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**50 YEARS OF POLITICAL ECONOMY IN AUSTRALIA
CALL FOR CONTRIBUTIONS**

The year 2025 will mark 50 years since the introductory first full course in political economy began at Sydney University. It is an appropriate time to consider the significance of that initiative, subsequent developments nationwide and the challenges for education in political economy today.

The editors of *JAPE* invite contributions. These may either be articles of 4000-8000 words or shorter contributions, perhaps reflecting on personal experiences or implications of studying political economy. Themes could include the achievements and limitations of the movement for political economy, or the possibilities and prospects for the future.

Submissions should be emailed to Frank Stilwell prior to March 2024, and the special issue is expected to be published later that year.

Further information will be placed on the *JAPE* website at <https://www.ppesydney.net/journal-of-australian-political-economy/>, or can be obtained by contacting the coordinating editor at frank.stilwell@sydney.edu.au.

ECONOMIC COERCION AND FINANCIAL WAR

Jessica Whyte

In March 2022, as Russian troops bombarded Ukraine, McDonald's announced it was closing its 847 branches throughout Russia. 'Our values mean we cannot ignore the needless human suffering unfolding in Ukraine,' McDonald's CEO Chris Kempczinski explained (cited in Groskop 2022). The hamburger giant may have been only one of a multitude of Western brands that announced their withdrawals in the aftermath of the invasion, but its exit was particularly symbolic. When it opened its Moscow store in the heart of Pushkin Square in January of 1990, huge crowds of people queued for a taste of the freedom they had long been told existed in the West. If this was taken by some to suggest that Francis Fukuyama had been right to declare that history had ended, it also made clear the real content of that end of history: not democracy, liberalism, and freedom, as Fukuyama had predicted, but Western-style market capitalism, and consumerism for those who could afford it. In 1990, a Big Mac with fries and a drink cost Russians half an average day's pay (Clarkson 2014: 111). In the years that followed, the country's economy crashed and by 1996 real wages were fifty percent of what they had been in 1987 (Milanović 1998). International Monetary Fund loan conditions dictated the abandonment of much welfare spending, and the 'freeing' of prices led to dramatic inflation. The freedom to consume was now accompanied by the freedom to starve.

For many advocates of the emerging world order, though, the real significance of the opening of Moscow's McDonald's was not limited to the consumption of hamburgers. While dreams of prosperity may not have materialized, at least the Cold War was over, at least there was now world

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peace. A tense nuclear standoff between rival blocs had been replaced by peaceful global trade. It was Thomas Friedman (2000) who formalized this insight into what he called the ‘Golden Arches’ theory of conflict prevention: ‘No two countries that both had McDonald’s had fought a war against each other since each got its McDonald’s.’ Friedman presented this as an original theory that had struck him as he jetted around the world eating burgers in Tiananmen Square in Beijing, Tahrir Square in Cairo and Zion Square in Jerusalem. But, while his specific focus on burger chains may have been novel, Friedman’s theory was a re-packaged version of an argument for the pacifying virtues of trade that had a much longer lineage. As early as the eighteenth-century, Baron de Montesquieu (1989 [1748]: 338) had already predicted that, as those who pursue their interests through commerce stand in a relation of mutual need, so the ‘natural effect of commerce is to lead to peace.’ Following the fall of the Berlin Wall, liberal commentators were convinced that Montesquieu’s belief that commerce would put an end to violent conflicts would finally be vindicated.

Today’s world looks less like a utopia of peaceful commerce than it does like a giant battlefield. Global military spending is at an all-time high, suicide drones attack Kyiv as we speak, and US President Joe Biden has suggested we are on a path to ‘nuclear armageddon’ (cited in PBS 2022). The war in Ukraine is being fought with conventional weapons, but it has also seen extensive use of the ‘economic weapon’ – that is, of diverse mechanisms of economic and financial coercion (Mulder 2022). Russia has cut off gas to ‘unfriendly countries’ and blocked Ukrainian grain from exiting the Black Sea, with dire consequences for global hunger. Meanwhile, the US, the European Union, and their allies have introduced an unprecedented package of trade and financial sanctions against the Russian state and private individuals. Today, the arsenal of coercive techniques includes trade sanctions, export controls on critical technologies and rare earths, threats to disrupt energy security and supply chains, travel bans, restrictions on foreign direct investment, expulsion from the global financial system, and the voluntary withdrawal of private companies, McDonald’s amongst them. It is these economic weapons, and particularly economic sanctions, that are the focus of my lecture.

Between 2001-2021, the United States, increased its sanctions designations by a stunning 933% (US Treasury 2021). As of August 2022, the US had thirty-eight active sanctions programs – targeting everything from weapons proliferation to narcotics trafficking to human rights – and maintained sanctions against twenty-six countries (US Treasury 2022).

While the US has long been the biggest user of sanctions, other states have recently turned to economic weaponry to fight their wars or defend their geopolitical interests. China has suspended imports from countries that have criticized its human rights record or developed what it considers to be excessively close ties with Taiwan. Saudi Arabia has used warships to blockade Yemen, contributing to a disastrous famine. And, Russia has added 752 individuals and entities to its own sanctions list this year, while actively weaponizing its control of energy, grain and fertilizer (Nikoladze 2022).

At first sight, economic sanctions, which weaponize economic networks for geopolitical ends, would seem to conflict with the supposed commitment to economic freedom that has defined the post-Cold War hegemony of neoliberal capitalism. Neoliberal market reforms were supposed to insulate the world economy from politics, foster frictionless trade across borders, and pacify social and international relations. Instead, the period of neoliberal ascendancy has seen a turn to economic statecraft that has weaponized those international trade networks that were believed to produce peace and goodwill among nations.

A dominant interpretation of this shift is that we are seeing a novel move from a global economy dominated by the concern for *efficiency* to one centred on *security*. Christine Lagarde (2022), President of the European Central Bank, argues that we are witnessing a paradigm shift away from what she calls the ‘golden era for globalisation’ that followed the fall of the Berlin Wall, as ‘geopolitical biases are being introduced into strategic supply chains at the expense of efficiency considerations.’ The head of the US Treasury, Janet Yellen (2022), argues that: ‘Going forward it will be increasingly difficult to separate economic issues from broader considerations of national interest, including national security.’ A paper recently released by the Atlantic Council puts the position most starkly: ‘States are moving away from the demands of the market and embracing the demands of geopolitics’ (Norrlöf 2022). According to Yellen (2022), this shift marks the end of what she calls the era of ‘peace and prosperity’ that stretches back to the end of the Cold War.

I want to contest this bundle of claims. Questions of national security and national interest were never absent in the ‘golden era’ of neoliberal globalisation. Far from an era of peace and prosperity, it was marked by near-constant military interventions. Viewed from Iraq, the former Yugoslavia, Afghanistan, Syria, Libya, Palestine or Yemen, this period

does not look so peaceful. The argument that we are seeing a shift from commerce and peace to geopolitics and war rests on the premise that was symbolized most crudely by Friedman in his Golden Arches theory of peace: trade fosters peace and peace fosters trade. Such arguments owe much to the neoliberal ideologues of the twentieth century, who argued, in the words of the Austrian neoliberal economist Ludwig von Mises (1962: 295), that the market ‘makes friends out of enemies, peace out of war, society out of individuals’.

Yet rather than being an economic ideology centred on efficiency and freedom of trade, neoliberalism was always a moral project in which installing competitive markets was inseparable from strengthening what they called ‘Western civilization’. As I showed in my recent book *The Morals of the Market: Human Rights and the Rise of Neoliberalism* (Whyte 2019), early neoliberal thinkers portrayed the market as pacifying, but they were also particularly clear about the role of the state in imposing market relations. Von Mises (1996: 257) wrote that, while the market itself is free of coercion, the state ‘employs its power to beat people into submission solely for the prevention of actions destructive to the preservation and the smooth operation of the market economy.’ Of course, the centrality of state violence to capitalism did not begin with neoliberalism. In the eighteenth-century, when Montesquieu wrote his paens to the pacifying virtues of trade, world trade was violent and dangerous, inseparable from colonial conquest and the slave trade. Karl Marx mocked such accounts of the pacifying role of commerce in his writings on the ‘primitive accumulation’ of capital. After describing in garish detail the history of Dutch colonialism, with its secret prisons, assassinations, bribery and enslavement, he remarked sarcastically, ‘That is peaceful [doux] commerce!’

Where do economic sanctions fit into this picture? And what do they do? According to their chief architect, Former US Deputy National Security Advisor for International Economics, Daleep Singh (2022), US sanctions against Russia aim ‘to change Putin’s calculus by imposing the most severe costs at our disposal and by providing a demonstration effect for any other dictator or autocrat who wants to draw his own sphere of influence by the barrel of a gun or by coercive measures.’ Others in the sanctioning coalition have argued that sanctions uphold the rules-based order, punish aggression, defend democracy against autocracy, and protect Ukrainian territory and lives. These are all worthy aims. But does the state

that pursued regime changes in Iraq, Libya and Afghanistan, reducing these countries to ongoing humanitarian catastrophes, have the moral authority to lead such an endeavour? In an extraordinary Freudian slip, Former US President George W. Bush (Derysh 2022) recently confused Iraq with Ukraine, condemning what he called ‘the unjustified and brutal invasion of Iraq ... I mean Ukraine.’ In a grotesque show of indifference to the plight of Iraqis, his Texan audience laughed jovially.

Official accounts of the rationale for sanctions raise questions. Why, if the sanctioning coalition is so concerned with protecting civilians and punishing autocrats, has it turned to Saudi Arabia to increase its oil production, despite the autocratic regime’s prosecution of a war in Yemen that the UN estimated could lead to 377,000 deaths, 70% of them of children under five years old (Al Jazeera 2022)? Why have Israel’s regular bombardments of the Gaza strip and widespread killing of civilians not prevented the EU from seeking new deals with Israel for gas? And why were there no sanctions on Russia as its Airforce reduced large areas of Syria to rubble to destroy all resistance to the brutal dictatorial regime of Russian ally Bashar Al Assad?

In contemporary parlance, there is a derogatory phrase for the kinds of questions I am asking here: ‘whataboutism’. Bringing up Iraq may be funny when Bush does it, but for anyone else it is considered a sure sign of ‘Putin apologism.’ Yet there is a crucial difference between those who seek to excuse Russia’s brutal invasion of Ukraine by arguing that, just as the US has its regime changes, humanitarian interventions and wars on terror, Russia should be allowed its own so-called ‘special military operation’, and those (like myself) who believe that, just as Ukrainians should be free from invasion, aggression and bombardment, so too should Iraqis, Palestinians, Syrians, and Yemenis.¹

Here, I argue that, in the so-called golden era of globalisation, sanctions existed not to keep the peace or to punish autocrats but to police global capitalism. It was the unchallenged status of the United States as the world’s sole superpower that allowed the sanctions to be construed neither as geopolitics nor as war but as tools to uphold the ‘rules-based order’. Today, in the context of a new Cold War, sanctions have lost this apolitical veneer. *Sanctions are weapons of war whose worst effects are on those who lack economic and political power.*

¹ For a similar argument concerning ‘whataboutism’, see: Wilde (2022).

Economic sanctions

So, what are economic sanctions? Minimally, the term refers to the cessation of customary trade or economic exchange for political ends. This could involve trade embargos, export controls, restrictions on foreign direct investment, travel bans, and financial sanctions, including the freezing of public and private assets. Beyond this, sanctions are characterized by a marked ambiguity: those who adopt them describe them as peaceful alternatives to armed conflict while those subjected to them have called them ‘crimes against humanity’ (Venezuela), ‘acts of force or aggression’ (Cuba) and ‘collective punishment’ (Iran) (Douhan 2021). This ambiguity reflects their paradoxical history; sanctions emerged when a devastating form of war—the *blockade*—was reconfigured as a means to keep the peace.

During World War One, the Allied blockades of the German, Austro-Hungarian, and Ottoman Empires led to the deaths of hundreds of thousands of people. Yet, when the victorious powers established the League of Nations in the war’s wake, they incorporated the ‘economic weapon’ into its covenant as a peace-keeping mechanism. If any member of the League resorted to war, the covenant promised that League members would sever all trade and financial relations with the covenant-breaking state. Then US President Woodrow Wilson’s (cited in Mulder 2022: 2) description of the economic weapon reflected all the ambiguities about its character that persist to this day: ‘apply this economic, peaceful, silent, deadly remedy,’ he argued, ‘and there will be no need for force.’ Wilson (cited in Mulder 2022: 1) was convinced sanctions were so terrible that the mere threat of them would (in his words) bring ‘a nation to its senses just as suffocation removes from the individual all inclinations to fight.’ It didn’t work out that way. The new League sanctions were used almost immediately against the new Bolshevik government in Russia and then against the communist regime in Hungary. Sanctions failed their greatest test in 1936, when they were unable to prevent Fascist Italy from annexing Ethiopia. Many see this failure as the death knell of the League of Nations.

Like its predecessor, the United Nations was equipped with the power to sanction but, for decades, both the existence of the veto and the structure

of the Cold War economy militated against their use.² As long as a sanctioned state still had half the world to trade with, sanctions could be neither comprehensive nor devastating. Cuba, for instance, was subjected to a unilateral US blockade that began in 1959, but it was the fall of the Soviet Union, which stripped it of 75-80% of its trade, which was the real disaster for Cuba (Gordon 2016). The end of the Cold War paved the way for an extraordinary proliferation of sanctions. The 1990s, which have been dubbed the ‘sanctions decade’ began with the 1990 imposition of comprehensive sanctions on Iraq following its invasion of Kuwait. In a sign of the new times, neither China nor the Soviet Union used its veto to block the sanctions. In the remainder of the decade, an average of seven new sanctions regimes were introduced each year (two thirds of them unilaterally by the United States). By the time of Bill Clinton’s Presidency, an estimated 40% of the world’s population were subject to US sanctions in some form (World Economic Forum 2022).

The birth of the uni-polar world also saw a shift in the stated rationale of sanctions, which were increasingly framed as measures to promote democracy and secure human rights. Iraq’s experience nonetheless made clear that sanctions could be devastating, especially for the most vulnerable. Depriving Iraq of the ability to sell its oil led to a collapse of government revenues and of imports and to severe shortages of basic commodities. The unemployment rate hit 40-70%, and the collapse of Iraq’s ability to purify water and treat sewerage led to a dramatic increase in typhoid, cholera and dysentery (Jones 2015: 140). Asked to respond to estimates that the sanctions had caused the deaths of half a million children, the then US Secretary of State, Madeleine Albright, infamously declared the price to be ‘worth it’ (cited in Jones 2015: 18):

Not everyone agreed. Iraq’s experience led to a backlash that spurred the search for ‘smarter’ sanctions. The post-Iraq war period saw the development of a host of techniques including arms embargoes, travel bans, targeted trade sanctions and then financial sanctions, which promised to surgically target those in power without causing excessive humanitarian damage. According to a key architect of ‘smart sanctions’, Iraq did not invalidate sanctions but only created an ethical obligation to apply them more carefully: ‘it is the implementation of sanctions that is

² From its foundation until the end of the Cold War, the United Nations security council imposed sanctions only twice, against Rhodesia and South Africa.

the culprit,' he argues, 'not the tool itself' (Lopez 1999: 146). Yet, sanctions are not neutral tools. They presuppose hierarchical relations of power, while also shaping the ways in which power and resources are exercised and distributed. The claim that sanctions are tools whose humanitarian consequences are the result of misuse obfuscates the fact that causing harm to a civilian population is central to the purported capacity of sanctions to fulfil their assigned functions.

Sanctions instrumentalise civilian suffering

At a recent conference, US sanctions practitioner Daleep Singh (2022) bristled when asked how he could ethically justify the fact that sanctions target civilians. The sanctions on Russia are not *targeting* civilians, Singh responded, 'they are targeting the commanding heights of the Russian economy, and that has consequences.' Here, Singh mobilized a familiar distinction between the deliberate targeting of civilians (which the laws of armed conflict prohibit) and the 'collateral damage' that is seen as an unfortunate side-effect of lawful attacks on military targets. Whether or not we accept the legitimacy of this distinction in the military context, there are good reasons to doubt that harm to civilians is merely the collateral damage of economic sanctions. Sanctions are the contemporary form of siege warfare, and, in a siege, civilian suffering is not collateral damage; it is the *object* (Gordon 2016: 124).

Richard Nephew, who designed the Obama administration's sanctions against Iran is unusually frank about the centrality of civilian suffering to sanctions regimes. While avoiding ownership of the humanitarian consequences of sanctions may be good PR, he writes, it will 'interfere with their effectiveness on a practical level if a sanctioner adjusts the regime to address a humanitarian problem and, in doing so, reduces the very pain the sanctions are intended to create' (Nephew 2018: 12). Nephew takes pride in having learnt from Iraq. Yet, the goal of targeting, as he frames it, is not to spare civilians but to make the imposition of pain as efficient and effective as possible. He compares targeted sanctions to the violence wielded by someone skilled in martial arts 'who can identify pressure points and render their opponents defenceless' (Nephew 2018: 142). In Iran, he boasts of targeting the manufacturing sector to create widespread unemployment and of the success of the sanctions in depreciating the currency and boosting inflation, leading to spiralling food

prices, including a three-fold increase in the price of chickens. Moreover, he notes that, while the sanctions regime exempted medicines and medical supplies, these were simply not available because ‘they cost too much for the average Iranian’ (Nephew 2018: 130). Targeted or otherwise, sanctions have their most brutal effects on civilians and particularly on the poor, the sick, and the powerless.

The specific harm of economic sanctions has proved difficult to identify through a liberal lens. We have become so used to the naturalization of economic suffering that even when it is deliberately produced for geopolitical ends, it is not viewed with the seriousness of other forms of violence against civilians. But it is not self-evident that the violence of military force is more harmful than depriving a population of adequate food and medicine. Rather, that view rests on a distinctive philosophy of violence – one Judith Shklar (1989: 26) called the ‘liberalism of fear’ – which draws its deepest grounding from a horror of cruelty. By the time Shklar theorised an anti-utopian liberalism based on averting physical suffering, human rights NGOs had been practicing it for almost two decades. The rise of NGOs like Amnesty International led to a new concern with the body in pain. Yet, this sensitivity to deliberately inflicted, interpersonal violence also deflected attention from *structural* violence and forms of economic suffering that were less easily attributed to specific violators.

From this perspective, it is noteworthy that Nephew (2018: 3) describes the two key elements of a sanctions strategy as ‘a sanctioning state applying pain against a target and the target state’s resolve to persist in whatever it did to prompt sanctions.’ While this visceral language aligns sanctions with embodied forms of pain, notably torture, I prefer a less sensational language. Sanctions, I suggest, are best understood as the use of *economic coercion* to secure *submission* to the demands of those who impose them. Such coercion may have effects that are at least as devastating as the direct imposition of physical violence, but its unspectacular nature has been key to occluding the violence of economic sanctions and bolstering their popularity as a supposedly peaceful tool of foreign policy. The language of economic coercion and submission highlights the connection between sanctions and other forms of economic pressure that are central to the operation of the world economy, from debt conditionality to what Marx (1981 [1867]: 899) called the ‘silent compulsion of economic relations’ – that is, the dependence on the market that forces people to work to survive. Sanctions are a distinctly capitalist

form of power. They presuppose dependence on the world market, and increasingly, on the financial market; and they also, I suggest, police that market in the interests of global capital.

Sanctions on Russia

The recent sanctions against Russia are unprecedented in that they aim to exclude a highly-integrated, US\$1.5 trillion economy from global networks of trade, investment and finance. The most influential book on sanctions includes among its ‘rules’ for policy-makers who design sanctions programs: ‘Do pick on the weak and helpless’ (Hufbauer *et al.* 1991: 114). Successful sanctions presuppose asymmetrical dependence—the sanctioned state must depend on the sanctioner more than they depend on it. Sanctions against the world’s eleventh-largest economy are an aberration with potentially dramatic impacts on the world economy. Russia is no longer a super-power but nor is it ‘weak and helpless.’ As we have seen all too clearly, Russia’s control of, and Europe’s dependence on, oil and gas have given the Russian state considerable power to wage its own economic war. Moreover, having been sanctioned in 2014 for annexing Crimea, Russia had gone to significant lengths to ‘sanction-proof’ its economy, notably by building up a US\$630 billion stockpile of foreign reserves (Norrlöf 2022: 40).

The sanctions packages against Russia are extensive and ever-expanding. They include blocking sanctions which freeze the assets of Putin and the Russian elite, energy sanctions which restrict the purchase of Russian oil and gas, trade sanctions, including export controls on numerous critical materials and minerals, and transport sanctions which prohibit Russian planes from the airspace of the sanctioning powers (Chachko and Heath 2022: 135-9). Most significantly, they include a raft of financial measures that aim to expel Russia from the global financial system. Daleep Singh explains that, while designing the sanctions, he focused on finding an ‘asymmetry’ – an area of US strength and Russian weakness. While the world economy was becoming increasingly multi-polar, he concluded, ‘the dollar is still the operating system’ (cited in Wallace-Wells 2022).

Although the sanctions against Russia have been construed as a means to defend democracies against autocracy, the power of the sanctioning coalition is not primarily democratic; it is financial. The ability to expel Russia from the global financial system is premised on the ‘exorbitant

privilege’ of the United States – that is, the dominant role of the US dollar in global trade and finance. This privilege is manifest in multiple areas of the world economy. Most importantly, while the share of US dollars in the foreign reserves of states has been falling for decades, 59% of global reserves are still held in US dollars (IMF 2022). Despite its active efforts to diversify its reserves, at the time of its invasion of Ukraine, much of Russia’s reserves were still in Euros and dollars; and they were therefore vulnerable to sanctions (Vermeiren 2022).

The dollar is also used for 40-45% of cross-border payments; and the overwhelming majority of these payments must be cleared by correspondent banks with branches inside the United States.³ US sanctions prohibit US financial institutions from maintaining correspondent banking accounts and from processing financial transactions for prohibited Russian entities. Finally, continuing a policing role that it took on in the wake of 9-11, the Belgium-based SWIFT expelled Russia from its system, which allows payment instructions to be sent between financial institutions. ‘When Russia made the decision to invade Ukraine, it predestined an exit from the global financial system,’ Janet Yellen (2022) of the US Treasury said.

Of these financial measures, it is the freezing of the Russian Central Bank’s foreign reserves that has been described as the ‘nuclear option’ (Tooze in Klein 2022). In directly targeting Russia’s ability to use its reserves to prop up its currency, this move aimed to send the rouble into free-fall and force Russia to default of its debts. Although continued energy payments, along with interest rate hikes and capital controls, introduced by the Russian central bank prevented this, it seems that the freezing of Russia’s reserves came as a shock to the Russian state, which had assumed that sovereign reserves were immune from such treatment. In March, Russia’s Foreign Minister, Sergei Lavrov (cited in Wallace-Wells 2022), told students that no one had expected that the US would freeze Russia’s reserves, a move he described as ‘just thievery’. Many commentators have argued that the decision to freeze the reserves marks a significant geopolitical shift that is likely to generate a move away from the US dollar as the world’s reserve currency. The Chinese economist Yu Yongding (2022) recently declared that, in freezing Russia’s reserves, the United States ‘has proved its willingness to stop playing by the [monetary]

³ Members of Chips (the Clearing House Interbank Payments System) must hold a branch office in the United States.

rules' and argued that China must therefore take immediate steps to reduce its own US\$3.2 trillion reserves. Zoltan Pozsar (2022) of Credit Suisse argues that the seizure of Russia's reserves marks the end of the informal, US-dominated monetary system that has been dubbed Bretton Woods II and the rise of what he calls 'Bretton-Woods III', in which the dollar would lose its place as the world's reserve currency to commodity-backed Asian currencies.

But Russia is far from the first country to have its foreign reserves frozen by the United States. In very recent times, the US has frozen Venezuelan state reserves, some of which it provided to the exiled opposition leader Juan Guaido, who the US recognizes as the country's President. And, while approximately twenty-million Afghans are facing acute hunger, 7 billion USD in Afghan national reserves remain frozen by the United States, half of them pending law-suits by the families of 9/11 victims (USIP 2022). In an open letter in August 2022, a group of economists, including Nobel Laureate Joseph Stiglitz and former Greek Finance Minister Yanis Varoufakis, argued that the seizure of these reserves had led to the collapse of the Afghan economy, an effect that they described as imposing 'collective punishment on an entire people for the actions of a government they did not choose' (Common Dreams 2022). Recently, it has been estimated that the US sanctions on Afghanistan will kill more people than did twenty years of war (Sedlar 2022).

These recent examples are far from historically anomalous. The US President's ability to seize the assets of foreign governments goes back to the 1917 'Trading with the Enemy Act', which was supplanted in 1977 by the 'International Emergency Economic Powers Act.' These acts gave the President powers to seize assets and impose sanctions when faced with 'an unusual and extraordinary threat' to the 'national security, foreign policy or economy of the United States' (US Code 1977). Among those countries whose assets were frozen by the United States between WWII and 2000 are the following: Germany, Japan, Italy (WWII), Hungary, Romania, Latvia, Lithuania, Estonia, Bulgaria, Czechoslovakia (after their incorporation into the USSR), North Korea and China (1950), Cuba (1963), North Vietnam (1964), Rhodesia (1965), Kampuchea (1975), Iran (1979), Libya (1986), Panama (1988), Iraq and Kuwait (1990), the Federal Republic of Yugoslavia (Serbia and Montenegro) (1992), and Afghanistan (1999) (Dooley *et al.* 2022).

How do we explain why this long history of freezing central bank reserves has not undermined the role of the US dollar as the world's reserve currency? After all, we are regularly told that this reserve status depends on trust in the US economy with its sound financial management and strong protections for private property. One intriguing answer comes from a group of mainstream economists who have spent decades analysing, and defending, US monetary power, and who argue that the US dollar is (still) the reserve currency not despite but *because* the US has a long history of freezing the assets of other states. The dollar retains this status, they argue, 'because the US is the only country with sufficient power to impose exactly such sanctions when a country like Russia misbehaves' (Dooley *et al.* 2022). The seizure of reserves, from this perspective, is not a threat to dollar hegemony; rather it is a central plank of the US's role as guardian of global capital. For these authors, foreign reserves are best understood as 'hostages', which so-called 'risky' states accumulate to reassure foreign investors that their assets will be safe from expropriation (Dooley *et al.* 2022). Global corporations are prepared to invest in risky states with large accumulations of US dollar reserves, they argue, because corporate executives know that, if such states were to nationalize their property, the US would step in to freeze their reserves and make them available to the owners of the nationalized property.

It is noteworthy that this distinction between risky states and centre states largely maps onto the old, racialized, division between civilized and uncivilized states. According to the 'standard of civilization' of the nineteenth century, a civilized state was one that guaranteed the basic rights of foreigners, including their rights to property and commerce, and adhered to the law of nations and the norms of 'international society'. Those who were deemed 'uncivilized' were deprived of legal personality and faced colonization and forcible transformation in the interests of global capital (Tzouvala 2020). In the period of decolonization during the 1960s and 1970s, former colonial powers and their corporations, as well as neoliberal intellectuals, developed a raft of techniques to restrict post-colonial sovereignty and preserve the rights of capital in the absence of formal colonization. Economic sanctions were among those techniques, lying somewhere between direct military intervention and structural adjustment along a continuum of coercion.

Of course, Putin's willingness to invade and subjugate neighbouring countries invalidates his claim to lead an 'anti-colonial movement' against US hegemony. And, unlike most 'risky' countries today, Russia was part

of the European system of ‘civilized states’ in the nineteenth century and engaged in a process of settler colonial expansion that had many parallels with the one simultaneously occurring in the United States (Sabot 2017). Moreover, contemporary Russia is anti-capitalist only in the fervent imaginations of those Cold Warriors who are still fighting the Soviet Union. In practice, Putin is an enemy of the Russian revolution and of the principle of national self-determination that it consolidated. His blend of reactionary Christianity, traditional values, and imperial revivalism offers little threat to global capitalism, or inspiration to anyone who seeks a more just world. Russia is a highly unequal country, and, for decades, its elites have benefited from the neoliberal order underpinned by US power to build up fortunes by raiding public assets.

Yet, Putin *has* challenged American hegemony, including financial hegemony, and established a ‘no-limits’ friendship with its greatest competitor, China. In the post-Cold War uni-polar world, defending global capitalism and defending US interests appeared indistinguishable. This is the real basis for the contention that this period was free of geopolitics and concern for national interest. Today, in the context of a new Cold War, the US is struggling not only to uphold global capitalism but also to defend its hegemonic position within it. To do so, it is increasingly weaponizing the control it still exercises over the global economy, and particular the US dollar.

A new social contract?

According to Dooley and his co-writers (2022), the seizure of foreign reserves ‘underpins the global social contract behind gross and net international capital flows.’ The idea that sanctions preserve a global social contract by restricting access to finance is increasingly prominent today. In March 2022, Larry Fink (2022), the CEO of BlackRock, which oversees US\$10 trillion of assets, argued that Russia’s invasion of Ukraine had revealed that ‘access to capital is not a right. It is a privilege.’ Central figures in the US administration and affiliated think tanks are similarly arguing that participation in global trade and dollar-dominated financial networks now requires adherence to the tenets of what they construe as the rules-based international order. As a senior figure at the Atlantic Council put it recently, ‘if you want to use the dollar you have to comply by the rules of the US dollar’ (Friedlander 2022). But, if the dollar is a social

contract, what kind of sovereignty does it constitute? And who does it benefit?

For early modern political philosophers, the myth of the social contract provided an explanation of how sovereignty could be founded on consent. In the pioneering version offered by the English philosopher Thomas Hobbes, people gave up their right to wield violence to a sovereign in exchange for protection. This, in turn, allowed them to escape from a life that was ‘nasty, brutish and short’ and provided the conditions for the flourishing of commerce. The powers of this Hobbesian sovereign were not limited by law and nor was the scope of its legitimate action spelled out in advance. Subsequent philosophers contested this model, insisting that the people retained rights *vis-a-vis* the sovereign and that sovereign prerogatives should be constrained by the rule of law. There are no equivalent limits to the monetary sovereignty of the United States. The triggers that have led the US to seize reserve assets are varied and not stated in advance.⁴ This power, premised on the President’s declaration of a state of emergency, is arbitrary and unconstrained, and those subjected to it are largely without rights. The sovereign contract at stake here exists to protect capital, not people.

Who benefits from this social contract? For Dooley and his co-authors (2022), the contract benefits those countries that build up foreign reserves, as they receive foreign investment in turn. China’s build-up of foreign reserves, they argue, reassured investors that ‘there was a safe way to access disciplined labor at a fraction of the cost of industrial country labour’. While global corporations have benefited from this order, the compulsion to accumulate huge stockpiles of US dollars detracts from social spending and investment. As Mathew Klein and Michael Pettis (2020) note in relation to China’s US\$3.2 trillion in reserves, ‘money spent buying safe assets is money that could have been spent on roads or hospitals’ (or, we may add, on investment in renewable energy). While US Treasury Secretary Janet Yellen insists this conflict threatens ‘an order that benefits us all’, the US has used its power to sanction to uphold an unjust neoliberal economic order that has redistributed wealth upwards to the

⁴ In contrast to private contracts, in which the triggers that would lead a party to forfeit their collateral are well-defined, Dooley *et al* (2022) contend that, when it comes to the seizure of reserves (here conceived as collateral against bad behaviour) ‘the trigger for forfeiting collateral is not known ex-ante.’

benefit of the ruling classes of the United States, China and Russia. It has left 70 million of the world's people facing acute food insecurity, or in less technical terms, at risk of starving to death (Shalal 2022).

This leaves the crucial question of whether sanctions benefit Ukrainians as they struggle to defend their territory and lives. The impact of the sanctions on the course of the war remains unpredictable. Sanctions have rarely ended wars, and, if they have not succeeded in dislodging the Cuban government after sixty years, they are unlikely to force Putin from power in the near-term. Those who argue today that sanctions are working often confuse the undoubted economic effects of the sanctions with their effectiveness in achieving the stated ends. Paulo Gentiloni (2022), European Commissioner for Economy, recently evidenced his claim that the sanctions are working by noting that Russian cars are now being produced without airbags. Yet, the relationship between Russian cars without airbags and ending the war remains obscure. As Iran's recent delivery of suicide drones suggests, it is unclear whether sanctions will hamper Russia's military effort or simply force it to turn to new sources of weapons. And, of course, as Putin has been all too eager to remind everyone, Russia still has one of the world's largest arsenals of nuclear weapons.

The political effects of sanctions are also unpredictable. The theory of power underpinning them assumes that harming civilians will cause them to revolt against their leaders. But the opposite is equally possible—being subjected to economic warfare may harden popular resolve to fight a brutal war. What *is* clear is that sanctions will, as they've always done, have their worse impacts on the most vulnerable: on 17 October 2022, UNICEF (2022) announced that 'the economic crisis caused by the war in Ukraine' has thrown four million children into poverty across Eastern Europe and Central Asia, including 2.8 million in Russia and half a million in Ukraine.

The biggest costs of the economic war, however, are likely to occur far outside the conflict zone, in Bangladesh, Egypt, Yemen, Sub-Saharan Africa, and Pakistan, among others. As European countries buy up all the gas available on the market to fill their storage capacity, countries with fewer economic resources are priced out of the market. In Bangladesh, the inaccessibility of power has led to rolling daily blackouts; in a country in which power was already rationed, the government has reduced the school week by one day to conserve energy. In Pakistan, power cuts are making it difficult to produce fertilizer and pushing up food costs (Quartz 2022).

The West's answer to these 'spill-over effects' is that these countries should turn to the IMF for loans. Thus, in a context of a booming US dollar and rising interest rates, we can expect an intensification of debt dependence and coercive restructuring in the interests of global capital to be among the 'spill-over effects' of the current economic war.

Conclusion

In 2009, the Italian world systems theorist Giovanni Arrighi offered some speculations about a future after US hegemony. For Arrighi (2010: 31), 'world hegemony' is also a product of a social contract of sorts. Reappropriating Antonio Gramsci's theory of hegemony for a world of sovereign states, Arrighi argued that no world hegemon rules by force alone; rather, in conditions of crisis, a contender for such hegemony must satisfy a demand for order by 'reconstituting the world system on new and enlarged foundations, thereby restoring some measure of interstate cooperation.' Arrighi (2010: 385) laid out three possible options for a future after unilateral US hegemony: 1) a new multilateral 'Western' imperial project; 2) an East-Asian centred world market; and 3) 'long periods of systemic chaos'. From our own vantage point, while each of these remains possible, the third looks increasingly likely (Arrighi 2010: 385-6). If we are to avert it, then we cannot afford to pine for a golden era of commerce and peace or hope to return to a supposedly apolitical global economy – marked by free trade, neutral money and a 'rules-based order'. Rather, the descent into economic war should force us to reconsider the politics that underpin the global economic order and the distributions of power and wealth that it sustains.

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AUSTERITY IS NOT ENOUGH: US MEDICAID, ADAPTIVE ACCUMULATION, AND REPUBLICAN RULES OF REPRODUCTION

Rodney Loepky

Neoliberal reform in healthcare has become global a fact of life, with widely varying healthcare policies regularly placed under the pressure of both austerity and market reform. Nowhere is this more evident than in the United States, where healthcare reform consistently telescopes America's most divisive social antagonisms along class, racial, and ideological lines. US health reform is surely unique, mostly aimed at overcoming shortfalls of market-based healthcare. In contrast, reform in other health systems is primarily concerned with the degree to which market actors are *allowed* entry to *already existing* publicly oriented plans. That said, the peculiar nature of the US system, as well as its now entrenched conservative shift, may offer valuable insights into future healthcare pressures across a global environment besieged by similar rightward political trajectories.

One major pillar of US reform is Medicaid expansion, part of the now decade-plus battle around the implementation of the *Affordable Care Act* (ACA) (Oberlander 2020). Medicaid expansion has the energetic support of the business community, precisely because the program has become a highly lucrative field of largely market-administered healthcare delivery. This article suggests, as part of a two-pronged argument, that Medicaid now falls squarely within what I have previously highlighted as 'adaptive accumulation' – the pursuit by corporate actors of quasi-public roles in which stable and socially-legitimised profit streams can be secured

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US Medicaid, adaptive accumulation, and Republican rules of reproduction'

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(Loeppky 2019, 2022). It presents another policy case in which the neoliberal image of increasingly minimalist government should be modified, as corporate players and state actors alike seek a business-friendly enlargement of the healthcare domain.

At the same time, that business support also makes it harder to explain why there is such a vociferous (and successful) right-wing backlash against Medicaid expansion. There has been strong resistance among Republicans to the expansion of Medicaid, and it is oddly positioned *contra* commercial interests and state economic development – conventionally cherished by Republicans. To understand this surprising outcome, we need to account for horizontal class relations and the ‘rules of reproduction’ under which the Republican right is currently operating. These have scrambled US politics, accentuating a malevolence within policy approaches on the right, making Medicaid expansion a vulnerable target on a state-to-state basis.

To animate this argument, the article first lays out the terrain of Medicaid and Medicaid expansion, demonstrating both its uneven variability across state jurisdictions, as well as its not-so-public form of implementation. The concept of adaptive accumulation is used to highlight the heavy inclusion of market actors in both the purchasing and provision of care. The article goes on to explain intensifying Republican dissatisfaction with even market-conducive Medicaid policies, by exploring the importance of horizontal class relations (Comminel 1987). It focuses especially on the ‘rules of reproduction’ for social actors (Knafo and Teschke 2020), which are affecting both the shape of day-to-day politics and, ultimately, the party’s historical disposition to bipartisanship, social inclusion, and social policy. With this in mind, the final section returns to Medicaid, pointing to performative horizontal battles at both the federal and state level that surround (and often block) program expansion. This sheds light on policy positions that, while often seemingly nonsensical and detrimental to many, align with the altered rules of reproduction for Republican political actors.

Medicaid expansion, adaptive accumulation, and confounding resistance

The advent of Medicaid occurred with the *Social Security Amendments* of 1965, creating a Federally funded but state-administered healthcare program for the impoverished and disabled. At the time, Medicaid was viewed as temporary, necessary only until the long-term objective of a

unified Federal healthcare system – modelled on the single-payer US Medicare program for senior citizens – was fulfilled (Thompson 2011). Against this, the American Medical Association saw Medicaid a means-tested program and a more reliable way to *avoid* the possibility of generalised single-payer system (Patashnik and Oberlander 2018: 666). In this sense, Medicaid experienced immediate political resistance from the political right, industry, and professional classes, who feared encroaching government intervention and potential regulation. Indeed, already by 1967, with fear of expanding eligibility for the program in New York State, the US Congress linked Medicaid requirements to Assistance to Families with Dependent Children (AFDC), limiting access and cementing its position as ‘welfare medicine’.

Despite this ideological resistance, two factors would drive Medicaid’s expanding role in US healthcare: growing societal inequality and the reality of federalism, whereby state politicians have typically been loath to reject federal funding, even when it does not align with their ideological designs. The program grew even through the 1980s and 1990s, surviving both the Reagan Revolution and House Speaker Newt Gingrich’s mid-1990s ‘Contract with America’, dovetailing with Republican objectives of limited, means-tested coverage and local state control. Thus, historically, despite their frequently outsized rhetorical position, Republicans have not questioned the program’s necessity as much as the form and size it takes. By 2008, as the Republican Party began its more pronounced turn to the right, almost 50 million people were already enrolled in Medicaid, and by 2019, the number had rapidly climbed above 75 million.

While Medicaid growth is continuously decried as government handout, it is crucial to account for its increasingly not-so-public characteristics. Indeed, the somewhat confusing patchwork of Medicaid across US states is largely viewed by business actors as opportunity, in keeping with what I have elsewhere called adaptive accumulation, where private actors encourage public intervention as a means to profit (Loeppky 2022). Adaptive accumulation complicates the neoliberal archetype of the lean American state that consistently recedes from the public arena. Rather, public institutions provide platforms for corporate agents to expand new avenues of accumulation, operationalising lucrative public programs through private means. The advantages – in the health sector and elsewhere – include, first, stepped-up opportunities for private revenue, rooted in stable, predictable government issued payments. To the extent that corporate actors within the US health sector have experienced

profitability pressures (Kelly 2016), adaptive accumulation offers an obvious (counter-tendential) release valve. Second, private actors appear to ‘selflessly’ fulfill societal needs, ensuring market demand but also crafting social legitimacy. Finally, and especially germane to Medicaid, adaptive accumulation taps into a strain of American political culture that disparages the role of the state, taxation, and those ‘undeserving’ of public care. It both captures a neoliberal ethic and directs blame at ‘lazy’ sections of society, reinvigorating a call to ‘save’ the republic through moral discipline and efficiency of market imperatives (Loeppky 2023).

In concrete terms, platforms for adaptive accumulation utilise sections 1932(a) and 1915(b) of the *Social Security Act*, which allow states to change Medicaid delivery models. Since the mid-1990s, when Republican pressures on redistributive social programs intensified, most US states have altered delivery formats and population eligibility, with visible and widespread consequences (Grogan *et al.* 2017: 249). The stringency of state budgeting and the corporate designs of the health industry have ensured that most purchasing of care is now farmed out to private actors. Overall state and federal spending on Medicaid amounted to \$662 billion in 2020, constituting a very lucrative market for these corporate actors. The central vehicle for their entry has been the managed care organisation (MCO), which utilises networks of primary and acute care providers to administer Medicaid plans on behalf of the state. MCO arrangements have been taken up by all states, with some 90 percent of Medicaid enrollees in some form of managed care, and 70 percent enrolled in a comprehensive health package (governing all services) through an MCO (KFF 2021). As with most public policy in US federalism, the variation by state is extensive, from 5 percent in Arkansas to 100 percent in Tennessee.

MCO operations also vary, as there are 282 for- and non-profit organisations operating across the Medicaid landscape. This mix, however, should not obscure either the business-friendly nature of this policy sphere or the concentrated nature of its industrial sector. There are 16 ‘parent firms’ operating across state lines, 7 of which are for-profit entities. Of these, 6 firms (Centene, Molina, Anthem, UnitedHealth, Molina, and Aetna/CVS) have MCOs across 12 or more states and control over half of all Medicaid enrollment (Hinton and Stolyar 2022). The profit levels in this industry are, indeed, difficult to tease out, as Medicaid plans are intermingled with employer and health exchange plans on the private market. Companies involved do not always break down their Medicaid returns as a component of overall revenues, but it is certainly clear that the

program is not hurting their bottom line. Among the five largest corporations involved in Medicaid, market share continues to increase, and revenues have been on a steady increase over the last decade. Of those who report Medicaid revenues, 2021 saw a 12.5 percent increase for Centene, 16.1 percent for UnitedHealth, and 43.4 percent for Molina (Schneider and Corcoran 2022).

As such, Medicaid represents a stable stream of revenues, and rising needs based on growing inequality ensure this stability going forward. While the program restricts payment levels to providers, this is compensated by the overall volume of the largest government-funded health program in the country. Little wonder that program expansion has been greeted with a positive reception by large corporations, business associations, and chambers of commerce (Hertel-Fernandez *et al.* 2016). States' positive inclination towards the managed care sector, as well as the associated use of capitation payments, speak to their obvious need for budgetary constraint. However, the very uneven medical-loss-ratios (MLRs) across the country (and from plan to plan) also make clear that payouts to this sector vary wildly.¹ Add to this the fact that cash reserves among many MCOs remain suspiciously high, potentially allowing them to bolster their MLR artificially, because reserves can, for accounting purposes, be viewed as healthcare expenses (actuarial risk funds). This might be diverting the eyes of state regulators who ask for minimum MLR thresholds, potentially allowing the use these funds in merger acquisitions or other investment returns (Goldsmith *et al.* 2018). Ultimately, Medicaid funds are absorbed by the financial 'black box' internal to MCOs, rendering the accountability process for these public dollars a mostly speculative endeavour.

Importantly, Medicaid's significant market contours were already in place before the emergence of the ACA and Medicaid expansion. Indeed, by 2009, 41 percent of enrollees were in publicly-traded, for-profit plans (Grogan 2020). The ACA's Medicaid design surely had admirable goals: to capture larger segments of the uninsured population (particularly low-income adults without children), by expanding eligibility to those earning up to 138 percent of the federal poverty line (FPL). But it did not challenge existing Medicaid delivery programs or offload excessive costs onto state

¹ The medical-loss-ratio is the 'share of total health care premiums spent on medical claims and efforts to improve the quality of care. The remainder is the share spent on administration costs and fees, as well as profits earned' (NAIC 2021).

budgets. Under the *Act*, the federal government absorbed 100 percent of expansion costs until 2014, after which matching rates would begin to decline incrementally to 90 percent. The fiscal incentives, in other words, were/are high for states to participate. And recently, the *America Rescue Plan Act* of 2021 incentivized program adoption, by offering an additional two-year, 5 percent increase in federal funds to all existing traditional Medicaid programs in non-expansion states.² The federal government has gone far to encourage uptake of the *ACA* mandate, and this included negotiations for terms more favourable to these non-expansion states' political and economic environments.

However, as is well known, the *ACA* was born into a world of political hostility, and Medicaid expansion has remained a central target. Republicans have resisted at both the federal and state level, and numerous court challenges, culminating in *NFIB v. Sebelius*, undercut its federal enforcement. Writing for the majority opinion in *Sebelius*, Chief Justice John Roberts asserted that Medicaid expansion would not be 'a program to care for the neediest among us, but rather an element of a comprehensive national plan to provide universal health insurance coverage' (*National Federation of Independent Business v. Sebelius* 2012). This decision, while not precluding the federal government from *offering* incentives to expand Medicaid, did preclude it from withdrawing the states' existing Medicaid funding in order to *compel* expansion. States, in other words, would retain the right to decline such funds, and Medicaid expansion would remain a choice. At the time, only 30 states (plus D.C.) took on expansion and, to date, 12 states remain outside of the program. In these states, the average income requirement for Medicaid eligibility is an astounding 41 percent of FPL, and adults without children largely remain ineligible (Garfield *et al.* 2021). This translates into a potential loss of access for somewhere between 2.2 and 4 million adult citizens.

The ideological basis for this outcome was not entirely predictable, and it is difficult to see the downsides to expansion for conservative states. Meta studies suggest accumulating evidence on the positive effects of expansion across indicators that are conducive to both the political left and right. For instance, one project compiled the results from 77 discrete studies, in order

² Since the bulk of state Medicaid costs is for non-expansion populations, this 5 percent addition effectively means that new matching funds would continue to cover 100 percent of expansion costs for two years.

to assess whether Medicaid expansion had achieved the goals laid out for it by ACA advocates (Mazurenko *et al.* 2018). The authors found that: ‘Medicaid expansion following the ACA was associated with increases in access, quality and Medicaid spending’ and ‘very little evidence that [...] expansion resulted in negative consequences’ (2018: 948). Another rolling meta-study, under the auspices of the Kaiser Family Foundation, found positive outcomes across health and non-health indicators. Specifically, the report listed encouraging results in relation to overall and disease-related mortality; cancer, chronic disease, and disabilities; sexual and reproductive health; behavioural health; economic impacts on states and providers; racial, ethnic, and socioeconomic disparities; and social determinants of health (Guth and Ammula, 2021). One might expect Republican-dominated states to be particularly drawn to these economic benefits, the low budget impact, and projected cost offsets (for instance, morbidity-related improvements may offset or go beyond expansion costs entirely).

Indeed, there are indications that many business-friendly conservatives support state program expansion, as such funds are readily diverted into private profit streams, simultaneously undergirding a discourse that sees market mechanisms ‘fixing’ the ostensibly dysfunctional government apparatus. Both Ashley Tallevi (2018) and Colleen Grogan (2020) have utilised Susan Mettler’s (2010) notion of the ‘submerged state’ to demonstrate the degree to which health delivery in general and Medicaid in particular have already entirely meshed the worlds of government and industry. Americans, for instance, who advocate for private insurance and employer-driven healthcare do not easily recognise the significance of the ‘\$437 billion in tax-exempt subsidies for employer-based health insurance,’ or that, ‘[in] reality, the [...] system reflects a complete interdependence between private and public sectors’ (Grogan 2020: 627). At the same time, Medicaid programs are being projected in ways that obscure their public origins, associating them to place names or intermingling them with private insurance plans. This translates into a ‘decreased awareness of program use and increased difficulty in connecting [the] experience back to government’ (Tallevi 2018: 163). Again, all of this should find resonance within Republican circles, as government sponsorship is obscured, market actors are validated, and ‘individual responsibility’ can be attached to program design in powerful ways.

Nonetheless, dogged resistance to Medicaid expansion continues in a manner that exacerbates healthcare inequality and population vulnerability. Whether one sees Medicaid as part of a submerged state or adaptive accumulation, it seems that neither concept adequately explains the intensity of this resistance. Indeed, in Tennessee, where Republican Governor Bill Haslam proposed a deeply conservative version of Medicaid expansion, the proposal was summarily dismissed by his own Republican House as insufficient (Hertel-Fernandez et al., 2016: 273–274). Repeated across Republican-dominated states, such scenarios usually involve fervent activity from numerous state-based affiliates of conservative organisations like the State Policy Network (SPN) or Americans for Prosperity (AfP). This desire on the right to knock down policy proposals containing conservative-friendly principles demands explanation.

Assessing the Right: Horizontal class relations and the rules of reproduction

If political economy (via adaptive accumulation) helps unpack the expansive role of government in a market-based healthcare system, it should also be the first stop for understanding the peculiar ideological resistance to such a system. Political Marxism, with its emphasis on the historical specificity of class relations in a given time and place, can be explored as a means to understand distinct political dynamics. Two significant methodological insights are of particular interest here: the underexplored importance of *horizontal* class relations and the conditioning effects of the *rules of reproduction*. These may help us unpack the reasons for the emergence of such counterintuitive behaviours – behaviours neither wholly explained by the past nor easily undone in the future.

At the centre of this school of thought lies the work of Robert Brenner, who has explored a variety of class-driven political and economic transformations, from the mid-millennial agricultural revolution in England to the post-world war II political-economic trajectories of the US, Germany, and Japan (Brenner 1982, 2006). Overall, he re-asserts the centrality of social property (class) relations in the organisation of production and the political structures that sustain it. It is, in this sense, a detailed historical re-assertion of Marx's (1981: 927) theoretical-historical claim that '[i]t is always the direct relationship of the owners of production

to the direct producers [...] which reveals the innermost secret, the hidden basis of the entire social structure, and with it the political form of the relation of sovereignty and dependence, in short, the corresponding specific form of the state.' Brenner (1982) emphasises the fact that, along with these exploitative vertical relationships, relations between members (or factions) of the ruling class have conditioning effects on how historical development proceeds. In other words, the existence of exploitative capitalist property relations does not determine the precise manner in which they will be institutionally manifested, the ways in which they will be regulated, or how their range of effects will be mitigated.

George Comninel (1987) captures this most effectively, by arguing that intra-class *competition* among those with power also needs to be understood as a significant mover in relation to the specific political, historical, and institutional forms which accompany capitalist (or any other) societies. In relation to postwar capitalism, he argues that the association of ruling class competition to the state has identifiable and varying historical effects in each society, even if the basic (vertical) property relations remain the same. In this way, historical development:

is not reducible to the 'logic of capital' in the abstract – although its implications are central – but must include the heritage of political activism (or apathy), the form and extent of democracy, the legacy of trade unionism, the national 'logic' of state intervention, the history of international relations, the potential for implementing welfare reforms, *etc* (1987: 171).

Each of these is worked out through ongoing political struggle, where, in the case of Medicaid, social redistribution remains a central point of contention. The degree of redistribution, as well as the overall societal willingness to 'de-commodify' elements of citizens' lives, is undoubtedly linked to the strength of working classes and social movements *vis-à-vis* business power or governing classes (Coburn 2006; Esping-Andersen 1990; Hoffman 2003). But significant pitched battles can also occur on an intra-class basis, whereby the way forward can become the subject of heated political contestation *between* those with decision-making capacity. The deep divides across the right in relation to the ACA, immigration, and financial regulation make this abundantly clear.

The difficulty lies in the fact that historical outcomes – as Brenner long ago pointed out – cannot simply be read off of the identification of social property relations. Rather, understanding these relations requires a further determination of the governing 'rules of reproduction' – the prevailing

guidelines for social agents, as they seek to preserve or enhance their status or circumstance. Class agents largely operate with these rules in mind and rarely act in ways that *intentionally* bring about transformative change. In this sense, whether we are talking about a ‘bourgeois revolution’ or a ‘Trumpian revolution’, such terminology does little to capture the reasons for most class agents’ actions. Mostly, social actors seek not to transform the conditions of their existence, but rather to satisfy the conditions that allow their existence to continue or expand. The rules for this are,

maintained or reproduced collectively, beyond the control of any individual, by *political communities* which are constituted for this very purpose [...] [They] constitute and maintain social property relations collectively and by force [...] [and] individual economic actors cannot as a rule alter them, but must take them as given, as their framework of choice (Brenner 2007: 58).

Critically, this in no way means that outcomes are always predictable according to socio-political rules, only that societal *transformation* is usually not the intended outcome. Indeed, particular constellations can lead to unexpected change, precisely as a product of their historical specificity and even novelty. Class agents, in the face of rules, find creative and innovative ways to ensure their reproduction, at a minimum, or enhance their position, at a maximum. While they may not be consciously seeking transformation, they are no doubt contributing to an evolving political community, with potential aggregate effects to the rules of reproduction, however subtle those changes may be (Knafo and Teschke 2020). In this sense, taking the rules of reproduction seriously requires that we thread the needle between historical contingency and the conditioning effects of existing social structure.

How, then, might we understand the specificity of class relations and rules of reproduction in the current US political climate, where turmoil driven on the right and eyebrow-raising political events are the order of the day? At their core, US class relations have continued as before, with steeply unequal property relations, deeply interconnected racial tensions, and left-right contention over how to address these issues. There has, however, been a marked shift on the right, where intra-class competition affects the terms by which political actors govern or operate publicly. The origins for this are open to debate, but the election of Barack Obama and the forceful arrival of Tea Party politics marked significant inflection points. Prior to this, one prevailing rule would have been the ever-present necessity to seek bipartisanship, or at least create the impression that bipartisanship is the

goal. But, in the face of soaring ‘Obamamania’, bipartisanship almost certainly appeared for Republicans to be ceding political ground completely to the Democrats. Viewing this popularity as an existential threat, creative (but well-funded) ‘grassroots’ Tea Party protests would blossom into loud anti-Obamacare rhetoric; the formation of the Freedom Caucus in Congress; and palpable political pressure on party leadership to stand firm *against* Democrats (Dimaggio 2011; Skocpol and Williamson 2012). These innovative acts were matched by similarly creative moves on the part of the Leadership. House Speaker John Boehner, for instance, used the adamancy of Freedom Caucus members tactically in his budget and debt ceiling negotiations with the White House, claiming a powerlessness to act without their approval. Similarly, when Minority Leader Mitch McConnell publicly stated that his top priority was to make Obama a one-term President, he was (perhaps inadvertently) signaling a strategy that would become indicative of Republican politics over the next decade (Barr 2010). Leadership’s tactical engagement with conservative demands also conferred legitimacy upon the hostile approach to Democrats, attracting further adherents with each electoral round. It is difficult to identify a singular moment of transition, but then-Senate Majority Leader McConnell’s successful refusal to undertake confirmation hearings for Obama’s legitimately selected Supreme Court nominee marked the most robust endorsement of this rule. Since then, political hostility toward Democrats has become the Republican norm, and even conventionally bipartisan matters, such as the debt ceiling votes, defense policy, or low-level executive appointments, result in increasingly ugly contestations.

This *inter*-party hostility has been derivative of a growing *intra*-party struggle *between* Republicans. Here, the rules of reproduction have been altered with a performative element, necessitating the public espousal of policy positions which are often practically and/or ethically at odds with conservative actors’ own political convictions (or even sometimes with reality). Republican actors’ hold on power in congressional, executive, or administrative positions demands not only obstructionism *vis-à-vis* Democratic opponents, but willingness to pursue extreme conservative convictions. Social values have always created friction within Republican circles, as they are always not easily aligned with the reassertion of individualism and economic imperatives resident in neoliberalism. While these issues (family values, abortion, religious ‘rights’, *etc.*) found an ideological home, they took a subordinate position to the Party’s ever-reliable support for corporate America and national security issues. But, as

Tea Party fiscal rectitude evolved into Freedom Caucus hostility, a growing number of Congressional members prioritised strong right-wing values as platforms in their own districts, while not relying on corporate campaign donations. With the Trump administration amplifying these values over conventional Republican concerns, political actors have been increasingly cajoled into an intra-Republican competition to demonstrate their superior conservative credentials. Performative displays of conservative ‘authenticity’ – accompanied by racist, xenophobic, and patriarchal discourse – have been progressively prioritised over the Party’s conventional economic pursuits. As this rule has generalised, fear of coming under public attack or direct electoral challenge for being insufficiently conservative drives a continuing re-assertion of these views. As such, the course for political survival among Republicans is fealty to Trump’s erratic messaging and/or a manufactured display of deep hostility to even the most modest forms of social progressivism.

These are the evolving, now performative rules of reproduction on the political right in the US, epitomised by the antics of House Representatives Marjorie Taylor Green, Matt Gaetz, and Jim Jordan. Much of this conditioned behavior aligns with Eric Fromm’s rise of the ‘authoritarian character’ and a societal punitiveness (Cheliotis 2013), and it is precisely this form of punitiveness and revenge politics that has become the subject of display. In practical political terms, this means that fiscal conservatism is no longer an adequate expression of one’s Republican qualifications. Instead, sentiments of routing out the ‘undeserving’; ‘taking back’ one’s country; and revenge against transgressors of the conservative worldview have taken on widespread popular and professional political appeal. Active displays of righteousness, punitive harshness (in policy), and intolerance now seem to be integral to political success on the right. While such sentiments may go against the bulk of majority public opinion, there is undoubtedly a fear among political actors that failure to perform these rituals will result in the loss of core popular support. This is as true for individual actors as it is for the Republican party as a whole, with the latter sensing its own growing demographic disadvantages. It may not be, ultimately, a winning political strategy, but it is here where the rules of reproduction evolve and take hold, precisely as a result of individual agency and unintended outcome. In other words:

The true hallmark of an account which makes social conflict, rather than a structural logic, the motor of history is its ability to separate agency from intentions and to move away from more-functionalist readings of history

where social developments are explained in terms of systemic needs or the intentions of powerful actors. In reality, things rarely pan out the way in which people plan them, even when it turns out much worse/better than expected for some (Knafo and Teschke 2020: 21).

The intentions of individual actors on the right, such as Florida Governor Ron DeSantis in Florida or Senator Ron Johnson in Congress, may be short-sighted, self-serving, cynical, and disingenuous. But they also reach new heights in creativity and right-wing innovation – witness DeSantis’ almost inconceivable fight with Disney over its public position on the *Parental Rights in Education Act* (the ‘don’t say gay’ law) (Luscombe 2022). The cumulative effect of their permissive speech acts, targeted battles with often illusory enemies, and relentless push for intolerant public policies all add up to an unintended social agency in shifting the rules of reproduction for the right in general.

Back to Medicaid – Austerity is not enough

How do we interpret the politics of Medicaid in the light of these new rules of reproduction? The overall dynamic is characterised by unrelenting budgetary containment, whittling down of health benefits, and/or harnessing program requirements for ulterior ideological objectives. On a federal level, this has been orchestrated *via* the long saga of *ACA* obstructionism, whereby Medicaid expansion has been particularly targeted. Congressional attempts to change Medicaid’s federal fiscal payment structure amount to a Republican recognition that such public programs are generally more efficient; bring palpable politico-economic benefits to enrollees; and constitute a political threat to the right. This has rendered attacks on ‘entitlement’ and the pursuit of controlled spending caps, such as during the Trump-driven attempts at *ACA* dismantlement, where Medicaid expansion was specifically in Republican crosshairs. The holy grail of these efforts was the potential reversal of Medicaid expansion, withdrawing funding for the adult low-income population, along with the general instantiation of block grants to states for a residual, *per capita* funded program. Operating under the umbrella of ‘repeal and replace’ legislation, a consistent theme shines through: Medicaid is a waste of public money; produces weak quality and inconsistent care; and does nothing to incentivize beneficiaries towards individual responsibility. Indeed, ‘individual responsibility’ is a theme that permeates all reform

attempts, whereby poverty simply reflects an individual's unwillingness to work. After all, 'the magic of casting aspersions on the poor tends to work well in an era in which the politics of resentment are ascendant' (Rosenbaum 2018: 595).

The difficulty with such highly visible assaults on Medicaid is that it remains a valuable and effective state-based public policy. As Rosenbaum (2018) has correctly pointed out, Medicaid is large but it is nimble, delivering relatively low-cost care to the largest segment of healthcare beneficiaries in America. It represents a majority share of public policy budgets for states, and dismissing its significance runs contrary to public opinion. In blunt economic terms, 'Medicaid remains the low-cost alternative to private insurance coverage, with annual per capita spending 25 percent below the cost of comparable private insurance, chiefly because provider payment rates are lower' (Rosenbaum 2018: 583). Moreover, Medicaid expansion has obvious societal effects that offset any perceived fiscal burden. Besides the large influx of federal dollars into state economies, Medicaid expansion brings people out of poverty. Zewde and Wimer (2019) found that expansion coverage alone lifted 1 percent of the US population out of poverty – approximately 690,000 adults. The authors found evidence that this effect accelerates over time, which 'would imply that future expansions or retractions of Medicaid could produce poverty effects that are larger in magnitude than those observed under the ACA' (2019: 136). This tracks with other studies suggesting a correlation between acquired Medicaid coverage and decreases in personal debt, payday loans, and, most significantly, housing evictions (Allen *et al.* 2019). Because poverty and homelessness have resounding effects for state budgets, any assertion that Medicaid wastes federal dollars amounts to ideological dogma rather than an evidence-derived claim.

Largely discarding such evidence, Republican lawmakers continue to ramp up their performative acts to adhere to the new rules of reproduction. Particularly at the state level, degrading Medicaid is a significant part of demonstrating Republican 'authenticity'. While the acceptance of federal dollars by state officials may appear a political 'no-brainer', state officials feel compelled to show that such funds will not result in unmerited 'handouts'. Medicaid, as a redistributive program, has always been subject to such attacks, but many state officials now approach this with a discernible pre-emptive 'meanness' in program design. The primary mechanism for this has involved section 1115 waivers (from the *Social Security Act*), negotiated with the Federal Government's Centers for

Medicare and Medicaid Services (CMS), and applied largely to low income adults, without children, made eligible by the ACA. These waivers are used to demonstrate that funds go only to the ‘deserving’ among new beneficiaries. Indeed, as expansion has been negotiated in states where conservatives dominate, Grogan *et al.* (2017: 249) find a ‘chronological pattern developing where each grouping of conservative states pushed for reforms further to the right of their predecessors [...] questioning the deservingness of the newly eligible, and seeking to return Medicaid to its original intent of only serving the truly needy.’ Austerity, in this sense, now makes up only one element of conservative virtue signaling on Medicaid. Alongside austerity, waiver agreements have rapidly become the norm, and they are used to impose strict program features intended to outline and enforce the responsibilities of beneficiaries. Importantly, this phenomenon is not limited to Republican-led states: while driven primarily by the right, political calculations in all states now require that such conservative sentiment is somehow addressed.

To varying degrees, Medicaid expansion has become about obscuring its reality *as Medicaid* – characterising it as a program with more ‘responsible’ objectives and not really part of the ACA or, worse, with little or no link to the federal government. Making this characterisation operational is precisely where ‘rules of reproduction’ are most visible, beginning with the imperative to *ensure that any expansion program is not made up of beneficiaries or citizens, but rather responsible consumers*. Part of this relates to the use of MCOs, where programs are mixed in with either existing employer-based managed care plans, or the possibility of a ‘private option’ is offered. The latter incentivizes recipients to purchase their healthcare with state funds on individual marketplace exchanges, ironically set up under the ACA. Either way, administrations seek to project Medicaid as ‘not Medicaid’, such as in Arkansas, where ‘the administration strategically eliminated the term *Medicaid* from public statements, and only focused on the *private option*’ (Grogan *et al.* 2017: 261). This is repeated across a range of states, to the point that it is legitimately difficult to discern who is or is not a recipient of government funding. As Tallevi (2018: 627) has pointed out, ‘this encourages Medicaid participants to think of themselves outside of the Medicaid population and to underestimate the role that government plays in the provision of their health insurance.’ One cannot help but note that lowering citizens’ perception of their own participation in government programs has an added benefit for Republicans: it interrupts a documented correlation

between Medicaid and political participation, including electoral registration, likely to help Democrats (Clinton and Sances 2018).

Instilling a consumer mentality – with its associated responsibilities – is augmented by cost-sharing and health savings accounts (HSAs). The former is not new in healthcare, but its imposition on those who are greatest in need (and with the least ability to pay) is particularly harsh. Tennessee’s 2015 waiver application to CMS for Medicaid expansion included a monthly premium (2 percent of household income) for all enrollees and co-payments for services (KFF 2015a). After already having adopted Medicaid expansion, a new Republican Governor in Ohio sought (but was denied by CMS) to add on premiums and copayments for service (KFF 2016). Such attempts have been successful in 8 waiver-negotiated expansions, usually with an eye to satisfying state legislatures. An increasingly popular mechanism to augment this payment structure is the HSA, requiring individual contributions and ostensible accounting of individual health spending. Indiana’s Medicaid expansion, under then-Governor Mike Pence and Seema Verma (who was later put in charge of CMS), created Personal Wellness and Responsibility (POWER) HSAs that require monthly contributions, for use with copayments and/or deductibles. HSAs – also in Georgia, Michigan, and Arizona – are used to ensure that premiums are associated to an individual’s personal account and consumption in the marketplace. This bolsters an environment in which ‘states hypothesize [the] benefits of premiums for beneficiaries, including improving health outcomes and health literacy, increasing personal responsibility, and preparing enrollees to transition off Medicaid by aligning the program more closely with commercial coverage’ (Guth *et al.* 2021).

Beyond setting beneficiaries as responsible consumers in the marketplace, a second imperative requires that policymakers show that *expansion funds are utilised only for those who are qualitatively ‘deserving’*. The publicisation of program design focuses on (and valorises) the working poor, while the seemingly ever-present (but difficult to identify) ‘lazy poor’ are intentionally excluded. There is a strong undertow of racism built into these design features, where black and Hispanic communities are, however subtly, characterised as unproductive abusers of government largesse. In this, ‘symbolic racism portrays racial minorities as ‘demanding’, and ‘undeserving’ individuals with a ‘lack of work ethic and responsibility’, especially in association with social welfare programs’ (Grogan and Park 2017: 543-4). Waivers build in behavior requirements

and/or incentives, some of which are attached to premium reduction: 8 states have incorporated healthy behaviour incentives (more programs are pending). However, the more controversial waivers include work requirements. Historically, these have been strictly rejected at the federal level by CMS, but they rather suddenly found encouragement under the Trump administration. From 2017 onward, at the invitation of Verma's CMS, mostly Republican (and mostly non-expansion) states applied for waivers to implement work requirements in their Medicaid programs. 13 states received federal approval, and 9 remained pending at the point of the 2020 election. With the obvious complication of COVID-19, only Arkansas had moved to implement the program, with consequences for failure to comply (Guth and Musumeci, 2022). These waivers, some of which were struck down by courts at the District and Appeals level, varied from state to state, but they all disregard the readily available evidence that 'poor health is associated with increased risk of job loss, while access to affordable health insurance has a positive effect on people's ability to obtain and maintain employment' (Antonisse and Garfield, 2018).

Actual health and well-being outcomes, however, were hardly the point. Rather, the spurious claim that working harder both merits healthcare access and leads to better health amounts to little more than a performative display of harshness, aligning with both retributive conservative and neoliberal values. Even when Governors, both Democratic and Republican, try to appease these values, by emphasising that it is *mostly* working Americans who require Medicaid expansion, they are met with deep Republican (often legislative) skepticism. New Hampshire legislative Representative Neil Kurk (R) captured this sentiment, when he polemically asked whether 'simply because you are alive and poor you receive this health care and you don't have to do any work if you don't wish to?' (Grogan *et al.* 2017: 269). In the end, the Biden administration has undertaken to revoke work requirement waivers, across the board, but the likelihood that they can and will be revived under the next right-leaning administration remains high.

While full-blown work requirements have not yet materialised, penalty programs have been put in place. Indeed, a third imperative under these performative politics urges *the demonstration of consequences for non-adherence to Medicaid requirements*. To date, this has centered around financial cost-sharing; and HSAs have again proven a fruitful mechanism to demonstrate intolerance for so-called non-contributory Medicaid recipients. Federal rules do not allow premiums for Medicaid recipients

below 150 FPL, because they typically create a barrier to care. However, eight states (Arizona, Arkansas, Georgia, Indiana, Iowa, Michigan, Montana, Wisconsin) have received a waiver to charge such premiums, including punitive measures for non-payment. Such measures can include disenrollment from coverage, a ‘lockout’ period, a plan downgrade, or any combination of these actions (Guth *et al.* 2021). In Indiana, Medicaid recipients between 100 and 138 percent FPL who fail to make a premium payment are disenrolled and locked out for 6 months. Those below 100 percent FPL who fail to do so are both downgraded to a ‘basic’ plan and subjected to co-payments (KFF 2015b). Such punitive measures now form the ‘basics’ of Republican efforts to either change existing Medicaid expansion programs (*eg.* Ohio, Kentucky) or propose new ones (*eg.* Utah, Tennessee). Not only do these impose draconian sanctions on states’ most vulnerable populations, they further a *de facto* work requirement (as premiums are difficult to cover without income). Paradoxically, the ACA’s strongest Republican resistance decried the intrusive nature of the individual mandate, punitive governmental measures (in the form of taxation), or any potential cancellation of their existing health insurance. The irony here would be rich, if it were not so tragic. Clearly, when it comes to poor, racialised, and disadvantaged populations, punitive governmental measures aimed at individuals are viewed as entirely acceptable, even socially advantageous.

All in all, the performative rules for reproduction demand that Republican political actors not only cloak Medicaid expansion in a ‘not-Medicaid’ aura, but they should strive to limit government help only to those who can help themselves. As such, even Republican officials in states that initially accepted Medicaid expansion, such as Kentucky and Ohio, have sought to modify these programs with far stricter terms, proving that they are not, in the end, RINOs. Along the way, a particularly harsh form of individual responsibility and accountability has been brought to bear, reserved especially for the impoverished and working poor of America. This harsh turn on the right affects the whole political spectrum, where Democrats have proven, ‘willing to compromise and support waiver proposals under the logic that even restrictive coverage is better than no coverage’ (Grogan *et al.* 2017: 278). In this environment, it is unlikely that Republican policymakers will reverse the trajectory of their policy efforts, as they seek to outperform each other and demonstrate an authentic devotion to the conservative cause.

Conclusion

Navigating Medicaid policy across the US is a tricky affair, involving not only complicated federal-state relationships, but also a highly varying field of Medicaid delivery programs across states. While cast as public healthcare for those in need, the system exhibits the ‘Mildred Paradox’:

Mildred was the mother-in-law of political scientist Don Kettl. In the last few years of her life, a combination of Medicaid and Medicare paid for Mildred’s extensive health care needs, including her \$85,000-per-year nursing home. Despite the numerous government-funded health services she received, Mildred never encountered a government employee (Tallevi 2018: 139).

Indeed, Medicaid is noteworthy precisely for its intensive utilisation of the market, both in the purchasing and provision of this government-based healthcare. Within this adaptive accumulation, Medicaid expansion should assuage Republican principles (market-based consumption, revenue neutral budgeting). But, whereas Medicare (for seniors) – organised around the same principles – has met with broad acceptance among Republicans, Medicaid expansion faces ongoing hostility from the right. Horizontal class relations and the rules of reproduction explain this somewhat peculiar and counter-intuitive reaction, whereby Medicaid expansion is integral to a decade-long struggle within the Republican political environment. The acquisition of political power – or even the survival of those holding it – increasingly requires the recurring expression of strong, often punitive, right-wing values. Not unlike other policy spheres, such as gun control and women’s reproductive rights, policymakers are willing to push far outside majority sentiment, in order to demonstrate their Republican *bona fides*. Thus, even as the Biden administration attempts to undo the damage done to federal Medicaid standards (particularly through Seema Verma’s 2017 ‘invitation to waiver’), Republican state policymakers will step up their demands, minimising program eligibility; tying eligibility to work requirements and behavior modification; and enhancing retributive punishment against those who fall short. In the meantime, Democrats have limited their fight to arguing for the ‘working poor’ of America, which ‘plays into a larger Republican frame of returning Medicaid to its original intent’ (Grogan *et al.* 2017: 279). While the grossly unequal access across the American states renders a rather cruel healthcare terrain for the poor, without some unforeseen development or external interruption, the Republican rules of

reproduction will exhibit undue influence over this landscape for some time to come. To the extent that policymakers in other national jurisdictions face reform pressure, this mounting conservative harshness – along with its demonstrable electoral appeal – should be of concern for even the most well entrenched healthcare systems.

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HEGEMONIC NEOLIBERALISM: A HISTORICAL RE-EVALUATION

Tim Anderson

The concept ‘neoliberalism’ is often misunderstood as a theory or a set of economic policies, with few defined links to the character of its political project, not least in international power plays. The idea is rarely integrated with necessary elements of hegemonic asymmetry in policy prescriptions and associated double standards.

Nevertheless, there have been many critiques of the ‘illiberal’ character of the liberal project, notably Losurdo’s (2014: 341) ‘counter-history’ which attacks the myth of ‘the gradual, peaceful transition [...] to an ever-wider recognition of political rights’. The ‘selective beneficiaries’ of liberalism are legion (Jones 2020: 61, 81) and, as Harold Laski (1936: 15) wrote, ‘the freedom [liberalism] sought had no title to universality, since its practice was limited to men who had property to defend’. Yet there has been constant regression from understandings of both liberalism and neoliberalism as historical and political projects to ahistorical and economic or technical explanations.

David Harvey (2016), for example, reflects on neoliberalism as a ‘political project’ carried out by ‘the corporate capitalist class [...] to curb the power of labor’. Yet in his earlier book he defined neoliberalism as ‘in the first instance a theory of political economic practices’ linked to liberal ideas including ‘strong private property rights, free markets and free trade’. By this ‘theory’ the economic role of the state is said to be heavily constrained (Harvey 2005: 2-3). Similarly, while Frank Stilwell (2002: 23, 21, 203) argues that neoliberalism must be seen through ‘a historical, rather than a mechanistic’ approach, he roots neoliberalism in a theory of ‘market processes rather than interventionist planning [...] [whose] conceptual

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basis is the notion of “government failure”. In this way, both writers, specialists on neoliberalism, regress from their suggestion of a broader political and historical project to the notion of neoliberalism as a modernist, universal theory, linked to its apparent, if inconsistent, pretexts in economic ‘market’ theory.

Many writers persist in presenting neoliberalism as driven by economic theory (Palley 2005), while others recognise theory more as ‘rationale’ for a broader project (Shaikh 2005). But what project? Cahill and Konings (2017) see neoliberalism as a project of ‘contemporary capitalism’, tracing the ideas back to the interwar years. But ‘capitalism’ is too broad a notion. The historical champions of asymmetric liberalism have been the Anglo-Americans.

There are important consequences of this modernism and regression. First, there is constant criticism of the supposed ‘inconsistencies’ of neoliberalism as a universal policy set. Even the International Monetary Fund (IMF), a popular villain of the neoliberal project, accepts the common criticism that neoliberalism inappropriately suggests a ‘one size fits all’ policy approach. This is ‘completely warranted’ criticism, says an IMF team (Ostry *et al.* 2016). However, debate over policy conformity vs. diversity may show misplaced concern at ‘theoretical inconsistency’.

Second, market theories have little to do with the world of corporate giants or, as the neo-Marxists put it, monopoly capital (Baran and Sweezy 1966). That is, ‘free markets’ as such have never really functioned at the centre of the contemporary industrial and financial capitalist world. The myth of a universal or ‘modernist’ policy set, within economic liberal mythology, was always based on flawed foundations.

Third, the Anglo-American states have played a far more important economic role in productive development than is suggested by any notion of minimal state intervention (Shaikh 2005: 42; Chang 2002). Yet the ‘minimal state’ notion is indeed pushed on subordinate nations (Crouch 1997). While Polanyi (1944: 145, 155) pointed to a strong, liberal interventionist state in the USA and parts of Europe, moving to identify the different treatment of strong hegemonic states and their privileged ‘markets’ can highlight systematic double standards which are masked by ‘free market’ modernism.

Fourth, while economic liberalism has little relevance in international relations, associated ‘neo-realist’ doctrines like ‘Hegemonic Stability Theory’ (HST) argue explicitly that a dominant, strong state is both

necessary and desirable for the enforcement of ‘free market’ norms. This North American theory claims that a ‘benevolent dictator’ or hegemon [meaning Washington] is needed to enforce world peace and provide the necessary ‘public goods’, as global policeman for a ‘free trade’ environment (Keohane 1980). This strong state idea is one of ‘exceptionalism’, a concept alien to contemporary norms of the UN Charter.

The experience of the many post-colonial states subject to US military interventions may help with a sharper focus on the necessary links between political hegemony and economic models (Panitch and Gindin 2004; Bond 2013). Yet even the European ‘partners’ of Washington face their own subjugation, as when the US insists that they refuse trade with Russia (Jacobsen 2021). The USA, like Britain before it, seeks to dominate both its partners and its rivals.

The idea of neoliberalism as primarily a theory is plagued with inconsistencies and apparent double standards, unless and until we recognise those double standards as important elements of the project – underpinning the rationale for hegemonic asymmetry. But such recognition requires integrating the rationales of historic liberalism and ‘economic’ neoliberalism into an international perspective, with focus on the hegemonic project. The idea of a weak or non-interventionist state is for subordinates. Dunn (2017: 436) correctly points to the vague use of neoliberalism as a concept, then suggests its abolition. This article argues for re-evaluation of the idea with a stronger historical perspective.

With that background, this article sets out to demonstrate that economic liberal theory, itself created in particular historical circumstances to serve powerful interests, has been selectively used by the nominally liberal Anglo-American hegemonic project. That project, in turn, has not simply been one of capitalism; but rather tied to a particular evolving oligarchy, stretching back more than three centuries, into the pre-capitalist era. Hegemonic neoliberalism is the late Twentieth-Century iteration of this longer project.

Yet, in the Twenty-First-Century, that same hegemonic project is in decline and facing rivals who, at times, also make selective use of liberal concepts. With the widely acknowledged US decline (VOA 2022; CEBR 2022) the Anglo-American project has engaged in many overtly anti-liberal measures, such as multiple siege wars (through unilateral coercive ‘sanctions’), as Washington loses influence and faces the emergence of

other ‘poles’ of power. China, meanwhile, uses both liberal notions and elements of international law to criticise the failings of the Anglo-Americans. Yet ‘market’ notions used by contemporary China are linked to distinct views of state and society.

Drawing on the history of Anglo-American hegemonic liberalism, including economic liberal mythology, and using a counter-hegemonic and historic method – identifying the privileged beneficiaries of liberal idealism – this article sets out to demonstrate that ‘neoliberal’ ideology is best understood as a synthesis of hegemonic strategy with necessarily asymmetric economic liberal practice. We might best understand this as ‘hegemonic liberalism’ and, in more recent decades, ‘hegemonic neo-liberalism’. The use of ‘hegemonic’ here is a broad one - of a strong state seeking dominance, as exemplified by the 21st Century Pentagon doctrine of ‘Full Spectrum Dominance’ (JCoS 2000). It seeks ideological, communicational, economic and military supremacy, while implicitly committed to Anglo-American corporate privilege.

The first section of the article shows the historical context of economic liberal mythology, while the second presents a broader history of Anglo-American liberal ideas and institutions. The concluding section sums up the character and recent ‘de-liberalisation’ of that project.

Economic liberal mythology

The Eighteenth-Century Scottish philosopher Adam Smith suggested that voluntary exchange was a harmonious social engine for growth, efficiency and general welfare. He lived in a period when capitalism was breaking down an old feudal order. Established social interests worried about what would replace the old certainties of patronage and church authority. How could the new individualism of a rising bourgeoisie be reconciled with preservation of the social order? Smith answered these concerns by stressing the virtues of voluntary exchange through a ‘natural price’ mechanism. According to Smith, people pursuing their own interests – businesses seeking profits and consumers seeking to increase their satisfaction – created, fortuitously, the best way to achieve the broad social goals of growth, efficiency and general welfare (Smith 1776: 345). To this he added the proviso of a ‘civilising’ conscience, society and state (Muller 1995).

Smith's vision of bourgeois harmony relied on technology to develop industrial specialisation, a greater division of labour and, importantly, a new class of owners and investors who were gaining increasing wealth and social influence. Yet Smith (1759) had also written of a civil society with 'domestic morals' and 'natural affections'. He had not envisaged the 'market society' of modern economic liberals, which sought to collapse all values of civil society into commercial relations.

Smith's ideas were supplemented by David Ricardo's principle of Comparative Advantage, which stressed the mutual benefits to be found in the expansion of trade (Ricardo 1817: Ch. 7). Yet both Smith and Ricardo founded much of their reasoning on ideas of class, value (including rent) and distribution, themes which carried important and conflictual social and political implications (Douglas 1927; O'Donnell 1990; Ricardo 1817: Ch. 1). Ricardo spelt out a labour theory of value (Hollander 1904) which was later developed by Karl Marx into a radical polemic (Marx 1867).

It is hard to not suspect that the polemics of this debate led to the socially disembodied neoclassical theories of the 1870s. A group of Europeans, notably Walras (1874), Jevons (1871) and Menger (1871) continued Smith's themes that the emerging open market economy was not just a new order but also a potentially optimal state of affairs (Jaffé 1976). Yet they devised a way to almost entirely abandon the classical themes of class, value and distribution and, for the first time, something called 'pure economics' was discussed. Their ideas deflected criticism and recriminations over the role of the rising joint stock corporations, and of the so-called 'robber barons' in the late-19th Century.

In what was later called a 'marginal revolution', a reference to supposed consumer behaviour, based on 'microeconomic' foundations, they dispensed with the social context of earlier political economic discussions. Class, value and distribution were replaced with notions of consumer preference and price determination in open markets (Stilwell 2002). This 'neoclassicism' became a source of socially disembodied ideas which could be selectively used for practical purposes: 'open markets' where the idea served the expansion of corporate privilege; and monopoly power where required.

Nevertheless, this economism remains a modernist European – and more particularly Anglo-American – project which seeks to eliminate historical difference, presenting human society as on an essentially convergent path, with cultural distinctions simple detail along the way.

The liberal and neoliberal projects remain serious abstractions from the Anglo-American hegemonic projects. Seductively stressing individualism, universal liberties and even social justice, this liberal idealism has little to do with the colonialism, slavery and general predation of ‘liberal’ hegemonic regimes. Later in the 1980s neoliberal ideologues began to appropriate the term ‘reform’ for revised practices that would best assist corporate privilege and hegemonic expansion. Anglo-American neoliberalism, in this sense, began to colonise what had been a more social democratic concept.

Through its pervasiveness, liberal ideals have been absorbed gradually. Acquisitiveness, individualism, self-realisation through commodities, and unlimited private accumulation are imagined as the ‘natural’ human values of our era. Yet this ideology is challenged practically every day, by social values. Children are taught to share. Families, groups and communities repeatedly affirm mutual support, responsibility for others and the construction of shared institutions. Communities create schools, libraries, health services and a variety of mutual support and protection systems. Substantial effort is required to reverse this common socialisation.

In short, the practical ideology of hegemonic neoliberalism draws selectively on liberal idealism, including economic liberalism, but is not defined or constrained by such idealism. ‘Free markets’ had little to do with the economic development of either imperial Britain or imperial USA, except when it suited. The former made great use of a massive surplus from its colonies (Patnaik and Patnaik 2021); the latter relied on continental land theft and mass slavery (Sokoloff and Engerman 2000), followed by long term state sponsorship of corporate oligopolies (Selwyn and Leyden 2021). That practical ideology should be understood through more detailed study of its history.

Anglo-American liberalism

A deeper study of Anglo-American liberalism can help understandings of the ideological project. Anglo-American liberal idealism, from the late-Seventeenth-Century, has always placed a veneer of nice-sounding universal principle over claims for privileged interests, enforced ruthlessly. Britain and the USA have been the flag bearers of this project, even where those from other cultures have collaborated and helped build the ideology. The ‘Austrian school’ of economic thought (Menger 1871; Wasserman

2019), for example, is most notable for its champion in Britain's Margaret Thatcher. That particular history of ideas should be retold with a sharp eye on privileged outcomes. This section will consider some historical stages in the development of the hegemonic project. The common thread is a semblance of high principle which culturally affirms privilege.

After the English civil wars of the Seventeenth Century and during the period referred to as the 'English Revolution', the monarchy's powers were reduced. A key philosopher of the time was John Locke, still cited today for his bourgeois idealism. Locke spoke of individual property rights, including the right to land. His 'second treatise' even linked property rights to labour. He wrote that 'all men by nature are equal' (Locke 1690), but this clearly was not his practical view. The 'colonial context' of Carolina, including that of slavery and aristocracy, helped develop Locke's 'distinctive theory of property' (Armitage 2004). Locke's ideas of 'property' and 'the people' were said to be more inclusive than those of his political associates (Richards *et al.* 1981: 29) while still privileging private property.

The outcomes of the 'English Revolution' were certainly not those of universal franchise, let alone social and economic equality, or even a challenge to colonialism and slavery. Rather, the rise of property rights and the propertied classes contributed to a massive expansion of English slavery in the Eighteenth-Century. Private traders soon surpassed the state monopoly in slave trading.

The Royal Africa Company, by the end of the 17th Century, derived 60% of its income from the sale of slaves (Thomas 1999: 202). However, in the early 18th century, the British slave trade 'grew immeasurably'. In 1720, nearly 150 slave ships were working, mostly from Bristol and London. The English parliament allowed private traders to engage in the slave trade if they were paying 10 percent duty on 'English commodities' transported to Africa (Kitson 1999: 87). During the 18th Century, Britain enslaved about 2.5 million Africans (Cateau and Harrington 1998: 96). In the 1730s, Bristol took over from London as the main slave trade port, sending nearly 50 ships a year to Africa between 1728 and 1732; Liverpool also became a major slave trader (Thomas 1999: 243-7). This was one important outcome of the English Revolution through expansion of the rights of a specific propertied class.

Table 1: British slave trading after the English Revolution

Slave trade agency	Year	Slaves per year
Royal Africa Company	1680, 1686	5,000 – 6,000
Bristol Free Port	1698	18,000
British ‘company of merchants’ (London, Liverpool, Bristol)	1771	47,000

Source: Blackburn (1998); Solow and Engerman (1987).

A similar thread can be seen in the ‘American Revolution’ of the late-Eighteenth-Century. Most of the leaders of this anti-colonial movement were themselves slaveholders. Independence from Britain did not change that. Calls for liberty and human equality must be read in this light. Thomas Jefferson and George Washington held great lands and owned many slaves. Washington’s father had 50 slaves and 10,000 acres of land (Chernow 2010: 8). While theoretically opposed to slavery, George Washington was said to have driven his slaves ‘with a firm hand’, engaging in floggings and working at least one of his slaves to death. He was in principle against selling slaves, as it broke up families; but he always feared a slave revolt (Chernow 2010: 705-10).

Jefferson remains famous as principal author of the *Declaration of Independence*, which reads: ‘all Men are created equal [...] [and] are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness’ (Dunlap 1776). Yet, Jefferson was a slave-owner to the day he died. He is said to have been intellectually ‘ambivalent’ about slavery, even though he inherited ‘almost 3,000 acres of land and more than 50 slaves [...] [and] then fathered several of his own hereditary slaves with his slave mistress Sally Hemings (Horton and Horton 2005: 54-6). A leading historian wrote, ‘there is no reason to suppose that Jefferson would have freed his slaves even if he could have [...] slavery provided him with constant reinforcing positive benefits’ (Gordon Reed 2008: 635).

It would be facile to say that this was simple hypocrisy. These ‘founding fathers’ invented a new language: that of an empire of ‘liberty’, which presided over the largest slave system in human history. It was a system

designed to work the land that had been taken from the Native Americans, whose number were decimated by disease, brutal enslavement and slaughter (Churchill 1997: 1).

That same *Declaration of Independence* termed the indigenous peoples ‘merciless Indian savages’. Unlike the anti-colonial movements of Latin America, the North American Revolution did not contemplate the abolition of slavery and demanded even greater seizure of indigenous land. So regressive were the leaders of this ‘American Revolution’ that it has been referred to as a ‘counter revolution’ (Horne 2014). The 1787 *Constitution* never mentions slavery ‘yet slavery is all over the document’; 11 of the 84 clauses are directly or indirectly to do with property in human beings (Waldstreicher 2010: 3). Even after the Civil war and abolition, in the ‘reconstruction’ era it was taught that the Negroes had been freed but that they were ‘ignorant and unfit to govern themselves’, that they were ‘lazy, dishonest and extravagant’, inferior, uncivilised and responsible for their own problems. Du Bois said: ‘the slave went free; stood a brief moment in the sun, then moved back again towards slavery’ (Foner 1990: 254).

Slavery in North America was replaced by another century of deep racism, showing the illusion of emancipation but retaining a caste system and new forms of racialized control of the four million freed slaves (Alexander 2010: 20-22, 27). Myths persisted that ‘American slavery was fundamentally different’ and somehow separate from US capitalism and that ‘slavery was fundamentally in contradiction with the political and economic systems of the liberal republic’ (Baptist 2014: xvii). Two centuries after Jefferson’s famous ‘liberty and equality’ phrase, US society still struggled with that reality of institutionalised inequality.

Ricardo’s (1817) universal benefit from ‘free trade’ idea was influential. But what was behind it and to which practical outcomes did it lead? First, Ricardo represented an emerging business and factory owning class which had significant differences of interest with the old landowning aristocracy. He was very aware of distinct class interests between workers, capitalists, and landowners and wanted reform of the ‘corn laws’ – taxes on all imported grain (Dworkin 2018). He saw these taxes as effective subsidies that helped British land-owning grain producers but drove up the price of wages – linked to the price of bread – for factory owners (Gudeman 1984: 92). So, there was class interest behind his theorising. Yet other factors influenced British agricultural and food security practice, not least wars

and the rise of German and US industry. Two centuries later, with the help of instruments such as the European Union's Common Agricultural Policy, Britain rose in finance and became self-sufficient in wheat (DEFRA 2020: 1). So, while generations of British 'free traders' pushed their anti-protection arguments at other countries, to open their markets (Miller 2000), the British state practised what suited it best.

The English civil libertarian John Stuart Mill writes in his book *On Liberty* (1859) of the necessary limits of state power over individual rights. He wrote 'the sole end for which mankind are warranted, individually or collectively, in interfering with the liberty of action of any of their number, is self-protection [...] power can [only] be rightfully exercised over any member of a civilised community [...] to prevent harm to others.' Yet Mill was a colonialist, adding 'despotism is a legitimate mode of government in dealing with barbarians, provided the end be their improvement' (Mill 1859: 13-4). Once again, we see Anglo liberal ideology in service of privilege.

Mill's 'despotism' applied to all the British colonies of that time. On 'the Irish question', during the great famine of the 1840s, he identified the English landlord system as the root of the problem. However, his 'solution' was a more refined colonial administration, to avoid upsetting major landholdings and instead focus on allocating 'wasteland' plots to 'the best of the peasantry', with even more English investment in agriculture (Kawana 2010: 53-4). Overall, Mill backed the 'civilising mission' idea of empire, claiming that 'colonisation [...] is the best affair of business in which the capital of an old and wealthy country can engage [...] the same rules of international morality do not apply [...] between civilised nations and barbarians.' For Mill, the British Empire provided 'a great advantage to mankind' (Mill in Sullivan 1983). That mission required a strong state and double standards, as core part of imperial rule.

India was Britain's largest colony. At the beginning of the 20th Century, Naoroji (1901: 42) published a political economic analysis of Indian production, incomes, subsistence and trade, identifying a huge 'drain' of wealth to the colonial power, from access to resources through direct tribute and remittances, the total of which he estimated at about 30 million pounds per year. A century later, Utsa Patnaik aggregated that sum into a drain of 9.2 trillion pounds (or 45 trillion Rupees) over the entire period of the British Raj, between 1765 and 1938 (Sreevatsan 2018). That huge sum

both impoverished India and gave a huge boost to British economic development; and its extraction required a strong British state.

There was also a more radical liberal current, spelt out by John Hobson (1902), which argued against empire, on the basis that imperialism attracted greater costs for British international relations and business interests. That view influenced Lenin (1916) but remained near invisible in elite Anglo-American circles. At the 1919 Paris Peace Conference, we saw again insistent Anglo-American double standards from US President Woodrow Wilson. After the Great War, Wilson spoke of 'national self-determination', but later made it clear this did not refer to the peoples of European, nor US, colonies and territories (Lynch 2002).

Near the end of the Second World War (1939-1945), a new economic system emerged, which the North American oligarchy would take over from the British. The Bretton Woods conference of 1944 saw the USA take economic leadership from Britain, with a new system of currency exchange and capital for reconstruction which privileged the US dollar. The World Bank and the International Monetary Fund were created; and the US dollar became the *de facto* international currency, against which other currencies were measured (Boughton 2002). This new role for the dollar gave an 'exorbitant privilege' to US companies, in purchasing and foreign investment power (Rosalsky 2019). Washington's role in the world economy was inflated even beyond its great technological and production capacity.

That leverage would prove crucial for the commitment of the World Bank and the IMF – formally public international bodies but with shareholding skewed in favour of the US and its allies – to opening up all other countries for U.S. approved private investment. That influence took on new dimensions with the structural dislocation of global finance and exchange in the 1970s. Exchange systems broke down, inflation rose, productivity slowed in the wealthy countries. Social institutions were blamed by a resurgence of economic liberal ideas.

A form of de-socialised corporate privilege which came to be called 'neoliberalism' was practised in the US-backed dictatorships of Latin America during the 1970s (Bockmann 2019) and became dominant in the USA and Britain by the 1980s (King and Wood 2012). Various forms of social protection (pension systems, banking regulation, tariffs, wage regulation, distributive policies) began to be dismantled, as they were claimed to undermine productivity and corporate accumulation. The

widespread privatisation of public enterprise, health services and pensions was accompanied by a dismantling of wage fixing systems and the rise in 'user pays' practice, drawing on the old economic liberal myths of consumer sovereignty. That package is what came to be seen as presenting the features of 'neoliberalism' and was badged a 'Washington Consensus'. While this so-called Washington Consensus – of self-regulating markets and minimalist states - was revised to include some new functions of the capitalist state (World Bank 1997), the insistence on a state retreat from 'the productive economy' became the new official ideology (Trebilcock and Howse 2000: 517). The global debt crisis of the early 1980s, arising in large part from an abandoning of financial regulation and a consequent steep rise in interest rates (Kaufmann 1995), gave the big lending bodies leverage over weak states. Conditional loans were systematised by the World Bank and the IMF to help enforce further openings to foreign capital and minimal state social support. These 'Structural Adjustment Programs' (SAPs) were enforced on dozens of indebted nations in the 1980s, leading to mass privatisations and then food riots, after subsidies on basic grains and fuel were abolished (Palast 2001; Stiglitz 2002). The social impact of these neoliberal programs has been termed 'catastrophic' (Logie and Woodroffe 1993).

The reaction to SAPs was so strong that, at an IMF conference in late 1999 (IMF 2000), the terms 'structural adjustment' and 'privatization' were abolished and replaced with softer sounding phrases, such as 'good governance' and 'public private partnerships' (SAPRIN 2000; Bovaird 2010). In a developmental sense, the principal challenges for 'market economy' strategies were how to prevent a collapse in basic services, controlling 'leakages' in investment and income generation and avoiding the dramatically widening social inequality and exclusion. Yet inequality does not concern economic liberal mythology; rather it is seen positively, as a spur for market participation. 'Comparative advantage' does not solve the problem, as this idea is based on comparative statics, addressing only the short term and not how a country might improve its productive capacities. Economic liberal mythology, demanding weak states, undermined both development and social protection. In a report for on the human rights impact of structural adjustment', Fantu Cheru (1999: 11) wrote: 'The most crucial impact of globalization and liberalization has been on the role of the state [...] [which] no longer primarily acts as a buffer against the world economy but plays an integral role in facilitating globalization'.

Hegemonic neoliberal ideology also helped suppress proper study of the non-neoliberal success stories, where the state and markets were distinctly configured. The role of the developmental state in East Asia, for example, was acknowledged only begrudgingly and in diluted form by the World Bank's 1993 report, *The East Asian Miracle* (Birdsall *et al* 1993). The remarkable economic growth and social development of China in recent decades (Yan 2001; Fang *et al.* 2004) had even less to do with neoliberal prescription and is even seen as a significant threat to 'the liberal system' (Ikenberry 2008).

During the 1970s and 1980s, North American commitment to asymmetry was embedded in a doctrine called 'hegemonic stability theory', which had little to do with the community of sovereign nations, as in the United Nations Charter. Unlike the Europeans, Washington had always denied having had colonies, or an empire. However, the notion of a 'benevolent hegemon' was created to justify the self-styled 'exceptional' role of the USA. The world needed, it was said, some sort of benevolent dictator, to secure order and provide 'public goods' such as security, a stable currency exchange and mechanisms of 'free trade' (Makale 2019). This theory (Kindleberger 1975; Keohane 1982) sought to link liberal 'free trade' with a strong dominant state, a 'single superpower', above the law. This was an entirely North American school which tried to 'synthesise liberal and structural realist thought' or, alternatively, 'neoliberalism and liberal institutionalism' (Colebourne 2012).

This two-tiered world was emphasised by the 'shareholding' structure and ideology of the Bretton Woods system. China expressed concerns that even the shareholder structure of the Bretton Woods organisations was distorted to favour the USA, at the expense of developing countries (Xinhua 2006). Some western analysts were forced to agree. 'China accounts for 18.72% of the global economy, but it has only 6.06% of IMF votes', Mourdoukouta (2019) observed. But there was a hegemonic logic to this.

Perhaps the final achievement of this US led 'globalism' was the 1995 transformation of the General Agreement on Tariffs and Trade (GATT) into a permanent body, the World Trade Organization (WTO). Supposedly extending the ideals of 'free trade' through a 'rules-based system' (WTO 2022), the new body enhanced hegemonic asymmetries. An *Agreement on Agriculture* (AOA), aimed at drawing support from a range of commodity exporting nations, yet ended up a key focus of dispute. Subsidies for agricultural production were regulated into three categories, as tariffs

(import taxes) were wound back. But only the US and the EU had the capacity to pump billions of dollars in subsidies into the allowable ‘green box’ categories (European Commission 2004). By 1994, the US and the EU said they had complied with the terms of the AOA, before it was even finalised. They had simply changed, not eliminated, their subsidies. Tariffs, far more convenient for developing countries, were then targeted.

Similarly, a new category of ‘trade regulation’ - the designation of global monopoly patents through the *TRIPS (Trade Related Intellectual Property) Agreement* – privileged the USA and its European partners. This agreement backed the corporate ‘ownership’ of seed varieties and new pharmaceutical products (MSF 2001). The USA has developed and still maintains ‘the strongest intellectual property regime in the world’ which is said to support ‘more than \$6 trillion in GDP [...] and more than 45 million jobs’ (Quinn 2020). Washington then acts to protect these monopoly privileges worldwide. Additional investment privileges, which came to be called the ‘Singapore Issues’, never made it to the formal WTO agenda due to great opposition (IATP 1999). These contrasts between idealism and the political project are summed up in Table 2.

The overall weight of opposition to the AOA, *TRIPS* and additional investment claims by the US and its EU allies, backed by resentment at an undemocratic ‘back room’ negotiation process and perceived failure to give any real form to WTO’s stated ‘special and differential treatment’ principle for developing countries (Bello 2001), led to a stalling of new agreements at the WTO in the early-Twenty-First-Century (Weissman 2008). Many complained of ‘rigged rules’ which benefited the US and the powerful European states (Oxfam 2002).

This stalling of US-led globalism spawned a proliferation of regional blocs, including some counter-hegemonic blocs which excluded the USA and its allies. In Latin America the ALBA, UNASUR and the CELAC were created (Anderson 2014). China joined the WTO in 2001, but began to form large international and regional bodies, notably the BRICS group and the Shanghai Cooperation Organization (Yurtaev and Rogov 2017). Yet, while China has used liberal concepts in support of its own industrial and trade ascendancy, its broader domestic and international strategic differences mean that one cannot yet equate the character of its practice to that of Washington (Lohman 2021). That is one reason why some North American writers link the rise of China to ‘The Demise of the Liberal Global Economic Order’ (Hedrick-Wong 2018).

Table 2: Liberal idealism vs the Anglo-American liberal project

Liberal Idealism	The Anglo-American Liberal Project
English Revolution (1640-60): John Locke (1690): 'all men by nature are equal'	Overthrow monarch's monopoly on power and property. Result: Propertied classes consolidate power; English private slave trading expands tenfold.
American Revolution: Thomas Jefferson [slave-owner] 1776: 'All men are created equal'	Property owners claim self-government from Britain. Result: ethnic cleansing of 'merciless Indian savages' (<i>Declaration of Independence</i>) extends mass slavery embedded in the republic.
Comparative advantage: David Ricardo (1821): all can benefit from free trade	Factory owners compete with landed aristocracy. Result: imports cheap grain, lowering the price of bread and wages; no free trade in the colonies
Liberty: JS Mill (1856): 'man has an individual liberty to live and think as he chooses'	Individual rights for propertied British men. Result: British empire is needed for global security, stability, free trade and culture of 'liberty'
Bretton Woods Conference (1944): for 'international monetary and financial cooperation'	World Bank (IBRD) and IMF created. Result: US dollar gains privileged position, massively enhances US foreign investment and purchasing power
World Trade Organization (1995): 'rules-based system' for free trade	Free trade coalition created. Result: Asymmetric group collapses early-Twenty-First-Century amidst claims of 'rigged rules'

The historical experience of Anglo-American liberalism thus carries some important general lessons. First, the asymmetries and disparities between word and deed are not random anomalies but evidence of the hegemonic ambitions of the project. Second, economic liberal mythology was

exposed as a cruel myth which nowhere represented a path to superior economic or social development. The idealism diverted attention from its privileged application. Proper study shows it was neither the ‘model’ of the Anglo-American protagonists nor of superior development (Johnson 1982; Ettliger 1991; Sasada 2013) but rather a tool of convenience, used to impose subservient roles on weak and divided nations. Third, academic study of Anglo-American liberalism and its later neoliberal variant might better focus on the obvious collaborations between hegemonic states and their corporate oligopolies, rather than pretend that state regulation aims to restrain their power. Fourth, study of the regulatory role of the state should be revised in light of successful examples of economic development, not simply through economic mythology.

The character of contemporary hegemonic neoliberalism

This final section characterises contemporary hegemonic neoliberalism and its more recent ‘de-liberalisation’. Economic liberal idealism has never represented Anglo-American practice, except where it suited the dominant power. That is, where the Anglo-American monopolies have ‘cornered the market’ and want to break open new markets they speak of ‘free trade’ and ‘open markets’. Where that does not suit, they impose utterly non-liberal methods. The same logic does not apply to neoliberal demands on subordinate states. This is not simple hypocrisy, but rather the systematic application of double standards.

Hegemonic neoliberalism maintains a strong anti-social character. This is an ideology blind to conflicts of interest. An implicit doctrine that private gain leads to public good has facilitated a culture of large-scale institutional corruption. Price fixing in all the big industries (Sonnenfeld and Lawrence 1978), financial consultancies, government-preferred contractors, military contractors, massive corporate subsidies, assignment of private monopoly rights – all such schemes bleed rivers of public money.

This neoliberal world is also an assault on the rights of future generations, which have no voice or proper role in the contemporary ‘markets’ said to lie at the centre of social policy. Most human possibilities are determined by a child’s access to decent nutrition, education, health services and social security. Yet neoliberal mythology demands the removal of such social guarantees. The inevitable result, especially in the poorer countries, is that

most children are deprived of these basic formative needs (UNICEF 2015). This failure in public social institutions is closely linked to the creation of dependent structures, underlying wider neo-colonial relationships.

Colonial and neo-colonial relations remain an essential part of hegemonic neoliberalism, but an element typically ignored by overly 'economic' analyses. New forms of colonialism supplement corporate neo-colonialism, through directly administered 'transitional' regimes, stabilisation forces and 'provisional authorities' created during Washington's many wars and proxy wars of the 21st Century (Turse and Sperti 2022). These are regimes which bypass and direct notionally independent states. New colonial systems, backed by 'aid' programs, direct public finance, security forces, privatisations, government contracts, service regimes and even constitutional formation and electoral systems (Sagoe 2012).

Today, utilitarian rationales for new forms of colonialism persist. The principal version maintains that growth in private exchange, gross income and commodification are universal developmental goals, regardless of political regime (Dollar *et al.* 2013). The most desirable regime is then that which best serves these ends – whether it be colonial, dictatorial or some version of representative democracy. Economic policy, in particular, is seen as a mostly technical matter, not much to do with participatory democracy. A secondary argument holds that traditional or autonomous regimes should be coerced into consenting submissiveness, to prevent disruption of the global order (Cooper 2002). These arguments support imperial intervention and openly confront post-WW2 international norms.

A question made more explicit by this new colonialism is: 'what, in any case, was wrong with colonialism'? Given the persistent utilitarian arguments, we could speak of five interlinked ways in which colonialism and neocolonialism inflict enormous damage on human societies, and how the experience still provides important lessons. Neocolonial projects replicate the impacts of colonialism which crippled the growth of human personality (Fanon 1970), blocked the development of public institutions, created dependent social structures, aggravated poverty and inequality and, by suppressing the basic desire for self-determination, led to bloody conflict and wars of independence.

We now see the hegemonic neoliberal project more openly defying liberal norms, as North American economic dominance fades (Bernstein and Adler 1994). The first decades of Twenty-First-Century saw an expansion

of hybrid warfare, including economic warfare. The United Nations (2019) speaks of a 'New Era of Conflict and Violence' alongside a sharp rise in the numbers of 21st century proxy wars (Turse and Speri 2022). Within these wars the use of illiberal economic warfare has grown significantly (GAO 2020). So-called 'sanctions' regimes have quadrupled in number since 1980, with 92 listed in 1980 and 407 in 2016 (Felbermayr *et al.* 2020: 54). Of the 1102 sanctions listed by the Global Sanctions Data Base since 1950, 77 (7%) were by the United Nations; the other 93% were mostly imposed by the USA, the EU and western European countries (Felbermayr *et al.* 2020: Appendix).

Yet international law prohibits such coercion. Illegality is most obvious when there is an 'unlawful intent', such as damaging the economy of another nation or attempting to enforce political change (Shneyer and Barta 1981: 468, 471-5). The use of illiberal 'unilateral coercive measures' (UCMs) became a theme of concern at the United Nations in the late 1990s (OHCHR 2020). Special Rapporteur Alena Douhan has noted that the major offenders were the Washington-led NATO states and that most UCMs 'indiscriminately' harmed entire populations (OHCHR 2021).

This economic 'de-liberalisation' highlights economic liberal mythology as a façade, a tool of asymmetrical hegemonic relations.

Conclusion

Hegemonic neoliberalism, as the project and ideology of the Anglo-American privateers, drove systems of domineering regimes through the colonial era into the United Nations 'post-colonial era' and on into the wars of hegemonic decline in the Twenty-First-Century. The tradition was always associated with Anglo-American hegemonic ambitions and class privilege, even before the capitalist era. The subsequent adoption of revised economic liberal mythology was always contingent on its utility to the hegemon. These doctrines can only be understood in a coherent sense as regards the political project, not as general theory or universal policy.

The first decades of the Twenty-First-Century have demonstrated a collapse of the globalist aims of this hegemonic liberal project and increased use of unilateral coercive measures. But Anglo-American liberalism was always an asymmetrical doctrine which helped drive privilege. Economic liberal mythology, in turn, should be read not as a 'model' but rather as a tool of disempowerment, which can blind us to

development pathways, to the role of the state, and to the state's actual relations to its corporate elite. By integrating understandings of the historical Anglo-American hegemonic project with economic liberal mythology, we can better appreciate that the apparent arbitrary application, illogicality, asymmetries and systematic double standards of economic mythology within neoliberal practice are, in fact, key indicators of hegemonic neo-liberalism.

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CAN ECOLOGICAL MODERNISATION CONTAIN CLIMATE CHANGE? AN ECO-SOCIALIST PERSPECTIVE

Hans A. Baer and Merrill Singer

Ecological modernisation is the process of seeking environmental sustainability and climate change mitigation and adaptation through the adoption of more efficient, environmentally sustainable, and low-carbon energy sources and manufacturing processes. It has become a virtually hegemonic stance, particularly in the European Union but also in North America, Australasia, and China (Machin 2019). Dieter Helm (2017: 245) exhibits the hubris of ecological modernisation in his bold assertion that climate change is a ‘solvable problem only with the march of new technologies’.

The key components of ecological modernisation were set out in a book on *The Politics of the Environment* (Carter 2007: 228). One is that ‘ecological criteria must be built into the production process’. On the supply side, this requires ‘improving efficiency in ways that have environmental benefits.’ Examples include savings ‘made by straightforward technological fixes to reduce waste, and hence pollution’ but also through changes in ‘manufacturing processes so that large-scale systems such as “smoke-stack” industries, that can never be made ecologically sound, are gradually phased out’. Then, on the demand side, the rise of ‘green consumerism’ is seen to be driving further change because it ‘stimulate[s] demand for goods that minimise environmental damage, both in the way they are made (by using recycled materials or minimising packaging) and in their impact when used (by containing less harmful chemicals such as phosphate free washing powders)’.

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Putting the supply and demand side effects together points to ‘growing markets in green technologies such as air pollution abatement equipment and alternative forms of energy’.

During the last decade, changes of this sort have gained momentum. A networked, international movement for legal action intended to prevent catastrophic climate change has promoted replacement of fossil fuels with purportedly renewable ones, particularly solar and wind power but, more recently, hydrogen and lithium-based batteries for electric vehicles too. Members of this movement include former US Vice-President Al Gore, various conservation and wilderness societies, and many environmentalists including within the climate movement. Sunrise industries that are touting energy conservation, energy efficiency, and renewable resources have been working with environmental groups to make the case for tough targets to stimulate markets for their products.

However, while renewable energy sources, including solar, wind, and geothermal, have the potential to be part of the process of mitigating climate change, they are not a panacea. These sources of energy also have the problem of what renewable-energy engineers call *Dunkelflaute*, which means the ‘dark doldrums’. At night, solar panels do not capture any energy; while wind speed is generally lower.

Moreover, renewable energy generation requires infrastructure that is produced by manufacturing processes that depend on fossil fuels, entail much embedded energy and land space, and require rare earth metals the mining of which is environmentally destructive.

Last but not least, ecological modernisation is very weak in addressing social justice issues, such as who has access to the benefits of new technologies and who does not (Singer 2019), and who most suffers the consequences of their development.

In keeping with the thinking of climate justice activists who call for ‘system change, not climate change’, this article argues that deep climate change mitigation and adaptation will require a more systemic change – indeed, a socio-ecological revolution – both globally and within nation-states.

Conceptions of ecological modernisation

There are two principal genres of ecological modernisation: reflexive modernisation and ecomodernism. The former emerged in Europe and the latter in the United States, but they have much in common. Both focus on techno-fixes, with the latter putting more focus on geo-engineering.

Reflexive modernisation

Reflexive modernisation is emphasised in the work of prominent German sociologist Ulrich Beck. His books about ‘risk society’ tended to eschew any specific reference to capitalism, repeatedly referring to it as ‘industrial modernity’ or ‘Western modernity’ (Beck 2007). Nevertheless, he recognised that:

in the light of climate change, the apparently independent and autonomous system of industrial modernisation has begun a process of self-dissolution and self-transformation. This radical turn marks the current phase in which modernisation is reflexive, which means we have to open up to global dialogues and conflicts about redefining modernity [...] It has to include multiple extra-European voices, experiences and expectations concerning the future of modernity (Beck 2010: 264).

This implies a form of ‘cosmopolitanism’ that transcends national interests and has the potential to create a green modernity.

In a somewhat similar vein, John Urry (2011: 16) has advocated a post-carbon sociology that ‘emphasizes how modernity has consisted of an essentially carbonized modern world’. He defines a post-carbon society as a society that has transcended the current reliance on fossil fuels and fossil-fuel driven technologies, such as cars dependent on the internal combustion engine. Urry (2011: 100) forcefully contends that ‘Climate change politics involves campaigning not for abundance or growing abundance now, so as to ensure reasonable abundance in the long term and in other parts of the globe’. While much of what he writes is critical of existing capitalism, he does not call for the transcendence of the capitalist world system *per se*. Instead, Urry (2011: 118) advocates ‘resource capitalism’ which relies upon ecological modernisation and recognises that ‘there is a limited capability to supply resources and to absorb pollution’.

Australian environmental social scientists Peter Christoff and Robyn Eckersley (2013) argue for both reflexive modernisation and reflexive globalisation. The globalisation aspect is inherent, given that modernisation, which has entailed population growth and technological innovation, has been the primary driver of global environmental change, a process that has been accentuated under the neoliberal phase of economic globalisation. Christoff and Eckersley (2013: 189-204) posit that these dual processes need to undergo change to incorporate the following:

- reflexive governance which entails adapting the established set of good governance principles, such as the rule of law, the absence of corruption, transparency, participation, accountability, efficiency, and effectiveness, to globalisation
- extension of the notion of accountability to responsibility that includes a ‘critical understanding of the historical conditions and the social structures that systematically produce environmental injustices across space and time’
- adoption of the ‘precautionary principle’ which reduces exposure to - and adding to-global risks, such as climate change and biodiversity loss
- reflexive consumption which incorporates the principle of ecologically responsible consumption as a form of ecological citizenship in the global system
- reflexive production which ‘requires the manufacturer to take environmental responsibility for its product throughout its entire life cycle’, including resource extraction, use, disposal, reclamation, or recycling
- greening both national and international governance

Christoff and Eckersley believe that planetary boundaries should provide ‘ecological ceilings or safe sustainability boundaries’ on economic activity that will eventually result in *absolute*, rather than relative, decoupling from resource depletion. However, in the long run, such a decoupling process may constitute wishful thinking that prevents contemplating post-capitalist alternatives. Indeed, Christoff and Eckersley (2013: 206) concede: ‘The globalisation and transnationalization of capitalism has [*sic*] made reflexive governance increasingly difficult’, particularly in the ‘advancing and new economies’, presumably such as China, where notions of ecological governance and citizenship remain weak.

Ecomodernism

This second principal current within ecological modernisation regards a wide array of technological innovations as the solution to the ecological and climate crises. It has taken on different guises, some of them politically right-of-centre and others left-of-centre.

In its conservative form, US ecomodernism tends to be more critical of environmentalism than does the European ecological modernisation which mainstream environmentalists and climate activists generally advocate. Its character and influence owe much to the establishment of the Breakthrough Institute, a US-based think tank set up by Michael Shellenberger and Ted Nordhaus in 2003. The Breakthrough Institute boldly and idealistically proclaims on its website:

We believe that ecological vibrancy results from human prosperity, not the other way around. Meeting people's needs is both an ethical imperative and a pre-condition for societal concern about nature. Technological innovation, particularly in energy and agriculture, can enable us to meet both human needs and reduce our reliance on natural resources. And clean energy technologies are key to creating a high-energy planet without overheating the climate (Breakthrough Institute 2021).

The Breakthrough Institute favours 'clean energy', which includes not only solar and wind energy but also nuclear energy, over carbon pricing mechanisms. It also promotes industrial agriculture, including genetically modified foods. It adopted a bipartisan approach in a report titled *Partisan Power*, published with the liberal Brookings Institute and the conservative American Enterprise Institute. However, much to the annoyance of traditional conservatives, that report advocated some government support for its technological proposals.

A more politically centrist version of ecomodernism is implied by the work of Jonathan Symons (2019) who regards ecomodernism to be a social democratic response to global ecological problems. He argues that 'ecomodernists generally advocate reforming, rather than overthrowing, capitalism' and 'seek to invest wealth generated by capitalism in low-carbon innovation' (Symons 2019: 61). Symons (2019: 68) also asserts that ecomodernists advocate 'greater social equality'. He offers six summary propositions for his version of ecomodernism: first, climate change constitutes a serious threat; second, it should be a public policy priority; third, aggressive climate change mitigation would be politically

impossible with existing technologies, including renewable energy sources as they presently exist; fourth, there is therefore a need for more additional low-carbon technologies; fifth, the state has played a major role in implementing technological innovations: and sixth, climate activists should therefore push for greater state involvement in low-carbon technologies (Symons 2019: 113-4).

Further to the left are some self-described socialists who have also adopted ecomodernist thinking. One of them, Leigh Phillips (2014), who is a Marxist, is a staunch advocate of economic growth and a wide array of technological innovations, such as new materials to replace steel and concrete, improved battery and energy storage technologies, and electric cars. He confidently exclaims: ‘We must push through the Anthropocene, indeed *accelerate* our modernity, and accept our species’ dominion over the Earth’ (Phillips 2014: 186).

The US-based radical magazine *Jacobin* devoted articles in the second half of its summer 2017 special issue titled *Earth, Wind, and Fire* to the analysis of ecomodernism, prompting a critical assessment by Foster and Clark (2020: 211) that argues:

The ecological crisis brought by capitalism is used here to justify the setting aside of all genuine ecological values. The issue’s contributors endorse a ‘Good Anthropocene’, or a renewed conquest of nature, as a means of perpetuating the basic contours of present-day commodity society, including most disastrously, its imperative for unlimited exponential growth.

Capitalism is a global economic system that, in its drive for profits, requires ongoing accumulation and expansion. As Harvey (2014: 222) observes, ‘[c]apital is always about growth and it necessarily grows at a compound rate’. Global capitalism fosters a treadmill of production and consumption primarily for the purpose of generating profits for the few and, in the process, because they are of lesser importance relative to profit-making, sacrifices both human needs and environmental sustainability. While some components of ecological modernisation have the potential to serve as important mitigation and adaptation strategies, unfortunately, all forms of ecological modernisation tend to be oblivious to social justice issues or, at best, pay them lip service. At the same time, its solutions fail to address the features of capitalism that created our current socio-ecological dilemma.

As Foster *et al.* (2010: 5) assert, under capitalism: ‘energy savings are used to promote new capital formations and the proliferation of commodities, demanding even more resources’. Instead, what is needed is to make technological innovations that are more environmentally sustainable and energy-efficient part of a shift to a steady-state or net zero-growth global economy. Only then are they able to circumvent the ‘Jevons paradox’ or rebound effect, which arises when technological progress or government policy increases the efficiency with which a resource is used, but the falling cost then leads to rising consumption.

Ecological modernisation as a dimension of green capitalism

Ecological modernisation has become a central component of green capitalism. Just as the capitalist economy operated on other forms of energy prior to the Industrial Revolution, capitalism could theoretically operate on renewable energy sources. With this presumed intent, the fossil-fuel rich Koch brothers have become major investors in wind farms, solar energy, and biofuel projects (Greenpeace 2010). Bill Gates is another multi-billionaire capitalist adopting ecological modernisation. Gates broadened his attention from energy poverty in developing countries to concern with climate change when he met with two former Microsoft colleagues in 2006 who were starting NGOs focusing on energy and climate change (Gates 2021: 7). In his own words, ‘the world needs to provide more energy so the poorest can thrive, but we need to provide energy without releasing any more greenhouse gases’. Despite the emissions generated directly by his own activities and the companies in which he has investments, Gates (2021: 8) boldly asserts that humanity needs to take three steps to avoid a global climate catastrophe: achieve net zero emissions; deploy existing tools, such as solar and wind energy, at a faster and smarter pace; and create and roll out ‘breakthrough technologies that can take us the rest of the way’.

To walk the talk, Gates has invested in various clean energy companies, invested \$100 million into a start-up company to design a next-generation nuclear power plant that would produce clean electricity and very little nuclear waste. He has divested all his direct holdings in oil and natural and gas companies (in 2019) – as did the trust that manages Bill and Melinda Gates Foundation’s endowment – noting that he has not had investments

in coal companies for several years (Gates 2021: 10). Shortly prior to the 2015 UN Paris change conference, Gates joined the Breakthrough Energy Coalition, now simply called Breakthrough Energy, which has invested in zero-carbon technologies and supports early-stage clean energy research.

In this context, it should be noted that subalterns around the world are increasingly having their land and labour expropriated by mining companies, including ones that are providing resources for renewable energy operations and supposedly green technologies, such as electric cars and autonomous vehicles (Arbodela 2020). This pattern, we suggest, is to be expected, given the adoption of a 'solution' that created the problem in the first place.

Renewable energy generators require equipment and buildings that must be produced by manufacturing processes that require fossil fuels and mineral resources. As Wall (2010: 11) observes, 'Even a renewable energy capitalism would still tend to degrade the environment through commodification of nature'. Ted Trainer (2007: 2) acknowledges the superiority of renewable energy sources over fossil fuels but maintains that the 'very high levels of production and consumption and therefore of energy use that we have in today's consumer-capitalist society cannot be contained by renewable sources of energy'. Wind and solar electricity generation requires very large parcels of land, which Australia for example has, much of it consisting of land over which Indigenous peoples have native title rights. In other parts of the world, such as much of Europe and Japan, a transition to 100 percent renewable energy would be difficult because of its land requirements. However, offshore wind is increasingly being used to offset land constraints.

It is also important to observe that renewable energy and the digital economy are highly reliant in their present forms upon rare earth metals (Pitron 2020). These are found in terrestrial rocks in infinitesimal amounts and are a subset of some 30 raw materials often associated with more abundant metals, such as iron, copper, zinc, bauxite and lead. Extracting rare earth metals also entails huge amounts of water in the purification process. The extraction of cobalt, which is used for lithium-ion batteries in electric cars, requires heavy physical labour with picks and shovels and has resulted in the pollution of nearby streams when implemented in the Democratic Republic of Congo. The manufacture of laptop computers and mobile phones accounts for up to 19 percent of global production of rare metals such as palladium and 23 percent of cobalt (Pitron 2020: 42). The

mining of lithium, a white metal lying below the salt flats of Bolivia, Chile, and Argentina, and a component for batteries in electric cars, requires huge volumes of water, thus depriving local communities of an essential resource for their livelihoods. As McIntosh (2020: 143) observes, the ‘shepherds of the Atacama Desert in Chile fear for their future as the battery boom opens up huge demand for the lithium mined there’. Furthermore, the extraction of rare metals may result in an array of negative health consequences, ranging from children not developing teeth to getting cancer (Pitron 2020: 27-8). Pitron argues that the scarcity of rare metals is a monumental issue that could spark geopolitical conflict, particularly given that China currently dominates their production.

That ecological modernisation constitutes the overarching agenda of climate capitalism is illustrated in two anthropological case studies. The first of these is the case of a wind power development project in the Isthmus of Tehuantepec, by Leppert and Barrio (2022) who analyse what they see as a case of *green neoliberalism* involving a public-private partnership between a renewable energy company and the Mexican state. Ecolica del Sur, a multinational renewable energy corporation supported by Japanese and Mexican investors, approached the community leaders of Binniza (pseudonym), a small Zapotec indigenous town. While the project has the potential to reduce greenhouse gas emissions, it exacerbated existing class and ethnic inequities in Binniza. Leppert and Barrio report:

The installation of wind turbines was to take place on agricultural lands, which required the company to pay a tax to the town’s local government for the change of soil use from agricultural to industrial. The municipal president at the time negotiated an amount that landowners considered dismal (3.5 million pesos). The project was deployed over two thousand hectares of land, but the president and company agreed that the tax would only be paid for each eight-square-meter area covered by the base of the turbines [...] [T]he landowners attempted to amicably resolve this matter with the state government and the company through talks, they were once again ignored, pushing them to carry out yet another blockade and halt the construction project. In this particular instance, their efforts proved futile, and the tax amount was not changed (Leppert and Barrio 2022: 325).

The installation of turbines entailed the construction of raised roads that dissected agricultural fields and adversely impacted water drainage and irrigation patterns, resulting in the flooding of some fields and lack of sufficient water for others. Some landowners also complained that the company had understated the noise generated by the wind turbines.

The second case, detailed in an ethnography by David McDermott Hughes (2021), pertains to the impact of windfarms on a small village situated near the Atlantic coast of the Andalusia, Spain. While villagers have slowly warmed to the presence of wind turbines in their vicinity, which many initially found unsightly and noisy, the only local person to have economically benefitted from them has been a large landowner who receives a handsome compensation for the turbines situated on his farm. Although Hughes (2021: 207) argues that wind power contains the potential to reduce greenhouse gas emissions, thus playing a role in mitigating climate change, no net benefit is achieved in reality *within a green capitalist framework*. While the grid density of wind power in Spain rose from one percent to 10 percent, ‘national carbon emissions soared from 242 to 338 megatons, a 40 percent jump’. In effect, wind power did not so much replace fossil fuel power as *supplement* it. Spaniards increased their electricity consumption as they operated their newly acquired household appliances, ranging from microwaves to smartphones, thereby creating a classic illustration of the previously mentioned Jevons Paradox or rebound effect. Hughes (2021: 29) therefore advocates a ‘socialism of the wind’ as an ‘alternative to this atmospheric phase of capitalism under which governments would socialise or nationalise wind energy, a step which we view as potentially being part and parcel of eco-socialism.

Eco-socialism as an alternative to capitalist ecological modernisation

Climate scientists maintain that humanity has a ten-year window to stop dramatic irreversible damage resulting from climate change. The Intergovernmental Panel on Climate Change (IPCC) distinguishes between Type I climate change, which is gradual, and Type II, which is much more abrupt, resulting in the crossing of critical tipping points (Singer 2021). Humanity and the planet may be entering a *terra incognita* that is manifest in melting of the Arctic icecap and other land ice, the possible collapse of the West Antarctic Ice Sheet, the contraction and demise of the Amazon rainforest, the acidification of the ocean, and the increasing emissions of methane from sources such as peat bogs, among other degradations.

Humanity faces at least three possible climate futures. The first of these is a dystopian future characterised more or less by ‘business-as-usual’, with

ongoing economic growth and increasing social inequality. This would be a fortress world in which the affluent attempt to protect their privileged lifestyles amidst environmental degradation and runaway climate change, although they might eventually find themselves in situations analogous to the experiences of elites during the French and Russian Revolutions, albeit on a much more global scale. This would be a future stuck in the ‘myths and modes of being’ of contemporary capitalism, incapable of acting on or accepting any other view of life, leading to a tragic outcome for humanity and other species.

The second possibility is a middle-of-the-road climate future in which ecological modernisation creates some mitigation of and adaptation to climate change, but with ongoing social inequality, albeit perhaps with some amelioration of global poverty. The society has a more flexible political economy than in the first scenario, but it is still unable to imagine and create a significant alternative to the current world order. While a large section of the international elite, both within the corporate and state sectors, comes to recognise the seriousness of anthropogenic climate change, the solutions they propose under the guise of ecological modernisation and green capitalism are insufficient to contain catastrophic climate change and social injustice.

The third climate future would be that of a society transformed through a eco-socialist revolution, creating a society with the following dimensions or desired goals: (1) a global economy oriented to meeting basic social needs, namely adequate food, clothing, shelter, and healthful conditions and resources; (2) a high degree of social equality and social fairness across classes, ethnicities, genders, and sexual minorities; (3) public or socialised ownership of productive forces at national, provincial, and local levels; (4) representative and participatory democracy; (5) environmental sustainability; and (6) a commitment to a safe climate (Loewy 2015; Baer 2018; Albritton 2019).

Climate change, perhaps more than any other form of crisis, compels us to examine the desirability and feasibility of some such systemic change. With notable exceptions such as Herbert Marcuse, Erich Fromm, E.P. Thompson and Andre Gorz, many Marxists have paid scant attention to environmental factors. John Bellamy Foster (2000) argues that Karl Marx himself recognised capitalism’s *metabolic rift* with nature, even though this was not a primary focus of Marx’s work. Over the past three decades or so, many progressives have awakened to environmental travesties in

developed and developing capitalist societies and in post-revolutionary societies.

The central challenge is to capitalism's inherent growth paradigm. Pepper (2010: 35) observes that 'eco-socialists have largely accepted the ecocentric arguments of some radical environmentalists, that there are indeed limits to economic and population growth imposed by the earth's carrying capacity'. Harvey (2014: 296) proposes (as Mandate 15 of the 17 mandates that he lists to frame political praxis for a post-capitalist society):

The economy converges on zero growth (through which room for uneven geographical developments) in a world in which the greatest possible development of both individual and collective human capacities and powers and the perpetual search for novelty prevail as social norms to displace the mania for perpetual compound growth.

This implicitly recognises that many people, particularly in the Global South, will need further growth of their economies; but that the affluent in both the Global North and the Global South will need to undergo degrowth for the global economy to approach zero growth overall.

A different line is taken by Huber (2022) who takes issue with the degrowth movement and criticises radical academics who argue that working class people in the Global North have contributed to the ecological crisis through an 'imperial mode of living' that relies heavily upon resources expropriated from the Global South. However, Huber does not distinguish between segments of the working class who are compensated for their alienated labour with a wide array of consumer items and those who are deprived of the essentials necessary to maintain their sustenance and good health. Many of the latter are concentrated in the Global South but also among racial/ethnic minorities and women in both the Global South and the Global North.

As the capitalist world system continues to self-destruct due to its exploitative, oppressive, socially unjust, and environmentally unsustainable practices, eco-socialism seeks to provide a vision to mobilise people around the world, albeit in different ways, to prevent ongoing human socioeconomic and environmental destruction. Common ownership, which would blend centralism and decentralism, has the potential to place constraints on resource depletion. The construction of eco-socialism needs to be based upon a commitment to long-term sustainable balance between sociocultural systems and the natural environment.

Although at present, or in the near future, the notion that eco-socialism may be implemented in any society, developed or developing, or a number of societies, may seem unlikely, history tells us that social changes can occur quickly once economic, political, social structural and environmental conditions have reached a tipping point – adapting that term from climate science (Wijkman and Rockstroem 2011). Current patterns of ecological degradation and the mounting pressure of social inequality, along with emerging infectious diseases, have been evident in the form of the COVID-19 pandemic. Continuation on the current pathway will lead to deeper and deeper crises, including an ever-escalating climate change crisis, the result of continuing emissions spewed by the capitalist treadmill of production and consumption, despite numerous efforts to both mitigate and adapt to this process in the form of emissions trading schemes and techno-fixes.

Combating both climate change and global capitalism go hand in hand. While the more enlightened corporate elites and their political allies may permit some measures that contribute to climate change mitigation and adaptation, such as renewable energy sources, energy efficiency, and electric cars, they will certainly not readily permit the demise of global capitalism and the emergence of an eco-socialist world system. However, the forces for fundamental systemic change are also powerful. As Foster and Clark (2020: 287) observe:

To overcome centuries of alienation of nature and human labor, including the treatment of the global environment and most people – divided by class, gender, race, and ethnicity – as mere objects of conquest, expropriation, and exploitation, will require nothing less than a long ecological ecological revolution [...] This revolt will inevitably find its main impetus in an environmental proletariat, formed by the convergence of economic and ecological crises and the collective resistance of working communities and cultures – a new reality already emerging, particularly in the Global South.

Meanwhile, progressive people, including those in the climate justice movement, can work on various system-challenging *transitional reforms* essential to implementing a socio-ecological revolution. These include: (1) creation of new left parties designed to capture and transform the capitalist states; (2) implementation of steep emissions taxes at sites of production that include efforts to protect low-income people; (3) public ownership in various ways of the means of production; (4) increasing social equality within nation-states and between nation-states and achieving a sustainable

global population; (5) implementation of socialist planning and workers' democracy; (6) meaningful work and the shortening of the work week; (7) development of a global steady-state economy that includes overall de-growth for countries in the Global North and development for countries in the Global South; (8) adoption of renewable energy sources, energy efficiency, sustainable technology, and the creation of green jobs; (9) sustainable public transport and travel; (10) sustainable food production and forestry; (11) resistance to the capitalist culture of consumption; (12) sustainable trade; (13) sustainable settlement patterns and local communities; and (14) demilitarisation and denuclearisation (Baer 2018).

These transitional radical reforms constitute loose guidelines, not a rigid blueprint, for shifting human societies or countries in a global 'permanent revolution', one that would include a radical climate governance regime that addresses both processes of climate mitigation and adaptation. Ultimately achieving most of the transitional radical reforms listed above would require that new left or socialist-oriented parties come to power and ensure that there is the political will that drives their implementation. Dean (2016: 206) argues that 'gaining control of the state [in its existing form] remains an important goal because it presents a barrier to political change'. As Jacobs (2021) also argues:

Almost all the progress in environmental technologies and consumption patterns over the past thirty years has come about as a result of government policies. Energy efficiency standards, pollution regulations, renewable energy mandates, conservation orders, product bans, green taxes, emissions trading schemes, research and development subsidies: it is the panoply of state interventions in markets that have driven such progress as we have had. And it is much more far-reaching interventions that will be needed if fossil fuels are to be squeezed out of the global economy and investment in green solutions increased to the levels required. There might even be some people who would question whether an economy subject to such intervention should still be called entirely 'capitalist'.

Eco-socialism is a radical solution in that it seeks a humane solution to an anthropocentric problem, a solution that prioritises human well-being, biodiversity, and a healthy, livable planet, all of which seem worthy goals for a species that has placed itself in harm's way. By laying the groundwork for it now, we make it possible to tip the scales toward social and ecological justice and sustainability at the critical moment of potential rapid change. In this connection, it is pertinent to recall the late Immanuel Wallerstein's (2007: 382) view:

I do not believe that our historical system is going to last much longer, for I consider it to be in terminal structural crisis, a chaotic transition to some other system (or systems), a transition that will last twenty-five to fifty years. I therefore believe that it could be possible to overcome the self-destructive patterns of global environmental change into which the world has fallen and establish alternative patterns. I emphasize however my firm assessment that the outcome of this transition is inherently uncertain and unpredictable.

We regard eco-socialism as a ‘real utopian’ alternative (Wright 2010) which climate justice activists and other radical voices will increasingly embrace as people around the world experience on-going and escalating climate change. If there is widespread recognition that techno-only fixes cannot solve the problem that was created by powerful technologies implemented under capitalist regimes, people are likely to be open to more systemic change to address climate change and social inequality. While eco-socialism is not on the immediate horizon, it provides a political perspective and framework for understanding an alternative world system based on social justice, deep democracy, environmental sustainability, and a safe climate. The continuing rise in global emissions and the proliferating climate crises – including rising temperatures, droughts, wildfires, rising sea levels, melting of glaciers and polar icecaps, intensified cyclones, torrential rains and flooding, and biodiversity destruction – make it imperative to consider this political economic alternative.

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THE CORE OF CORPORATE POWER IN AUSTRALIA

Lindy Edwards

In 2020, my book *Corporate Power in Australia: Do the 1% Rule?* was published, just as the pandemic hit. The study had been six years in the making, during which I had conducted detailed research into Australia's ten most powerful companies and their major clashes with government over ten years. At first glance, the book is a heavily empirical study of the big corporates' success at securing policies that entrench their privileges. It included details of policy initiatives and the chaotic nature of the democratic process, thereby tending to convey the impression that no one is in control, even as corporate interests triumph again and again.

However, the detail of the policy debates may have distracted readers from the conceptual and theoretical arguments that were also central to the purpose of writing the book. I wanted to contribute not just a real-world account of why inequalities of wealth and political economic power have been growing, but also a conceptual framework for making sense of those developments, hoping that might nudge political economic debate in a more progressive direction. I wanted to offer a conceptual framework for thinking about the major corporates' business models and how they interrelated with government, one that would open new ways of thinking about the 'rise of the 1%' and what different policies could be pursued. Although I took a light-touch approach to explaining the conceptual moves in the book, the argument had quite considered roots.

The inspiration for focusing on the conceptual shifts came from S.M. Amadae's book, *Rationalizing Democratic Capitalism* (2003), which documented ideological battles over the nature of democracy against the backdrop of the Cold War. Amadae argues that neoliberals in the inter-war

Edwards, L. (2022)
'The core of corporate power in Australia'
Journal of Australian Political Economy
No. 90, pp. 92-104.

period saw the rise of democracy as a political blow. The ethos of the collective deliberation on the common good was deemed to be aligned with socialism, and the popularity and effectiveness it was experiencing presented a significant threat. She describes how theorists responded by accepting the practical benefits that were flowing from democracy and set out to re-theorise democracies' strengths to align with neoliberal values. She describes how rational choice scholars re-theorised the core of democracy as being a means for mediating between competing interests.¹ She describes how the body of rational choice literature slowly re-theorised democracy until the analysis of politics and the dominant economic analysis of capitalism came into line. She notes that it was not until the 1970s that it began to be consistently argued that there was a natural affinity between capitalism and democracy.

Once neoliberals had made the argument that their values were at the core of democracy, they then proceeded to advocate regulating democratic practice in line with those values. They were able to make the case for a more limited role for government by framing those engaging in democratic politics as 'rent seekers' in pursuit of self-interested advantage. Liberation movements that were agitating for democratic reform to increase social inclusion on the grounds of race and gender were re-cast as narrow interest groups engaged in those rent seeking behaviours. In the Australian context, recall John Howard's descriptions of the 'Aboriginal Industry' and the other 'grievance industries' as sectional interests seeking special privileges (Hindess and Sawer 2004).

The insight I took from Amadae was that, as the political left attempts to rebuild its intellectual foundations in the wake of the collapse of 'actually existing socialism', it needs to take a leaf from the neoliberals' book. Faced with the evident ongoing strength and resilience of capitalism, we need to re-theorise the character of those strengths and offer alternate explanations of how its processes operate. Perhaps by foregrounding alternative explanations of its strengths, we can then create the intellectual space to separate out its more undesirable elements. It may then become possible

¹ Not all neoliberals were rational choice theorists and not all rational choice theorists were neoliberals. However, there was a cross pollination of the two, with rational choice theory emerging as a preferred methodology partly, if not primarily, because of its role in the ideological contest of the era.

to consider how to regulate and minimise the exploitative and damaging practices.

Coming from this perspective, the common progressive focus on debates about the size of government has limitations. Focusing too much on the role of government cedes the ground to neoliberals that their description of the market is accurate. As long as we accept that it is the competition between self-interested individuals, as mediated through the market, that drives wealth and prosperity, we have vacated the most important ground. Instead, the main focus should be on how to best understand how the economy functions to create wealth and prosperity.

There is a lot of opportunity for such re-theorisation. Significantly, much can be learned from the internal concerns of capitalist businesses themselves. Their characteristic emphasis is on teamwork, rather than individual self-interest, as the means to drive higher productivity. Trust is also regarded as being just as important as competition in making markets work. These features contrast with neoclassical economic frameworks that focus on matters of allocative efficiency but have less to offer to discussions of growth. The business perspective creates considerable scope to re-theorise the essential mechanics of the economy.

Corporate power as evidence for a different frame

The process of re-theorisation can most fruitfully occur at the most fundamental level, focusing on foundational theoretical heuristics. The simplifying heuristics of academic theories are important in how we make sense of complex phenomena. As Paul Krugman (1997: 173) noted:

the strategic omissions in building a model [theory] almost always involve throwing away some real information [...] and yet once you have a model it is almost impossible to avoid seeing the world in terms of that model – which means focusing on the forces and effects your model can represent and ignoring or giving short shrift to those it cannot. The result is that the very act of modelling has the effect of destroying knowledge as well as creating it. A successful model enhances our vision but it also creates blindspots.

Foundational heuristics of academic theories become the foundations on which more complex frameworks are built. The blindspots of the simplifying heuristics become the blindspots of the frameworks that guide public policy making and political debate.

Corporate Power in Australia sought to advance a reframing that replaces the common neoclassical approach. The key argument is that to advance a progressive way of analysing the economy requires shifting from talking about ‘market economies’ to talking about ‘long chain economies’. The central economic image in the neoclassical view is intersecting demand and supply curves, leading neoliberals to argue for more ‘market freedoms’ that allow the forces of demand and supply to work more efficiently. In contrast, an institutional political economic approach can usefully focus is on the long production and supply chains that characterise all complex economic systems, thereby opening up space to highlight the factors that shape how wealth is distributed along the chains.

Corporate Power in Australia sought to justify this reframing through detailed empirical analysis, demonstrating that this was useful for understanding increasing inequality. The book noted that the top 100 firms listed on the Australian Stock Exchange accounted for 47% of GDP (Sims 2016). Further taking account of the production by large multinationals not on the Australian stock exchange, the Australia’s economy is clearly dominated by a small number of very large companies. The internal chains, as well as external links, of these companies are substantial.

Zooming in to examine Australia’s ten largest and most powerful corporates, the study found that they all operated in industry sectors dominated by 1-4 businesses. Each of these companies tower over long production and supply chains, and a significant element of their corporate strategy centres on scraping the wealth out of those chains and concentrating it in their own hands. Furthermore, their conflicts with government have been over laws that determine where the wealth is realised in the chains.

During the period of the study, the biggest of the companies in Australia were the major retailers, centring on the supermarkets Coles and Woolworths. My research examined their ongoing clashes with farmers and other suppliers over the need for a code of conduct to govern inter-business relations in the sector. First, the research analysed the extent to which the supermarkets’ business strategy centred on redistributing wealth along the chain. It revealed the extent of the aggressive tactics to squeeze the prices being paid to suppliers. Second, it revealed that the public policy debate was over laws that would regulate where the wealth would be realised in the chain and whether the government would put curbs on their

predatory behaviour. The study found the supermarkets were shockingly successful at avoiding effective regulation of their behaviour.

Other case studies in the book looked at battles over laws that shape where the profits are realised along the chain. One was the now infamous dispute over newly proposed mining taxes during the Rudd-Gillard periods of government. A central issue was whether the new taxation would be borne primarily by the small and often Australian-owned exploration companies that did the high-risk work of finding deposits, or by the major international mining companies that exploited the deposits and exported the ore. The major miners won this battle at the cost of both the Crown and the small exploration miners.

Another chapter considered the case of the banks and the financial advice scandals, showing that the central issue at stake was how investment wealth would be distributed along the wealth management sector chain. The question was how the profits would be distributed between the banks that produced most of the wealth management products, the banks' in-house financial advisers, the commissioned financial advisers that acted as their distribution network, non-commissioned financial advisers, and customers. Again, we saw an outcome that strengthened the banks and their in-house advisers against the commissioned and independent financial advisers, but hopefully increased protections for customers to some degree.

Similarly, the book's case study on Telstra was also about whether the profits in the telecommunications sector would be captured by the owner of the wholesale network or the retailing companies that were supposed to be competing to provide services to customers. Telstra engaged in an extraordinary range of aggressive tactics to use their control of the wholesale market to try to capture and scrape wealth out of the retailing part of the chain.

Generalising from these case studies, the book sought to demonstrate how this conceptual reframing of the economy was useful for explaining the increasingly concentrated wealth in the hands of the most powerful economic players. It showed the flaws in the neoliberal belief that demand and supply are the sole factors determining where wealth is realised in the chains. Delving into the practical realities of the various industries and their business models revealed the broader range of factors that shaped how much leverage different players in the chain actually had, with the balance of demand and supply being only one factor in the mix.

Furthermore, the case studies highlighted how neoliberals' neglect of the role of power meant that they turned a blind eye, effectively enabling the most powerful players to scrape wealth out of the chains. The businesses were then able to use the leverage of their wealth and economic importance to lobby for regulatory environments that further entrenched their privileges. It found Australia is teetering on the edge of a 'Medici Cycle' where economic and political power has become mutually reinforcing, and the largest companies use their political power to secure laws to further entrench their economic dominance.

This reframing of these economic debates to focus on sectoral chains may seem like uncontroversial common-sense in these cases. Yet, in using this framework to explain why we are seeing increasing wealth being held by the most powerful segment of society, I was seeking to focus attention on a framing of the economy that has more progressive potential than might immediately meet the eye. To understand this potential, it is useful to unpack the method in the context of the debates over the fundamental framing contests between progressives and neoliberals.

The framing contest

Basic framing assumptions have significant flow-through effects, acting as foundations on which other analyses and arguments are built. Amadae demonstrated how important the contest over these fundamental frames were in thinking about the value of democracy. Here I seek to build on Amadae's observations about the framing debates between left and right over democracy in the Cold War, and then apply them to the analysis of the market. This is intended to explain how the long chain framing of the economy makes progressive critiques of the market more visible in public debate, and how it opens the opportunity to distinguish between productive and exploitative profits.

Identifying the left frame: What are progressive values?

If we are to re-theorise capitalism to identify its strengths in alignment with progressive values, we need firstly to consider what those progressive values might be. After all, by many definitions, finding strengths in capitalism is an anathema to left thought. In Amadae's analysis of the post war ideological debates, she associated the left with collectivism.

Although state socialism is no longer appealing to most on the left, a strong commitment to notions of co-operation persists. Seeing collective deliberation on the common good as the best way of organising social relations continues to be a key thread uniting the diverse array of progressive thought (Edwards 2013).

The ongoing centrality of co-operation in left thinking is most apparent when pitted against the ideological competitors (Edwards, 2018). On the one hand, conservative ideologies tend to emphasise the importance of authority and hierarchy in policing traditional social norms that dictate peoples' roles in society. On the other hand, neoliberalism has come to focus on competitive individualism as mediated through mechanisms such as the market and competitive democracy. These are both clearly at odds with co-operative approaches that are either implicit or explicit in almost all progressive movements.

Indeed, the emphasis on co-operation is a key feature of the 'family resemblances' among the increasingly diverse progressive political movements, ranging from the 'thick co-operation' associated with collectivism to the 'thin co-operation' associated with commitments to social inclusion, mutual respect, and equality that are characteristic of many liberation movements. The connecting theme is that, as people are inevitably embedded in social relationships, cooperation is essential for organising relations between people that deliver dignity and justice for all. Thus, people should ideally come together as equals, collectively deliberating on how to solve shared problems, with a view to advancing the common good. The legitimacy and stability of any co-operative agreement stems from treating all parties justly (Edwards 2009).

The Cold War ideological debates about whether co-operation and competition provide the better way to solve social relations are still relevant to current debates, even though modern progressive movements seek to apply cooperative ideals in very different ways to very different contexts.

How 'rational choice' theorists decentred the left frame

Consideration of neoliberal critiques of co-operation and collective action can help to identify the pivotal conceptual moves of which we need to be mindful when considering a re-formulation of the strengths of capitalism. 'Rational choice' theorists, for example, engaged in a concerted effort to

undermine the notion that co-operation for the common good could be an effective form of social order during the post war period (Arrow 1951; Buchanan 1984; Downs 1957; Olson 1965; Riker 1968). These arguments began with Arrow's 'social choice' theorem, which sought to demonstrate that there was no way that individual interests could be aggregated to produce a measure of the common good. They continued with Olson's consideration of the problems of collective action, seeking to show why it is not rational to co-operate even if an individual stands to gain from that co-operative action.

These rational choice critiques of co-operation turn on two critical points. The first relates to gains from co-operation. These gains are essential to the co-operative paradigm, even if the gains are simply the security and confidence of knowing things will be handled systematically, competently, and fairly. Key neoliberal critiques of co-operation, such as Arrow's, turn on excluding the notion of gains from co-operation and instead paint political and economic choices as zero-sum games (Edwards 2005). Secondly, rational choice scholars such as Olson - who did concede gains from co-operation - built their arguments by redefining what constituted rationality (Tuck 1999). They constructed rationality as a focus on a narrow short-term interest, whereby individuals exclude from their calculations any consideration of how their behaviour would affect the behaviour of others.

Critical elements in the framing of the economy

There is a long tradition of critiquing foundational constructs, such as the assumptions of scarcity and perfect competition, and the use of intersecting demand and supply curves to describe how allocative efficiency is achieved. Such criticisms of the neoclassical model go back at least as far as Thorstein Veblen (1912). J.K. Galbraith (1973) was particularly scathing, not only because of the limited extent to which these assumptions described the world, but also because of the political purposes served by what these models concealed.

Significantly, for our purposes, taking scarcity as the universal problem sets up the central economic question as a zero-sum game. It establishes a view about how resources are distributed among people that assumes their interests are fundamentally competitive. Furthermore, perfect competition assumes actors pursue their short-term self-interest without considering

the possible impact of their behaviour on the choices and wellbeing of others. These are framings that exclude any role for co-operation in understanding the economy or in explaining its strengths.

A further framing device that needs to be de-centred in our analysis of the economy is the use of demand and supply analysis. It is not possible for conventional demand and supply curves to represent systematically different behaviours of different groups, power imbalances, class conflict or gender and racial norms. Aggregating people's behaviours into demand and supply analyses has a 'flattening' effect, removing group differentiation and silencing many institutionalist concerns. This is highly problematic as a political construct.

I only realised in retrospect that the effectiveness of my first book, *How to Argue with an Economist* (2002), hinged on having been able to explain the ideal of allocative efficiency without using demand and supply curves (2007). The book explained how the pursuit of profit led entrepreneurs to identify products that were highly valued and cheapest to make; and to prioritise production accordingly. It argued that this was why the pursuit of profit can be a socially useful method of decentralised coordination. However, because the explanation did not presume a market equilibrium, it was able to integrate institutionalist critiques of the consumer sovereignty 'ideal' within the same conceptual frame. Displacing, or at least de-centring, demand and supply is an important element in any re-theorisation of the economy that seeks to foreground progressive concerns.

The importance of 'long chain' framing of the economy

The crux of the proposed reframing of the central questions of microeconomics is deceptively simple and is targeted primarily at classically trained economists. For students of political economy, it is about making explicit something that is often implicit (Gibbon *et al.* 2008; Pistor 2019). The argument builds on the traditional left critique of exploitation in production chains within firms, extending it to include the supply chains within a sector. In this view, what counts as a link in a production chain and what is a link in a supply chain is fluid, recognising that corporates regularly alter which parts of production they out-source or bring in-house. The view also challenges some of the assumptions about where power lies in the chains. Small businesspeople might be owners of capital, but they may have considerably less power in the chain than

executives in the larger corporates who are technically salaried but manage vast amounts of capital. It is the ownership of capital that has traditionally been seen as the ultimate source of leverage and power; yet this framing suggests that, while this *may* be the case, it isn't necessarily so in the world of mega-corporates.

In summary, the long chain heuristic is important in three ways. Firstly, *it foregrounds co-operation rather than competition as the key ingredient in driving increased prosperity*. Traditional microeconomics focusses on the problem of scarcity and argues that competitive markets resolve this challenge. In contrast, with a long chain approach we return to Adam Smith's view of the division of labour as the principal driver of increased productivity. It is the gains from specialisation, including embedding specialised knowledge in capital goods, that continues to drive the growth in societal wealth. The specialised economy presents a string of co-ordination challenges, relating to how we combine the efforts of specialised workers and how we decide what products to produce. As humans, we can manage those co-ordination challenges in a variety of ways, ranging from hierarchies and bureaucracies that may be overseen by corporate boards, non-profit boards or democratic government, through to regulations, markets and price competition. No matter which way these specialised workers are coordinated, the creation of the final product is reliant on each of their unique contributions. As such, the proposed re-framing, opens up consideration of how co-produced wealth should be shared, in a way that speaks more directly to neoclassically trained economists and to the different people in the chain.

Secondly, the long chain model *offers an overarching framework for progressive critiques of neoliberalism to be articulated* in a way that is intelligible to mainstream economists and accessible to both expert and non-expert audiences. In the long chain model, neoliberal approaches to the economy assume that impartial market forces of demand and supply determine how wealth is distributed along those chains, presuming that each link in the chain gets paid what they are worth. Neoclassical theory posits that each worker – indeed, each of the 'factors of production' – is paid their marginal product. In contrast, the progressive alternative sees economic power, class relationships, government laws and regulations, together with cultural norms including attitudes to race, gender and the environment, all impacting on how wealth is distributed along the chain. In this latter view, the demand and supply situation is just one potential leverage factor, but not the only one nor necessarily the most important.

Theorising the economy in this way foregrounds progressive concerns and highlights the insights of institutionalist political economic analysis in our thinking about the economy.

Thirdly, and most importantly, the long chain heuristic *allows us to conceptually distinguish between productive and exploitative sources of profits*. Productive profits arise when new chains are created to meet new demands. In this context, the co-ordinating function of the pursuit of profit is that it incentivizes entrepreneurs to identify unmet needs in society and to construct chains that deliver a product to meet that need. The more people value the unmet need the higher price they are prepared to pay; and the entrepreneur is rewarded for finding the lowest cost way to meet that need. This type of socially productive profit seeking can be distinguished from exploitative sources of profit which arise, for instance, when business leaders take existing chains and use their leverage and power to redistribute wealth along those chains. Such forms of exploitative profit making - or what I refer to as 'profit bludging' - move money around rather than creating new wealth. Worse still, the resources spent in the process of redistribution may reduce the overall wealth.

Distinguishing between productive and non-productive profit making opens the conceptual space for debating which areas of the economy benefit from being 'for-profit activities' and in which areas a profit motive serves little productive purpose and is most likely to result in profit bludging. Furthermore, by allowing us to clearly identify exploitative profit bludging as distinct from productive profits, it creates the intellectual space to consider public policies that regulate against, or otherwise constrain, exploitative profit seeking.

The future of 'long chain' theoretical framing

The initial impetus in writing *Corporate Power in Australia* was that my previous work on the history of ideology (Edwards 2013) had shown that ideological change stemmed from ideas that could make sense of emerging social crises. In demonstrating how a conceptual reframing of the economy could make sense of the flashpoint criticism of neoliberalism, I had hoped to nudge economic thinking post-neoliberalism. However, it is now clear that neoliberalism's demise is less likely to stem from its own internal contradictions than from external events. The geo-political economic environment has been radically transformed in the wake of the pandemic,

the Russian invasion of Ukraine, the increased assertiveness of China, and the crisis in US democracy. These are now the more likely drivers of a new economic age.

Nonetheless, the issue of long economic chains is likely to be central to economic debates going forward, just not in the way that I anticipated. As parts of the world de-couple and move to shorten or relocate global supply chains to ensure greater national control, discussions about the pros and cons of long chains are likely to be pervasive. I hope that readers of this article may consider the utility of its progressive re-framing of the central questions of microeconomics as we grapple with what a new economic order might look like.

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OBITUARIES

Sadly, four prominent Australian political economists – Ray Broomhill, Stephen Castles, Geoff Harcourt and George Venturini – have died during the last year. The editors of JAPE acknowledge their valuable personal contributions by publishing the following tributes.

Ray Broomhill

Ray Broomhill, a widely admired teacher, researcher and public intellectual, sadly passed away aged 73. Ray's intellectual curiosity, passion and expertise spanned the disciplines of history, sociology, labour studies, gender studies and political economy. He was a trans-disciplinarian before it became fashionable, collaborating locally and globally with fellow social scientists on the application of class and gender analysis. This greatly enriched his teaching which was a source of inspiration to the many students he taught and supervised, many who went on to play key leadership roles in the public sector, community organisations and the labor movement.

Born in 1948, Ray grew up in the working class suburb of Port Adelaide. He studied at the University of Adelaide where he completed a PhD in history focusing on the Great Depression. His 1978 book, 'Unemployed Workers – a social history of the Great Depression in Adelaide' drew strength from examining the great hardships of the depression through the eyes of those who experienced it – the unemployed and the homeless. He would draw on the methodological power of oral history and interviews again and again throughout his career to help understand the distributional impacts of crises, policy and change. With a deep understanding of the devastation caused by the Great Depression embedded in his intellectual DNA, Ray was uniquely positioned to mount powerful critiques of neo-liberalism.

A highlight of Ray's career was his contribution to founding Labour Studies and the Centre for Labour Research at the University of Adelaide. He taught political economy and gender work and society, while increasingly focusing his research on the emergence and consequences of neo-liberalism in Australia and globally. His edited book, *Banana*

Republic? Australia's Current Economic Problems, published in 1991 brought this analysis to a wider audience, something that Ray was able to do better than most through his regular slots on Radio 5UV and Radio Adelaide.

Ray's critique of neo-liberalism intersected with research undertaken in conjunction with his partner, Rhonda Sharp, on gender and inequality. Their trailblazing book, *Short Changed – Women and Economic Policies*, published in 1988, has helped to provide an intellectual and policy foundation for gender responsive government budgets to this day. Over the following thirty years, Ray and Rhonda would continue to publish jointly on gender and economics. Their recent work on gender, retirement incomes and the experience of households in Australia is testimony to their commitment to helping us understand inequality and the distributional impacts of public policies, always offering alternatives to remedy the problem.

Ray was a consistently generous mentor and supportive colleague. Early in my career, I was fortunate to work with him on our edited book, *Altered States – The Impact of Free Market Policies on the Australian States*, launched in 1996 by Jennie George, President of the ACTU. Ray and I continued to work together on projects for decades to come, with regular contributions being made by him and Rhonda to the *State of South Australia* series I edited.

Involvement in an international network of political economists was centrally important to Ray's work and personal life. With Paul Bowles, Stephen McBride and Teresa Gutierrez-Haces, Ray co-edited the book, *International Trade and Neoliberal Globalism: Towards Re-Peripheralisation in Australia, Canada and Mexico?*, published in 2008. Collaborations like this cemented Ray as one of Australia's foremost researchers on globalism and regulation theory.

We have lost a wonderfully compassionate person, someone whose warmth and wise counsel made the world a much better place for so many of us. Not everyone you know remains intellectually and personally committed to the pursuit of a fairer and more just world throughout their life. Ray's commitment to those goals only intensified along with his care for others.

John Spoehr

Stephen Castles

Stephen Castles, who has been a leading migration scholar and migration theorist since the 1970s, has passed away aged 77. Stephen has left a legacy of a remarkable contribution to an understanding of the complex, changing dynamics of global migration, the ways that this migration transformed sending and receiving countries and the lives of migrants themselves.

Although born in Australia, Stephen was raised in England and his first period as a migration scholar was European based. *Immigrant Workers and Class Structure in Western Europe* (1973) – his first major contribution to the field – was very influential and made Stephen's reputation within the global migration research community. When Stephen returned to Australia in 1986 as the Director of the *Centre for Multicultural Studies* at Wollongong University, he shaped migration research and policy in Australia. In 2001 Stephen became Director of the Refugee Studies Centre at Oxford University. In 2009 he returned to Australia to take up a position at the University of Sydney until his retirement in 2017.

One of the difficulties is reviewing the career of Stephen Castles is that over four and a half decades his immigration scholarship – with a range of co-authors – he has been so productive and his writings so prolific. The recurring theme is that Stephen Castles regularly anticipated new global migration issues so that his scholarship was at the forefront both theoretically and in policy terms.

Here for Good: Western Europe's New Ethnic Minorities (1984) addressed the increasingly important issue of temporary migration, a theme that he returned to in later books, including *Back to the Future? Can Europe meet its Labour Needs through Temporary Migration?* (2006). His book *Citizenship and Migration: Globalisation and the Politics of Belonging* (2000) was at the cutting edge of the citizenship debate that still resonates strongly in Australia, Europe, Scandinavia and North America. At Oxford, Stephen's publications addressed the increasingly important issue of forced migration to Europe, including *States of Conflict: Causes and Patterns of Forced Migration to the EU* (2003). Stephen's global focus shifted his gaze to sending countries and fieldwork in Africa and the relationship between global migration and development in *Migration and Development: Perspectives from the South* (2008). *The Age of Migration* – first published in 1993 and now in its sixth edition – is still the most

influential migration textbook in the world and has been translated into Spanish, Italian, Turkish, Polish, Japanese and Taiwanese Chinese.

One of the key features of Stephen Castles' immigration scholarship has been the collaborative nature of his research. This is seen in the wide range of co-authors in his published work. Another has been his innovative, shifting focus, cannily anticipating new major global migration trends and issues and cutting the cloth of the theoretical lens that would be necessary to understand and interpret these trends and develop policy responses. A sociologist, Stephen always located his research in social theory though with an interdisciplinary focus, critical to a phenomenon such as global migration that transcends traditional disciplines. Another is the increasing global span of his fieldwork, of his focus on sending as well as receiving nations and his insistence that many nations are both. The global South is increasingly featured in his published work over the decades.

The other constant in his career has been Stephen's focus on policy implications and the importance of policy development. His insights and advice were eagerly sought by national governments and transnational institutions. Stephen's role as the first Chair of the Board of the Australian Bureau of Immigration Research had a substantial impact in placing the Bureau as a respected and influential international agency and had an important impact on Australian immigration policy. His Australia books, including *Mistaken Identity: Multiculturalism and the Demise of Nationalism in Australia* (1988), *A Shop Full of Dreams: Ethnic Small Business in Australia* (1995) and *Immigration and Australia: Myths and Realities* (1998) reflect some of his influential scholarship. In his last book, written at Sydney University – *Social Transformation and Migration: National and Local Experiences in South Korea, Turkey, Mexico and Australia* (2015) - Stephen returned to the themes he addressed in his first book but in a different way: this time the key focus is not the labour market and migrant workers per se but the transformation of the places of migrant settlement and of migrants' lives post-migration.

Stephen Castles was a humble and unassuming man. His many graduate students found him very approachable, generous with his time and knowledge and so valuable as a guiding hand on their newly emerging academic careers. He was a giant in the international field of migration studies. His influence and memory will long resonate within the academic, government and community sectors that comprises the international

community of migration scholars and his broad global network of friends and colleagues.

On a final personal note, Stephen was the most significant influence in my own career. I accidentally fell into migration research: I fractured my patella in my first ever game of Rugby League with the Sydney University team. Groggy after an operation at RPAH hospital to reattach my kneecap, I read a short article on 'Immigrant workers in Europe' in a British magazine called *Society*. The author was Stephen Castles. It struck me in my hospital bed that Australia, too, had migrant workers. I resolved to follow this up once I left the hospital. I did. I changed my M. Ec. thesis topic to 'The Political Economy of Post-War Australian immigration', adopting the Castles and Kosack's Marxist political framework to the Australian situation. This appealed to my Marxism and my role in the formative years of the Political Economy movement at Sydney University. When Stephen returned to Australia in the mid-1980s we established a strong friendship. He supervised my PhD thesis on immigrant entrepreneurs in Australia and was a strong and continual influence on my own career as an Australian immigration scholar.

Jock Collins

Geoff Harcourt

Geoffrey Colin Harcourt and his twin brother John were born in Melbourne on the 27th of June 1931. Geoff attended the University of Melbourne where he flourished while studying accounting and economics, achieving first class honours and a subsequent Master of Commerce degree. At the University of Melbourne, he was exposed to the economics of Keynes and the Cambridge School, which exerted a profound influence on all his subsequent work. During this time, he also met and married Joan Bartrop, the love of his life, with whom he had four children – Wendy, Robert, Tim, and Rebecca – to whom Geoff referred as his 'balanced growth path'.

Geoff was awarded a PhD scholarship to study at Cambridge, where he was supervised by Nicholas Kaldor and Ronald Henderson. He absorbed the atmosphere and the intellectual stimulation of being among the great

Cambridge economists. Joan Robinson, in particular, was an important influence. Geoff attended her lectures, and closely studied her 1956 magnum opus *The Accumulation of Capital*, which had a deep effect on his subsequent development: Geoff, with Prue Kerr, would later edit and write the introduction for the third edition of that book. He was awarded a PhD in 1957 for his thesis, 'a study of the implications of the use of historical-cost accounting procedures to set prices and dividends, and levy taxes in a period of inflation'.

Cambridge became Geoff's centre of gravitation. He returned often, before moving there permanently in 1982 to take up a University Lectureship. In 1990 he became a Reader in the History of Economic Theory, until retiring in 1998, when he was made an Emeritus Reader. He was a Fellow at Jesus College during that time, and its President from 1988-89 to 1990-92. In between, he was appointed to a lectureship at the University of Adelaide in 1958, and then to a personal Chair in 1967, and Professor Emeritus in 1988. After his retirement from Cambridge, he became a visiting Professorial Fellow and then an Honorary Professor at the School of Economics at the University of New South Wales, where he spent his last decades. In the light of this, it is not surprising that Geoff regarded himself as 'an Australian Patriot and a Cambridge Economist' (Harcourt 1995).

Geoff received many significant awards during his life and, in 2018, he was made a Companion of the Order of Australia for his 'eminent service to higher education as an academic economist and author, particularly in the fields of Post-Keynesian economics, capital theory and economic thought.'

Geoff was driven by a strong commitment to social justice, which also informed his academic and policy work. He had a life-long commitment to equity and equality, working towards alleviating poverty and against social and racial discrimination. He also had a great love of sports, both as player and spectator, particularly Australian football and cricket. In honour of his passion for Australian football, many of his papers are written in four quarters.

Geoff had a gift of putting people at ease, talking to anyone, from the Crown Prince to awestruck students, while displaying his mischievous sense of humour. He was genuinely interested in everyone he met. Geoff loved jokes and didn't really mind their origins. I fondly remember Geoff and I driving from Cambridge to Canterbury for a conference. On the way

down I told Geoff a joke; on the way back he told it to me. Needless to say, his telling was a substantial improvement.

Geoff's contribution to economics, both theory and policy, was outstanding. In over 30 books and 400 articles, numerous lectures, seminars and interviews he had a significant impact on the discipline. Geoff made economics more humane, and humanised the 'dismal' science. His contributions to economics covered a broad range of areas from esoteric pure theory to applied policy, always with the aim of trying to make the world a better place. He provided original insights, and was able to explain difficult and complex ideas in an accessible form, while often showing his sense of humour.

In his important article and subsequent book on the Cambridge capital controversies, Geoff provided a masterful guide to one of the most technical debates in economics. Cambridge University Press is publishing a 50th anniversary edition of the book later this year, with a new preface by Geoff and afterwords by Avi Cohen and Tiago Mata.

The capital theory controversies were a series of debates in the 1950s-1970s on high theory, between economists mainly based in Cambridge, England (Joan Robinson, Piero Sraffa, Luigi Pasinetti) and at MIT in Cambridge, Massachusetts (Paul Samuelson, Robert Solow). Although the debates were ostensibly about the problem of measuring capital, they were ultimately about the nature and meaning of capital, and the question of the most appropriate way to analyse a contemporary capitalist economy. Geoff unravelled the debates so that they became intelligible, with both clear style and humour, evident particularly in the chapter and section titles, such as the section pointing to an error by Kaldor titled 'Excuse me, Professor Kaldor, but your slip is showing'.

Geoff was a founder and major contributor to post-Keynesian economics throughout his intellectual life – culminating in his books, *The Structure of Post-Keynesian Economics* and the two volume *The Oxford Handbook of Post-Keynesian Economics*. He enriched economics by making it more accessible through his clear, and often humorous, writing style and in his many biographical essays. These went behind the masks of economists to reveal not only their economic insights, but also the people that developed those insights. This is especially apparent in his definitive biography of Joan Robinson, co-written with Prue Kerr.

Underlying his theoretical contributions lay the importance of policy, on which Geoff not only wrote copiously, but also acted by advising

governments and commenting on contemporary issues. He believed that academics in general, and economists in particular, have a duty to advocate policies which would lead to a better world. Associated with writing and advocacy was a belief in a 'need for direct action if other more orthodox means proved ineffective' (Harcourt 2011:124) – which Geoff displayed with his important role in Australia's anti-Vietnam War movement.

Everyone who knew Geoff values the wonderful human being he was, as well as being a world-class economist. He enriched the lives of everyone around him. On a personal note, Geoff was my teacher, colleague, collaborator, mentor, and most importantly a very warm and dear friend. Geoff welcomed me into his academic and family life, and I share the immense sense of loss at the passing of such an inspiring human being. Geoff will be greatly missed. He was a true scholar and gentleman, and the world is so much a better place because of him.

Peter Kriesler

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George Venturini

George Venturini was a larger than life figure who attracted both admirers and detractors because of his forceful personality. He was a public intellectual, but with only a minor public in Australia, not least because of the mainstream media's indifference to his contributions. His conflict with the then Fraser government over the effectiveness and fate of the Whitlam-inaugurated Trade Practices Commission, and his disdain for the corruption in Australian politics in general, makes his life of relevance to political economists.

Dr Venturino Georgio Venturini was born in Massa Superiore (now Castelmassa), Italy, in September 1928. He graduated in classics, arts, social sciences and law through the universities of Ferrara, Italy, and Northwestern, Chicago. He practiced and taught law in Italy until 1958, when he took up post-doctoral studies at Northwestern University until 1962. After that he held Chairs in Canada and the United States, and taught at universities in Singapore, in Queensland, and in Victoria. After retiring in 1993, he maintained formal links with Monash University as Senior Research Associate in its School of Political and Social Inquiry, and with Swinburne University as an Adjunct Professor at its Institute for Social Research.

George advised governments in the United States, Malaysia and Australia. He served the Whitlam government (1975-77) as Trade Practices Commissioner, and the Wran government (1977-82) as Special Adviser on Corporate, Securities and Trade Practices Law.

George wrote eight books, four of them about Australia: *Malpractice – The Administration of the Murphy Trade Practices Act*; *Partners in Ecocide – Australia's complicity in the uranium cartel*; *Never Give In - Three Italian Anti-fascist Exiles in Australia 1924-1956*; and *The Last Great Cause – Volunteers from Australia and Emilia-Romagna in Defence of the Spanish Republic, 1936-1939*. George also edited five more books, four of them concerning Australia. He contributed chapters to books and about 100 articles and essays to learned periodicals and conferences. George was also the driving force behind the July 2014 SEARCH Foundation publication, *Iraq Invasion 2002 – Complaint against John Winston Howard to the International Criminal Court*.

George was a member of the Communist Party of Australia, and of the SEARCH Foundation, an ardent republican and supporter of First Nations

sovereignty. But the roots of his politics were in the Italian anti-fascist party of the 1930s, *Justice and Freedom (Giustizia e Libertà)*, whose descendant is now the Italian Radical Party. George was a young activist in the 1944 Uprising against the Nazi occupation of northern Italy. He said he only felt truly free under two governments – those of Italian Communist leader Palmiro Togliatti immediately after the defeat of the Nazis in 1945-48, and that of Edward Gough Whitlam's Labor government in Australia from 1972-75.

George migrated to Australia in 1966. In Singapore beforehand, he had asked a local bookseller what he had on Australia. When the proprietor said only two books – D.H. Lawrence's *Kangaroo* and E L Wheelwright's just published *Industrialization in Malaysia* - Venturini bought both. That was his early introduction to Wheelwright's prescient work on the prospects of autonomous national development and the incipient dangers of the imperatives of what came to be called 'globalisation'. A long friendship with Ted ensued. Wheelwright's links with the Whitlam government's Attorney General, Lionel Murphy, were partly responsible for Venturini returning to Australia to be appointed in March 1975 as a Commissioner at the Trade Practices Commission. The TPC was the administrative arm of Murphy's 1974 Trade Practices Act.

The administration of the Act immediately ran into a head-wind of business resistance and internal acquiescence, not least from the TPC's weak Chairman, Ron Bannerman. Action against the global zinc and lead cartels (in which North Broken Hill was a key player), against the motion picture distributors' control of cinemas, against the soap and detergent industry for misleading advertising – all stalled. Anti-competitive mergers and takeovers continued apace. In internal memos, Venturini referred to 'the TP Omission', testing whether Bannerman would notice.

In an internal memo to fellow Commissioners, Venturini claimed:

During the major part of the last two years I have seen the intellectual independence of the commission mortified by the value and standards of business and the secretiveness of a powerful, crusty bureaucracy, impervious to any suggestion or criticism and callously set on its own ways, where disagreement and dissent are seen as the ratbaggy of intruders who cannot adjust. The end is, as in the past, the corporative conciliation of sectional pressures. Never mind the law, keep an eye on the pressure [...] Paralysis results from such timidity.

Venturini was impatient to deal with the mountainous backlog of restrictive practices and was indifferent to protocol, but the sacking of the

Whitlam government killed the ambition. Prime Minister Malcolm Fraser was reported on 28 March 1976 as saying that a review of the Act would do away with ‘many stifling and unreasonable regulations over business’. So it came to pass. John Howard, then Minister for Business and Consumer Affairs, sought to institutionalise the gutting of the Act via the 1976 Swanson Committee inquiry. In June 1977, the Act was duly amended and its funding reduced. Legally unable to sack Venturini, Howard disbanded the Commission and re-established it without him.

In their 2006 *Australian Political Lives*, political scientists Arklay, Nethercote and Wanna describe Venturini’s *Malpractice* as ‘vitriolic’. They write: ‘Venturini does not share the affection for the public service which is so obvious in the works of [John] Bunting and [William] Dunk’. (Wanna is Sir John Bunting Chair of Public Administration at ANU.) It is a pity that these learned academics declined to inquire as to the reasons for Venturini’s vitriol.

Drawing on his experience as Trade Practices Commissioner, Venturini plunged into writing another book, *Partners in Ecocide*. The subject was a global uranium producers’ cartel, established in June 1972. Membership comprised France, South Africa, Canada and Australia, and Rio Tinto Zinc – the latter representing itself and the British government. This time, Venturini wrote from the vantage point of independence, with crucial insider material made available to him by Friends of the Earth, in turn sourced from a whistle-blower from RTZ’s subsidiary Mary Kathleen Uranium Ltd. The uranium cartel drew on the experience of the lead and zinc cartels and succeeded in raising uranium ore prices dramatically. Caught in the hike was the key wholesaler Westinghouse which had arranged long term supply contracts at lower prices. Westinghouse defaulted on its contracts and proceeded to sue the cartel members. Relevant here is that the Fraser government (under pressure from the producers) passed legislation in November 1976 to prevent document disclosure pursued in this litigation. Venturini notes:

The passage of an Act which is so alarmingly vague and reposes such wide discretionary powers in the Attorney-General have quite disturbing implications for parliamentary democracy and the principle of open government. Where uranium was concerned, the Australian Government accelerated the tendency to use the Parliament as a cipher.

When Venturini finished *Partners in Ecocide* in 1981, he could find no interest from major publishers in Australia where he wanted it published. As Venturini noted, this was a book about a non-existent subject – the

cartel which 'didn't exist'. Early enthusiasm for publication from a Labor parliamentarian and a union leader vanished. Lessons were learnt about where the mettle lay, if anywhere. Venturini had the book published by a small, loyal publisher in late 1982.

Venturini had several foibles. In verbal exchange his use of irony was so thick that one had to learn to translate to make sense of his meaning and intent. In writing, catering to a word limit was evidently an alien concept, although the Search Foundation indulged his passions. His 2007 *Never Give In* weighs in at 850 large-format pages: his 2010 *The Last Great Cause*, same format, is over 800 pages.

The arrival of digital non-mainstream media provided serendipitous opportunity. The *Australian Independent Media Network (AIM)* was an amenable outlet. In it, Venturini explored the downing of Malaysia Airlines MH17 over Eastern Ukraine on 17 July 2014, written in 12 instalments from November 2014 to January 2015. (Curiously, this series has disappeared from the *AIM* site.) The Abbott government received the fire of his fingers in no less than 50 instalments ('The facets of Australian fascism') during June and July 2016. The 2003 invasion of Iraq incurred his wrath in 40 instalments ('Bush, Blair and Howard') during November 2016 to January 2017. Battle over the long censorship of material relating to the Whitlam dismissal ('Medieval combat for 'the Palace Letters') went over 11 instalments from August 2018 to January 2019. The Timor-Leste spying case ('The spying on Timor-Leste case') took 8 instalments during November and December 2019. Finally, there was Australia dragged screaming into multiculturalism in 15 episodes ('Comedy without art') during January and February 2020.

In myriad other pieces on *AIM* or *Counter-Currents* Venturini expounded on the big moral issues over the last several decades. They deserved wider exposure in mainstream media, but the gatekeepers prefer woolly diversions, at best, and fake news, at worst – increasingly the latter.

Although George Venturini was Italian in his bones, he loathed the omnipresence of the Church. Even the Communists were Catholic, he quipped. Anxious to travel to Spain in the early 1950s, 'the formalities necessary to obtain a visa churned my stomach' (*The Last Great Cause*). Venturini found it repugnant that 'citizens of the Republic of Italy were required by the Spanish Embassy in Rome to submit a statement by the Catholic priest of the parish in which the postulant lived, certifying that the would-be traveller as 'of sufficient *limpieza* [cleanliness] to enter that

surviving slaughterhouse'. He found it intolerable that, after the optimism of the immediate post-war period, Italy under the very Catholic Alcide de Gasperi had been readily subsumed under American tutelage.

Venturini was no kinder to his adoptive country. His growing reaction was contempt for the Australian political elite whose perfidy he had unearthed in his research and writings. The sacking of the Whitlam Labor government in November 1975 was a crowning moment of despair. John Howard, that embodiment of reaction and duplicity, was for Venturini a particularly significant figure in the cesspit that is Australian politics.

Venturini was an unerring supporter of Lionel Murphy's record, given the controversy that marked Murphy's last years before his death in 1986. In 1991, Venturini delivered the Fifth Lionel Murphy Memorial Lecture (reproduced in the 1994 *Five Voices for Lionel*). In prose outlining the decisive detail, he highlighted Murphy's consistent battles – as a lawyer, as Attorney-General and as High Court Judge – for principled ethical positions against a Constitution suffused with colonial cringe (ignored by naïve advocates of an imminent Republic down under), against a complicit judiciary, for the rights of Indigenous communities, for free speech, for the right to strike, and for people wrongly gaoled (Lindy Chamberlain, Tim Anderson) through blind and corrupt processes. Venturini lamented that the fact that proposals for Constitutional reform (Australians are subjects rather than citizens) did not look to Continental Europe for ideas, that there was no Bill of Rights in Australia, and that so few people were concerned about its absence.

George Venturini died peacefully and proudly, defiant of convention to the last, on 13 May, 2022, aged 93. He was living near Morwell in Gippsland, Victoria, with his wife Lorraine. The date of his passing was Friday 13th – the lion-hearted Venturini would have appreciated the irony.

Evan Jones and Peter Murphy

REVIEW ESSAY

A PROGRESSIVE VISION OF JUSTICE AND DEMOCRACY

Rob Watts

Mike Berry

Justice and Democracy: A Progressive Agenda for the Twenty-First Century

Edward Elgar, Cheltenham, 2021, vii+296pp., hardback, \$185.15

Mike Berry is a distinguished Australian urban political economist who in the past decade has crafted a far-ranging critique of economic and political theory. His new book *Justice and Democracy: A Progressive Agenda for the Twenty-First Century* is a book for our time. Berry goes well beyond his two earlier books: *The Affluent Society Revisited* (2013) and *Morality and Power: On Ethics, Economics and Public Policy* (2017). These books offered a critique of the inability of market economies and utilitarian economics to deliver anything like a just society. The new book suggests Berry is prepared to get political, which is something that modern political parties and political economists are often not good at doing. By ‘political’, I mean what Jacques Rancière means when he answers his own provocative question: what can be thought of specifically as politics? Rancière makes a distinction between ‘policing’ and ‘politics’. By ‘policing’, Rancière means the work of politicians, assemblies and parliaments, bureaucrats and lawmakers which constructs and upholds the

Watts, R. (2022)
‘A progressive vision of justice and democracy’
Journal of Australian Political Economy
No. 90, pp. 118-24.

hierarchical organisation of society. ‘Politics’, on the other hand, involves the disruption of the police order, rendering visible what a social order wishes to keep invisible. Politics is therefore ‘dissensus’, the disruption of the given order of society. Berry offers a dissenting account of the actual mess we now confront. Berry also takes Raymond Geuss’ realism (2016) seriously, since this involves understanding precisely how the way unequal power works in our institutions if political interventions are ever to be successful.

The election of a Labor Party government in Australia in May 2022 offers a salient backdrop to think about Berry’s project. This was a surprising win for Labor because an historically low percentage of voters (32.6%) gave their primary vote to the ALP. Only a huge swing to the Greens and independents made the Labor victory possible: at 31.5% of the total primary vote, electoral support for the minor parties and independents was at its highest level ever in Australia. It was also surprising because the ALP had decided not to bring any big, transformative policies to the people, justifying its ‘low-policy profile’ approach on the grounds that being bolder might spook the punters. Yet, for decades, the ALP hasn’t had any really big new ideas capable of addressing our current situation.

In these circumstances, it is timely to ask three questions. What should the Albanese government do? Why should it do it? How should it do it? Berry’s book is a vital resource for thinking about these questions. As so-called liberal-democracies like Australia gradually emerge from the disruptions set loose by the global COVID pandemic, they must engage with an unwieldy mess of COVID-related problems, as well as a much larger morass of problems that had been accumulating well before COVID struck.

The COVID-related problems include the consequences of emergency fiscal measures adopted ostensibly to protect citizens from the worst effects of COVID and the recourse to lockdowns. As Adam Tooze (2021) tells us, this fiscal stimulus essentially magnified the already radical increase in economic inequality evident since the 1980s. The recourse to ‘quantitative easing’ as central banks buy securities on the open market, to release billions even trillions of dollars into economies as well as keeping interest rates at around zero percent, simply encouraged more and more people to get into debt, especially housing-related debt, and triggered a major inflationary wave. Meanwhile, the problems already in place before

COVID haven't gone away. We now confront an unprecedented political-social-economic-ecological crisis.

Firstly, there is the 'crisis of democracy'. Plenty of evidence points to widespread declining political engagement and a growing disconnect between citizens and their governments. Representative democracy - understood in terms of voter turnout, party membership, trust in politicians and once-dominant political parties, and interest in politics - is declining dramatically. There is a revival of deeply anti-democratic, right-wing populist movements and parties. The disposition to nationalism *and* populism has encouraged political leaders of many kinds to embark on invasions and military adventures. Secondly, entangled in that political crisis are social-economic problems, including an unprecedented global refugee crisis, a looming problem of inadequate food and potable water, dramatic increases in income and wealth inequality, rising household debt, precarious employment and underemployment, and increasing homelessness, all driven by decades of neoliberal policy making. Finally, there is clear evidence of a *deep crisis in 'carbon capitalism'*. As Bruno Latour (2018) insists, we live now in a 'new climactic regime' in which nature is pushing back at us - think floods, viral pandemics, global warming and a crisis of displaced people: of the 100 million displaced people in 2021, 14.4 million were victims of war and 23.7 million were the victims of 'weather related events'. Put together, this is an unprecedented constellation of political problems.

If we are to form a view about what the Albanese ALP government (or a Biden administration or a potential British Labour Party government in 2024) might do, we can do no better than look back for clues to what these ostensibly 'social-democratic' parties did when in office over the past few decades. In each case, the 'progressive' parties pushed a neo-liberal policy-agenda, whether this was about ignoring global warming, addressing problems by privileging a 'free market logic' to address health, welfare, aged care, child-care, law and order, employment and unemployment, tax and fiscal policy issues (as a test of political acuity, Australian readers should ask themselves if they understand the ways the National Disability Insurance Scheme is a neoliberal policy).

In Australia, the Hawke-Keating governments (1983-1996) unleashed a neoliberal revolution which the Rudd and Gillard governments (2007-2013) tweaked. In the US, Clinton (1992-2000) and Obama (2008-2016) recalibrated the Reagan-Bush Sr. model. In the UK, Blair's New Labour

Party (1997-2010) turned neoliberalism into a New Labour project. Relying on an historical assessment would therefore suggest that 'progressive' parties of this ilk are only likely to continue to be part of the problem, not the solution. We can have little, if any, legitimate expectation about the ability or the willingness of these 'progressive' parties to address the unprecedented political-social-economic-ecological crisis.

Mike Berry's latest book gives us a basis for considering what a more disruptive and forward looking political economic project could be. Political economists have not always been all that clear in spelling out their politics. By this, I mean much more than a failure to spell out the 'mechanics' of how they think their critique of the *status quo* can be turned into an effective political program (which proved a fateful *lacuna* in Marx's case). One aspect of the dissensus Berry is giving voice to engages fundamental ideas about justice and the good society. Whether you agree with Berry or not, he offers a basis on which we can start to think about what we want governments, markets and the community to do, and why.

That Berry's book presents an avowedly 'liberal-democratic' position will not appeal to those wedded to a permanently critical-theoretical attitude (think Slavoj Žižek), let alone those old comrades still engaged with the issues raised in the Stalin-Trotsky debates of the 1920s. However, for those of us who know that the greatest obstacle to change is the way things already are, his book is not a bad place from which to start.

Unsurprisingly, Berry's 'solution' is political. It is an argument grounded in an explicitly and fully articulated moral-political position. Following on the 'comprehensive consequentialist' conception of social justice he outlined in *Morality and Power* (2017), Berry argues that 'to move towards a more just world, in the actual circumstances of justice that we face, the weaknesses and threats to liberal democracy must be overcome through reconstructing robust, resilient social democracies' (p. 8). This rests on the strong intuition that justice and democracy are necessarily and intimately linked - that it is not possible to have one without the other - and this idea informs the book throughout.

In the first part of the book ('The Imperatives of Justice'), Berry outlines a 'consequentialist' theory of social justice. By consequentialist, Berry only means that to say that such theories do not rely on abstracted reasoning or principles, so much as insist that we judge whether an act is morally right by assessing the consequences of that act. We should note straight away that this simply makes any assessment of the consequences

reliant on establishing what criteria we will use to assess those consequences. Berry suggests that this will attend to two stipulations relevant to the social and economic preconditions that simultaneously require and make possible a theory of justice.

The first stipulation is that we must pay attention to the *ontology of inequality*, ie. the objective ways in which power is systematically distributed unequally. This puts him at odds with the kind of liberal theory of justice adumbrated by John Rawls, using a Kantian theory-method. Rather, Berry's theory of justice is informed by Amartya Sen's approach, emphasising that we cannot simply make the realities of asymmetric power or access to resources go away while establishing principles of just outcomes. Any theory of justice must first recognize and deal with the facticity of inequality, taking this as the point at which we insert the consideration of justice.

The second stipulation Berry makes is that we need to acknowledge the *reality of time*. To do that, he relies on the metaphor of the 'arrow of time'. Berry wants to stress the irreversible flow of time and the limited intellectual capacity of humans to fully grasp, for example, the consequences of individual interactions that come together in collective patterns. Berry makes this point – about needing to account for real time when thinking about justice – by inserting the dimension of time into Gerald Gaus' (2016) well-known two-dimensional account of justice. Thus, once we take into account the dimension of time, it becomes clear that insisting on an unchanging ideal of justice is a futile exercise: '[g]limpsed from the standpoint of the present, the future landscapes of justice are hopelessly, irredeemably, chaotically, unpredictably rugged' (p.55). This is something that conventional political scientists and economists have had trouble accepting, namely the fundamental contingency at work in all human action, a consideration that Hannah Arendt never tired of reminding us about.

As a critical realist, Berry therefore insists that we need to grapple with the main variants of actually existing advanced capitalism. He proceeds to offer an analysis of capitalism as part of theorizing about justice. This is an important move, given this has been missing in so many contemporary liberal theories of justice. Indeed, theorists like Rawls insist that we put on a 'veil of ignorance' so that we know nothing about what is actually going on, which seems like a self-defeating move.

In the second part of the book ('The Fragility of Democracy'), Berry returns to the evidence of increasing economic inequality and socio-political polarization, which he treats as an immanent threat because it is internal to the logic of capitalism. He is addressing the subversion of (representative) democracy by big corporations, promoting the rise of financial markets and new assets, as well as the rise of surveillance capital, and attacks on worker's rights, while treating climate change, nuclear weapons and viral pandemics as threats external to the logic of capitalism.

Berry's preferred approach to reimagining democracy while promoting social justice (spelled out in Chapter 6 of Part II) is to specify what a social democratic party or government should do. This involves an ecological two-step approach to renewal of a contemporary social democratic project. The first step is to restore the basic economic roles for government, including the effective allocation of resources. Berry relies on Sen's account of 'capabilities' to insist that every citizen must have access to all the basic merit goods, ensuring that everyone's basic needs are met. Secondly, such a government will engage in an egalitarian redistribution of wealth and other resources, relying on measures like universal basic income and radical progressive income and wealth tax reform. This contrasts with the pull back from policies promoting egalitarian redistribution that has been a stand-out feature of neoliberal policy making. Berry is very clear about the need for a radical break from that approach when he says that 'adequate allocation of resources to health, housing and health are non-negotiable' (p.226). Finally, such a government will move to stabilize the capitalist economy, using the affordances of Modern Monetary Theory.

The second step for reconstructing social democracy is 'to look for ways of encouraging and reinforcing the emergence of values supporting reciprocity, mutual esteem, self-esteem and communal solidarity' (p. 238). Here, I think we see a necessary amendment of Berry's consequentialist theory of justice, which is essentially an empty bucket until you fill it up with moral ideas which we can use to assess the consequences. Talking about moral goods, like reciprocity, mutual esteem, self-esteem and communal solidarity takes us towards Axel Honneth's theory of recognition or Hartmut Rosa's sociology of the good society (2021).

This is a very good book. Its many merits include a firm grasp of contemporary theories of social justice and democracy. Berry also writes clearly and accessibly. This doesn't mean I agree with him at each point

in his argument. But here's the thing: if I am critical, I need to make a substantive case for what I think; and that opens a dialogue, which is an essential part of democracy in action. The potential of this book will be fully realised if, and only if, it becomes a resource used by anyone who wants to address the radically entangled problems we now face.

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REVIEW ESSAY

THE SOCIAL ECONOMY TRADITION RENEWED?

Geoff Dow

Adrian Pabst

Postliberal Politics: The Coming Era of Renewal

Polity Press, Cambridge, 2021, 224pp., paperback, \$32

The idea of post-liberal politics has had a long gestation. Liberalism has traditionally implied an emphasis on individual freedoms, priority to market mechanisms (and self-interest) in the determination of living standards and distributional questions, minimal taxation, a basically non-interventionist state (or at least one without mercantilist or developmental or ownership pretensions), celebration of the imagined effects of competitive behaviour, and free trade internationally. These features are accompanied by constraints on trade union and corporate propensities towards 'organisation' and its reputed capacity to 'capture' regulation. Post-liberalism then would appear to imply a transformation away from these characteristics of market liberalism. This entails a shift towards collective provision and social responsibility, a societally sanctioned floor under (real) incomes, societally determined limits to inequality, taxation-financed capacities beyond the economic realm (in conflict-resolution and public infrastructure, for example), as well as wealth-enhancing social

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development, along with encouragement of institution building designed to facilitate prudential plenty and openness to democratic experiment.

In political economy, liberal principles achieved their apogee with Adam Smith's presumption of Enlightenment rationality, though even here a role for political morality – an unavoidable brake on rationalism – was allowed. For example, it has often been noted that Smith (2000 [1776]: 366) himself anticipated that a consequence of the division of labour was that a labourer might become 'as stupid and ignorant as it is possible for a human creature to become [...] unless government takes some pains to prevent it'. If necessary, substantive public convictions could override undiscussed secular developments.

Meanwhile political philosophy confirmed that conscious departures from rationalist principles - anticipated or not, compensatory or not - were recurrent and inevitable; to be suppressed only at human cost. Interventionist, post-liberal, principles therefore imagined that some combination of unintended, structural forces *and* intended, deliberated action, preferably coordinated by appropriately bespoke institutions, would likely result in better, not worse, material outcomes. This implies that supportive, apparently anti-rational, arrangements can actually consolidate, enhance and amplify social and economic progress. Under propitious circumstances, though perhaps not everywhere, well developed welfare states, high incomes with egalitarian distributions of affluence could be seen to be compatible with, if not actually a guarantor of, prosperity.

A trajectory for post-liberalism in the twentieth century can be seen through attempts, within rich societies, to effect a transition from political democracy (where voting and constitutional rights were conceded), to social democracy (which extended citizenship entitlements towards those implied by society's capacity to provide), on to industrial democracy (isolating the fraught question of the rights of employed citizens) and, eventually, to economic democracy (wherein the entire economy was claimed as a legitimate arena for democratic determination). Clearly, each successive 'stage' in the process was understood to be more dismissive of preceding proscriptions than the earlier ones, thereby becoming increasingly 'post-liberal'. Equally clearly, because practical implementation of each step implies extension of the political impulse as well as assertion of democratic momentum itself, it has met resistance.

However, despite continual suspicion, sporadic challenge and recurrent misunderstanding, social democratic elements in this long-term (sometimes deliberate, sometimes fortuitous) transition away from the liberal-market ideal have been enduring. Social transfers, consisting of welfare payments, unemployment benefits, income replacement guarantees, public pensions, public health and housing subsidies – together representing the proportion of real income decided through political (rather than strictly economic) calculation – have been increasing for a century. Such transfers have been above 20 percent of GDP in OECD countries for almost five decades. For the richest countries, moreover, the figure appears quite resistant to liberalising reforms. The social democratic movement is endorsed in most strands of post-liberalism, with total taxation and total government spending exhibiting long-term increase, even since the 1970s when challenges to the tendency began to be exhorted.

Central to an anti-rational tradition in political economy has been religious social thought, more recently known as the *social economy* perspective. This is the viewpoint Adrian Pabst has long shared – in past writings for example, he has dealt, convincingly, with Papal encyclicals and their critiques of economic liberalism and globalisation. Pabst's current book seeks to reformulate this old tradition for the current age of populism, 'new polarities' and our 'shared sense of failure' (p. 17). He is noticeably irritated both by what he sees as contemporary liberalism's destruction of the 'liberal tradition' (p. 36) and by what he sees as the statist aspects of social democracy (too top-down, too homogeneous, too self-serving, over-centralised). He then actually endorses further development of state capacities with reinvigorated opportunities for political judgement (p. 67), restored 'intermediary institutions' (to combat populism) (p. 105), though with more subsidiarity (as in the 'social market economy'), and less 'dirigisme' (p.140), but more able to redress the society-destroying excesses of neo-liberalism. Policy itself should be more instinctual and less rationalistic (p. 175).

Much of Pabst's anxiety seems to derive from maladies specific to British policymaking. There, the policymakers' enthusiasm for 'Blairist' reforms – with their flawed accounts of what occasioned the economic disruptions of the 1970s, 1980s and 1990s and their wilfully constricted understandings of what could be legitimately achieved by a polity, themselves legacies of Hayek and Thatcher – foreshadowed the 'hollowing out' of many public competences, under the thrall of economic

liberalism. Elite endorsement of unwanted choices (many favouring globalist movements and ideas) subsequently led to the ‘populist backlash’ that has now become a rankling challenge for what remains of the progressive left. Yet these should be seen as neither specifically British nor welfare related.

Pabst’s book on *Postliberal Politics* shows that he has not entirely freed himself from dominant liberal conceptions of the role of government. State spending in Britain has been below the rich-country average since the 1970s and declining for a decade. Although briefly impressive (after the first world war), it has not exceeded Scandinavian levels since the 1970s and, in this period, has often been lower than in Germany and much lower than in France. UK welfare spending (measured by social transfers as a proportion of GDP) is far lower than the OECD average (though higher than in other Anglophone countries); and has been so for most of the past century. This under-performance (unwillingness of central institutions to endorse expansive opportunities) represents a failure of conservative politics as much as of social democracy in Britain.

Inevitably, politics is characterised by a gap between what is conceivable and what is actual and, as usual, current circumstances represent departures from the ‘politically possible’, as recognised in analytical traditions associated with Machiavelli, Marx and Weber. For the progressive left, such discrepancies can conceivably be seen as generic problems. However, insofar as a conscious hollowing-out of political achievement has simultaneously occurred – alongside continuing growth of the public realm, as noted above – it has very distinctive, contemporary elements. The current high threshold of state spending and taxation revenues across the OECD seems to be structural (an ‘agentless’ trend, apparently permanent, though without a distinct telos). Why is it not, then, an achievement to be celebrated, especially by admirers of Catholic and protestant social thought?

In Pabst’s book, the ascription of twenty-first century disorder to erosion of the post-war settlement’s implied reciprocity (p. 120), under the grip of ‘an old discredited ideology of Keynesian redistribution’ (p. 122), seems unjustified and perhaps offensive. Elsewhere, the book decries insufficient ‘national developmentalism’ (pp. 124-33) and failure to implement an ‘activist state’ (supporting research and investment but based on public utilities able to promote a ‘communitarian spirit’ and ‘social purpose’). It calls for ‘covenantal ties’ (negotiated agreements) but not costly ‘social

care' (pp. 148-54). The possibility of increasing taxation in the UK to bring revenue into line with other major national levels (and democratic expectations) has not been contemplated or addressed. Yet remedying this legacy of neo-liberalism would yield the equivalent of more than 5 percent of GDP for the augmentation of transfers, without putting the UK beyond the OECD norm (equivalent arguments for Australia could, with justification, readily be advanced too). The century-long expansion in the share of total income accruing to citizens in the form of politically mandated transfers (non-market income, independent of work effort or individual contribution) renders the current heart-wrenching over hedonistic universalism (p. 172), passivity and their allegedly dystopian consequences unconvincing.

One chapter, on democratic corporatism (Ch. 11), does broach solutions. It invokes, though, a somewhat limited version of corporatism (normally understood as the participation in political decision-making processes of organisations – unions, craft guilds, business associations, churches – as opposed to individuals). In accordance with religious social thought, corporatist arrangements can mollify both potentially oppressive state power *and* the indifference of markets to distributive outcomes (pp. 135-7), facilitating active citizenry including workplace democracy at a devolved, sub-national level. Pabst doesn't engage with the huge social science literature on these matters from the 1970s to the 1990s – in political science, sociology and (most importantly) political economy – which thrashed out much of the policy potential of the corporatist developments that emerged in those decades (also identifying some significant unresolved problems). This reticence is strange in view of the wholly compatible overlap between classical social science (particularly Durkheim and Weber, but also twentieth-century mavericks like Polanyi and Veblen) and religious perspectives on social development. Advocacy of corporatist decision-making was seen by sociologists and the churches as a post-liberal curb on market-induced instability, though by political economy and labour unions as a (post-liberal) step towards economic democracy.

The main rationale for institutional influence over societal outcomes was macroeconomic. It had been the behaviour of institutions (usually labour unions and employer associations with their effect respectively on incomes and prices) that caused and exacerbated the inflation of the 1970s; so, institutions were deemed responsible for policy responses. Unusual institutional arrangements were even more imaginable, and imagined, as

the coincidence of inflation and unemployment began to assert divisive outcomes. Sometimes, as in Australia, new political institutions were created explicitly to deal with the new circumstances. Subsequently, even if the proximate cause of inflation (for example) had changed somewhat – or, more correctly, the type of inflation being endured had changed – distributive conflict and its inflationary potential had not been superseded, though undoubtedly weakened by successive bouts of austerity. Corporatist economic management would sensibly require preservation of policy expertise and societal capabilities inherited from the past – with a preserved cognizance of underlying structural dynamics, those analytically discernible forces that periodically but unsurprisingly exist to remind those able to see that policy is not condemned to reinforcing orthodoxy. Insouciant abrogation of lessons previously learned, after considerable struggle, is what has latterly rekindled discontent, including over intensified inequalities.

Institutionalisation – for example, centralised wage fixation systems – had previously managed to contain the dynamics of inequality. Neo-liberal ‘reforms’, however, then nullified the social justice elements built up in the early part of the twentieth century and precipitated societal dislocations unexperienced since the nineteenth century. Among these disruptions and losses has been the almost wilful neglect of intellectual understandings from pre-modern (mercantilist) and modern (Keynesian) political economy – urging deliberate efforts to secure sustainable accumulation with, then as now, a willingness to engage policy experiment without guarantees. The social economy tradition had always proclaimed a parallel need to respect (‘Burkean’) bonds between those living and those yet to be born, between activists today and those in whose name risks are taken (and costs borne) today (Ch.6). Wage regulation and purposeful industrial preservation strategies were always effectual ways of realising cross-generational decencies.

Though sometimes derided as ‘class collaboration’, trade union participation in either tripartite or bipartite forms of corporatism is commonly regarded as necessary for effective macro-level governance (bringing income distribution or industry structure or national development or moral stability under political guidance). Typically, this in turn involves assigning public responsibilities to left-wing parties or even licensing private or civic organisations with the same onus, something that has not generally troubled churches or conservatives with non-liberal dispositions. These processes were never able (nor intended) to eradicate

conflict, but rather to function tolerably despite their limits and complications. In chapter 5, Pabst often cites philosopher John Gray as sanctioning such a *modus vivendi*.

Where democratic corporatism or communitarianism have been well developed and long-lived, some enduring principles have materialised. A key cluster of issues concerns the welfare state. Self-evidently, the citizenship rights won by democratic polities may be tallied against obligations incurred by recipients. Importantly, however, this reckoning need not accord with liberal principles. Chapter 7, incorporating Pabst's critique of social democracy, transgresses against democracy by asserting that the discharge of obligations through taxation is always insufficient (p. 84) – because it's too statist, privileges citizenship indifference, and purports to expand the power of politics over society. This is the basis of his (and *Laudato Si*'s) enunciation of the domain of the 'radical middle' (p. 87). Pabst errs in his insistence that contributions earn entitlements (p. 88), because the link between citizens and citizen rights (to secure the dignity of labour [p. 104]) is one actualised only through (a thoroughly activist post-liberal) politics. Entitlements can be granted in advance of any commitment to pay, provided taxation (and a distributive capacity in the state) is available to finance what society is already prosperous enough to ensure. If not sufficient, this becomes a problem for public finance (the taxation system), not for the initiating democratic impulse itself. Rights are irrevocable; once conceded, they cannot be made conditional.

Scandinavian development of post-liberal politics was hard-headed enough to see that extravagant political promises were affordable only if they were rarely invoked; so, they would always need to be based on sedulous efforts to ensure full employment. Of course, the implied processes are never complete (p. 106); but the collective capital formation (and economic democracy) thereby entailed is a far cry from the 'blue labour'-'red tory' concoction imagined here. It is closer to the imaginings of *Rerum Novarum* more than a century ago. To be well embedded, post-liberalism needs to be defined in terms of campaigns for full employment, high levels of social security, high rates of labour force participation and high taxation equal to tasks and capabilities that can be specified. National contexts differ of course, and they matter; but, over the past six decades, British politics has endured self-imposed, unnecessary and damaging limits. If we want to take calls for political renewal seriously, battles fought in the past remain instructive.

So, in the end, Pabst's *Postliberal politics* is both incomplete and insipid. There's plenty of heart but without the mettle or audacity - or even religious radicalism - to equal its ambition. True, loss of statecraft, and the accompanying 'debasement' of politics' (p. 149), leading to decades of 'self-mutilation' (p. 178), portended ineliminable anger at what had been lost at the hands of elites and elite ideas. These are the parts of Pabst's book that have most resonance. Humiliations are still being experienced within society and the polity, but they should not be attributed to excess statism, rather to our excessive tolerance of elite resistance to what is reasonable. If this is what 'bourgeois decline' is, it might indeed remain irretrievable (pp. 144-5).

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BOOK REVIEWS

Franklin Obeng-Odoom

Global Migration beyond Limits: Ecology, Economics, and Political Economy

Oxford University Press, Oxford, 2022, 288pp., \$166, hardback.

Reviewed by Jock Collins

Franklin Obeng-Odoom begins his new book, *Global Migration beyond Limits: Ecology, Economics, and Political Economy*, with this sentence: ‘Migration is the new normal in the world’. It is interesting to read this book at a time that non-refugee global migration flows have slowed down to an unprecedented level because of the COVID-19. The author cites Michael Fisher’s argument in *Migration: A World History* (2014) that no pandemic has ever permanently halted migration to conclude that ‘there could be no better time to analyse the mass migration question’. As the wheels of global migration slowly gather speed in Australia and other countries, it is hard to disagree.

Using case studies of diverse migration flows from and into Africa, the Middle East, Australia, Europe and the Americas, Obeng-Odoom seeks to resurrect the relevance of the mid-20th Century scholars Gunnar Myrdal and Karl Polanyi to understanding contemporary global migration dynamics. Specifically, the book focusses on how migrants and migration transform both sending and receiving countries, with the case studies demonstrating how this is reflected at different scales in the global system. A key point of departure in this analysis is the complexities and contradictions of global migration, with its forces and dynamics highly institutionalised, gendered and ethnicised.

The author mounts a persuasive argument against the critics of migration who argue that migration and migrants harm the economy, the society and the environment. Important issues such as global inequality and environmental crises are not necessarily migration related, Obeng-Odoom argues, but are rooted in rigid institutional arrangements and unequal

global relations. A key argument of this book is that an understanding of global migration could be part of the solution to these problems: ‘Studying migration, then, could become another evidence-based approach to analysing and possible resolving, global long-term inequalities and socio-ecological stratification’ (14).

Obeng-Odoom argues that there is a gap in understanding *internal* migration flows and dynamics in the literature on *international* migration. He correctly identifies the key weakness of conservative migration discourses and research as being their conceptual focus on the individual rather than on group and institutional dynamics. Neoclassical economics bears much of the blame for this narrow individualistic focus. Obeng-Odoom sees an alternative and more productive approach to understanding global migration in the literature of institutional economics.

The mass outflow of Ukrainian refugees to Poland and other countries that we have witnessed in the past year have outnumbered – by a factor of four or more – that experienced when Germany and other countries received more than 1 million refugees from the Syrian conflict in the middle of the last decade. This highlights the critical and ongoing importance of refugee flows – mostly undocumented asylum seekers fleeing conflict and persecution – to contemporary global migration dynamics. Obeng-Odoom argues that ‘neither war nor financial speculation is a sufficient explanation’ for these flows which arise ‘from a particular inequality-based rentier system of institutions aggressively pursued by a US-led West against a resistance Global South in the Middle East and North Africa region’ (16). The corollary of this argument is that existing proposals to address the so called ‘refugee problem’ – such as Australia’s mandatory incarceration and offshore processing of boat people – are questionable. It could be added that, from an ethical point of view, these policies are indefensible, highlighting how migration and refugee flows have been elevated to key points of political schism in countries across the globe.

Most immigrants settle in metropolitan areas of their host society. Obeng-Odoom’s point of departure here is the negative attitudes towards migrants that arise out of the additional pressure migrants put on the infrastructure of cities. We have seen this strongly in Australia, with immigrants blamed for every urban problem: from rising house prices and pollution in the air to congestion on the roads and overcrowding in schools and hospitals. Obeng-Odoom takes an interesting case study in this cities chapter: Lidcombe in Sydney’s western suburbs, the location of the largest

cemetery in Sydney and probably the nation. I have a disclosure to make here: I was born in the Lidcombe and grew up in the next-door working class suburb of Auburn, so I have witnessed the transformation in the economic character and ethnic composition of the area over the past seven decades. In this chapter, Obeng-Odoom begins with the changing political economy of the metropolis of Sydney, zooming in to look in detail at the political economy of the *necropolis* of Lidcombe. Structural change reduces manufacturing jobs and increases services jobs in the area. Unemployment is higher in Lidcombe, the proportion of workers who are labourers is higher and the proportion who are professionals and managers lower than the state average. Incomes are lower and less people own their own home.

Lidcombe and Auburn have been transformed from a mainly white working-class neighbourhood in the 1950s to 1970s – many working on the NSW Railways, like my father – to a very cosmopolitan neighbourhood today. The Ukrainian church, built in Lidcombe in the late 1960s, symbolized that increasing number of immigrants arriving from the Baltic states and other areas of Europe, including the Ukraine and Croatia. The area today has a high concentration and visibility of Turkish and Middle Eastern Muslim immigrants, attracted by and leading to the establishment of the Auburn-Gallipoli Mosque in 1999. The changing ethnoscape of Lidcombe is reflected in the public schools in the area. Here Obeng-Odoom looks at Lidcombe Public School which, at the 2016 national census, had students from 45 different language backgrounds.

In this chapter, and throughout the book, Obeng-Odoom's application of Polanyi's concept of *transformation* becomes a strength. Just as the churches and mosques changed the suburban landscape, so too did the immigrant entrepreneurs whose restaurants and shops have transformed the Lidcombe streetscape with cultural and linguistic iconography, smells and sounds that have made being there a very different experience than three or four decades ago. Today, a Koreatown is emerging in Lidcombe as Korean immigrant entrepreneurs open more shops along John Street and Joseph Street on both sides of the Lidcombe railway station.

Global migration is largely about global labour mobility. One of the contradictions of globalisation is that in the pathway to peak globalisation – which I date to the election of Donald Trump - the success in freeing international constraints on the mobility of capital and goods was never matched on the labour side. This is because with labour migration you get

migrants as neighbours: it is here that the contradictions surrounding the racialisation of migrant labour begin to bite. Obeng-Odoom looks at the case of Afro-Chinese immigration and relations to explore these contradictions.

The big change in Australia's immigration dynamics over the past two decades has been the rapid growth in temporary migration, which grew to exceed permanent migration by a factor of three or more to one. Obeng-Odoom's case study here is the largest component of Australia's temporary migration intake – those on temporary student visas - who attend the University of Sydney. Here the contradictions of the racialisation of immigrants reappear. Australian universities depend critically on international student income, as starkly evident once COVID-19 slowed these student intakes, but their experiences of racism in employment and in seeking accommodation undermines the quality of their education and work experiences. Wage theft and other forms of exploitation of temporary migrants – students, working holiday makers and temporary skilled migrants – is widespread, according to many reports by the Australian Fair Work Commission. This is the Achilles' heel of Australia's migration dependence, an experience that resonates around the globe.

Global Migration beyond Limits: Ecology, Economics, and Political Economy is an important contribution to the literature on global migration. What impresses is how Obeng-Odoom roams across continents to probe the many aspects of global immigration. His gaze moves from the global to the national to the city and to the suburb and neighbourhood. His institutionalist focus enables him to highlight the incapacity of neoclassical economic theory to understand the complexities and contradictions of global migration and permits his book to offer critical insights blinkered from the gaze and discourses of the conservative critics of immigration. Particularly useful is Obeng-Odoom's use of the Polanyian concept of transformation to show how migrants, refugees and asylum seekers across the globe transform their lives and the lives and places of their host community under the constant but uneven shadow of racialisation.

Anitra Nelson

Beyond Money: A Postcapitalist Strategy

Pluto Press, London, 2022, 224pp., \$44, paperback.

Reviewed by Stuart Rosewarne

The collapse in the market value of cryptocurrencies should put to bed what has been paraded as the Holy Grail, a safe haven for parking money, if not the youthful elixir that liberates capital from the intrusive forces of global banks and the state to enable its ever-increasing value. The proponents of bitcoin, and its growing offspring, claimed to be avoiding the risks that have been such a feature of state-sanctioned currencies. Exuberant youthful investors and financially literate retirees have looked to cryptocurrencies as an instrument that could free them from the uncertainties of the volatility in global capital markets. Even central banks have been contemplating endorsing and normalising cryptocurrencies as a store of value that seemed to have a built-in inflator, as well as a medium of exchange. Now, this contemporary manifestation of Marx's Moses and his prophets - and they are overwhelmingly 'his' - has largely been shattered, although many of its adherents are reluctant to abandon the ship.

Anitra Nelson's *Beyond Money* is a timely intervention in our understanding of the evangelical zeal with which cryptocurrencies have been embraced. However, her book extends well beyond a simple critique of this modern construction to expose the anomalies of money throughout the economy and society. Nelson observes that a society that is founded on money-based exchange engenders transactional social relations, based on the anonymity of its actors and predicated on the temporal immediacy and anti-social phenomenon of money. Moreover, the essence of this system of exchange is bound up in the expansion of the money base. For anarchists and libertarians, those vociferous critics of the state, cryptocurrencies hold out the promise of providing a store of value that emancipates us from the power of global corporations and state-controlled central banks. Nelson's critique goes further, reminding the reader of the alienating effects of a social system in which the desire to expand money holdings is unfettered, creating a veil that hides the forces driving ever-growing social inequities and ecological degradation.

Beyond Money questions the contention that money, as a universal equivalent, resolves the tension between money ‘functioning as a unit of account, a medium of exchange, and a store of (exchange) value held or lent, borrowed and repaid’ (p.17). Unpacking this, the most distinguishing feature of cryptocurrencies is revealed: this money form has no underlying or inherent value. Rather, the exchange value is set by the issue of tokens and the associated speculative trading. While the *Beyond Money* research project predates the recent collapse in the market value of cryptocurrencies, it exposes the lie of cryptocurrencies as objective bearers of value, able to hold their value or, better, inflate their value.

An immediate task in confronting this lie is to question the efficacy of proposals that present the market as an arena in which ecological contradictions of the capitalist market system can be resolved. Efforts to establish ecological or energy value as the bases for constructing ‘green’ exchange systems to secure sustainability are rightly dismissed. They are said to rest on the assumption that there can be some commensuration of the value of the multiple complex forces that constitute the ecological system and which can be traded. This example provides one illustration of the misplaced allure of the market as the means for securing progressive outcomes. Similar critiques of this false premise are echoed in feminist reflections on the ‘wages for housework’ campaign that sought to manufacture some sense of equivalence between paid work in the public sphere of the political economy and regenerative labour in the private sphere. The *degrowth* movement is also questioned for its folly in advocating technological solutions while retaining money as the lubricant for organising exchange, thereby falling into the trap of privileging assets and doing little to check the capital accumulation imperative.

The critique breaks through this veneer of money-founded stability and goes beyond to outline the numerous initiatives that have been designed to construct communities, postcapitalist formations, that can escape the prison of money essentialism. Drawing on Silvia Federici, the case for ‘commoning’ as a liberating pathway is reiterated, and this provides the entrée to an excursion that provides an array of concrete examples of social formations whose essence is underpinned by the determination to forge social systems not defined by the pursuit of money. A combination of standpoint perspectives, ecofeminist, socialist and anarchist, have framed postcapitalist visions posed in terms of commoning, of community initiatives resetting the world in terms of shared, self-sufficiency and glocal standards. A jam-packed couple of concluding chapters explore the

different approaches of Indigenous communities and a swathe of other groups - the Zapatistas, Kurds and Rojavan collectives, the proselytising of Uruguayan Eduardo Galeano, the anti-capitalist movements launched during the Spanish civil war – all determined to build a world not fashioned on money. *Beyond Money* is an ambitious and wide-ranging excursion, entertaining the possible, drawing on a personal journal, supremely optimistic in its ambition. It is determined not to be captured and soft-spoken in the face of capital's hegemony.

The uncertainties and contradictions that are such pervasive features of contemporary capitalism have catalysed enthusiasm for cryptocurrencies as a liberating force. The promise of this salvation agent inviting escape from the reliance on money as a means for securing and measuring wealth is on the precipice of being torn asunder by fundamental contradictions that are embedded in the money-driven accumulation imperative. Despite the study having been completed before the cryptocurrency meltdown, *Beyond Money* is prescient in exposing the illusion of money, and more so the unregulated money that defines cryptocurrencies, as providing a solid and stable foundation. The stories of commoning indicate that we can be liberated from subordination to the money imperative, albeit such formations are relatively few. Clearly, more work is necessary on charting just how we build on these lessons to challenge capital's hegemony.

Ben Schneiders

Hard Labour: Wage Theft in the Age of Inequality

Scribe, Michigan, 2022, 208pp., \$33, paperback.

Reviewed by Kieran Pender

Hard Labour, the first book by journalist Ben Schneiders', seeks to understand and explain the deeply problematic phenomenon of wage theft. Why is it that some of Australia's largest and most prominent companies are seeking to rip off the lowest-paid, most-vulnerable workers? How is it that the system is allowing them to get away with it, unless brave workers speak out to dogged investigative journalists? And what can be done to fix this sorry state of affairs?

Schneiders begins with context. In recent decades, Australia has become a nation of inequality. We have not been this consistently unequal since the 1930s. The top 1 per cent of Australian households control more wealth than the bottom 60 per cent (more than 15 million people) combined. The pandemic has only made things worse. This ‘whirring, self-perpetuating inequality machine’ is bad for our society and democracy.

The author acknowledges his intellectual debt to French economist Thomas Piketty, whose work on inequality provides the platform for *Hard Labour*. But a dense economic tome the book is not. ‘Rather,’ Schneiders writes, ‘it seeks to provide some of the finer-grained detail of how inequality has increased, and how power relations have evolved between those with and those without wealth and power.’

Inequality is the cause *and* consequence of the steady undermining of labour regulation that has allowed wage theft and other forms of worker exploitation to flourish. A nation that once enjoyed a living wage for all and strong employment rights, buttressed by a healthy union movement, has experienced four decades of deregulation and privatisation, together with the erosion of workplace protections and labour-movement decline.

This trend began under Labor governments in the Hawke and Keating era and was turbocharged by John Howard. Even the contemporary *Fair Work Act*, enacted under Rudd in response to the Coalition’s rights-stripping WorkChoices platform, ‘carried over much of the neoliberal baggage of the previous 20 years’. It is extremely difficult to lawfully strike in modern Australia. Unions once represented half the workforce; they now represent just over one in 10 workers. ‘We’re losing, and we’re losing badly,’ one union leader tells Schneiders.

Hard Labour is, in effect, a portrait of the consequences. Schneiders is an empathetic narrator and uses his platform to recount the human toll of Australia’s current workplace paradigm. Munir, a migrant worker in outer Melbourne, forced to work despite COVID-19 spreading within his workplace. Karki, a temporary visa holder from Nepal, working 80 hours a week at Rockpool, the height of Australian fine dining, and paid for only half of them. Burak, a Turkish student killed in an accident while working for UberEats in Sydney, only for his family to be denied a death-benefit claim. Jamon, a Malaysian computer engineer working on Australian farms and earning \$3.50 an hour.

Schneiders uses these tragic human stories to illustrate wider structural problems. There are some rays of hope. Schneiders spends a chapter

(‘Duncan vs Goliath’) on the wage theft scandal at Woolworths, where a Brisbane trolley operator named Duncan took one of the biggest companies to the Fair Work Commission for underpayments – and won. Scandalously, the Shop, Distributive and Allied Employees Association, one of Australia’s most powerful unions, had rubber-stamped enterprise agreements that left workers at major supermarket chains and fast-food outlets significantly worse off. Woolworths was just the beginning, with total underpayments across SDA-covered workplaces totalling more than \$1 billion.

But, more often, overcoming these injustices can be impossible for individual workers, often in a precarious migration situation, fighting ASX-listed companies or private equity firms headquartered in offshore tax havens. Except in the rare circumstances when the Fair Work Ombudsman takes an interest or Schneiders is on the case, workers are left alone to fight their battles through an inaccessible legal system.

Hard Labour concludes by considering solutions. ‘None of this will be easy,’ Schneiders admits, as he canvasses law reform, more robust regulatory authorities and a resurgence in grassroots organising. He highlights the good work being done by the Retail and Fast Food Workers Union, established as an alternative to the SDA. If there is one criticism of *Hard Labour*, it would be that this section is underdone – there is more to be said about the changes needed to address the rampant exploitation Schneiders so powerfully chronicles.

But that is a minor quibble over what is otherwise a remarkable work, based on a decade of remarkable reporting. It is a damning book that exposes the toothlessness of our industrial relations system and the impunity with which multinational corporations exploit vulnerable workers. And it is a cry for action, for reform and change that might see Australia buck the global trend of increasing inequality.

For those who believe in a fairer Australia, Schneiders has done a great service. *Hard Labour* should be required reading for all those in positions of power. ‘It is a monumental task to rebuild the power of workers, to create democracy at work, to establish a more equal society, and to change society from below,’ he writes. ‘But there is no alternative unless we want to live in a society of rising precarity, insecurity and inequality.’

An earlier version of this review was published in the print edition of The Saturday Paper on October 15, 2022.

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

Book notes
Journal of Australian Political Economy
No. 90, pp. 142-58.

‘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

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