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EDITORIAL

THE STATE OF POLITICAL ECONOMY

The publication of the fiftieth issue of this journal is an appropriate moment to reflect on the state of political economy. *JAPE* began twenty five years ago as an outlet for critical alternatives to mainstream economic analysis and policy. Its declared aim was to 'represent and encourage a social movement ... for a democratic economy, as a necessary precondition for a fully democratic society; for a radically new conception of the values to be observed and advanced in the planning and conduct all facets of social life, for new theoretical perspectives on society and new forms of organization ...'. In practice these rather grandiose aims translated into publishing a journal which would disseminate political economic alternatives to orthodox economics, exploring critiques of contemporary capitalism and fostering debates about the interactions between capital, labour and the state in the Australian context.

The launching of *JAPE* reflected the concerns of the mid 1970's. The quarter century of sustained economic growth that followed the second war had petered out, and a surge in both unemployment and inflation ushered in a new era of economic uncertainty. The government of Australia had become more volatile, twenty-three years of conservative rule having been ended by the election in 1972 of a Labor government under the leadership of Gough Whitlam. That reformist government had then been ousted by the controversial 'constitutional coup' of 1975. Meanwhile, the 'green bans' movement had shown the possibility for progressive alliances between trade unions and community activists to confront the power of capital and the state. Activism on university campuses was widespread, albeit sporadic, following the demonstrations to end Australia's involvement in the Vietnam War, and flowing into diverse concerns about university governance and progressive education.

The Australian Political Economy Movement (APEM) had been formed in 1975 to coordinate the activities of progressive students, academics and activists in the broader community who were seeking to develop

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alternatives to the prevailing economic orthodoxies, in theory and practice. Well-attended annual conferences were held by APEM, variously in Sydney, Melbourne, Adelaide, Canberra and Wollongong. A newsletter reporting on political economic developments was produced periodically. The decision to launch *JAPE* was taken at an APEM meeting in Sydney in 1976. Initially the journal was edited by regional collectives in Sydney, Melbourne, Adelaide and, later, Canberra, each taking turns to produce different issues. Some articles focused on critiques of Australian and world capitalism. Others were more targeted on the Coalition government led by Malcolm Fraser which was seen as a major stumbling block to progressive social change – indeed, many articles in the early days of *JAPE* were deeply critical of its policies (and cartoons in the journal regularly lampooned Fraser and his senior Ministers). Overall though there was genuine optimism that developing a critical political economic analysis would help to ‘make a difference’.

At the start of the twenty first century the political economic situation is significantly different. The long period of Labor government in the 1980’s and early 1990’s, although sidelining the Liberal and National parties for 13 years, did not produce a more equitable or ecologically sustainable economy. In some respects, it paved the way for the more explicit neoliberalism of the Howard government. During the last decade the effects of corporate globalization, together with the effects of neoliberal assaults on public policy and the public sphere, have left a legacy of more defensive, even defeatist attitudes, among many people. That is currently evident in the lack of momentum within the ALP for the development of coherent political economic alternative to the neoliberal program. The trade union movement, although still a significant source of strength, has only a quarter of all workers as its members. On the university campuses, the economic circumstances facing students evidently leave less time, and inclination, for political activism, other than that directly targeted at the educational funding policies of the Howard government and the corporate managerialism (and inflated salaries) of university Vice-Chancellors and their bloated bureaucracies.

The dominance of neoliberalism in economic policy has been matched by the dominance of neoclassical theory in academic economics. Many see the two as inexorably interlinked. Some neoclassical economists

doubtless have qualms about how the more cautiously qualified aspects of their theories are set aside in the process of turning them into supports for crude 'economic rationalist' policies of privatization, deregulation and the commodification of social life. But the fusion of a vulgarized neoclassical economic theory with the politics of neoliberalism has been pervasive and powerful.

The challenges to this orthodoxy continue to come from Marxist, neo-Marxist, institutional, and post-Keynesian economists, and from feminists and environmentalists too. *JAPE* has provided an outlet for many of those voices, bridging academic concerns about the construction of economic analysis with debates about prevailing political economic trends, policies and strategic responses.

Meanwhile, the internal organization of the journal has changed. The earlier system of regionally 'rotating' the editorial process (and physical production of the journal) has been replaced by a more centralized system, focusing on a coordinating editor and editorial collective in Sydney. This has provided a 'tighter', more reliable, basis for production of the journal over the last decade and a half, but not at the expense of narrowing the regional range of contributed articles. It has linked the administration of the journal more directly to the Political Economy discipline at the University of Sydney, now enjoying a degree of organizational autonomy that it not had during the bitter struggles of the earlier decades.

The last couple of years have seen a marked surge of interest in critical political economic alternatives in other places. The 'post-autistic economics' movement, originating in France, has spread internationally as a focal point for dissident economic viewpoints. Heterodox economics conferences held in the UK, USA and Australia have been additional focal points. These initiatives follow on from the more long-standing commitments by the Union for Radical Political Economics (in the USA), the Conference of Socialist Economists (in the UK) and the Australian Political Economy Movement. A steady stream of books exploring progressive political economic alternatives to the prevailing orthodoxies has been published.

A number of the articles in this issue of *JAPE*, including some by international contributors, look at these recent developments in the political economic challenge to orthodoxy. Other articles are by Australian political economists, reflecting on the current 'state of the art' and putting their own views about the challenges faced by those committed to the further development of modern political economy. To provide an opportunity for many such viewpoints to be represented in this issue of the journal, potential contributors were invited to write much shorter articles than are normally featured. Some did: others have contributed full-length articles. The result is a wide array of viewpoints, including Marxist, institutionalist, environmentalist, neo-Marxist, post-structuralist and eclectic perspectives. Some of the authors emphasise the 'internal' conceptual aspects of constructing political economic analysis: others emphasise the political economic implications of 'external' changes in the world around us. This diversity of contributions properly reflects the diversity, and the vitality, of modern political economy.

Do political economic ideas make a difference? Those on the political right evidently think so. The promotion and funding of 'think tanks' fostering right wing ideology and policy has been an important element in the ascendancy and dominance of neoliberalism and 'economic rationalism' in the last two decades. *JAPE* provides an important counter, together with other Australian journals giving space to critical voices, and alongside other progressive organisations like the Evatt Foundation and the Australia Institute. Even if it is sometimes 'one step forward, two steps backward', it is important that the challenges be made.

In the realm of political economy there is never a 'final solution'. The neoliberals' clichéd claim that 'there is no alternative' (the so-called TINA syndrome) is unsupportable. There is always, at least, a two-line struggle between reactionary and progressive views, and usually a more complex array of possibilities. These alternative voices must be heard. For this reason, the original commitment which led to the launching of *JAPE* a quarter of a century ago is enduring.

The continued vitality of the journal depends on a good flow of political economic research linked to critical reflection on developments in

Australian and world capitalism. For the moment that seems assured. The ravages of 'economic rationalism' and neoliberalism necessarily produce critical responses. People are taking to the streets in significant numbers to voice their concerns about corporate globalisation, militarism and imperialism, and an array of environmental concerns. Others are compiling critical analyses, whether for activists' websites or for journals such as this, focusing on the drivers of political economic change and the possibilities for different directions.

As the twenty first century unfolds we may look forward to an era when we can move from a mainly defensive and critical stance to one that 'makes the running'. What will be the 'state of political economy' and its major concerns when *JAPE* turns 100?

Frank Stilwell

