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Review of Keynesian Economics

Statement of the Founding Editors

It is widely recognized that economic crises can sometimes trigger enormous change, both with regard to economic theory and the politics of governance. Today, the global economy is struggling with the fall-out from the financial crash of 2008 and the Great Recession of 2007–09. The economic crisis that these events have generated, combined with the failure of the mainstream economics profession, has again put the question of change on the table.

With regard to the economics profession, it stands significantly discredited owing to its failure to foresee the recession and the financial crash; its repeated over-optimistic forecasts of rapid recovery; and lack of plausibility surrounding its attempts to explain events. Reasonable people do not expect economists to predict the daily movements of the stock market, but they do expect them to anticipate and explain major imminent economic developments. On that score the profession failed catastrophically, revealing fundamental theoretical inadequacies.

This intellectual failure has prompted us to launch the *Review of Keynesian Economics*. At a time of journal proliferation some may wonder about the need for another journal. We would respond there is a proliferation of journals but that proliferation is essentially within one intellectual paradigm. As such, it obscures the fact that the range of theoretical inquiry is actually very narrow. A journal devoted to Keynesian economics is therefore needed both to correct this narrowness and because events have once again confirmed the profound relevance of Keynesian theory.

Reflection upon the intellectual history of macroeconomics over the past seventy-five years can help to understand the current predicament and need for this new journal. That history traces an arc, which first saw the eclipse of classical macroeconomics by Keynesian macroeconomics, and then saw the eclipse of Keynesian macroeconomics by a revived and re-tooled classical macroeconomics.

The crisis associated with the Great Depression of the 1930s inspired John Maynard Keynes to write *The General Theory of Employment, Interest and Money*. Keynes' theory had enormous influence both inside and outside the academy, and his ideas on the importance of effective demand triggered a remaking of macroeconomics that saw Keynesian theory displace classical macroeconomic theory. After World War II, the Keynesian theoretical revolution inspired new policy thinking that contributed to a twenty-five year period of unprecedented prosperity, now widely referred to as "The Golden Age" of capitalism or "The Age of Keynes". However, adherents of classical macroeconomic theory never accepted the legitimacy of Keynesian economics and in the 1970s they forged a counter-revolution that restored classical macroeconomics. That counter revolution has had grave consequences for economic policy and society, and in the academy it narrowed the space for economic thought by imposing an intellectual monopoly. The financial crisis of 2008 and the accompanying Great Recession provide an opportunity to re-open economic theory and economic policy.



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Editors

Co-Editors: **Thomas Palley** who is an Associate of the New America Foundation's economic growth program. He was formerly Chief Economist of the US–China Economic and Security Review Commission. Prior to joining the Commission he was Director of the Open Society Institute's Globalization Reform Project, and before that he was Assistant Director of Public Policy at the AFL-CIO; **Louis-Philippe Rochon**, Associate Professor of Economics and Director of the International Economic Policy Institute, Laurentian University, Canada; and **Matias Vernengo**, Associate Professor of Economics, University of Utah, US (on leave), Deputy Research Manager, Central Bank of Argentina.

Aims and Scope

The *Review of Keynesian Economics* is dedicated to the promotion of research in Keynesian economics. Not only does that include Keynesian ideas about macroeconomic theory and policy, it also extends to microeconomic and meso-economic analysis and relevant empirical and historical research. The journal aims to provide a forum for developing and disseminating Keynesian ideas, and it also intends to encourage critical exchange with other macroeconomic paradigms.

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ROKE adheres to a double-blind review process. The editors are looking for research-quality papers on a wide variety of topics in economics and political-economy. Articles should be sent by email, and should not be more than 8,000 words, including references and bibliography.

To submit a paper for publishing consideration, please send your contribution to Louis-Philippe Rochon at Lprochon2003@yahoo.com.

All book review requests and submissions should also be sent to Louis-Philippe Rochon at Lprochon2003@yahoo.com.

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