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Abstracts

A. J. Avelãs Nunes, **O Keynesianismo e a Contra-Revolução Monetarista** (Keynesianism and the monetarist Counter-Revolution)

The author analyses monetarism as a long term theory based on unlimited trust, placed on the market mechanism. He studies Friedmanian theses on the inefficiency of financial policy and the limitations of monetary policy (whose instruments cannot be used as instruments of "fine tuning") and exposes the Friedmanian "money constant growth rate rule", distinguishing it from the proposals presented by Henry Simons in Chicago in the 30's.

In number 20 the author criticizes the "monetary rule". He refers to the controversy about 'arguments' given by empirical analysis and follows the Keynesian critic of the "utopique paradise of the liberals" (the capitalist economies are "imperfect" economies). The author also analyses the difficulties in controlling the supply of money, paying attention to the discussion on the notion of money, on the problem of the endogeneity/exogeneity of money supply, on the problem of "long and variable time lags" and on the problem of "external shocks".

Number 21 tries to give an idea of the thesis of the neutrality of the economic policy defended by those who support rational expectations theory.

J.J.Teixeira Ribeiro, **Corporativismo e Socialismo** (Corporativism and Socialism)

Although the corporative economy faded with the fall of the European fascist regimes, the same didn't happen to corporativism. As corporativism is the doctrine that solves conflicts between groups or social bodies through the cooperation of organizations representing the interests of these groups or between those groups associated to the same organization.

Before the last World War, François Perroux made the distinction between corporativism in wide sense and corporativism in strict sense, being the latter the corporative economy. Thus, only the corporative economy, and not the corporativism, was connected to the fascist regimes, therefore it could have been only by misunderstanding that the Portuguese Law from 1978 prohibited the organizations which adopted the corporativism.

The corporative economy, in the countries where it existed, was not only a capitalist but also an anti-socialist economy. And its anti-socialism was patronized by the Catholic Church since 1891 through the encyclical *Rerum Novarum* from Leo XIII. But in fact there's no incompatibility between corporative economy and socialist economy, being the realization of socialism perfectly conceivable through corporative economy.

Finally some dispositions of the Portuguese Law are pointed out, in which, notwithstanding the law from 1978, corporativism still subsists.

Manuel Nogueira Serens, **A Proibição da Publicidade Enganosa: Defesa dos Consumidores ou Protecção (de alguns) dos Concorrentes?** (The prohibition of Misleading Publicity: Consumer Defense of Protection (of some) of the Competitors?)

The subject of commercial publicity appears very commonly associated to competition, being the former inherent to the latter. From here two incomprehensible things result. First, the fact that (legal) discipline of publicity has preceded in time the so-called industrial capitalism; second, and by the same light, it cannot be understood that, during the first decades of industrial capitalism, publicity has been ignored as a juridical phenomenon, the same way as the trade-mark subject, which is the paradigm of distinctive signs, has been.

The (re)rising of publicity as a mean of competition (kept up with the devaluation of *price-competition*) and accordingly the necessity of a legal discipline are coeval to *industrial carteling*, which became generalized in the last quarter of the 19th Century (period of great depression) having this period been as well - *et pour cause* - the period of prolificity regarding trademark protection (that, in last resource, responds to the impossibility of all producers selling everything whatever they all could produce). Trademarks and publicity, as it was said, are mediated by a "symbiotic relation". Therefore it had to be imposed that the regulating principles of communication of that distinctive sign, as well as obviously of all the others (firms, commercial names, origin denominations, provenience indications, etc.) should be stated in connection with the advertising activity, as they are at the same time its *subject and object*. And if it is recognized by everyone that the distinctive signs (trade-marks above all), have to obey to the *principle of truth* - for the sake of the defense of the established entrepreneurs, or if preferred, to the *safeguard of the (relative) acquired positions* -, the same should happen concerning the advertising itself, and for the same reasons. And this in order to protect some entrepreneurs - the stated entrepreneurs, repeating it - and not, as it is ordinarily made believe, in order to protect the consumer.

J.J. Teixeira Ribeiro, **Reflexões sobre a Política de Estabilização** (Reflexions on Stabilization Policy)

The three propositions that Modigliani summarized in 1972 as well as the thinking of the opponents of stabilization are here examined. The author does not agree with the first - that economy will stabilize by itself - because even if it happens by chance, it will still take a long time.

Concerning the second proposition - that economy cannot be stabilized -, the theory of rational expectations is exposed and criticized. The author proceeds with the appreciation of the basis of stabilization policies (financial policy and monetary policy). Both models are correct, but they are policies which admit different influences of the quantity of money on price, of the money supply on interest and of interest on investment. The dispute can only be decided through empirical data, but these have not yet indicated it in definitive terms. Therefore economic science cannot yet stand which of these policies is the exact one, thus the best is to consider that both of them can be useful. It isn't however indifferent to choose between one or the other, as monetary policy disposes of swifter means than financial policy, although the latter is more efficient than the former. Both policies have been adopted, although lately predominantly the monetary policy, with failures and successes. Nevertheless the success of the anti-cyclic financial policy in the USA led, in 1964, to a decrease of unemployment, but, on the other hand, inflation was increased, while the success of the anti-inflationist monetary policy in the USA, in 1979-1982, decreased inflation, but increased unemployment. And this because it is

difficult, if not impossible, to achieve simultaneously less unemployment and lower inflation. In fact the State hasn't the power to influence significantly global supply in short term. That's why it should be proceeded with a trade-off both aims. But from the dispute between monetary and financial policies one looser resulted: Friedman's monetarism, because he relied on a short term stability of money velocity, which revealed to be very instable in the 80s.

Concerning the third proposition - that economy should not be stabilized -, it is demonstrated that it could in fact be stabilized without an increase of the States' sector.

Therefore, none of the propositions of the opponents of stabilization policy is accepted.

Luis Pedro Cunha, **O Sistema Comunitário de Preferências Generalizadas - Efeitos e Limites** (The European Community's Generalized System of Preferences - Economic Benefits and Safeguard Measures)

The author studies the economic effects resulting from the granting of EC tariff preferences to the developing countries under the GSP. The purpose of the two first chapters is to give a preliminary account of trade benefits given to beneficiary countries of tariff preferences. Simultaneously those chapters provide the international background that involved the concession of generalized tariff preferences (UNCTAD, GATT). The author also stresses that the principles of the GSP may not be in deep opposition with the spirit of the GATT (chapter 3). Tariff preferences may be defended even adopting a free-trade approach, if they are granted on a non-discriminatory basis (to all developing countries) and if they are justified namely by the existence of market imperfections, the achievement of social advantages that overtake the social costs or the reaping of economics of scale. Finally, the author puts on discussion the usually given idea that granted preferences are responsible for comparatively larger welfare losses than LDC tariff protection.

A. J. Avelãs Nunes, **Noção e Objecto da Economia Política** (Economic Policy: Notion and Subject)

The author analyses the problem of the notion and the subject of Political Economy. He begins with the explanation that the economic science arose with the advent of capitalism and defends that it appeared as a "bourgeois science".

The author refers afterwards two essential perspectives of economic science: the classical-marxist perspective and the subjectivist-marginalist perspective. Concerning the former he demonstrates the continuing line from the Physiocrats to Marx, evincing, on the other hand, the distinction between the English Classics and the Physiocrats and the demarcation line between Marx, on one hand, and Smith and Ricardo, on the other. As to the latter, he emphasizes the theoretic and ideological significance of the "marginalist revolution" and analyses the synthesis of Lionel Robbins (1932/1935), stressing the radical difference between the marginalist Economics and the classical-marxist Political Economy.

The author develops in number 3 a critical reflection on economic science based on the analysis of the behaviour of the *homo economicus*, questioning himself if Economics is in fact a science.

The synthesis presented in number 4 gives an affirmative answer to this question, but denies that economic science should be a pure "science of means", defending the specificity of this scientific discipline.