
BOOK NOTES

Steve Keen

The New Economics: A Manifesto

Polity, Cambridge, 2021, 140pp., paperback, \$27.

Steve Keen is renowned for his relentless critique of economic orthodoxy, paired with his own modelling and simulation of economic processes. *Debunking economics* is his central credo and creation. His book of that name has had two editions and his website *debunkingeconomics.com* has many devotees. This new book may be his best yet because it succinctly combines his case for rejecting the still-dominant neoclassical orthodoxy with clear statements about his preferred replacement.

The book has six chapters, beginning with an explanation of ‘why this manifesto?’ and ending with a rallying call to ‘be the change’. In between, four substantial thematic chapters provide the guts of the argument. The first – and much the longest – is on money matters. As Keen says, ‘most people who haven’t studied economics expect economists to be expert on money’ (p. 20). Yet, as he points out, neoclassical macroeconomics provides little insight here, leaving the field wide open for alternative theorisations. Keen’s own approach is built on foundations laid by political economists such as Hyman Minsky, Augusto Graziani, Wynne Godley and Basil Moore. He presents a method of modelling money that bridges between these post-Keynesian influence and the Modern Monetary Theory (MMT) that has gained so many adherents during the last couple of decades; and shows its policy implications, including the case for ‘debt jubilee’ to obviate the tendency to macroeconomic crisis.

Next, the book explores an alternative to the neoclassical economists’ ‘obsession with modelling the economy as if it had a stable equilibrium’ (p. 74). Titled ‘our complex world’, this chapter offers a strong critique of the usual general equilibrium form of modelling that Treasuries and other official government agencies use for predicting economic outcomes. The alternative advocated by Keen is a model of the economy as a dynamic system having interactive feedback mechanisms that tend to produce

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‘butterfly’ effects and other sources of systemic instability. Yes, it’s complicated; and Keen advises his readers: ‘take another coffee break if your head is spinning at this point’ (p. 90).

The need for yet further sophistication arises when the relationship between economics, energy and the environment is considered. This is because adding in the ecological aspects requires attention to biophysical principles, such as the laws of thermodynamics. Keen’s chapter on these issues points to how economic modelling must be reconstructed if it is to properly incorporate the ecological challenges of the modern era. He couples this with a stinging critique of the influential but badly misleading work by William Nordhaus, winner in 2018 of the Swedish Central Bank ‘Prize in Economic Sciences in memory of Alfred Nobel’.

Moving towards the book’s conclusion, Keen offers a short chapter on the ‘neoclassical disease’, which he identifies as ‘treating something that any outside observer would regard as a fantasy as a simplifying assumption and asserting that the fantasy cannot be questioned when one challenges the resulting model’ (p. 125). This is the process that Keen has always been so relentlessly committed to criticising; and he does so here by showing the erroneous inferences arising from the mainstream economists’ usual assumptions. By this stage, some readers might be wondering *how* and *why* the mainstream continues flowing - why is neoclassicism still central to economic orthodoxy and how can its practitioners be so resilient to the criticisms? Keen’s work invites further probing of the questionable status, ideological role and sociological character of a profession that defines itself by a constricted method while being committed to self-reproduction at all costs.

Philip Anthony O’Hara

**Principles of Institutional and Evolutionary Economics:
Applied to Current World Problems**

Springer Nature, Singapore, 2022, 452pp, hardback, \$199.15.

For an alternative view of what dissident economists should be doing, this book deserves careful consideration. It comes from an Australian political economist who has been immersed in the development of institutional and

evolutionary political economy for over 40 years, served as President of the Association for Evolutionary Economics and, two decades ago, edited the *Encyclopaedia of Political Economy*. His new book offers an overview of the general principles underlying his preferred approach to the subject and shows how those principles can be applied to a wide range of contemporary economic, social and political concerns.

O'Hara's eight core political economic principles are: historical specificity and evolution; hegemony and uneven development; circular and cumulative causation; contradictions; heterogeneous groups and agents; uncertainty; innovation; and policy and governance. Listing these principles early in the book leads into consideration of their association with significant figures in the history of economic thought, particularly Veblen, Schumpeter, Keynes and Myrdal. Kaldor's contribution to understanding processes of circular and cumulative causation is also acknowledged, even though it featured 'too much accumulation and not enough contradiction', according to the wry observation by David Gordon that O'Hara cites (on p. 31).

The book sets out how the eight nominated core principles – yes, including a good slab of 'contradictions' - can frame analysis of diverse topics, each getting a separate chapter. These range from the global coronavirus pandemic to climate change; corruption; artificial intelligence and robotics; policy and governance; money, credit circuits, cycles and crises; terrorism; HIV and AIDS; and 'love capital and the nurturance gap'. It is the *method* that gives the attempted coherence to this miscellany, each topic being viewed through O'Hara's personally preferred political economic lens for analysing the totality of human activity. Some readers may well appreciate the versatility on display here, although others might consider that, for example, introducing the concept of 'love capital' is perhaps a step too far beyond the already contentious notions of 'human capital', 'social capital' and 'natural capital'.

As ever, effectiveness depends on which audience an author is seeking to engage, whether trying to nudge mainstream economists into recognising broader social concerns and/or trying to interest a broader public in seeing familiar social concerns from an institutionalist-evolutionary perspective. For readers in either category who seek more from the same source, O'Hara ends his book by foreshadowing two further volumes he is writing, one on 'long wave institutional dynamics and the political economic crisis of capitalism', and the other on a 'global history of the world'.

Oleksandr Svitych

**The Rise of the Capital-State and Neo-Nationalism:
A New Polanyian Moment**

Brill, Leiden and Boston, 2022, 224pp., hardback, \$185.

Nearly three decades ago, Kenechi Ohmae wrote about the prospect of globalisation leading to the ‘end of the nation state’. How wrong he was or – to make the point more gently – how poorly subsequent events have served his bold prediction. Among the most striking features of the current era has been resurgent national rivalries and the growth of populist nationalism, evident in both the Global North, symbolised by Trumpism and BREXIT, and in the Global South. This new book by Oleksandra Svitych, a Ukraine-born political scientist who did his PhD at the National University of Singapore, explores how this fertile breeding ground for populist nationalism - or neo-nationalism, as he calls it – developed. He makes the case for going beyond ‘abstract forces such as globalisation, the invisible hand of the market or the friction of cultures’ (p. 5), opting instead for an analytical approach that derives from Karl Polanyi’s classic work, *The Great Transformation*. Svitych posits a new great transformation to what he terms the ‘Capital-State’, featuring intensive commodification and favouring the interests of capital over the public interest. This process is said to have had a Polanyian ‘double movement’ logic, reacting against the welfarist state and building on appeals to ‘freedom’ from state controls’ to create support for regimes that prioritise the interests of private capital.

The book’s most notable features are its three attempts to ground these arguments in empirical evidence. The first of these involves presentation of data on electoral outcomes, showing voters’ support for parties that Svitych identifies as having populist appeal, whether politically on the right or left. A second and more substantial empirical undertaking is research into four case studies of neo-nationalism in different national contexts, looking at the Movement for a Better Hungary (‘Jobbik’) led by Victor Orban; the National Front led by Marine Le Pen in France; Australia’s experience with Pauline Hanson’s One Nation Party; and Korean progressivism as an example of the ‘developmental Capital-State’. The third, and most ambitious, empirical element is quantitative estimation of the size of the Capital-State in a wider array of nations, based on measures of the extent of privatisation, corporate tax rates, strength of

labour market protections, volume of capital flows, and degree of income inequality. The data on these and other variables are compressed into a single composite index to show the extent of state transformation, both globally and in individual countries, during the 1980-2015 period. Regression analyses is then used to identify significant correlations.

These empirical aspects of the book comprise the book's most distinctive academic contribution, notwithstanding some difficulties of interpretation. Not surprisingly, its political implications remain uncertain. For example, does evidence of a structural shift to the Capital-State in a country that has not yet had a right wing neo-nationalist party in government – such as the 'deviant case' of Australia (p. 128) – indicate the likelihood of that happening in the future? To the author's credit, his research framing could assist such further analyses, digging deeper than journalistic concerns about populist leaders and their capacity to command loyalty from their followers. That said, the concluding chapter returns to more familiar ground with its advocacy of a 'true social and democratic alternative to the Capital-State' (p. 136), leaving the reader to ponder whether a further Polanyian 'double movement' could be a feasible prospect.

Thomas Klikauer

Media Capitalism: Hegemony in the Age of Mass Deception

Palgrave Macmillan, Switzerland, 2021, 528pp., hardback, \$179.

Thomas Klikauer is a prolific Sydney-based academic who has written widely on the drive toward 'managerialism', most recently in his book *The Language of Managerialism: Organisational Communication or an Ideological Tool?* (2022). Here, he turns his critical eye to the media, focussing on its role in disseminating a legitimising, supportive ideology for capitalism. His book's emphasis is on 'what spin doctors and spinmeisters do today' (p. 2), presenting a somewhat Orwellian view of how media power has been used as 'integration propaganda'. He writes of 'corporate media constantly and consistently telling us about the good life we all enjoy'; observing that 'influencing public thought extends deep into all areas of our lives', while arguing that 'this is ideologically camouflaged

through the hallucination of a democratic marketplace of ideas' (p. 7). It is a view that he says replaces earlier interpretations of the media's character, such as 'culture industry' (Adorno and Horkheimer), 'consciousness industry' (Enzensberger), 'dependency road' (Smythe), 'culture Inc' (Schiller), and 'propaganda' (Herman and Chomsky, Sussman) (p. 9). This effectively situates his contribution in ongoing debates within the political economy of communications.

Klikauer summarises his central thesis in the cute Piketty-like equation: $MC = MCI^2$, where M is media; C is consumerism; I is ideology; and MCI denotes media capitalism. Thus, media, consumerism and ideology come together as media capitalism (MCI) - although why MCI is the square, rather than simply the product, of the three former variables is probably best left as an unimportant mystery. Klikauer's basic point is that MCI is big, pervasive and powerful, affecting all aspects of our lives, including the public sphere, education, society, human behaviour, the world of work, and the reshaping of democracy. Each of these aspects is accorded a separate chapter in the book, making it into a catalogue of critiques of how the characteristics of media capitalism relentlessly impinge on us all.

Klikauer's method involves extensive use of illustrative examples, ranging from what's gone wrong in schools and universities to concerns with how democracy's necessary foundations in reasoned national dialogue have been undermined. His unifying theme, unmistakable throughout, is that mainstream media works to ensure support for activities that chain society inexorably to the service of capitalists' interests, notwithstanding the deep disquiet, even distain, that many people feel about the mass media's principal organs and their biases.

This central argument is buttressed by a chapter that looks at the historical development of media and its association with capitalist interests. Less attention is given to the capitalistic characteristics of businesses in the media industry itself. Of course, the major players today are themselves profit-seeking businesses which, while colluding in support for capitalism, must also compete for market shares and try to manage and respond to the technological changes that affect the conditions relating to production, distribution, and competition in the industry. Technological advances have spawned the proliferation of alternative social media which has created newer challenges, perhaps precipitating further dialectical processes. Seen in this way, perhaps 'it ain't all over' - or not quite yet anyway.

Todd A. Knoop

Understanding Economic Inequality: Bigger Pies and Just Desserts

Edward Elgar, Cheltenham, 2021, 264pp., paperback, \$68.

Post-Piketty, publications on the political economy of inequality have proliferated. There has also been impressive cooperation between researchers in many countries who are trying to improve consistency of the data on inequality, develop internationally standardised distributional accounts, and push for more effective redistributive policies worldwide. Perhaps a parallel may be drawn with the development, nearly a century ago, of the internationally standardised national economic accounts that enabled the implementation of systematic Keynesian macroeconomic policies. The question arises: could we be on the threshold of a similar change that makes inequality, both within and between nations, a central focus of global economic monitoring, analyses and policy?

Seen in this wider context, this book by a Professor of Economics and Business at Cornell College, USA, may be regarded as a welcome addition to the many existing books trying to make sense of the existing socio-economic inequalities, their nature, drivers, consequences, and remedies. Its chapters are structured around a series of fairly familiar questions: how do we measure inequality? how unequal are we? why might inequality be necessary? why does inequality matter? why has domestic inequality risen, fallen and then risen again? why is location the most important factor affecting inequality? is inequality a problem we can solve? and what is the future of economic inequality?

Exploring these sequential issues, Knoop's book clearly presents the relevant evidence and shows the different viewpoints from which inequality may be viewed, whether emphasising incentives and market freedoms *or* emphasising equity and fairness. Perhaps the most engaging of the book's eight chapters is the one discussing seven different explanations for the increasing inequality that has occurred in most nations since the 1970s. Other chapters, such as the one on why inequality matters, also draw usefully on other disciplines to present a broad, social science perspective. Overall, this is a commendably clearly written addition to the already large literature on inequality, deserving wide readership among students, academics and general readers.

Stomu Yamash'ta, Tadashi Yogi and Stephen Hill
The Kyoto Manifesto for Global Economics

Springer Nature, Singapore, 2018, 566pp., hardback, \$85.

Numerous interdisciplinary and international conferences have reviewed the prevailing global socio-economic arrangements and prospects. Where Japan has been the host country for such events, matters of ethics and spirituality are usually to be found somewhere on the agenda. This volume arises from one such conference. It comprises 32 chapters, about half of which have been written by the book's three editors, with the other half contributed by participants from various countries, particularly Japan. The book is yet to gain substantial international recognition, notwithstanding the editors' ambition to make a 'manifesto for global change'. Such is life, it seems, in a world where 'bite-sized grabs' take priority over deeper and more philosophical contributions.

The book is constructed as a symphony, beginning with a first movement on 'recognising the need for change', continuing with a second movement on 'foundation stones of spirituality', transitioning to a third on the 'dynamic of creativity' and a fourth on 'building a platform for change', before concluding with a *suite finale* titled 'from exploration of the sacred essence of humanity to daily life and economics'.

If this sounds somewhat esoteric, even ethereal, it must be said that the themes do ultimately relate to grounded concerns. One of these involves making 'wellbeing' central to the assessment of public policies and social progress. Progressive social scientists in many countries have been advocating replacement – or at least supplementation – of economic measures like GNP by broader measures of progress that take account of environmental and community concerns, including mental, physical and environmental health. Many governments around the world are increasingly toying with this possibility, even though Bhutan's adoption of 'Gross National Happiness' is typically seen as a 'bridge too far'.

Perhaps this book's thematic concern with spirituality may be a bridge yet further, especially its second section, other than for readers already sharing the spiritual mindset. Other chapters, however, point to more prosaic concerns, such as one on 'trust not competition as a source of the creative economy', which is a welcome antidote to the obsession with competition, rather than cooperation, in mainstream economic discourse. Among the

book's thematic chapters, those by Steven Hill are well attuned to an international readership. Renowned for his promotion of human rights and community empowerment through Australian and international institutions (as well as for his blues harmonica playing), Hill's chapters should interest scholars willing to go beyond the confines of their own disciplines. Indeed, the whole book is an invitation to do just that, offering thoughtful, interdisciplinary reflections on paths to progress, whether individually or collectively implemented, in a complex and difficult world.

Clive Hamilton

Provocateur: A Life of Ideas in Action

Hardie Grant Books, Melbourne and London, 2022, 320pp., paperback, \$35.

Although political economy focuses primarily on structural forces and collective action, the role of individuals in societal change also deserves thoughtful consideration. This new book tells the story of Clive Hamilton's personal journey as a public intellectual and activist since 1983. After studying political economy at the University of Sydney and doing his PhD at the University of Sussex, he got started on what might be considered a mainstream career track, first teaching economics at the ANU and then working in government policy research roles at the Bureau of Industry Economics and the Resource Assessment Commission. After subsequently working overseas, however, it dawned on him to try ploughing a different furrow – as a social change agent. He wrote from Indonesia to people he knew in Australia about his interest in establishing a think tank in Canberra that would counter the pernicious influence of the existing right-wing think tanks. Encouraged by the responses – and the philanthropic support he obtained – he founded The Australia Institute (a marvellously audacious choice of label) in 1994. If this was the initiative of a 'provocateur', it was also one that showed remarkable institution-building skills.

Over a third of the book tells the story of TAI's activities and impacts. Indeed, it has been a highly significant player on the Australian political landscape, targeting research for maximum media attention and public impact, and its size and influence has continued to grow. Hamilton's subsequent 'provocative' activities have had more mixed effects though.

There's an interesting chapter in the book on his experience of being an ultimately unsuccessful Greens candidate for the Federal seat of Higgins; and another on the campaign he waged against retail companies such as David Jones, pointing to how their advertising sexualized children. Yet it is the two issues for which he has been best known during the last decade that get most attention in the latter parts of the book. These are the need to confront calamitous climate change; and the dangers to Australia emanating from the government of the People's Republic of China. As a public intellectual speaking out strongly on both issues, he has been, for many people, a polarising figure. Regarding climate change, his book *Requiem for a Species* (or its title, at least) is sometimes said to be too doomsday-oriented; and, on China, his book *Silent Invasion* to be too relentlessly critical of the PRC's activities in Australia. The latter has triggered many personal threats, as described in his book.

Undaunted, Hamilton doesn't resile from seeing provocation as necessary and protest to be celebrated. This was evident in *What Do We Want?* (2016), his earlier book that depicted diverse protest movements in Australia. Despite that book's disappointing sales – about which he makes passing lament in *Provocateur* – or the more serious setbacks and recent threats he has experienced, more provocations are presumably yet to come.

So, what can be inferred about the role of the individual in social change? Perhaps not very much from a biography, probably less from an autobiography. Yet we may infer that the impact is definitely non-negligible, especially when the person, as in this case, kick-starts public campaigns aimed at getting media attention and when the provocations address social causes with strong ethical underpinnings.

Neil Vallely

Futilitarianism: Neoliberalism and the Production of Uselessness

Goldsmith's Press, London, 2022, 248pp., hardback, \$38.

This book's title is an obvious wordplay on utilitarianism, but its contents go beyond a critical assessment of that political philosophy to a wider-ranging critique of contemporary capitalist society. The author describes

his ambition to ‘offer a series of theoretical tools to navigate away out of the non-future presented to us by the destructive forces of neoliberalism’ (p. 22). Critically reconsidering utilitarianism is a good launching pad for this, since neoclassical economic theory’s conception of consumer choices rests on that philosophical basis. From that perspective, the ‘freedom of the marketplace’ that allows individuals to pursue their self-interest also produces an optimal allocation of resources and the highest attainable level of wellbeing. Greatest good for the greatest number? Or, from a more critical perspective, revealing the ultimate futility of marginal utility?

Vallelly’s book emphasises that the flip side of utility is indeed futility because, in the modern economy, so much human effort goes into activities that are neither personally satisfying nor collectively beneficial. In the book’s section on employment, for example, the author states that the existence of *homo futilitus* is most obvious in the contemporary world of work, where a common experience is of working in ‘jobs that are seemingly pointless’ but ‘take over our lives in ways that stop us from actually doing the things that make life worth living’ (p. 71). Similar scepticism about the fruits of technological ‘progress’ is evident in the book’s critique of digital technologies and their effect on social relations (pp. 121-3). The principal target for critique, however, is the excesses of consumerism in modern capitalist society. That comes as no surprise, of course, given the widespread scepticism about ‘people buying things they don’t need, with money they don’t have, to impress people they don’t like’ (to quote one of Clive Hamilton’s pertinent jibes).

Futilitarianism probes the systemic nature of such ultimately unfulfilling behaviours and chips away at the neoliberal buttresses that provide the ideological support. In some respects, the endeavour is reminiscent of E.J. Mishan’s *The Costs of Economic Growth*, written more than half a century earlier, in which the author sought to link the neoclassical concept of ‘externalities’ with personal observations on the counterproductive effects emanating from the untrammelled operation of capitalist markets. It was an approach that blended discussion of concepts in economic theory with social critique. Although similar in this respect, Vallelly’s book goes further in its engagement with relevant literature and evidence about the relationship between philosophical positions, social realities and outcomes, moulded into a comprehensive critique of neoliberalism’s antisocial characteristics.

In this way, Vallely offers us a lens through which we can make sense of many ultimately senseless activities, bringing into clearer focus the features of an economic system with built-in irrationality and of a supportive ideology that beguiles us into accepting as ‘normal’ what is not ultimately worthwhile. His book warrants serious attention from political economists and others sharing comparable concerns about the prevailing beliefs that legitimise the widespread waste of human effort and resources.

Brett Heino

Space, Place and Capitalism: The Literary Geographies of *The Unknown Industrial Prisoner*

Springer Nature, Singapore, 2021, 218pp., hardback, \$219.

This is a fascinating blend of political economy with a geographical approach to literary analysis. It focuses on Australian author David Ireland’s novel, *The Unknown Industrial Prisoner* which Brett Heino takes as his basis for exploring the ‘spatiality of post-World War II Australian capitalism’ (p. 1). Ireland’s novel is centred on the people who work at the ‘Puroil refinery’ in ‘Clearwater Bay’ (a thinly disguised reference, one may infer, to Kurnell on Sydney’s Botany Bay). It is here that Ireland’s ‘simultaneously tragic and darkly comedic vision of post-World War II Australian capitalism’ is located, exhibiting ‘its waste, its environmental damage, its mediocrity, its subjection at the feet of foreign interests and, above all, its physical and psychic destruction of the workers’ (p. 4).

According to Heino, Ireland’s novel reveals the political economy of space and place, showing how capital and the state reproduce physical and mental landscapes that reinforce processes of class domination. Heino’s theoretical perspective shows the strong influence of Henri Lefebvre’s writing but also draws on geographically oriented political economists such as Neil Smith, David Harvey, Neil Brenner and Adam Morton. The use of the concept of *Fordism* – in this case, a specifically ‘Antipodean Fordism’ – to depict the then-prevailing character of capitalism also reflects the influence of the ‘regulation school’ in political economy, about which Heino has written elsewhere (including his chapter in the recently published *Handbook of Alternative Theories of Political Economy*).

Sequential themes in the book include consideration of space and place in radical geography; the nature of abstract space (with Antipodean characteristics); the spatial state; resistance and the struggle for place. Gender relations are featured too, particularly in relation to the 'home beautiful' – a popular aspiration whose promise is bedevilled in practice by contradictions arising from its inbuilt sexist and patriarchal presumptions.

Although Ireland's work of fiction was written half a century ago, Heino argues that it continues to offer a window into the tensions and contradictions caused by capitalism's shaping of urban society's spatial form. However, as both the novel's author and its modern analyst would surely agree, *time* always needs also to be interwoven with space in assessing the relationships between continuity and change. The spatial form of cities creates elements of inertia that inhibit changes to the built environment because they require complex coordination and huge investment. The space-time constraints are especially problematic in urban industrial districts, like the one in Ireland's novel, that have left a legacy of industrial pollution and land/water contamination. Moreover, the commonly posited shift from the Fordist regime to a post-Fordist regime, although never instantaneous and rarely complete, leaves open many other questions about the implications for the workforce, such as its capacity to deal with alienation and its potential for collective organisation. It is a tribute to Heino's combination of political economy with literary analysis that it opens issues of this sort for further consideration.

Hal Pawson, Vivienne Milligan and Judith Yates **Housing Policy in Australia: A Case for System Reform**

Palgrave Macmillan, Switzerland, 2020, 388pp., paperback, \$127.

Outside observers might regard Australia as a country in which housing problems should be quite easily solved. The nation's overall wealth and abundance of land relative to total population creates relatively conducive conditions. Yet, the manifest failure to achieve the social goal of adequate, affordable housing for all is perhaps its most evident societal problem. This book takes readers step-by-step through the patterns, processes, problems and policies relevant to understanding what's gone wrong.

As leading Australian housing policy experts, the book's three co-authors are admirably equipped to be our guides. Sadly, Judy Yates passed away since the book was published. Her economic expertise, housing policy knowledge and personal commitment to a more equitable society – all features shared by her two similarly inclined co-authors – sets the tone for the volume. As was invariably the case with Judy's own professional writing, there's lots of data here on trends in housing, careful consideration of policy pros and cons, and relentless questing for workable solutions, always with an eye to what is attainable even if not ideal.

Perhaps the most consistent public policy bias to which the book draws its readers' attention is the favoured treatment of owner-occupation, rather than other forms of housing provision and tenure. The origins of this bias may be traced to the post-World War II years, when the Menzies government sought to get people into home ownership, partly because it would make them more politically conservative – thereby constituting what others have described as a 'bulwark against Bolshevism'. Notwithstanding differences of political inclination, all subsequent governments have continued the same emphasis on trying to help households to achieve the 'great Australian dream' of home ownership. That this dream has become a nightmare is now a common trope.

As the book shows, the biases in the tax and regulatory systems that ostensibly facilitate home ownership have had predominantly perverse effects, driving house prices to levels that have substantially lowered the overall proportion of households who are owner (or purchaser) occupiers. The consequent stresses show up across all housing sectors – in unaffordable private rental, woefully inadequate public and social housing, and unsatisfactory emergency housing. Individual chapters in the book include particularly useful ones on policies for 'financing and governing affordable rental housing' (Ch. 8) and the 'roles of land use planning policy in housing supply' (Ch. 9), while another explains the special features of the Indigenous housing policy challenge (Ch. 7). This all adds up to a cogent and helpful stocktaking of how we got to the current situation.

Turning to the question of 'what is to be done?', the answers, as ever, depend on what is considered within the realms of political possibility. The book's final chapter sets out a proposed reform agenda, emphasising the current housing challenges and a combination of policies that could ease the stresses. Yet, as the authors acknowledge, housing policies alone cannot suffice to deal with housing problems that are deeply rooted in

inequalities in incomes and wealth (with housing wealth being the largest component of the latter). Not surprisingly, therefore, the interconnection between systemic inequality and housing problems is a central theme here, as it always was for Judy Yates. Hopefully, the book will stimulate yet more political economic analyses of how housing markets operate in an increasingly divided society; even better if it helps to foster public policies that become part of the solution rather than further fuelling the problem.

Richard Layard

Can We Be Happier? Evidence and Ethics

Penguin Books, London, 2021, 416pp., paperback, \$23.

You might expect to see something with a title like this in the self-help or personal health section of your local book shop. Appropriately so, perhaps, in that the book deals with human happiness and wellbeing. However, its author, a former professor of economics at the LSE, also throws down the gauntlet to conventional economics, particularly its general assumption of a linear connection between material prosperity and people's happiness. The book raises key concerns about the purposes of economic activity and the poor scorecard of current political economic arrangements. Indeed, it is now almost a truism to say that increases in economic growth have not produced the happier outcomes that were promised and expected. Rather, the available evidence suggests that, beyond escape from absolute poverty, additional increments of income do not correlate at all strongly with higher levels of personal happiness.

Happiness, of course, is a slippery concept and some analysts might wish to differentiate more clearly between happiness as short-term euphoria and as long-term contentedness. Layard is implicitly more concerned with the latter, as are social scientists such as Richard Wilkinson and Kate Pickett whose books *The Spirit Level* and *The Inner Level* have surveyed and substantially extended the social scientific understandings of the topic. Layard's earlier professional writing included *Happiness: Lessons from a New Science* (2005) but now he is seeking to engage a wider audience.

The book's first main section presents an overview of the so-called 'happiness revolution', looking at the arguments and evidence about what

makes people happy and the prospects for achieving the kind of society conducive to fulfilment of that goal. It emphasises the need for balance between economic progress, health, social support, and trust. Wherever possible, Layard parades evidence to indicate the quantitative impact of the different variables, as revealed in previous research studies, including those that the author has directly contributed.

The second part of the book, called ‘who can do what?’ explores what each of us can do in our own professions and social fields: whether as teachers, managers, health professionals, politicians and public servants, scientists and technologists, or functioning within families and communities. Each gets a chapter on how positive contributions can be made to the movement for happiness. While these all seem admirably down-to-earth, it is the chapter addressed to *economists* that is most pertinent, emphasising the need to question how economic activity fits into society rather than simply continuing to assume more GNP as the target. Considering these issues from an interdisciplinary perspective should enhance its appeal to political economists wanting to explore the ethical and humanistic issues at stake.

Lynne Chester and Tae-Hee Jo (eds)

Heterodox Economics: Legacy and Prospects

World Economics Association Books, Bristol, 2022, 393pp., paperback, \$26.

This edited collection is presented as a response to Geoff Hodgson’s book, *Is There a Future for Heterodox Economics?* (2019), which assessed the challenge that heterodox economists pose to mainstream economics. Put simply, Hodgson argued that the challenge’s effectiveness is limited by heterodoxy’s unclear definition and insufficiently sharp focus, combined with a perception of heterodox economists as politically left-wing. He posited how heterodox economists could organise themselves more effectively, such as agreeing to concentrate their research and writing on the critique of ‘Max U’, or making further progress within the institutional economics tradition in which he had largely concentrated his own efforts. Otherwise, he argued, the prospects would be poor, leaving heterodox economists increasingly marginalised within the economics discipline.

Critical reviews of Hodgson's book have appeared, including one by Geoff Dow that was published in this journal (*JAPE* 87). Lynne Chester has been a notably strong critic; and she and co-editor Tae-Hee Jo have now compiled a 365-page e-book response, published by the World Economics Association (WEA) as this issue of *JAPE* was going to press.

The book sets out to show the prospects for heterodox economics in a much more positive way. Starting with an engaging 'prologue' by Jamie Morgan, it comprises seven chapters, each of about 40 pages, some over 50. Thus, the emphasis is on depth of analysis rather than a wider range of contributions. Some chapters, such as those by Morgan and by the editors themselves, directly engage with Hodgson's arguments, offering strong counterarguments. Others focus more on showing the wares offered within the strands of heterodox economic thought, with topics including the history of heterodox economics, 'Cambridge social ontology and the reconstruction of economic theory', 'heterodox economics and ideology', 'limits to pluralism', and towards interdisciplinarity as instinctive'. Near the book's end, Jamie Morgan's second chapter relates what has done by the WEA and the European Association for Evolutionary Political Economy (EAEPE) during the last couple of decades, showing that, *contra* Hodgson's claims, heterodox economics is organised, alive and well.

A situation like this is seldom static. Recognising this, the book's editors include an 'epilogue' on developments since they conceived their project. This notes that Geoff Hodgson has stepped down – for health reasons – from his role as secretary for the World Interdisciplinary Network for Institutional Research (WINIR). It notes that an international survey of economists' views has recently been undertaken by people including David Colander and criticises the framing of the questions. Indeed, this is an appropriate heads-up, given Colander's oft-repeated view that the so-called 'internal heterodoxy' within economics makes critiques of the neoclassical mainstream inappropriate and unhelpful. The epilogue also notes other recent books on related topics, such as those by Richard Westra (*Economics, Science and Capitalism* 2022), by Wray and Dantas (*Handbook of Economic Stagnation* 2022) and by Stilwell, Primrose and Thornton (*Handbook of Alternative Theories of Political Economy* 2022). Evidently, there's no shortage of food for further thought...

Book notes by Frank Stilwell