies. This volume skilfully reflects the versatility of Kalecki's work by bringing together leading Kaleckians as well as young scholars, writing on diverse issues that range from the current crisis to the reasons for the failure of Stalinist industrialisation policies.

The book is divided — if not always quite coherently — into two parts: first, adopting a broader perspective in 'Kalecki and Macroeconomics', before, in 'Kalecki and the Crisis in the 21st Century', speaking directly to current economic challenges. In chapter one, Kriesler and Harcourt outline Kalecki's criticisms towards the Fel'dman Model, which backed Stalinist economic planning that promoted heavy industrialisation at the expense of current consumption. Osiatynski — in chapter two — presents Kalecki's arguments against wage cuts as a remedy for unemployment. A fall in wages leaves output and employment either unchanged (if prices adjust proportionally) or decreases output and employment (if prices are determined under imperfect competition). Keynes, like Kalecki, opposed wage reductions as a panacea to unemployment. In chapter three, Lavoie argues that, in many respects, the analyses of the two economists were similar. Nevertheless, by not being rooted in the Marshallian framework Kalecki could truly break with classical and neoclassical economics, making him the actual founding father of the post-Keynesian paradigm.

The subsequent two chapters address Kalecki's understanding of the economic long run as a succession of multiple short runs. While Bhaduri explores effective demand and path dependency in chapter four, Damirbag and Halevi discuss the Traverse problem in chapter five, arguing that maintaining full employment in the long run is practically impossible in a capitalist economy. Part one is rounded up by contributions from the editors: Mamica explores the crucial impact of technical progress on the business cycle and growth, while Toporowski and Szymborska stress the superiority of Kalecki's analysis over Keynes's writing. The latter point is reiterated across the book and has been voiced by post-Keynesian such as Joan Robinson and James K Galbraith, leaving the reader to wonder whether the 'daring attempts' — recalled by Moggridge — 'to label Keynes as an important post-Kaleckian rather than Kalecki a "left Keynes"' (p. 113) should not have been pursued more vigorously.

Part two commences with an account by Nuti of Kalecki's political business cycle, which highlights the political economy behind the opposition of capitalists to full employment in the aftermath of the 2007-08 crisis. Laski

and Walther discuss an updated version of Kalecki's profit equation, showing the detrimental impact of rising savings by salaried workers and rentiers on output, demand and employment. In chapter ten, Dymski sheds light on the developments in ex-socialist economies such as Poland. He explains that a 'Crucial Reform' as envisaged by Kalecki and his co-author Kowalik could not unfold in these economies due to the shift towards neoliberal policies in most OECD economies. Mott and Evers discuss the impact of these policies on the aggregate income distribution in the US. In chapter twelve Sawyer gives an account of the 'Great Recession' from a Kaleckian perspective. He stresses Kalecki's far-sightedness in predicting an obsession with fiscal consolidation, which seems to be currently the driving force behind Eurozone policies. Le Heron, using a stock-flow consistent model, advocates policies of redistribution as solution to deficient demand in the following chapter. Finally, two chapters that stress the importance of Kalecki's work in financial economics and his cooperation with the Austrian economist Josef Steindl complete this volume. Penrose argues that a Kalecki-Steindl view on firm finance provides a useful framework to understand the changing behaviour of firms under financial development. Toporowski shows that a Kalecki-Steindl theory of financial fragility can explain how rising household savings induce financial fragility in the corporate sector.

As stressed by Szymborska and Toporowski, Kalecki's work was often more directly concerned with the political implications of economic decisions than Keynes's contributions, despite the latter's striving to influence policy. One could have wished for a stronger political economy angle to some of the contributions in this volume. Le Heron, for instance, makes the observation that increasing public deficits are not sustainable in many economies since they adversely affect market confidence. Alternatively, a redistributive policy is advocated to take care of deficient demand. One wonders how much confidence such policies would instil in market actors if even increased public borrowing in advanced economies like France is perceived as politically problematic. Similarly, the contributions to this volume addressing Eurozone troubles appear somewhat timid in their analysis of the political and, one could add, social consequences of austerity.

Despite the noted limitations, this volume combines a broad sweep of topics with admirable analytical clarity, making it an important contribution to understanding and updating the thoughts and ideas of the world's most under-appreciated economist that deserves to be widely read. In fact, remembering, adapting and disseminating the lessons of Kalecki's political economy analysis of austerity policy might currently be timelier than ever. Kalecki cautioned that '[t]he fight of the progressive forces for all employment is at the same time a way of preventing the recurrence of fascism' (Kalecki 1942, p. 8). With the waning of European solidarity in the aftermath of the financial crisis, extreme right-wing parties have experienced growing support. One can only hope that German and Eurozone officials will wake up to the destructive

impact of their 'sound finance' doctrine before this support grows too strong.

References

Kalecki, K. (1942) 'Political Aspects of Full Employment', lecture given to Marshall Society, Cambridge, available at: <http://mrzine.monthlyreview.org/2010/kalecki220510.html>.

Interdisciplinary Economics: Kenneth E. Boulding's engagement in the sciences
W Dolfsma and S Kesting (eds).
Routledge, 2013.
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Kenneth Ewart Boulding (1910-1993), a self-described 'impure economist', was widely known during his lifetime as very much a renaissance man; a systems thinker whose ideas crossed traditional academic boundaries from economics to the other social sciences, human behavior, conflict resolution, religion, peace, ecology, the physical and biological sciences and beyond.

A prolific writer and poet, Boulding was at the forefront of a number of what were then 'new' fields of study from general systems theory to ecological economics to peace and conflict resolution, authoring hundreds of publications and often providing the foundation for this transformation from 'image' to field of study to discipline.

Boulding, however, did not view these disciplines in isolation, but rather adopted a 'transdisciplinary' approach, integrating ideas to go 'beyond economics' as a profound thinker and one of the more creative social scientists of his time.

It is to this end that Wilfred Dolfsma, (Chair of Innovation at the University of Groningen) and Stefan Kesting, (Teaching Fellow at the University of Leeds), have edited this volume of both original papers by Boulding and (some new and previously published) commentary papers by experts in their respective fields on his contributions across disciplines. Unique among edited volumes, Dolfsma and Kesting recognize Boulding's artistic side (and the influence of religion and his early life on his future endeavors) by opening each section with one of Boulding's insightful poems. An incessant doodler, many of his drawings are included as well.

The volume is divided into 13 parts. The first six parts of the volume focus upon Boulding's contribution to General Systems Theory (with particular attention to Boulding's conceptual framework of the Integrative, Exchange and Threat Systems that permeate the Boulding selections throughout the book), integration of disciplines across the social sciences, the importance of