

(no, the productivity of the latter has not been properly measured). These points underline the principal lessons arising from the analysis and sits well with the author's ambition to help PNG rural families 'to better understand these pressures and consider which forms of resistance are best to help them build strong and resilient neighbourhoods' (p.148).

### **Howard Sherman and Michael Meeropol**

#### **Principles of Macroeconomics: Activist vs. Austerity Politics**

*M.E. Sharpe, New York, 2013, 395pp.*

The seemingly indefatigable Howard Sherman has made numerous contributions to challenging economic orthodoxy and developing political economic alternatives. Perhaps best known for his textbook *Economics: an Introduction to Traditional and Radical Views* (first launched in 1972, initially co-authored with his colleague E.K.Hunt and later, in more recent editions, with Reynold Nesiba and Phil O'Hara too), he has produced a steady stream of books over more than four decades. Here he teams up with Michael Meeropol to provide a challenging alternative to mainstream macroeconomics textbooks. The main title of the book looks bland enough but its sub-title clearly signals the political economic intent. The aim is to introduce students to the subject in a way that gets them to see why the prevailing post-GFC 'politics of austerity' rests on shaky theoretical foundations and needs to be challenged by people seeking a less punitive and more egalitarian policy approach.

Sherman's well-honed, distinctive style of writing is boldly evident here. It is bright and breezy, sometimes mixing colloquial language with the more academic terminology. He and his co-author marshal up-to-date evidence to illustrate the trends in the key variables on which macroeconomics must focus – output and incomes, exports and imports, wage and profit shares, consumer and corporate credit, investment and government spending, interest rates, quantitative easing, etc. The information is presented in readily understandable formats.

The book's focus on US data and institutions probably limits its potential use as a textbook internationally. The categorisation of macroeconomic views as either Classical or Progressive (with Keynesian economics as contested terrain) may also not appeal to some heterodox economists

seeking a more fully pluralist approach. Yet the book is successful in showing that a unit of study based on the standard concerns of mainstream macroeconomic theory and policy can raise all the big political economic questions if only teachers are willing to rise to the challenge.

**Michael Beggs**

**Inflation and the Making of Australian Macroeconomic Policy  
1945-85**

*Palgrave Macmillan, Basingstoke, 2015, 325pp.*

Mike Beggs shows how macroeconomic policy has been implemented in Australia. His book deals with the crucial decades when macro policy was variously part of a strategy of 'nation building', a means for securing full employment and a tool for preventing high rates of price inflation. The last of these elements is particularly distinctive because, as Beggs notes at the outset, 'the control of inflation is of central importance to the structural role of the state within contemporary capitalism (p.1). This emphasis may strike some younger readers as odd because it is a quarter of a century since inflation was a major economic threat in Australia and, post-GFC, it is deflation rather than inflation that has been the bigger worldwide concern. Yet the fundamental importance of the inflationary threat remains, Beggs argues, and is now enshrined in the independent role of the central bank in many nations. In Australia the Reserve Bank of Australia has the capacity to use monetary policy as a brake that can be applied whenever it regards an elected Australian government's expansionary fiscal policy as unwise.

Starting with an excellent chapter on the nature of the state and economic policy, reflecting on the ideological and institutional influences on the policy process, the book then turns detailed attention to how policy was shaped during the forty years studied (split broadly into two sub-periods). The story ends with the experience of the ALP-ACTU Accord during the Hawke-Keating years, but does not venture beyond. So it takes us to the period commonly regarded as marking the onset of neoliberalism, but it also shows the longer-standing influences pushing public policy in that direction. These include concerns with 'cost-push inflation' (blaming the