

# Abstracts

## **The crisis of hegemony and the struggle over the next economic world order**

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The current crisis is analyzed as a crisis in the relations of power between transnational social forces and states *within* the global power bloc. The previous crisis of this kind was the crisis of Fordism/embedded liberalism in the 1970s which lasted the better of 10 years; a similar duration is a possibility today. In addition to the shorter term conflict over austerity versus stimulus, the main lines of conflict are between transnational industrial and financial capital (the hegemonic fraction until the crisis), between »green« and »black« capital, and between capital from the emerging economies and from the global North. The forging of a new hegemonic project based on the leadership of the green fraction of industrial capital and a more accommodating stance towards the emerging capitalisms and towards popular welfare interests is one distinct possibility, but there are also other possibilities, including a reconstruction of financial hegemony.

## **Globalisation, industrial policy and economic development in the 21<sup>st</sup> century**

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The present article deals with the birth, death and rebirth of industrial policy in relation to economic development in the global South. This is discussed with reference to the different phases of globalisation – with a particular emphasis on the third (1980-2000) and fourth (2000-) wave. The article tries to answer the following questions: What has been the role and form of industrial policy during the different phases of globalisation? What opportunities and constraints have the economic-political globalisation provided for industrial policy during the last three-to-four decades? What have been the central pros and cons for using industrial policy as an economic development instrument? What are the arguments behind the new industrial policy of the 21<sup>st</sup> century and what are the core characteristics of that policy? It is argued that there are good theoretical and empirical arguments for getting both a growth-oriented macroeconomic policy and a proactive industrial policy back into the development debate and prac-

tice – though in a form that is adjusted to the global conditions in the 21<sup>st</sup> century.

### **Brazil's development strategies in a changing global economy**

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Between 1930 and the 1980s, Brazil pursued a development strategy where industrial policies and an active role of the state in the economy played a significant role. This strategy gave way to a neo-liberal development model of economic openness, deregulation and privatization of state companies in the 1990s. The new strategy was successful in bringing down inflation but did not assure long-term economic stabilization as a basis for economic growth. In response to this problem and to a changing global economic context with a process of economic power diffusion towards big peripheral economies such as China and India, Brazil started to reassess its development strategies. The Lula government (2003-2010) re-introduced industrial policies and a plethora of other strategic initiatives including the novelty of a strong emphasis on broadly shared economic growth as a basis for assuring growth based not only on growing and increasingly geographically diversified

exports but also on dynamic demand in the domestic market. The new strategy has assured a new path of shared economic growth for Brazil that allowed Brazil to weather the international financial crisis starting in 2008 without major disruption, although it has created new challenges for Brazil's continued economic success.

### **What does the financial crisis do to principles of economics textbooks?**

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The financial crisis constitutes a real challenge, not only to economists and economic theory, but to economics textbooks as well. However, the first editions published after the financial crisis of twelve of the most widely used textbooks are rather untouched by the financial crisis. More surprisingly, taken as a whole, one can observe clear indications of rather encompassing changes. This indicates that the financial crisis might become a real game changer in the longer run concerning textbooks as well as economic theory in general. Whether or not is very dependent on the future economic development and on the general attitude among economists towards the financial crisis.