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〔OVERVIEW ARTICLE〕

How Traditions of Economic Thinking Shape Economic Policies

FUKUZAWA Naoki*
LANDMANN Oliver**

"The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else."
John Maynard Keynes

* Graduate School of Economics, Nagoya University
** University of Freiburg i.Br.

I. Ideas and Policies

The world economy was in the course of a still incomplete recovery from the severe global financial and economic crisis of 2008/09 when it was hit by another major economic shock, this time emanating from the Covid-19 pandemic. The financial crisis and its aftermath had sparked intense controversies over the proper response of public policy. In the event of the Corona crisis, in contrast, policymakers, though plagued by uncertainty about the proper design of non-pharmaceutical public health interventions to stop the spread of the disease, acted decisively to offset and limit the economic fallout of the pandemic. Whereas the financial crisis revived long-standing tensions between different schools of thought which had been influential to different degrees in shaping policies, the economic policy response to the Corona crisis was facilitated both by the lessons learned in the former crisis and by the altogether different nature of the exogenous shock and its effects.

The two global macroeconomic shocks of 2009 and 2020 led to the sharpest contractions of global economic activity since the Great Depression of the 1930s. Unlike the Great Depression, they were countered by swift and strong policy action and, as a consequence, they gave way to a robust recovery with little delay. This stark contrast is testimony to the crucial role of economic ideas in shaping the mindset of policymakers and their policy choices. In fact, John Maynard Keynes's famous statement about the world being ruled by little else than the "ideas of economists and political economists, both when they are right and when they are wrong" reflected his own experience and frustration with the orthodox economic doctrine of his day which maintained that market forces could be relied upon to return a depressed economy towards full employment and which rejected active countercyclical policies, therefore. This same frustration was his main motive for writing his *General Theory of Employment, Interest and Money* in 1936, with the clear intention of changing the minds of his fellow economists.

Keynes was adamant, in the concluding paragraph of his *General Theory*, that "the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas." He thereby took a position on the ultimate determinant of policy choices that is the exact opposite of the core belief of modern political-economy theory. The latter starts from the working hypothesis that policymakers are guided by the single objective of reelection, which they hope to secure by catering to well-organized interests that support them in their quest for votes.

Heated disagreements over the relative power of economic ideas and vested interests in shaping economic policies may underappreciate the extent to which these forces are complementary. As a case in point, the deep insight of David Ricardo (1817) about the benefits of free trade among nations was not just a piece of brilliant analysis, but also reflected the frustration of the urban dweller and banker with the distributional effects of Britain's Corn Laws which favored the landed gentry at the expense of consumers. When the Corn Laws were finally repealed in 1846, this was a triumph of irrefutable economic reasoning, but at the same time, it was the result of the increased political leverage of consumer interests organized in the Anti-Corn Law League.

In turn, if pure models of political economy were taken literally, one might be tempted to think that they leave no scope for economic reasoning to shape policies. As Dani Rodrik (2018, p. 162) has put it, if "politicians' behavior is determined by the vested interests to which they are beholden, economists' advice of policy reforms is bound to fall on deaf ears." This point of view unduly narrows the scope of economic advice to purely technocratic dos and don'ts for policymakers. However, policy advice which is enlightened by political-economy analysis, will always look beyond such a narrow technocratic level and think about the institutional framework in which decisions are taken. It will take into account the question of how political majorities can be organized or how the process of decision-making can be structured so as to facilitate the implementation of economically rational policies.

Also, as Rodrik is quick to point out himself, there are a number of channels by which economic ideas permeate the political economy of interest-driven policymaking. In times of crisis, in particular, narratives of what went wrong and what should be done can act as catalysts of institutional reforms and thereby transform the constraints agents face and the strategies they pursue. Economic thought and economic interests are thus closely intertwined as they shape economic policies. In addition, both ideas and interests are jointly influenced by the historical contexts in which they were shaped.

Against this backdrop, a research program, jointly sponsored by the Nagoya University Institute for Advanced Research and the Freiburg Institute for Advanced Studies at the University of Freiburg, has made an effort to shed light on the role of economic ideas, and sometimes long-standing economic paradigms, on economic policies in areas ranging from macroeconomics to social policy, public health interventions, environmental and climate policy, and public transport policies. The research was motivated by and focused on current policy issues, but some projects also looked back into the history of economic thought in order to identify the origins of underlying policy doctrines and how they inform present debates and policy choices.

In the remainder of this introductory paper, we provide an overview and some context of the projects that made up this joint Japanese-German research program, starting with macroeconomic policy in Section 2 and continuing with climate, environmental and transportation policy in Section 3. Section 4 presents research devoted to the overarching theme of economic order, highlighting interesting parallels between German and Japanese traditions of economic thought.

Ⅱ. Macroeconomic Policy

Macroeconomic policy is an exemplary study object for anyone interested in the role of economic thought in shaping policy. A long history of changing macroeconomic conditions, changing academic thought, and changing attitudes by policymakers illustrates the neverending interplay of ideas, events and policies. In his piece “How Stabilization Policy Has Come of Age,” Oliver Landmann recalls the major milestones and turning points of this history. The first point to note about this history is that the very notion of governments being responsible for macroeconomic stability is relatively young. The long period of the Gold Standard, from the 19th Century until the Great Depression of the 1930s, rested on the presumption that the market system was self-adjusting while the value of money was tightly pegged to that of gold and fiscal policy largely consisted in balancing the books of the state.

This state of affairs was radically challenged by the traumatic experience of the Great Depression which not only brought down the Gold Standard, but also ushered in the Keynesian Revolution. Countervailing views on the capacity of the market economy for self-adjustment were the key issue dividing Keynes from what he called “The Classics” and it remained a key issue throughout the subsequent turbulent history of macroeconomic thought and policy, including the Monetarist Counterrevolution, the New Classical school of thought, and the New Neoclassical Synthesis. A common theme running through the repeated cycles of stability and instability was identified by Hyman Minsky (1986) to be complacency. Both in finance and in the macro economy, there is a pattern of stability breeding complacency, complacency breeding new instability, and instability provoking policy actions that bring back stability. Although the techniques of macroeconomic analysis have greatly progressed during the long journey of stabilization policy, it is far from clear that the endogenous meta-cycle of stability and instability that has been prevalent in the past can be avoided in the future.

Ever since the Bretton-Woods system of fixed exchange rates broke down, the burden of macroeconomic stabilization squarely rested on the shoulders of central banks. In his research "The Role and Effect of Monetary Policy in Japan," Yasuhiro Doi reviews the turbulent history of Japanese monetary policy since 1990. Japan is a most interesting case study since it has experienced near zero inflation and interest rates long before the rest of the world. The Bank of Japan has thus been a pioneer in struggling with the control of inflation by means of monetary policy instruments. As in other countries later on, the challenge was to change the mindset of Japan's central bankers from preventing runaway inflation, as experienced in the 1970s, to preventing low inflation form turning into outright deflation. What helped in the former task often proved to be an impediment for the latter.

Central banks have recognized that financial instability has weakened the link between the money supply and macroeconomic indicators. As a consequence, they have turned first to interest-rate policies and then to Quantitative Easing in pursuit of their inflation targets. In line with these developments, Doi's analysis finds a weakened relation between base money growth and CPI inflation for Japan in the wake of the bursting of the stock and real estate bubble in the 1990s. But he also finds that over the entire 1994-2001 period of observation, the once weakened link between the monetary base and the CPI recovered again. He concludes that the traditional tools of central banking are still useful for monetary control, after all.

Macroeconomic Policy, and public policy more broadly, was confronted by an entirely new challenge with the outbreak of the Covid-19 pandemic in 2020. Both public health and macroeconomic policy authorities were forced to act under high uncertainty, attempting to limit the spread of the disease and its economic fallout, respectively. The uncertainty was heightened by the interdependence between the epidemiological dynamics of the pandemic and the contraction of economic activity. The resulting recession was a direct consequence of the partial shutdown of the economy and thus had little in common with the usual demand-shock or supply-shock recessions experienced in the past. There was still a strong case for decisive monetary and fiscal stimulus, not to offset the original shock, but to conserve existing production capacity and employer-employee matches, to provide social insurance, and to prevent amplification effects of revenue shortfalls.

Interestingly, there is a fundamental common denominator to the justification of both the non-pharmaceutical interventions of public health authorities and the demand stimulus provided by fiscal and monetary authorities: externalities (Gourinchas, 2020). In the case of macroeconomic policy, the externality consists in the demand spillovers from sectors that are directly affected by the pandemic to the rest of the economy. In the case of non-pharmaceutical interventions, individuals do not have proper incentives to practice social distancing on their own. The risk of being a carrier of the virus and infecting other people is an externality. Hence, public policy must force individuals to internalize this externality. In addition, as Markus Epp and Marius Jäger argue in their joint paper "Network Exposure in the Propagation of the COVID-19 Pandemic," individual behavior towards the risk of infection is subject to network effects since the engagement in social activities not only depends on the risk of infection, but also on the propensity of others to engage in such activities. The authors demonstrate that this interdependence can give rise to multiple equilibria which in turn create scope for government policies to coordinate individuals towards a socially desirable equilibrium. The authors also show their result to extend to a dynamic context in which socially desirable time paths of individual exposure, and hence of reproduction rates, can be derived. Not surprisingly, in all scenarios, the social optimum implies lower exposures to the risk of exposure than would be chosen individually, thereby establishing the case for public policy intervention.

The response to the Covid-19 pandemic was a particular challenge for the European Union as it became quickly clear that neither the required public health policies nor the macroeconomic response could be adequately engineered on a purely national level whereas all the relevant policy instruments, with the exception of monetary policy, were under national control. If national authorities were ill prepared to take on the challenge, the European Union was even less well equipped to respond effectively. Improvisation on all fronts was called for. A common approach towards social distancing and agreement on cross-border movements of people proved too hard to achieve. A centralized organization for vaccine procurement was set up, but struggled to operate efficiently. Also, amid much controversy, a common fiscal facility was created to avoid the calamity that countries that were heavily affected by the pandemic, but fiscally weak, could be stymied in their effort to fend off the pandemic by hard financial constraints. Hans-Helmut Kotz, in his piece "EU Response to Covid-19 Crisis: Balancing Conflicting/Contradicting Perspectives" reflects on the divides and disagreements surrounding the measures taken on the level of the European Union as well as on the need for institutional reform to increase the resilience of the Union in future crises.

Ⅲ. Climate, Environment, and Transportation Policy

Everyone in the world recognizes that environmental protection is an urgent issue. In particular, immediate response to the remarkable climate change in recent years is required, and for that reason, reduction of carbon dioxide emissions has become a global necessity. This problem is also included in the SDGs, and many of its contents might be indeed normative, but it is undeniable that the continuous survival of mankind will be jeopardized if the problem is neglected.

The problem of environmental destruction caused by industrialization was recognized early on, as symbolized by Alfred Marshall's demonstration of the concept of externalities in the 19th century as there were actually many individual cases of pollution and human damage caused by it. Especially in Central and Western Europe, where industrialization was most prominent, systematic and proactive measures for environmental protection were being advocated already at the turning point to the 20th century.

However, it was mainly from the 1950s to the 1960s when the environmental destruction due to industrialization spread to a different level and pollution began to attract a great deal of public attention as a major social problem. First, the health hazards caused by pollution were recognized as a problem and the authorities of major industrialized countries were forced to deal with it. The perspective of long-term environmental protection emerged with a slight delay, and since the 1970s, discussions on it were actively developed mainly in Western Europe. Initially, it was often assumed that there was a trade-off between environmental destruction and pollution control on the one hand and rationalization and economic growth on the other hand, but since the 1980s, this way of thinking was gradually replaced by ideas such as ecological modernization (EM) which tries to enable economic development by conserving resources and protecting the environment.

Throughout the late 1970s, 1980s, and 1990s, pollution and environmental destruction at individual sites in industrialized countries were significantly eliminated. However, with the economic development of developing countries and the large expansion of the scale of economic activity in the world, global environmental problems such as global warming have become more serious. East Asia (South Korea and China) and Southeast Asia, which had achieved great economic development till the transition to the 21st century, faced challenges such as decarbonization at the very time of economic growth. Regardless of the stage of development of each country, whether it is a developed country or a developing country that has started late, it has no choice but to work in concert with its global issues in the same way.

Then, the EM has been highlighted again, also in East Asian states this time. With the transition to the information society and the growth of IT industries, the development of green industries and environment-friendly manufacturing were gradually becoming a reality, as represented by renewable energy such as solar panels and electric vehicles. The solution to environmental problems through innovation, which EM has been aiming for, has been promoted there. In his research "Ecological Modernization as a Policy Idea, its Practice, its Future and its Origin," Shinichi Nagao shows how the concept of EM advocated by Joseph Huber, Martin Jänicke and others in West Germany in the early 1980s penetrated East Asia, how EM was accepted in those countries and how it influenced policy practices.

Nonetheless, an essential problem is that whereas EM in Western Europe presuppose citizen independence, decentralized decision-making, and consensus formation among stakeholders, governments in many East and Southeast Asian countries are mostly centralized, sometimes authoritarian and even undemocratic. Even in democratic Japan, South Korea and Taiwan, there is a strong bond between the state and business, a de facto one-party system (in the case of Japan), a strong bureaucracy and state intervention. Nagao points out that the benefits of EM are bound to be distributed asymmetrically, that is, market-based EM tends to promote ultimately undesirable disparities. He also points out that the fragility of financial markets in the equilibrium of a low-growth economy that classical economists had foreseen might cause environmental deterioration through capital inflows into emerging countries. In this way, Nagao asks what kind of results would be achieved, what kind of limits would be set as a result of the incorporation of EM in Asian countries and gives a perspective to its future.

Risa Kato, in her piece "Ecological Social Market in East Asian State-Centered Approaches: Green Growth Strategy of South Korea" describes the concrete situation and the prospects for the green economy in South Korea. In recent years, South Korea has also begun to adopt the EM philosophy actively. However, despite the fact that it has been a long time since the transition from military dictatorship to democracy in South Korea, the political decision-making remains centralized, and the leadership of the president is of great significance. In 2008, President Lee Myung-bak set up a new national development paradigm to balance economic growth and environmental protection through green technology and clean energy which has been linked to various policies and programs. However, Kato asks whether European-style EM is really applicable in South Korea.

On the other hand, these EM-oriented policies were continuously taken over by all three presidents after the change of government. The normative policy value once established seems to be irreversible. The development of green-economy-related technologies is also remarkable. Nevertheless, the effects of the reduction of greenhouse gas emissions and the increase in the penetration rate of renewable energy which were aimed at reducing the environmental burden of South Korea, are not so sufficient. Thus, Kato re-examines the problems and potentials that South Korea faces toward the policy goals of EM.

The situation of environmental problems in the People's Republic of China may be even more serious and complex. As Dan Han explains in her piece "The Ongoing Paradigm Shift towards Ecological Civilization in China," both the government of the People's Republic of China and the Communist Party (CPC) have set out socio-economic development along with environmental protection in their constitutions, laws, declarations and various other programs in recent years. China has attached central importance to the concept of "Ecological Civilization" which includes the idea of EM and incorporates also ideology and philosophy. This concept also stems originally from Germany or the Soviet Union and was officially adopted by the People's Republic of China in 2007. However, the People's Republic of China is a country with a far more centralized top-governance than other countries such as South Korea. Grassroots movement is actually impossible. There is academic thought on environmental and development issues, but it is often schematic, lacking a global perspective, and can even destroy nature's self-healing power.

Although China's economic growth is remarkable, it started quite late in industrialization, including advanced technology. The country faces the problem that even if the environmental load, especially the carbon dioxide emission rate, is suppressed, economic activity might still increase. It is now the world's largest energy consumer and the largest source of carbon dioxide emissions. People's consciousness is not like that of developed countries which have already achieved industrial development and earn relatively high incomes so that the environment has become a broadly shared concern of their societies. In China, there is thus a severe tension between programs or ideals at the political level and reality. The challenge has just begun, and Han considers its prospects.

In his piece "The Impact of Improvement in Public Transportation: Evidence from the Tokyo Metropolitan Area," Yusuke Adachi tries to analyze (unexpected) policy effects along different dimensions. Concentration of industry in large cities has some economic rationality, but also various unwanted side effects. According to former studies such as that by Nathaniel Baum-Snow, the enhancement of the urban transportation network will promote the suburbanization of specific industries without harming the benefits of agglomeration spillover. However, according to Adachi's analysis of the effects of transportation infrastructure investment on railway transportation in the Tokyo metropolitan area, the suburbanization of industries did not occur in general, and some of the suburbanized industries were different from the industry group presented by Baum-Snow. While the concentration in the city center is still the same, the suburbanization of housing has progressed further, and although the investment in transportation infrastructure should have reduced the burden on commuters, it did not alleviate congestion. This empirical analysis can be regarded as a case study of a failed attempt to improve the traffic environment.

Returning to the topic of environmental policy, the research summarized above amply demonstrates that the Green Economy has by now become an integral part of the policy agenda of many governments. A national agenda is clearly the right place for environmental policy when predominantly local environmental concerns such as clean air and clean rivers are at issue. Even there, thorny cross-national issues arise more often than not. When it comes to the emission of greenhouse gases and their effect on the climate, it is pretty universally acknowledged that a purely national approach is not enough. The world climate is as close to a perfect example of a global public good as anyone might wish for. What an individual country, such as Japan or Germany with shares in global greenhouse gas emissions of around 2% each, can achieve on their own is woefully inadequate – almost negligible on a global scale. The provision of a global public good requires collective global action. So far, so trivial. The hard part is how to engineer such collective action in the absence of a supra-national authority endowed with the power to enforce such action.

The experiences of the Kyoto protocol and the Paris climate agreement testify to how hard it is to get the global community of countries to act forcefully on this common cause. Proposals for doing better do exist. A prominent idea is the concept of a 'Climate Club' put forward by William Nordhaus (2015; 2020) on the basis of his well-known climate model. A climate club is a large and stable coalition of countries agreeing to maintain high levels of abatement. Drawing on club theory, the Nordhaus plan sketches a club which agrees on target carbon pricing and is held together by modest trade sanctions against non-participants. Nordhaus puts numbers on the key parameters of the agreement to demonstrate the feasibility of his plan. The step from feasibility to action, however, requires the big players and major polluters of the world, both advanced and emerging, to be willing to participate – a condition which has proved elusive as yet.

Starting from the recognition that

cooperative solutions towards a global climate policy are almost impossible to get implemented, Markus Epp and Anastasia Golubeva, explore "The Macroeconomic Effects of Unilateral Decarbonization." They observe that, despite the difficulty of achieving international cooperation, most highly developed countries have embarked on significant decarbonization unilaterally. A major drawback of unilateral decarbonization, emphasized by the pertinent literature is carbon leakage, i.e., the offset of lower carbon use at home by higher emissions elsewhere due to market-intermediated spillovers. As the authors read the empirical literature, however, this leakage effect is likely to be rather weak. Also, based on insights from endogenous growth theory, they argue that front-loaded promotion of abatement technologies may accelerate the international diffusion of technology due to learning-by-doing effects. They conclude that unilateral decarbonization still raises a number of open questions, in particular on the necessary economic size of a region to induce global adoption of decarbonization strategies and on the regional cost of making the transition to fossil-free production happen.

Ⅳ. Economic Order

As pointed out above, the role of economic thought in shaping economic policies, does not stop at the identification and quantification of structural relationships between policy objectives and policy instruments, from which optimal instrument settings can then be derived in order to get desired outcomes for objective functions. Rather, political-economy reasoning will also take into account the vagaries of the endogenous behavior of policy-makers and reflect on the proper design of the policymaking process so as to secure good results for society – the quest for a good economic order. A well-known example of such an economic order is an entirely rule-based policy regime. This is what Ordoliberalism, an influential German school of thought, recommends.

Dating back to the writings of the Freiburg School of Economics, mostly from the interwar years, Ordoliberalism envisions a state which is strong and restrained at the same time. Strong to set and enforce a set of rules governing private-sector economic activity. But restrained in the sense of abstaining from direct interventions into the economic process. The underlying idea is that, with a proper choice of rules, the economy operates efficiently and without a need for recurrent policy interventions. Chief features of the proposed rule-based regime, as spelled out by one of the founding fathers of the Freiburg School, Walter Eucken (1952), are "perfect" competition, private liability, and monetary stability.

In his paper "The Effects of Economic Thought on Politics in West Germany after WWII: With a Comparison to the Case of Japanese Liberalist Tanzan Ishibashi," Naoki Fukuzawa sketches how the economic order as described above was historically formed. Then, he looks at the background of how Ordoliberalism was actually reflected in the political process, referring to the work of Bernhard Löffler (2002). He also highlights the idea of an eminent Japanese liberalist, Tanzan Ishibashi, who was skeptical of 19th century-style laissez-faire market forces and actively supported liberal intervention. He also strongly criticized militarism and colonialism. His economic thought was fundamentally influenced by British New-Liberalism and also resembled German Ordo-liberalism with regard to rule-based liberal intervention. His economic policy idea has been leaning towards aggressive fiscal policy since the Great Depression of the 1930s, though. Nevertheless, a strand of German-like economic thought was also found in Japan and attracted hidden supporters in politics, business, and intellectuals (Indeed, it was difficult to praise him openly because of the political trend at that time).

However, his thoughts were limited to the words of a journalist before WWII, and did not form a solid core of ideas about "economic order." He entered politics after World War II and became minister of finance and afterward prime minister, but it can be said that a clear economic order as in

Germany where policies towards the economic order (*Ordnungspolitik*) and the economic process (*Ablaufpolitik*) are clearly distinguished and based on a solid philosophical foundation was not formed in Japan. Apart from the control immediately after the end of the war and the subsequent economic guidance, Japan's economic and social policies have been strongly imprinted by the corporatist relationship between state bureaucrats and industries. And there were numerous examples of inconsistent policies which did not touch the essence of the problems. A deeper analysis is still needed to determine where this difference between the two countries comes from.

The idea of relying on a rule-based policy regime has a particularly long and controversial tradition in macroeconomics. Building on early work by Henry Simons (1936), Milton Friedman and the Chicago School of Economics fought back against the dominant Keynesian tradition of discretionary counter-cyclical stabilization policy. Robert Lucas (1973), tracing out the implications of rational expectations for economic policy, provided an analytically stringent foundation for a rule-based policy regime in the guise of his famous "Lucas Critique." However, as it turned out, robbing politicians of any discretionary flexibility in their use of available policy tools, which is often regarded as the main strength of a rule-based regime from a public-choice perspective, is at the same time its major weakness. The absence of discretionary power also removes the flexibility required to counteract unexpected shocks or structural breaks that could not be anticipated at the time of the establishment of the policy rule. The eventual instability of money demand revealed the fallibility of Friedman's preferred k-percent rule for monetary policy and the financial crisis did the same to interest-rate rules, to name just two examples.

It is worth noting, though, that the role of the economic order for macroeconomic outcomes predates the Keynesian Revolution. In the 1920s already, German business cycle research strived to overcome the multitude of existing theories of the business cycle, none of which could do justice to the range and complexity of observed business fluctuations, and to establish instead, as Blümle and Goldschmidt (2006) put it, "an order that in itself would provide the basis for economic stability." It is in the tradition of this strand of thinking that the research by Lachezar Grudev on "Order and Economic Crisis" should be seen. His particular focus is on the work of three eminent German ordoliberal economists – Wilhelm Röpke (1899-1966), Friedrich A. Lutz (1901-1975) and Walter Eucken (1891-1950) – on the emergence and persistence of economic crises in the interwar period. An important concept in this context was Röpke's notion of a 'secondary depression' which appears to build a bridge between the Austrian school of business cycle research and its view of recessions as necessary purgatory periods required to cleanse the economy of the distortions of preceding booms on the one hand, and the Keynesian antithesis of a malign demand contraction, amplified by the multiplier process, on the other hand.

Grudev also highlights the critical contribution by Friedrich Lutz to the transition of business cycle research from the search for regular periodicities to a more modern approach analyzing the interaction of exogenous disturbances with the institutional framework of the economy as a source of observed output movements. Eucken played a similarly important role by looking for patterns, which he called 'ideal types,' thereby breaking away from the tradition of the Historical School which was deeply skeptical towards the very idea of general laws governing economic processes. Taken together, these economists established a German tradition of economic thought quite distinct from the Neoclassical Synthesis which was to dominate postwar Anglo-Saxon economics. As Grudev points out, here may be the roots of later-day clashes between the German and the Anglo-Saxon approaches towards fiscal and monetary policy and to the establishment of a monetary union in Europe.

V. Conclusion

The policy areas addressed in this Special Issue span a very broad range of topics and issues. A common thread running through all of them is the interplay of events, ideas, and policies. Without denying the paramount influence of political forces, special interests and ideologies, the emphasis throughout has been on the contribution economic thought can make to rational policymaking. As Keynes was well aware, the impact of economic reasoning on policy changes may be very small in the short run. But at the same time, its longer-term role in shaping the mindsets of decision-makers may be widely underestimated. At a time when political movements gain ground globally by denying facts and scientific evidence, economists have a particular responsibility to make their voice heard in the political process. Among all the lobbies representing interests and concerns of all sort, they represent the lobby of rational thought and evidence-based scientific insight.

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