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## JAPE No. 95

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#### **CALL FOR PAPERS: TEACHING POLITICAL ECONOMY**

The editors of this Journal propose to feature a symposium of papers on this topic in the forthcoming Winter 2026 issue.

Particular attention will be focussed on how to teach political economy in a pluralist manner, recognising the subject’s diverse contributory currents. Related topics that may be featured include evidence of what teaching is most effective in equipping students with the skills, competence and confidence they need to analyse complex contemporary real-world issues.

Submitted papers may vary in length up to a maximum of 8,000 words and should be emailed to [frank.stilwell@sydney.edu.au](mailto:frank.stilwell@sydney.edu.au) before the end of December 2025.

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## EDITORIAL

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A teacher and a smart student exchange views. The teacher says: ‘pass the exam, your future is at stake’. The student replies: ‘examine the past, our present is stake’. The response is both cute and astute. Similarly, this journal’s examination of the past 50 years of political economy in Australia should help to prepare us to face current and ongoing challenges.

The first full program of courses in political economy (PE) at an Australian university began in 1975. It was in that year that The University of Sydney approved the introduction of a PE course that students could take as an alternative to mainstream economics. It was a portent of more to come, even though hopes of getting similar courses up and running elsewhere subsequently proved hard to bring to fruition.

Getting that first PE course up and running was undoubtedly a significant achievement. It showed the possibility of significant educational reform ‘from below’. It occurred in the broader context of the social and cultural ethos in the 1970s that was fuelling social activism on diverse issues, ranging from feminism and environmentalism to the anti-apartheid and anti-imperialist movements, ‘green bans’ and struggles for the rights of Indigenous peoples. It was a societal context in which the success in getting a PE course up and running contributed, even if modestly, to the view that ‘another world is possible’ because it showed that formally powerless groups can ‘make a difference’ in driving change.

The introductory PE course at Sydney Uni showed the different ways in which the economic system can be understood. It was pluralist in structure, exploring alternative schools of economic thought, setting conventional economic theory alongside institutional, Marxian, and Keynesian economics, as well as feminist and environmentalist perspectives. Students were encouraged to apply these different framings in understanding contemporary issues such as socio-economic inequality, consumerism and unsustainable economic growth. The first-year course was followed by a second-year course that developed a more integrated critique of contemporary capitalism, focussing on its key institutions of capital, labour, households and the state. This intermediate-level course

**The Editors (2025)  
‘Editorial’**

***Journal of Australian Political Economy*  
No. 95, pp. 5-8.**

developed analyses of production and the labour process, the globalisation of capital, the place of the household as a site of consumption and reproduction, and the contradictions embedded in the processes of capital accumulation. Studying the state's role in capital accumulation contrasted with more conventional conceptions of the state as an independent actor alongside an autonomous market. More generally, the course's conceptual foundations were a novel synthesis of radical scholarship, drawing from the analyses of political economists such as Michael Kalecki, Karl Polanyi, James O'Connor, Harry Braverman and Rosabeth Moss Kanter.

Building on these foundations, students opting for the PE course program were able to choose from an array of senior-level electives, expanded through curriculum developments during decades of further struggle. The result was that The University of Sydney became renowned, nationwide and internationally, as a centre for study and research in political economy. One US-based scholar described it as having 'the world's most distinctive undergraduate program in heterodox economics'.<sup>1</sup> Subsequent course developments built up a strong postgraduate program too, with steady growth in the number of people completing coursework in PE Masters and postgraduate research degrees. Looking back over the whole fifty year period, approximately twenty thousand students have studied political economy at The University of Sydney.

PE activists had hoped that similar course programs would be established at other universities, many struggled to try to make it happen, and the Australian Political Economy Movement (APEM) was formed in 1976 to provide nationwide support. In practice, however, the development of PE courses elsewhere turned out to be more sporadic, usually depending on the comings and goings of academic staff with personal interests in this area. Moreover, the changing social, political and economic context has become less conducive to initiatives of this kind than it was in the 1970s. The ascendancy and pervasive influence of neoliberalism has made progress more problematic, even as it has made PE more essential as a means of understanding what is happening in the polity, economy and society.

Progressive political economic influences have continued to come along other avenues, however, including the media and diverse NGO's, often

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<sup>1</sup> R.Nesiba (2012) What do undergraduates study in heterodox economics programs? *On the Horizon*, 20(3).

with former PE graduates in the key positions. The need for critique of the *status quo* and the broadened range of channels through which the critical voices can be expressed has created a restless dynamic in which alternatives to mainstream economics have recurrent influence.

This journal is an obvious example. Started in 1977, *JAPE* has published a steady stream of articles by authors ranging from well-known academics to local postgraduate students getting their first article published. The latter process that has been fostered during the last decade by the annual JAPE Young Scholars Award. Concurrently, the *Progress in Political Economy* website, begun in 2016, has attracted a growing global readership and acts as a further focal point for continuous stream of writing and discussion of political economic issues in Australia and worldwide.

This special issue of JAPE presents a stocktaking of some of these achievements and the ongoing challenges. It seeks to learn from past struggles and to assess the prospects for future developments. It addresses university struggles to get PE courses up and running, together with matters relating to teaching, research and activism. It also looks beyond the educational sphere, considering the opportunities and constraints ‘out there’ in the polity, economy and society. Seen in this way, passing the 50-year milestone creates the opportunity for a retrospective on the nature of the journey and for consideration of possible future directions.

In developing these themes, this issue of the journal includes articles ranging from short personal observations to fuller analyses. It begins by showcasing *contributions by 18 former students of political economy* who have gone on to various interesting careers. Their reflections on university education, subsequent career choices and personal life experiences provide fascinating insights into why it all matters.

More in-depth analyses follow, beginning with six articles that look at the *origins, nature and influence of political economy*. Steve Keen describes the original struggles and what followed, drawing lessons from five decades of challenge to an unyielding economic orthodoxy. Geoff Dow assesses the nature and state of economic heterodoxy, illustrated by portraits of five Australian political economists painted by an artist who he commissioned. Recognising political economy’s internal heterodoxy, Bill Dunn then probes what it means to implement pluralism in practice, pointing to potential pitfalls and ways in which they may be addressed. Turning to how political economy can have influence beyond academia, the article by Eliza Littleton and Barbara Pocock discusses the possibilities

and frustrations of seeking progressive political economic change through parliamentary processes. Political economist Jim Stanford assesses the experience of linking political economy with the trade union movement, including a case study of the Centre for Future Work that he originated. Looking through the lens of 'leadership', Paul Porteous then assesses political economy's actual and potential contributions to societal change

The next set of articles discusses *specific fields within political economy*. Elizabeth Hill and Gabrielle Meagher focus on teaching feminist political economy, showing its evolving character. Stuart Rosewarne considers how political economists have responded to the challenge of climate change and the need for ecological perspectives. Gavan Butler focuses on teaching the political economy of development, pointing to how it has reflected the understandings of development processes and challenges. Rod O'Donnell then assesses the importance of philosophy in relation to political economy, arguing that the former is crucial for the latter. Kurt Iveson assesses the connection between political economy and geography, coming together as spatial political economy. Joy Paton broadens the field yet further by looking at art and political economy, emphasising the importance of images that reflect, influence and shape our understandings. Greg Crough then discusses research into transnational corporations, drawing on his own experience in working with Ted Wheelwright and in both public and private economic sectors.

The final four articles provide insights into the *obstacles and possibilities for progress*. Tim Anderson looks at the changing nature of universities since the PE struggle began, emphasising a managerial corporate character that has become much more hostile to recent expressions of dissent. Evan Jones provides an analysis of the HSC Economics curriculum, casting light on why enrolments have been in the doldrums for so long and pointing towards curriculum re-design that would better reflect a PE perspective. Dennis Venter and Mahesti Hasanah, postgrad students at The University of Sydney, describe what *Rethinking Economics Australia* is currently doing to challenge economic orthodoxy. Finally, Frank Stilwell draws some of these threads together into a consideration of PE's overall achievements, disappointments, ongoing challenges and prospects.

From this big menu, we invite you to sample, read, enjoy and reflect...

*The Editors*



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## VOICES OF FORMER STUDENTS OF POLITICAL ECONOMY

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The following pages contain 18 personal reflections on studying political economy at university and its relationship to subsequent life and work experiences. Put in alphabetical order of the authors' names, this leads, serendipitously, to beginning with the Australian Prime Minister...

### **Anthony Albanese**

It is an honour to join in the tributes to everything the teaching of Political Economy has done to educate, inspire, provoke and challenge Australians over five decades.

I will always be grateful that I studied Political Economy at the University of Sydney and proud that I stood up for it.

Looking back, it is hard to believe that this subject was the source of such enduring controversy and fierce institutional opposition.

Political Economy represented a challenge to the status quo but that is the nature of all intellectual inquiry. The true challenge that Political Economy has always set for its students is to demonstrate the difference that economic theory can make in practice. To interrogate and interpret economics in a way that is relevant to people's daily lives.

This is an intellectual discipline and a deeply practical one. It means you cannot hide weaknesses in your argument behind jargon or the isolated elegance of theory. Instead, your ideas have to be capable of surviving contact with reality.

That's the essence of what Professor Frank Stilwell taught all those who had the good fortune to be part of his classes: the understanding that economics is neither a dismal science, nor an elitist pursuit. It is a vital, vibrant and thoroughly democratic instrument for achieving social progress.

Assorted authors (2025)  
'Voices of Former Students of Political Economy'  
*Journal of Australian Political Economy*  
No. 95, pp. 9-38.

This remains such an important perspective in public debate. The recognition that economics is both intrinsically political and deeply personal. It shapes the life of our nation and the lives of our citizens.

The broader economic and political discourse has a habit of gravitating to the headline macroeconomic indicators but the true meaning and merit of those concepts lies in their impact on people. So too does the most compelling case for reform and the challenge to business as usual.

Advocating for changes in economic policy cannot begin and end with numbers on a page. They have to be the supporting evidence in a story about better access to opportunity, a greater sense of security, ensuring more Australians have the right to aspire to a better life for themselves and their family.

All of us who care about building Australia's future must be prepared to marshal those values of aspiration, fairness, community and nation in advancing our economic arguments. Because making the case for change depends on making it clear to people where they fit in.

Frank Stillwell summed up the truth of this in a piece he wrote for this publication about wages policy in 1991:

This is not simply a macroeconomic issue, but also one with major personal and social ramifications for the majority of the community whose material wellbeing depends on wage levels.

For all the changes in the global economy and the world of work since then, the truth of that insight endures. This is why after a decade of our predecessors deploying low wages as a 'deliberate design feature' of their economic architecture, our Government has taken responsibility for getting wages moving again.

Part of this is about tackling cost of living pressures from every possible angle but it's also of a question of principle. Restoring real wages growth is about repairing the link between hard work and fair reward.

The starting point in this is that fair wages are not a dividend of our national prosperity, they are a driver of it. Fairer and safer workplaces do not come at the expense of productivity growth, or Australia's capacity to compete and succeed in the world, they support and enable all of it.

The same is true for women's economic equality, another topic many issues of *JAPE* have engaged with thoughtfully. Whether it's making gender pay equity part of the *Fair Work Act*, reforming Paid Parental Leave or taking the next steps to universal child care, creating greater opportunity

for 50% of the population is not a question of special interest, it advances our national interest. It's not just a measure of Australian fairness, it is a driver of our success.

This intersection of the personal and social with the political and national is proof that any assessment of responsible economic management is always about more than making savings, or cutting waste. It's about building an economy that repays hard work, nourishes aspiration and creates opportunity for all.

This is why our government has focused on cutting taxes for every taxpayer while funding and building the services Australians rely on for peace of mind and quality of life. We recognise there is a powerful economic case to be made for strong Medicare, universal child care and a decent social safety net as drivers of productivity and participation but they are also a reflection and a statement of our Australian values, a fulfilment of the responsibility we owe to one another.

Responsible economic management means dealing with the challenges in front of us and meeting our obligations to the future too: investing in education and skills and building the new housing, clean energy, infrastructure and technology that will create and secure the next generation of jobs and prosperity for people in every part of our country.

While much of this is about new investments to meet new challenges and seize new opportunities, at its heart is the oldest and most Australian aspiration of them all: the aspiration for a better life for your children.

It is fitting that the *Journal of Australian Political Economy* is marking this significant intellectual milestone. Because for nearly as long as political economy has been taught in Australian universities, JAPE has been both its platform and proving-ground.

These pages have helped take the ambition, intellectual rigour, idealism and concrete realism of Political Economy beyond the lecture theatre, to a national readership.

Whilst many of the reflections that follow this preface will touch on Political Economy's colourful past, we should not neglect its value to us in the present and its importance to our nation in the future.

We live in a time of profound global economic uncertainty when norms and institutions are subject to significant challenge, in some cases simply because they are seen to represent business-as-usual.

An essential counterweight to this polarisation is Political Economy and its focus on evidence and inquiry and substantive analysis, qualities that are more important to the health and strength of our national political and economic debate than ever before.

The principle that the economy is there to serve people, not the other way around, is one that must continue to resonate if Australian society is to be stronger and more cohesive in the future.

### **Thalia Anthony**

It was 1996 and John Howard had just been elected Prime Minister of Australia after a long Labor reign. The atmosphere was pregnant with the anticipation of a neoliberal slaying – cuts to university funding and the welfare state, attacks on student unionism – nothing was beyond the conservative reach. Some changes were to prove more shocking than others, especially in Aboriginal rights. While it may have been foreseeable that Howard's government would abolish the Aboriginal and Torres Strait Islander Commission, discontinue streams of funding for First Nations services and claw back Native Title, what was more shocking was that his government would send the army into Northern Territory remote First Nations communities to facilitate a Federal Intervention.

While Howard was entering parliament as Prime Minister, I entered my first Political Economy lecture in the Merewether Building at Sydney University to witness an exuberant Frank Stilwell share his compelling critique of economics orthodoxy. The next three years studying Political Economy helped me conceptualise this new iteration of conservative rule. As an Arts Law student fascinated by interdisciplinarity, Political Economy provided guideposts to grasp the totality of social forces. It conveyed the indelibly linked nature of politics, economics, culture and history. This would stay with me as I went onto do my PhD in the laws, economics, ideologies and practices governing Aboriginal cattle workers; my M.Crim. in sentencing First Nations defendants; and throughout my subsequent career as a Law academic, primarily at UTS, specialising in criminalisation of First Nations people in neo-colonial society.

Political Economy provided a uniquely grounded approach to understanding structural dynamics in society. As the humanities increasingly resisted structural understandings of society from the 1970s, especially with the rise of postmodernism and poststructuralism, Political

Economy continued to identify the relevance of class, political institutions and ideological influences. It made the postmodern questions of epistemology and culture – which presumed the end of dominant frameworks – contingent on the prevailing socio-economic-political structures.

Political Economy gave me the tools to examine the significance of political, economic and global historical forces underlying colonisation and consequent legal relations between the state and First Nations people. Teachings on the role of capital accumulation in colonial expansion, and its destruction of First Nations economies and societies, informed how I would understand constructs of race and inferiority. Translating this to racism in the Australian penal system, it could be understood as institutionalised rather than a result of individual attitudes and discourses. In this respect, it extended colonial practices that depended on racial differentiation, segregation and social control to violently occupy First Nations land, extract resources and exploit labour, especially in the cattle, pearling, seal and agricultural industries.

Colonialism and the sustained oppression of First Nations people has cast long shadows over contemporary society. The chilling fact is that, today, First Nations people constitute 36% of the prison population, despite comprising only 3 per cent of the general adult population. Both the prison and overall population statistic speak to the colonial will to ‘eliminate the native’, to use the phrase of historian Patrick Wolfe, or, in the words of Eualeyai and Kamilaroi legal scholar Larissa Behrendt (2001), to inflict ‘genocide’. Incarceration on missions, government settlements, reserves, lock hospitals and cattle stations were features of colonisation before mass First Nations incarceration became associated with criminality and penalty. The continuation of colonial carceral practices arises from the same political-economic logic of controlling sovereign owners of land.

As Political Economy teaches us, statistics are only one feature of understanding society. The lived experiences of First Nations people in custody shed light on the human cost of prisons. They reveal the loss of children and family, jobs and housing; disconnection from Country; the mental health cost of isolation, and the physical harm of deprivation from healthcare. This is exacerbated by violence of racialised policing and deaths in custody. It compounds trauma from earlier massacres across Australia, the Stolen Generations and the enslavement of workers.

Political Economy also implores engagement with the role of resistance in social change. Crucially, it provides an understanding of the tools and possibilities for change. Its analysis of social movements, policy levers and systemic transformation can help shape a vision of a better future. In my experience, this leaves students feeling more empowered to contribute to a new type of society – where economic inequality, discrimination and environmental degradation are not the key drivers of human relations and coexistence. My decolonial research, alongside my advocacy and activism with First Nations community organisations, continue to resonate with my learnings in Political Economy. It imagines a world in which the current racialised colonial orthodoxy is not immutable.

### **George Argyrous**

I began a Bachelor of Economics degree at Sydney University in 1982, shortly after seeing a newspaper article warning students choosing to do the political economy option in first year of study that their job prospects would face ‘the prophets of doom and gloom’. Instead of scaring me away, it only raised my curiosity and I enrolled in PE1, as we then called the first year of the course. The introductory lectures by Ted Wheelwright opened my mind to the role economics can play in shaping the world, for better or for worse. My peers who enrolled instead in the standard Microeconomics 1 course did not have that same experience.

Benefitting from the struggles by previous students and staff to get political economy as a complete undergraduate program, I was part of the first cohort of students able to complete four years of political economy, including a final honours year. My contemporaries in those honours courses have since gone on to become Cabinet Ministers, heads of major public service departments, leading journalists and academics.

Since completing the undergraduate program, I continued graduate studies at leading centres of political economy in the USA. Then, after returning to Australia, I held various academic positions, mainly at UNSW and at UTS, where I had the opportunity to establish political economy study programs.

Now at the end of my career, I find myself in a senior role at one of Australia’s largest charitable foundations, working to end cycles of social disadvantage. This work within philanthropy and the for-purpose sector has enabled me to reflect on what I still draw from my experience of

political economy at the University of Sydney. I have two major reflections; one about the benefit I gained, the other about what was lacking.

Political Economy, unlike its orthodox counterpart, fundamentally trained us to see major socio-economic issues from different perspectives; and those perspectives, to which we were introduced in the 1980s, are still relevant to my work in philanthropy today. They help to provide more considered decisions about the approaches we might take to addressing issues such as joblessness, regional economic development, and the intersection of the criminal justice system with the economy. Unlike the lack of self-criticism and self-awareness that seems to characterize mainstream economists' pronouncements, I always have an element of healthy self-doubt, constantly alerting me to the fact that there are other approaches, regardless of how much I believe the course of action we take is the right one. This scepticism in one's own work is a direct result of the range of theoretical approaches that studying political economy exposed us to.

The political economy program, on the other hand, did not provide sufficient skills for the empirical investigations I have since found crucial to the work I do. Probably as a response to the rigid and narrow approach to teaching empirical methods in mainstream economics (mirroring its narrow theoretical ambit), the political economy program did not offer an adequate alternative. My own experience suggests that skills in empirical investigation are crucial to a political economist's ability to have some kind of influence on the world of policy and practice. Political economy could take the same approach to empirical skills that it has taken toward economic theory: exposing students to the broad range of approaches from across the social sciences, rather than just a very narrow and uncritical subset. This breadth of both theoretical and empirical knowledge would provide future political economy graduates with a formidable range of skills to address the pressing social and economic issues of the future.

### **Emma Bacon**

In the early hours before an 9am essay submission deadline, I'm sure I wasn't the only student bent over a laptop wondering if or when I'd ever use the knowledge I was cramming into the essay via my tired brain. In practice, there have been countless times since then when I – also like

many others I'm sure – have been able to draw on the facts, ideas and history that we covered and, more importantly, on the ways of thinking critically about political and economic issues.

Nine years after graduating, having worked in community organising, political campaigns, international advocacy, and briefly as an advisor on the Treasury and Regulation portfolio in NSW Parliament, I founded the organization, Sweltering Cities. We work directly with the people impacted by extreme heat across Australia – in hot homes, suburbs, workplaces and towns – to campaign and advocate for more liveable, equitable and sustainable cities, as well as for the climate action we need to avoid catastrophic rising temperatures.

I studied Political Economy between 2008 and 2011, and the ideas and modes of analysis I was exposed to during that time have been extremely influential on how I see the world and my work. In my current role, I draw on political economy most when I'm trying to understand what the future will look like. At Sweltering Cities, we are trying to change the way people, the media and decision makers think about rising temperatures. To do that, we are continuously trying to push at the margins of what is considered politically possible, in the context where political possibility is a neoliberal construct. We are not afraid to take on a task as big as changing the world for the better.

There are two core values that we keep at front of mind as we develop organising strategies and campaigns. Firstly, we work at the intersection of climate change, health and inequality, so all issues must be seen through all three lenses. This enables us to see the structural drivers of risk and the politics of vulnerability driven by economic forces – for example, the privatisation of public infrastructure which is then delivered to maximise profit and minimise cost.

Secondly, we aim to collectivise the issues related to extreme heat. Too often, the impacts of extreme heat are felt in isolation, in our homes and our bodies, and conventional heat advice encourages people to be responsible for their own safety. In fact, rising temperatures and heatwaves are experienced by hundreds of thousands, or even millions, of people at once and global rising temperatures impact everyone. If we understand heat as an individual problem, then the solutions presented to people might be to put a cool towel on their necks or spend the hot hours of the day in air-conditioned spaces. When we treat extreme heat as a collective issue,



it demands an ambitious response where all levels of government, all departments, and all communities play a role in resilience and adaptation. Some of our key campaigns focus on housing, transport, and inequality. In Victoria we are advocating with hundreds of community members in hot homes to put cooling and insulation in the rental minimum standards. Our *Summer Survey of 2024* found that 75% of Victorian Renters who have air conditioning at home say that concerns about cost have stopped them turning it on. In NSW, we are campaigning for better bus shelters in the hot suburbs of Western Sydney. In these regions, temperatures on the ground can reach over 50°C (122°F) and only a third of stops have shelter or shade. At a federal level, we're campaigning to stop the Department of Employment cutting off social security payments for people on unemployment or disability related payments during heatwaves ('Payments not Penalties' campaign).

We see our unique contribution as being shaped by our commitment to intersectionality, collective transformation; providing powerful evidence of impacts and resilience; and asserting that the heat we are experiencing is not normal nor OK. In the words of one of our public health colleagues in Queensland, Associate Professor Dr Shannon Rutherford, 'The rich will find their world to be more expensive, inconvenient, uncomfortable, disruptive, colourless and in general more unpleasant, but the poor will die'.<sup>1</sup> We aim to shift the balance of power in favour of those most impacted by extreme heat and collectively build a better future for all.

### **Isobelle Barratt-Meyering and Michael Janda**

Michael sits typing in his Political Economy Society T-shirt – once worn with pride around campus, now worn (with no less pride) around the house. It's the most visible, but also trivial, of our legacies from Political Economy. When we met at Sydney University, it was Global Solidarity and the SRC, not PE, that initially joined our paths. However, the Political Economy community helped forge those ties – from Monopoly themed trivia with races up the Central tunnel for jugs of beer, to the one PE subject we took together, and the constant struggle to secure the Department's

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<sup>1</sup> See: <https://www.abc.net.au/news/2024-02-14/brisbane-heatwaves-will-worsen-sweltering-cities-says/103460350>.

future inside an often hostile, or otherwise indifferent, Business and Economics Faculty. Then there's the mutual friends with whom we shared lectures, tutorials and, most importantly, a lively debate at the pub afterwards. Many of them remain among our closest friends, still sharing a couple of drinks and debate that's no less lively 20 years later.

While the social connections are important and deeply cherished, so too is the knowledge acquired and retained. Political Economy is ridiculed as irrelevant critique by orthodox economists, but Michael was well equipped in his first year as a business reporter at the ABC by having taken Dick Bryan's course ECOP3019 – Finance: Volatility and Regulation – starring the little known (until then) 'collateralised debt obligation'. Michael's recent podcast series for ABC News Daily, 'Housing Hostages', is an updated extension of his honours thesis written in 2007 under the supervision of Frank Stilwell. And, as past colleague Stephen Long and present colleague Gareth Hutchens admirably demonstrate, Political Economy's focus on analysing power, vested interests and social dynamics is integral to any accurate and meaningful media coverage of economic and financial affairs.

Isobelle's continuing connections to Political Economy are less overt, after being lured to Modern History, where she has remained, now working at Macquarie University. But she still draws on the intellectual training she received in PE, with its eclectic mix of theory, history and politics, and appreciates the encouragement she received to pursue an academic career. Indeed, Isobelle got her first teaching job through Political Economy – as a tutor in ECOP1001 and ECOP3019 – and has since called on PE mentors for both work and life advice (plus the occasional job reference). Perhaps most importantly, Political Economy has given Isobelle a model for a good academic life: one based on passion, curiosity and critical thinking, as well as intellectual generosity and community, in the classroom and beyond.

For a long time, we continued to be regulars at PE gatherings. With our young children to care for, however, it's been a while since we've made it along together to any events. Our last joint appearance was at the Wheelwright Lecture in 2019, when we were expecting our first born and proudly shared this news. But we know we'll return as, once captured by its pull, it's hard to escape Political Economy's orbit.

Over five decades, this gravitational force of Political Economy has only strengthened, from the highest office in the land to the way so many of its graduates choose to live their everyday lives. The slogan on Michael's

ECOPSoc T-shirt says ‘Change the Machine’. Change may not be as dramatic or linear as many graduates would like, but Political Economy is making it happen. May it continue to do so for many more decades to come.

### **Anna Booth**

The student struggle for a curriculum that recognised the real world made my life.

In 1974, I commenced a Bachelor of Economics at the University of Sydney. Professor Warren Hogan was our professor and head of the Economics Department. My perception is that he was an orthodox economist and a conservative.

One way in which my life course was set was that I met my husband, Malcom Scott, in an Australian Economy tutorial conducted by Jock Collins whose approach was decidedly more political economy than orthodox economics, even though it was a subject in the Economics Department. Perhaps a concession to the real world! It was a good match (sure, ups and downs), evidenced by our happy coupling for the last 50 years.

The other was that I couldn’t accept that the study of economics, based as it was on assumptions, reflected the world we faced. I wanted more. I took part in the student protests for a change in the curriculum; and perhaps my aspiration, that was achieved, to be a campaigner, was born there.

Perhaps that was why I was attracted to industrial relations subjects – anchored by the stalwart Professor Kingsley Laffer. Although hardly a revolutionary, Kingsley spoke of the real world that I had been yearning for: people, power and conflicting perspectives.

I found my tribe there. I was lucky enough to be offered a role in the trade union movement, based on the industrial relations honours work I had done; and the rest, as they say, is history.

I spent 18 years from 1978 as a trade union official in the Textile Clothing and Footwear Union, becoming its first female leader, and on the ACTU executive, becoming a Vice-President. I then moved into corporate governance after being appointed to the Board of the Commonwealth Bank by Paul Keating – at the time when government-owned enterprises appointed union directors. My subsequent board membership of industry

superannuation fund entities like ME Bank and IFM was launched by this. I chaired a (then) labour law firm, Slater and Gordon, and I became a Deputy President of the Fair Work Commission and am now the Fair Work Ombudsman.

How did this happen?

I think I was anchored by the early experience of campaigning for what I perceived of as right, and I believed it was right to teach reality. To describe and explain inequality and its drivers; to identify the policies and programs that would redress inequality; to encourage social good.

I am perplexed about why the discipline of political economy is now in the Faculty of Arts and Social Sciences. But does it matter? I will leave that for others to answer. I love the description on the website: 'We investigate broad economic questions within social and political contexts through a variety of perspectives and methodologies.'

That is what I am doing at the end of my career. My current role is all about that. I am sure that my grounding in political economy means that when I am 'retired' (whatever that means) I will still want to 'investigate broad economic questions'.

I congratulate the *Journal of Australian Political Economy* on its theme of '50 Years of Political Economy in Australia', which just happens to coincide with my journey.

### **Anthony D'Adam**

I arrived at O-week at Sydney University in 1989, having already settled on my initial subject choices. I remember chancing upon the stall of the Political Economy Society. I struck up a conversation with the people at the stall and began to understand what political economy was. I had studied orthodox economics for the HSC and was unaware of the existence of alternative perspectives in economic thought.

As a result of that conversation, I changed my subject selection, abandoning psychology in preference for first-year Political Economy. This was a fork in the road moment. That first year of lectures from Frank Stilwell, Gavan Butler, Evan Jones, and Debesh Bhattacharya opened my eyes to the existence of extensive contestation within the economics.

The economics I had been taught in high school had been so obviously blind to the existence of asymmetries of power in economic relations. Absurd economic assumptions were exposed, and I began to see the economy and society from an entirely different perspective.

I still vividly recall a lecture on the work of Andre Gunder Frank and the Dependency School and its model explaining the system of colonial extraction and integration of the global periphery into an international capitalist system. It was through Political Economy that I was first exposed to the ideas of Manuel Castells. These are thinkers and ideas that I continue to draw on to this day.

I learnt that the promotion of particular ideas was also the product of political and social struggle. That some ideas have currency in public debate while others are more muted, delegitimised, or unacknowledged was a product of power relations. The amplification of one view over another is directly related to the resources and social support that are behind it, and these struggles are also fought out in the curriculum and appointments that are adopted by our public universities.

The political right has a deep understanding of this dynamic. They have, over the last two decades, engaged in a successful assault on the liberal arts in our universities, an agenda that should be resisted if we are to preserve space where voices that critique the current neoliberal hegemony are able to thrive.

This is why the existence of Political Economy as a discrete school within the university is so critical to ensuring that there is vibrant debate and alternative voices in the public discussion on economic matters. It is also critical that those graduating from university are exposed to the diversity of ideas that exist within the discipline.

My time studying Political Economy at Sydney University helped provide me with both a theoretical and political orientation that has shaped my approach in my work, first in the trade union movement and now in my capacity as a Labor member of the NSW Legislative Council.

I'm pleased to be able to contribute to the celebration of the 50th anniversary of the establishment of Political Economy at Sydney University. This is, indeed, an important milestone and a reminder that we must redouble our efforts to preserve spaces of dissent within academia and within society at large.

## Chris Gambian

I enrolled in political economy without any clue of what it was. The UAC handbook, which Year 12 students across the nation pour over in meticulous detail to make their university choices, informed me that, whilst mainstream Economics carried with it a prerequisite of 2 Unit maths, I could do Economics (Social Sciences) with no such obligation. Still traumatised by log tables and the equation for calculating the area of a parabola, I turned up in Merewether Lecture Theatre 2 on a summer's morning in 1994 with no sense of the history, idealism and conflict that had come before me.

By the time I graduated in 1997 I was amply qualified for a life as either a human resources manager, or some sort of social activist and, to the dismay of my parents, I chose the latter.

My first job, after two inglorious weeks as a teller at St George Bank, was organising members at the Finance Sector Union. These were overwhelmingly women working hard in underpaid jobs in an industry that was on the eve of breaking all profitability records at the expense of over fifty thousand workers in the following few years. Technology transformed that industry and ran havoc through the lives of countless people.

First it was centralisation of work from branches to giant processing centres: white-collar factories where, under the watchful eye of eager team leaders wearing corporate polo shirts in open plan offices, a bank's traditional services could be delivered far more cheaply. Then, even that work was shipped overseas for a fraction of the price. What was once good, secure work became a revolving door of restructures and reimagined business models. But the workers pressed on. They loved their work and their teams. They loved their customers and their communities. They fought to protect the integrity of banks that had long since abandoned it.

I saw union delegates risk their jobs in the service of their co-workers. I saw solidarity among the people at what we used to call capitalism's pointy end. Some folks on the left might deride their bland, suburban values; but I saw them at first-hand performing quiet acts of resistance often against their own economic interests.

I'd joined the ALP at age 15 and, in both 2016 and 2019, I was selected as the federal Labor candidate for the seat of Banks. I vowed that if elected I

would go to Canberra as the Member for Bank Workers. But I lost both times: the first was nail-biting, the second bruising. Both campaigns were a privilege because to be invited into the living rooms of one's neighbours is a singular honour. It opened my eyes and changed me. What most struck me was this silent, unnoticed army of people who make fundamentally important things happen. They care for family and neighbours; they organise sport; they make places and community; they give away their money and their time.

I became Chief Executive at the Nature Conservation Council and again found people ready to act against their financial interests to secure something far less tangible. As activists, they sit in trees to stop logging trucks; they fight for rivers and wildlife; they give all of themselves in the service of their country and for generations as yet unborn.

Today I head up Australians for Mental Health, a small grassroots campaign outfit that aims to bring people together to find each other and fight for change. The motivating vision is a new kind of country – one that centres the mental health and wellbeing of its citizens as a top national priority.

None of this is very 'efficient', of course. But it is very human. It is the stuff that makes life worth living. The complex stories of our world are hard to understand through a spreadsheet or a graph. It is the Political Economy of Love: love of family, love of community, love of country.

I have had a very fortunate working life. I'm grateful for the pioneers of Political Economy who, 50 years ago, fought great battles that allowed me to lead this life. I hope they feel I've done something useful with it.

### **Clive Hamilton**

After three years of Political Economy – its first three years, 1975-1977 – I wanted to do the honours year. But there was no honours year in PE; the mainstream economics professors were not going to allow the radicals to have that prize. So I would have to do it in mainstream economics, which was daunting because it was mostly advanced neoclassical theory, not taught in PE (needless to say, there was no course in advanced Marxism!). I'd be competing against the cleverest students from the mainstream. I took the gamble, opting for the advanced macro and history of economic thought electives and writing a thesis on monetary theory.

I scraped over the line to get a first and, after a year of working for a left-wing Labor Party senator, headed off to do a PhD at the Institute for Development Studies at the University of Sussex. It drew progressive students from around the world and I would sit in the refectory listening to students speaking Spanish, Amharic, Urdu and German, feeling ashamed and provincial as virtually the only monolingual student there.

I immersed myself in researching the definitive thesis on the international division of labour. After 12 months of going nowhere, I had to get real, so I switched to studying the industrialisation process of South Korea, one of the famous 'Four Little Tigers.' I worked hard and lost my hair but finished the thesis in two years.

Returning to Australia in 1984, with partner and toddler, I needed a job. One came up at the Development Studies Centre at ANU whose new boss, Helen Hughes, had a reputation as an aggressive free marketeer. She told me I would be teaching microeconomics and statistics, and then macroeconomics and econometrics, to the Masters students who arrived from across Asia and the Pacific. As the weeks passed, I made sure I stayed one chapter ahead of the students in the textbooks. Teaching that stuff was the education in mainstream economics I needed; you cannot properly critique something unless you know it.

At the time, the ANU was dominated by bevy of bumptious right-wing economists who were at the height of their influence. It was the era of 'economic rationalism in Canberra.' I found the environment intimidating and alienating so after four years I left to join the Commonwealth public service, ending up as the head of research at the Resource Assessment Commission (RAC). It was while the Commission conducted an inquiry into a proposed mine in Kakadu National Park that I noted with dismay the enormous influence of two or three right-wing think tanks. 'Where are the left-wing think tanks?' I wondered. 'Maybe I should set one up.'

The RAC was falling apart due to abysmal leadership. A phone call out of the blue offered me a job in Jakarta as a resource economist with an American advisory team. So, in 1991, we went to Jakarta. It turned out that the senior bureaucrats weren't really interested in sustainable development; they were on the take. After a couple of years, we returned to Canberra where I set about creating the Australia Institute, launched in May 1994 (I tell the story in my memoir, *Provocateur*).



For the Institute's first years, we wrote papers pushing back against the neoliberal tide. My Political Economy training and my neoclassical economics knowledge were invaluable. But the economic policy battle had been lost so we shifted to working on consumerism and climate change, among other issues. I wrote a book titled *Growth Fetish*, which was my breakthrough book as an author.

By the early 2000s, economics began to bore me. So, when not stirring the pot at the Institute, I began a long period of reading philosophy, which I should have studied at university. I stopped thinking of myself as an economist years ago.

After running the Australia Institute for 14 years I was burnt out. So in 2008 I resigned and looked forward to taking time to work out what I would do next. However, I soon bumped into the chancellor of Charles Sturt University who said they wanted to appoint a public intellectual. Did I want a job? Before I knew it, I was a professor of public ethics, a title I made up, with a job description that in effect read 'be a public intellectual.'

No teaching, no admin, no applying for research grants. Just researching, writing and speaking. I became a book-writing machine and I will be still be doing it long after someone should have stopped me.

### **Dymphna Hawkins**

I studied Economics Social Sciences (Political Economy) from 1990 to 1993 at the University of Sydney. My experience of study in that degree was extremely positive and useful for my life after university. The lecturers such as Professor Frank Stilwell, Evan Jones, Margaret Power, Gavan Butler, to name a few, were very supportive, open-minded, and made us as students think critically about the way economic behaviour affects the development of the world.

The courses I studied addressed issues such as cities and planning; the 'invisible hand' of Classicists Adam Smith and David Ricardo; neoclassical theories of market equilibrium, rational actors, supply and demand, and marginal analysis of prices; Keynes' government intervention for economic stability; Marxist critique of capitalists acquiring surplus value as profit, only to be overturned by class struggle and revolution; and the Institutional theory of 'the leisure class'; women as an affected economic class; and economic exploitation of developing countries.

The benefit of covering such diverse topics was that I gained an overall understanding of different theories and practice of economics affecting a diverse world, including their historical basis.

As a result of studying Political Economy, and then a Bachelor of Laws, I worked in the construction and maritime industries in a paralegal capacity. I was exposed to significant industrial cases between large corporations and working people; to serious criminal matters; and worked at the Sydney Aboriginal Legal Service where understanding Indigenous socio-economic disadvantage and prejudice informed my submissions in cases of police impropriety and illegality.

I was admitted to the NSW Bar in 2003. Since then, as a barrister, I have done many cases requiring an understanding of how socio-economic factors such as housing inequalities and homelessness affect society. One case we appealed to the High Court of Australia related to homeless people at the Bondi Pavilion.

My study of political economy has also been relevant to other issues such as discrimination in employment, contractual inequality of bargaining; apprehension of judicial bias; the right to legal privilege; and of individuals targeted by State power. Equitable and common law and family law matters have led to the development of my role in conciliation and arbitration of various types of disputes. I am currently seeking to finish studies for a Diploma of International Commercial Arbitration through the Chartered Institute of Arbitrators (CIARB) (Singapore) and CIARB head office, London.

When reflecting on my study of political economy, I am grateful to the Department for a well-rounded education about how economics plays such an integral and important role in power imbalances in nearly every facet of law such as commercial, family, crime, wills and construction matters.

Today, issues like climate change and industry pollution, wage theft and gig economy workers, and injection of government funds during the pandemic (reflecting a Keynesian theory) are directly informed by political economy theory and practice. Such insights are invaluable as a critical tool to understand global economic players and one's working life. I thoroughly recommend the course to anyone interested in a realistic world outlook of economic activity.

## Christina Ho

I began studying for my BEc(SocSci) degree at Sydney Uni in 1992, cheekily assuring my parents that I was studying Economics so therefore setting myself up for a respectable and lucrative future. I immediately felt right at home in the PE course. I loved every unit, felt inspired by all the teaching staff, and loved hearing the dramatic tales of the early days of the program's establishment.

My undergraduate education was rich and captivating beyond my expectations. I remember suffering from hand cramps in lectures given by Evan Jones, as I frenetically tried to write down every precious word that came out of his mouth. I remember conversations with peers where we jokingly referred to Frank Stilwell as Jesus, and not just because of his old-school leather sandals. I remember asking to submit essays on self-devised topics and being encouraged to do so. Stuart Rosewarne even allowed me to write my own essay question on some arcane aspect of Donna Haraway's *Cyborg Manifesto*. Most of all, my Political Economy education gave me the tools to make sense of the world and to understand how it needed to be changed.

After four fantastic years, including an Honours year with the fearless Gabrielle Meagher, I started a PhD in New York before abandoning it and returning to Sydney PE. Even though I had to start again on research for my PhD thesis, it felt like a beautiful homecoming. I sought Gabrielle out again, thankful to have a genuine human as a supervisor, rather than a jet-setting superstar academic with no time for their students.

Since graduating with my PhD in 2004, I've worked at UTS, teaching in the Social and Political Sciences program, and researching cultural diversity, Asian-Australians, and education. During this time, I've worked in a very inter-disciplinary environment, alongside historians, sociologists, geographers, and media and cultural theorists, among others. My education in Political Economy provided a good foundation for appreciating this inter-disciplinarity. Because of the inherent inter-disciplinarity of PE, and the openness of the academics who taught me, I've never had any affinity with the theoretical or methodological gate-keeping that pervades much of academia. That has allowed me to appreciate all manner of research interests and approaches, some much more arcane than my own undergraduate explorations!

Above all, my Political Economy education has provided an anchor that has always kept me grounded, regardless of whatever research or teaching I pursue. This includes a materialist lens and a strong social justice orientation. At a time when such approaches are not always fashionable, and it's easy to join preoccupations with the ephemeral, I am grateful to have a framework for understanding that prioritises making an impact in the world. It has also meant that my research has been strongly linked to activism, working with migrant communities over the years, and advocating for policy change in relation to education and schooling.

Congratulations on turning 50, thank you for everything you've given to generations of students, and may there be many, many more!

### **Tim Kenny**

I started doing the BA (History and Geo-Economics) degree at Sydney University in 1978. I can still remember sitting in a lecture room of the Mereweather building as a first-year student. It was a bit frightening but, having studied economics at high school. I thought I would be building on solid foundations. Then in walks the lecturer, Dr Stilwell, who proceeded to tell us that much of what we had covered at school was limited, even useless. I was a little stunned! Over the next three years, however, as I was exposed to Political Economy (PE) *a la* Wheelwright and Stilwell, I really enjoyed it as an eye-opening experience. Whilst I was always heading toward the teaching profession, my experiences with PE, and perhaps to a lesser extent studies in economic geography, convinced me to move away from being a history teacher to an economics/geography specialist – a good move!

Over the next 30 plus years, I plied my trade across three states starting in NSW, then NT and finally WA, where I am now retired - as a well looked-after superannuant boomer.

Looking back over my teaching career, it is interesting to reflect on how my studies in PE assisted or hindered me as a 'garden variety' high school teacher. Under the rather restricted guidance of the various states' curriculums, I was largely focussed on shaping young minds to the wonders of neoclassical and Keynesian economic theory – without much lateral educational movement – passing exams was the goal in any case!

As any Year 12 economics teachers (current or past) will know, the standard curriculum requires that lots of rules, 'laws' and graphs have to be crammed into the heads of our young people. At the core is a strong emphasis on 'the market' and its 'invisible hand' (magic tricks)! The primary focus on getting good HSC 'outcomes' severely limits what can be done to foster a broader perspective on what is really going on in economic reality. Nor is the curriculum conducive to a pluralist education in which views outside the economic mainstream can get a hearing.

So, the challenge was how to provide young and eager minds more breath of real world understanding within those curriculum constraints. Sadly, I did not have much success (to be perfectly honest) but there were some topics and concepts that needed that extra dimension: for example, the social and environmental impact of unabated economic growth. Providing a non-neoclassical, even radical, view was not easy – sometimes done covertly.

Providing alternate views also needed to be reflective of the (student) audience. For example, I recall one experience when I was teaching in Alice Springs (NT) and introduced a class of largely American students (children of Pine Gap workers...yes that's right) to critiques of the GNP concept and the assumption that economic growth is always necessary. Debate was somewhat 'vigorous' but it was worthwhile. I would have loved to invite Dr Stilwell and others from Sydney University to that year and some of my other Year 12 classes to provide some alternative and impactful perspectives!

For an economics teacher, the broader PE educational background undoubtedly gives perspective above all else. PE certainly influenced how I considered whether all the mainstream economic theory really did stack up with reality! Providing students with a balanced view of the socio/politico economic world is not easy, however, because teachers can't just 'run off course' from the curriculum – not if you want to keep your job.

Perhaps the ultimate lesson is that, although problematic, teachers can facilitate students to keep an open mind as to the veracity of economic theory within their own world. I see now that there are methods and media that could have been deployed; but I now leave that to younger advocates out there. How well we as ex-PE educators do and have done in this endeavour, only time will tell.

## Stephen Long

I will be forever grateful to Kevin Bolton, a teacher at my high school, for encouraging me to study political economy at university. ‘PE’ – as we called it – has informed my work throughout a long career in journalism covering economics, business, ecological issues, and industrial relations. I don’t think I would have been nearly as good a journalist without it.

Arriving at Sydney University Orientation Week in early 1983 as a teenager from a state school in the suburbs, I first made a beeline for the Debating Society, where the topic for debate was ‘That a good woman is better, even, than a cow’. Recoiling in horror, I crossed the campus and searched for the political economy stand at the Merewether building; I found my people.

While all the PE staff had much to offer, the late Ted Wheelwright and Frank Stilwell were especially gifted teachers. Lectures on the crisis in global capitalism and on the power of transnational corporations were revelatory and inspiring. We were analysing ‘globalisation’ before the word was invented. The critique of mainstream economics that political economy offered made sense of the disquiet I had felt studying the subject at school, with its emphasis on ‘firms’ and ‘individuals’ – untroubled by notions of class or power. As PE students, we devoured a smorgasbord of paradigms: Marxist, institutionalist, classical, neoclassical; reading among others, Sweezy and Baran, Andre Gunder Frank, Susan George, and J. K. Galbraith.

Decades later, as an economics journalist, studies of Schumpeter and Minsky in political economy helped me understand and forecast the global financial crisis; while Harry Braverman’s analysis of Frederick Winslow Taylor’s time and motion studies enabled me to see the neo-Taylorist character of electronic sweatshops that use algorithms to direct, control, and deskill labour.

Alongside the study was the activism. I wasn’t there when the Tactical Response Group of the NSW police force was called in to break up a student-sit in the Merewether building’s staff common room – part of the campaign for a separate department of political economy. I was there, however, when we gathered in force at the University’s main quadrangle, entering the Vice Chancellor’s office before activists, including future PM Anthony Albanese, climbed the clock tower. For a while, I ran the Political Economy Students’ Association – choosing the path of passive resistance

as burly economics students hostile to PE followed me, pulling down and screwing up posters for our events. Paul Cleary, an acclaimed journalist who studied political economy during the same era, recalls – with much mirth – seeing me rallying the students at the end of lectures, decked out in a string vest (apologies, it was the 1980s).

Over the decades, during a long career in journalism, at Fairfax then at the ABC, I have maintained contact with scholars from political economy, often shooting the breeze about issues and drawing on their insights. Emeritus Professor Dick Bryan has been a particular friend and mentor. He featured on camera and on air in several of my investigative stories, and I was privileged to participate in the Australian Working Group on Financialisation he convened. More recently, for a critique of the Reserve Bank, I've drawn on the work of current political economy staff Gareth Bryant and Mike Beggs, as well as political economist Ben Spies-Butcher.

As it happens, I was in the Merewether building, catching up with some political economy staff, when news broke in the late 1990s that Joe Stiglitz had quit as chief economist of the World Bank after infuriating the US Treasury and the International Monetary Fund with his blunt criticisms of the 'Washington consensus'. Last year, Stiglitz toured Australia as part of 30<sup>th</sup> anniversary celebrations for The Australia Institute, a public policy think tank where I now work as Senior Fellow and Contributing Editor. I was honoured, in that capacity, to arrange a meeting between Professor Stiglitz, Frank Stilwell, and current members of the Sydney University political economy staff. It was a stimulating discussion, though the fine tea and fancy canapes in the hotel where we met seemed a little at odds with my notion of political economy. At the risk of creating an oxymoron, it is a fine, radical tradition. Long may it continue.

### **Amanda McCormack**

The attacks on the discipline of political economy at Sydney Uni continued into the 2000s, when there was a massive university restructure that significantly changed the Faculty and School structures that had existed. At that time, I was President of ECOPSOC (the political economy students' society). It fell onto us – the Society's executive and members – to sort through this mess and to campaign for the continuation of the political economy program. Our meetings became bigger and bigger – the

usual Tuesday night meetings at Hermann's bar eventually needed to be held outside on the lawn because we simply couldn't fit inside.

The campaign was energetic – we had a dedicated issue of *Honi Soit*, we lecture bashed, we raised the issue at all relevant fora, and we held rallies. That time was a whirlwind of activity and one which flew by in what seems like an instant. But an interesting development came out of it – the interest that students showed in getting elected to School and Faculty board positions so that they could participate directly in the deliberations and decisions of those boards, let other students know about discussions and decisions, and run campaigns about decisions that would affect them and future students. The political economy courses were again saved, and a Department of Political Economy was established for the first time, as part of a shift from the Faculty of Business into the Faculty of Arts and Social Services, where it is still a beloved discipline.

I enjoyed my time as an undergraduate student, but it was also good to finally graduate, including with Honours in political economy, and make my way outside the lecture halls. Post university, I embarked on a different adventure. I have held two paid jobs subsequently, one of which I am still in – as a policy and research advisor for a member of the upper house of the NSW Parliament. The common thread of both jobs is that they involve social and economic policy and research.

The nature of political economy means that you can grasp, analyse, and understand the complexities of social and economic policy issues. The discipline also encourages thinking outside of the policy 'silo' because the multiplicity of tools and studies that political economy provides helps to identify trends and problems as well as possible solutions. You also understand the limitations of analyses and the difficulties of projecting into the future. I have also found undergraduate political economy beneficial to undertaking postgraduate studies in orthodox economics.

The paid work I have done and am doing has taken me on an adventure that I wasn't sure where it would go, and I still don't know what the future looks like. The policy and research work I have done has been interesting and spans across different areas that affect people's everyday lives. This work has also meant that I have met a broad range of people who have taught me, mentored me, and helped shape me to do better social and economic policy and research.



I have been involved in a raft of things – being the lead on a research grant investigating aged care and home support workers; shaping industrial relations policy, particularly around migrant workers and gig workers, and low wage jobs in the labour market; local government and roads funding; investigating the impacts of worker and materials shortages on government projects and the housing construction sectors; being involved in research on fair trade and supply lines; tax policy; interest rate policy, and a whole lot more.

I would also like to give a shout out to three academics that took an interest in and helped mentor me during my studies in political economy—Professor Dick Bryan, Dr Joseph Halevi, and Dr Susan Schroeder. Thanks to the three of them, I maintain an interest in monetary, industry, and fiscal economics and policy, and their developments.

### **Alison Pennington**

Growing up in a working-class family of six in Adelaide’s western suburbs, economics wasn’t an abstract exercise, but part of understanding the Howard-era ecosystem of power relations around us – supermarket giants cannibalising corner stores, union-busting employers cutting wages, and governments privatising public goods and reducing Centrelink payments. I had a burning drive to understand why hard-working people like us and those in our community struggled to secure the basics of life, and how material deprivation stole dignity from very good people.

My journey to formalising that raw anger through university education started with social sciences at the University of Adelaide. But the tidal waves of postmodernism and political ‘science’ were in-vogue in the 2010s, and I wanted new tools to front-foot the real-world problems that I saw everywhere around me.

I remember the day I stumbled across the landing page for the University of Sydney’s Master of Political Economy. Scanning the academic staff and their research areas, I couldn’t believe this inquiry was happening in Australia, and within reach! So I went to Sydney and did it, completing the Master of Political Economy program a decade ago. Since then, I have worked in roles across government, unions, think-tanks and politics in search of answers to questions of economic policy that serves the people, and economic democracy. Each role has layered new knowledge and

experience of effective interventions from different vantage points in the system. And this journey will continue over my lifetime.

I scored my first full-time, secure job in the federal public service with the Department of Finance in Canberra, where I cut my teeth as a policy advisor in foreign affairs, customs and trade. Having been exposed to the wreckage of APS neoliberal ‘reform’, I then turned my focus to rebuilding public sector unionism as a National Organiser for the Community and Public Sector Union (CPSU). Working within unions, I acutely felt the strategic challenge of forging a vision for an economy operating in the interests of workers, and wanted to contribute more effectively to forging that vision.

While organising workers at the coalface of Australia’s restrictive industrial relations laws with the CPSU, I researched the impact of those laws on the collapse of enterprise bargaining for the think-tank the Centre for Future Work, within the Australia Institute. I went on to work as the Senior Economist with the Centre for four years, working in proximity to unions and social movements developing economic strategy and popular interventions in the interest of workers. I published research across a wide range of topics including the future of jobs, skills and training, industrial relations, public sector jobs, and the role of government. I performed regular media interviews in television and radio, published analysis in mainstream publications like *The Guardian*, delivered university lectures, testimony to government and regulatory bodies, and led education and training to union members in economics.

In 2022, I became an Adjunct Senior Research Fellow in Politics, Philosophy and Economics with La Trobe University. In the same year, I wrote the book *Gen F’d: How Young Australians Can Reclaim their Uncertain Futures*, tracking the decline of the ‘fair go’ for young Australians under neoliberalism and how to fight back, outlining what the new infrastructure of economic opportunity could look like in good jobs, social housing, a stronger tax system that taxes wealth, and a reimagined income support system.

After writing that book, I went back ‘inside’ the institutions, working as Deputy Chief of Staff and senior advisor to Tony Burke, and then Director of Economics and Employment with Murray Watt – the two federal Ministers who’ve held the Employment and Workplace Relations portfolio in the Albanese government. This privileged role has been an incredibly fulfilling, illuminating experience, and would not have been possible

without my firm grounding in political economic inquiry (alumni of which include the current Prime Minister Anthony Albanese).

Finding alternative ways to organise the economy in terms more favourable to the mass of people requires people who understand political economy both on the inside and outside. With more people armed with this knowledge and working together across institutions, social movements, and Parliament we can tackle Australia's myriad challenges and forge a new path for the country.

### **Darren Rodrigo**

Some of the most defining moments in life happen by accident. My life-changing encounter with political economy at the University of Sydney was one of them.

After high school, unsure of my future, I took a job as a porter at Lilianfels, a five-star hotel in the Blue Mountains. I spent my days carrying suitcases and parking luxury cars, earning \$11 an hour while guests spent \$800 a night. I couldn't help but ask: why was my life so different from theirs? Education seemed to be the key. The guests had degrees and lucrative careers; I was a low-wage worker. So, with ambition in my heart, I enrolled at the University of Sydney, aiming for an economics and finance degree – my ticket to wealth.

I had no deep understanding of what political economy was. I picked it mainly because I thought it would give me credit towards my eventual economics degree. That choice changed everything. Had I gone straight into mainstream economics, I have no doubt I would have found it so uninspiring that I might have dropped out. Instead, my first semester of political economy, with (then) Dr. Frank Stilwell, was like an intellectual awakening. It was the first time I'd felt truly engaged, as if I had been jolted awake. Studying political economy, industrial relations and sociology didn't just transform my education – it altered the entire trajectory of my life.

By the end of my first year, I had abandoned my plan for a career in finance. Instead, fired up by my studies, I was drawn towards progressive politics, particularly in service of the working class. I transferred into the Bachelor of Economics (Social Sciences) degree and joined the political economy honours program.

Political economy didn't just shape my worldview; it sharpened my ability to think and write critically. It is the foundation of every success I've had since. The honours thesis was an intellectual crucible, refining my analytical skills but, like many graduates, I faced the anticlimax of struggling to land a full-time job. Again, political economy intervened. I was offered the opportunity to teach first-year students – passing on the knowledge that had transformed me – and worked as a research assistant to Frank Stilwell, while still pulling shifts in hospitality to pay the bills.

At that time, political economy at Sydney University was under attack. Enrolments were down, opposition from conservatives within the Faculty of Economics was ongoing, and the program's survival was in question. Working with Frank, I led a campaign to promote political economy to career advisors, high school teachers, and incoming students. We printed flyers, organised student advocates, and spoke to prospective students directly. That year, enrolments surged, and the program lived on – eventually finding a permanent home as a distinct discipline in the School of Social and Political Sciences.

My teaching credentials in political economy helped secure my first professional role as a Labor staffer in the NSW Government led by Premier Bob Carr. From 2004 to 2011, I served as a policy advisor and eventually a Chief of Staff, writing speeches that pushed back against conservative attacks on progressive institutions and analysing policies through the lens of their impact on working people. Later, I joined Bill Shorten's office as a senior policy advisor during the Abbott years, when political resistance was critical.

I then transitioned into consulting, first with Essential Media – famous for the 'Your Rights at Work' campaign that helped topple the Howard Government – and now with the Shape Agency, where I support unions and NGOs in their advocacy work. More recently, I achieved a long-held goal of entering elected office, becoming a Labor Councillor for the City of the Blue Mountains, where I now live and raise my family. So, I'm back in the region where I started work as a hotel porter, but in a very different role where I can, hopefully, make a difference to the society, economy, environment and overall wellbeing of the area.

Political economy didn't just teach me the right questions to ask about the world – it gave me the fire to do something about it. For that, I will be forever grateful to the study of Political Economy and the people who made my education possible.

## **Anna Samson**

It is not an overstatement to say that my decision to study political economy at the University of Sydney was the most influential choice of my personal and professional life.

I am the daughter of a former Catholic nun who arrived in Australia under the Columbo Plan to study nursing and raise three children on her own in Sydney's western suburbs.

In 1999, I received a scholarship to study a Bachelor of Laws and Economics (Social Science) at The University of Sydney. I was the first person in my family to attend university.

At the Law school I was exposed to the closest thing Australia has to an aristocracy: young men and women used to failing upwards and asserting without a shred of self-awareness that they would one day be Secretary-General of the UN. I quickly discovered that, while education could help me transcend my class status, it would never allow me to truly escape it, at least not without a fight.

The memory of attending my first political economy lecture is indelible: I sat transfixed through an overview of the history of economic thought. The economics I had studied in school was taught teleologically: although I suspected that there must be some disagreement in the ranks, I had been led to believe that the dominant economic theory was dominant because it was right.

But in my PE classes I learned that economics was a far from settled science. It was contested space – contested by people like me who not only wanted a better explanation of the realities they observed, but who also weren't content allowing those realities to persist. We didn't just imagine a better world, we had evidence showing why it was necessary, and we were prepared to do the work to bend the arc of history in that direction.

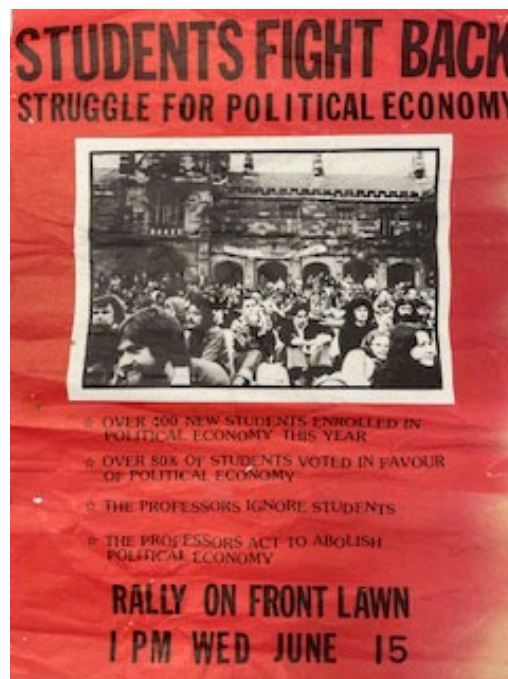
Studying PE encouraged me to stand on the shoulders of others who dedicated their lives to building a more just world. It motivated my decisions to work as a community organiser and in humanitarian advocacy around the world for more than two decades.

PE helped me understand how legacies of colonialism and extraction work to reproduce disadvantage and dependency at an international scale, destabilising communities and fuelling conflict. It prompted my doctoral research on military humanitarian interventions and mass atrocity

prevention. As a strategy and business transformation consultant, I drew on my PE lessons about the military industrial complex and technocratic decision-making. 25 years later, a PE-based approach to markets is foundational to my current work in knowledge valorisation and research commercialisation.

When I chose to start a family, political economy prepared me for the frustration of my reproductive labour never being fully valued by the contemporary labour market. PE gave me the tools to appreciate how big picture economic theory reflects and affects the political dynamics frequently on display in workplaces, neighbourhoods and families.

PE taught me the importance of critical thinking, of never blindly accepting orthodoxy, to always look for the interests behind the evidence and act with responsibility and compassion; lessons I will pass on to my daughters as they forge their own place in this world.



# POLITICAL ECONOMY FOREVER?

Steve Keen

As an active participant in the events that led to the formation of the *Department of Political Economy* at The University of Sydney in 1975, and as someone whose life was transformed by those events, I am delighted to contribute to this special anniversary issue of *JAPE*. Looking back after more than a half-century's life experience in economics, I now appreciate how unique and important those events were.

By the time the Political Economy dispute erupted in 1973, there had been sufficient intellectual progress in economics to justify the overthrow of the Neoclassical paradigm. It persisted not because it was correct but because its adherents were intransigent, and because its pseudo-scientific mumbo-jumbo supported the capitalist ruling class, even though it was wildly wrong about the actual nature of capitalism. It remains undead today for the same reasons.

## Exposing the shaky foundations

Thorstein Veblen's attack on Neoclassical economics in *Why is Economics not an Evolutionary Science?* was published in 1898, the same year as Alfred Marshall's declaration that evolution, and not equilibrium, was the preferred analytic framework for economics:

in the later stages of economics, when we are approaching nearly to the conditions of life, biological analogies are to be preferred to mechanical [...] The Mecca of the economist is economic biology rather than economic dynamics (Marshall 1898: 43)

And yet the equilibrium fetish of the Neoclassical school has only gotten more extreme with time.

Keen, S. (2025)  
'Political Economy Forever?'  
*Journal of Australian Political Economy*  
No. 95, pp. 39-61.

Piero Sraffa's (1926) logical critique of Marshall's fallacious theory of the firm occurred in the 1920s, followed by decades of empirical research which established that real-world firms do not experience rising marginal cost, as Neoclassical theory assumes, but constant or even falling marginal cost (Besomi 1998; Lee 1981; Wilson and Andrews 1951; Blinder 1998). And yet the fiction of rising marginal cost still reigns supreme today, not only in microeconomics, but even in 'micro-founded' macroeconomics.

On the demand side, neoclassical economics has been similarly resilient to criticisms. Gorman (1953) and Samuelson (1956) committed classic 'own-goals' in the 1950s, when they inadvertently proved that a market demand curve could be guaranteed to slope down in price like an individual demand curve if, and *only* if, both 'all men' and all commodities were identical:

The necessary and sufficient condition quoted above is intuitively reasonable. It says, in effect, that *an extra unit of purchasing power should be spent in the same way no matter to whom it is given* (Gorman 1953: 64, emphasis added). Samuelson acknowledged its unlikelihood:

The common sense of this impossibility theorem is easy to grasp. Allocating the same totals differently among people must in general change the resulting equilibrium price ratio. *The only exception where tastes are identical, not only for all men, but also for all men when they are rich or poor* (Samuelson 1956: 5, emphasis added).

And yet economics textbooks still teach students that downward-sloping market demand curves can be derived from downward-sloping individual demand curves – though one textbook does at least caution that this conclusion requires the existence of 'a benevolent central authority' which 'redistributes wealth in order to maximize social welfare' (*Mas-Colell et al.* 1996: 117) before market trades occur!

Sraffa's (1960) proof that the distribution of income had to be based upon relative bargaining power, rather than 'marginal productivity' led to the *Capital Controversies* (Pasinetti *et al.* 2003) in the 1960s, in which no less a Neoclassical than Paul Samuelson ultimately conceded defeat:

Pathology illuminates healthy physiology. Pasinetti, Morishima, Bruno-Burmeister-Sheshinski, Garegnani merit our gratitude for demonstrating that reswitching is a logical possibility in any technology [...] There often turns out to be no unambiguous way of characterizing different processes as more 'capital-intensive,' more 'mechanized,' more 'roundabout,' except in the ex post tautological sense [...] *If all this causes headaches for those nostalgic for the old time parables of*



*neoclassical writing, we must remind ourselves that scholars are not born to live an easy existence. We must respect, and appraise, the facts of life* (Samuelson 1966: 582-3, emphasis added).

And yet economics textbooks – including Samuelson’s – continued to teach the myth of marginal productivity as the basis of income distribution. There were, therefore, enormous currents of justified criticism of mainstream Neoclassical economics in general, and of the teaching of it in particular, before the dispute at Sydney University began.

### **The dispute at Sydney University**

Its genesis can be traced to 1968, when a Neoclassical economist – Bruce Williams – became Vice-Chancellor at Sydney University, and then promptly appointed two other Neoclassical economists – Colin Simkin and Warren Hogan – as Professors to *deform* (not a typo) the Department of Economics away from its humanist and Keynesian foundations. The authoritarian manner in which they imposed an extreme and mendacious Neoclassical curriculum on an, until then, relatively harmonious and democratically managed department, led to numerous staff (and students) being disgruntled and eager for change.

The student component of the Political Economy struggle owes its primary thanks to Professor Colin Simkin. Simkin was the main designer of the course that he and Hogan imposed on the Economics Department; *and it was boring* in both structure and content. All the first year was devoted to Micro and Quantitative Economics; Macro was the only topic for second year; and International Economics occupied third year – relieved, partially, by Ted Wheelwright’s brilliant lectures on the history of economic thought. Ted effectively summarised the student reaction to this Neoclassical curriculum with his quip about Neoclassical economists ‘tobogganing up and down their indifference curves until they disappear up their own abscissas’. Even the staunchly Neoclassical Neil Conn concluded his lectures in the first term of 1971 by declaring that we had covered the topic of Neoclassical demand theory ‘in excruciating detail’ – minus, of course, the details about its false assumptions and logical fallacies noted above.

Simkin gave the core Macro lectures, and he was a dreadful lecturer – so much so that we used to invite friends from other disciplines to attend, just to experience just how bad he was first-hand. This culminated in Simkin

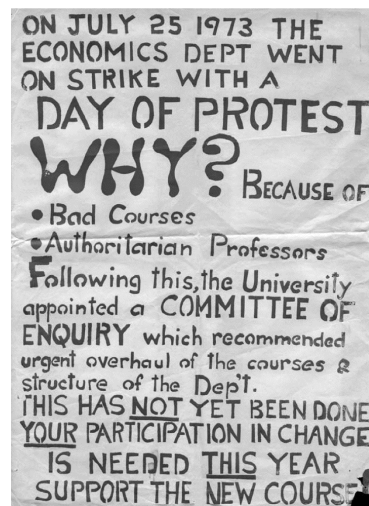
walking out of his own lecture in mid-1972, because it was obvious, from the deafening hubbub in the lecture hall, that no-one was listening to him. Simkin's own book *Economics at Large* (Simkin 1968) was the textbook for the course. Not only was its prose turgid, but its numerous equations had numerous mathematical errors, which led to Simkin starting each lecture with errata to his own book. His 'walkout' lecture commenced with me asking him, from the front row of Merewether Lecture Room 2, to produce an errata booklet to save us the trouble of amending his text every lecture. He declined – and invited me to do it myself. At the very moment that he staged his Professorial walkout, a medical student friend of mine was doodling daisies on my shoulder to relieve the boredom. In the later 1970s, one student activist (from memory, Bruce Lanahan) noted how radicalising an experience it had been to be lectured by Simkin. By saving future Political Economy students from that fate, we denied them a taste of what had motivated the creation of the Political Economy course in the first place.

As for Professor Warren Hogan, well, he fancied himself as a future Vice-Chancellor. He later lamented that he would have achieved his ambition had it not been for the student protests. His attempts to negotiate a settlement with student activists, while simultaneously refusing to change the curriculum, ended up turbo-charging the revolt. When students laughed at one of Hogan's comments at a 'town hall' meeting he was chairing in the Professorial Board Room, Hogan commented that 'You're welcome to laugh at that, it's your privilege'. One until-then uncommitted Honours student exclaimed that 'It seems to be the only one we've got'. Hogan's challenge that 'if you think you can design a better course, go ahead' led to us doing precisely that – drafting what became the first-year unit in Political Economy in 1975.

Vice-Chancellor Williams supported his chosen Professors at every step, but in the post-Vietnam War days of 1973, this was merely waving a red rag to a bull. Students who had been protesting The War and The Draft until the end of 1972, and who now faced neither conscription nor university fees, thanks to the abolition of both by the Whitlam government – and enjoying buoyant employment prospects at the time, with unemployment falling from 2.6% to 2.1% over the course of 1973 – turned their energies to reforming their education. Williams' support for the Professors had the opposite effect to what he intended.

The revolt was the first ever successful revolt by economics students against Neoclassical economics anywhere on the planet, and it led to the formation of a full program of political economy courses, whose 50<sup>th</sup> anniversary we celebrate in this special issue of JAPE (and, eventually to the creation of the Department of Political Economy). Of course, we didn't know what would happen, back in July 1973, when 300+ students enthusiastically responded to the proposal by my fellow Economics student Richard Osborne to hold a 'Day of Protest' against the boring and delusional theories we were being fed. But on that day – 25 July, 1973, which I regard as marking the start of the revolt – we experienced the thrill of openly challenging our professors, giving alternative lectures, marching, chanting, waving banners, partying, and, on notable occasions during the following couple of years, occupying the Vice-Chancellor's office and the staff room of the Merewether building.

**Figure 1: Poster celebrating the Day of Protest at Sydney University in 1973 (poster created by Rod O'Donnell)**



**Figure 2: Political Economy Students' Society members protesting at Sydney University's main quadrangle in 1975**



**Figure 3: Political economy activists occupying the Vice-Chancellor's Office in 1975**



It was an exciting and life-changing experience for us all – for me more than most, since I devoted the rest of my life to continuing the rebellion we started in 1973.

The buzz of optimistic rebellion is hard to explain to today's harassed students, flitting between one part-time job and another as they try to pay their student debts. In 1973, it felt like real change was possible.

*What do we want?*  
***Political Economy!***  
*When do we want it?*  
**Now!**

**Figure 4: Political economy student activist Mike Brezniak addresses a protest in the Main Quad in 1974. Steve Keen is on the right and Laurie Ferguson at the rear.**



## Worldwide challenges

After the successful revolt at Sydney, nothing like it happened again for over 25 years, until French students created the *Protest Against Autistic Economics* (PAECON) in September 2000.

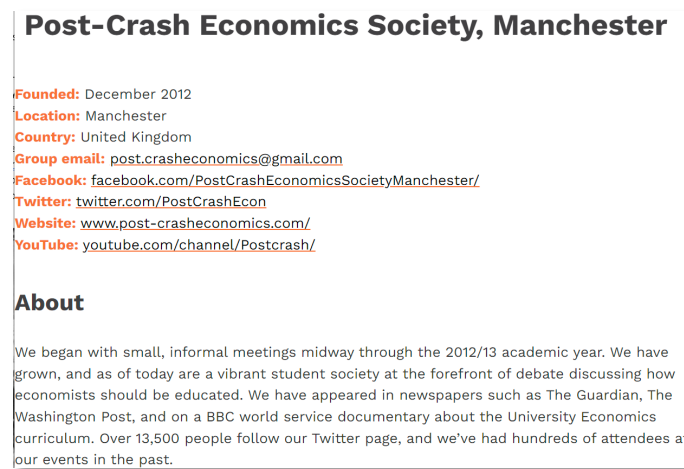
**Figure 5: Manifesto of the students who established the Post-Autistic Economics Society in France in 2000**



Then, in the wake of the Global Financial Crisis, came the walkout by students from Gregory Mankiw's first year economics lectures at Harvard in 2011. Another year passed before students at Manchester University in the UK formed the *Post-Crash Economics Society* to revolt against their Neoclassical curriculum in the aftermath of the crisis.

All these protests had the same motivation. To quote from the first issue of the *Post-Autistic Economics Newsletter*, the French protesters called for 'an end to the hegemony of neoclassical theory and approaches derived from it, in favour of a pluralism that will include other approaches, especially those which permit the consideration of 'concrete realities'.

**Figure 6: Establishment of the Post-crash Economics Society in Manchester, UK, in 2012**



Each of these subsequent protests was successful to some degree. The French students' protest gave birth to the *Real-World Economics Review*, which is still going two decades later. The Manchester protests led to the formation of *Rethinking Economics*, which supports students around the world who are dissatisfied with the state of economics today. The Harvard walkout played a role in the establishment of INET's *Young Scholars' Initiative*. These successes have kept the challenge to Neoclassical economics alive, long after the protests which gave birth to them ended.

Unfortunately, more than 50 years after our Sydney protest, that same Neoclassical hegemony is alive and well – or, at least, undead. The pedagogy and paradigm that we railed against in the 1970s has evolved into something even more absurd and anti-realistic than the absurd and anti-realistic dogmas we protested against in 1973 (Krueger 1991). So, since the objective of our protests was to replace the fantasies of Neoclassical economics with a realistic approach to economics, they have, in this sense, failed. While political economy has continued and developed, the mainstream is as dominant as ever – despite its numerous deficiencies at the time and since.

I had hoped, during those subsequent years, that a clear failure by Neoclassical economics would help expose it for the fraud it is. I thought that the failure to realise, in the Noughties, that a serious economic crisis was imminent (Keen 2006, 1995, 2020b), would permanently tarnish the status of conventional economics. Not only did Neoclassicals not realise that a crisis was imminent, they thought that they had eliminated the very possibility of crises. Janet Yellen, later to become head of the US Federal Reserve, speaking at the annual Hyman Minsky Conference at Bard College in the USA in 1996, declared that ‘The “New” Science of Credit Risk Management at Financial Institutions’ made another Great Crash like that in 1929 an impossibility, let alone a repeat of the Great Depression. Thirteen years later at the same venue, she admitted her mistake (Yellen 2009). But despite this, another 15 years later, she still supports the same policies that preceded the crash of 2007.

**Figure 7: Paul Romer, recipient the ‘Nobel’ Prize in Economics in 2018, criticising Economics two years earlier**

### *The Trouble With Macroeconomics*

PAUL ROMER  
Stern School of Business  
New York University

Wednesday 14<sup>th</sup> September, 2016

#### **Abstract**

*For more than three decades, macroeconomics has gone backwards. The treatment of identification now is no more credible than in the early 1970s but escapes challenge because it is so much more opaque. Macroeconomic theorists dismiss mere facts by feigning an obtuse ignorance about such simple assertions as "tight monetary policy can cause a recession." Their models attribute fluctuations in aggregate variables to imaginary causal forces that are not influenced by the action that any person takes. A parallel with string theory from physics hints at a general failure mode of science that is triggered when respect for highly regarded leaders evolves into a deference to authority that displaces objective fact from its position as the ultimate determinant of scientific truth.*

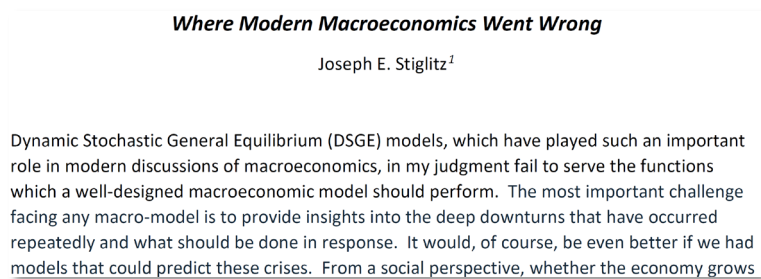


Similarly, when speaking as the incoming President of the *American Economic Association*, Robert Lucas – one of the fountainheads of modern Neoclassical macroeconomics – made the following bold and utterly false statement in his Presidential lecture at the end of 2002:

Macroeconomics was born as a distinct field in the 1940's, as a part of the intellectual response to the Great Depression. The term then referred to the body of knowledge and expertise that we hoped would prevent the recurrence of that economic disaster. *My thesis in this lecture is that macroeconomics in this original sense has succeeded: Its central problem of depression prevention has been solved, for all practical purposes, and has in fact been solved for many decades* (Lucas 2003: 1, emphasis added)

Two decades later, despite the failure of Neoclassical ‘Dynamic Stochastic General Equilibrium’ models to anticipate the biggest economic crisis since the Great Depression, and despite Nobel Laureates like Paul Romer and Joseph Stiglitz rubbishing them, DSGE models are still the workhorses of Neoclassical economics.

### Figure 8: Joseph Stiglitz, another ‘Nobel’ Winner, criticising Economics in 2018



### Explaining the durability of Neoclassical Economics

Today's Economics students are still required to learn these arcane and misleading models, as if the crisis they failed to anticipate did not occur. Why has Neoclassical economics persisted, despite its many failures?

Mainly because, as Max Planck put it, a real science overthrows a false paradigm, not by persuading existing believers to change their minds, but by generational change:

It is one of the most painful experiences of my entire scientific life that I have but seldom – in fact, I might say, never – succeeded in gaining universal recognition for a new result, the truth of which I could demonstrate by a conclusive, albeit only theoretical proof [...] *A new scientific truth does not triumph by convincing its opponents and making them see the light, but rather because its opponents eventually die, and a new generation grows up that is familiar with it* (Planck 1949: 22-4, emphasis added)

Generational change occurs in sciences because, once an anomaly is discovered that contradicts a key prediction of the dominant paradigm, the anomaly exists forever. Once the Michelson-Morely experiment disproved the theory of the aether – a substance that, according to the Maxwellian theory of electromagnetics, was supposed to fill a vacuum to enable light waves to be transmitted through it – then students could replicate the anomaly for themselves. With a new paradigm in the making, but with professors teaching the old one despite its failure, science students would be almost unanimous in their opposition to what they were being taught. But, rather than striking against their education, as we did, all they had to do was wait. When it came to replacing the professors, when they retired or died, the only candidates were top students who accepted the new paradigm and rejected the old.

Unfortunately, in economics, anomalies are historical and transient, rather than eternal and reproducible. The Great Depression, WWII, the post-War ‘Golden Age of Capitalism’, the 70s Stagflation, the 80s stock market bubble, the 90s recession, the Great Recession, now the post(?)–COVID boom and inflation... Each new crisis knocked the previous one off its pedestal. The fact that Neoclassical economics cannot explain the Great Depression – or that it has an explanation which is an insult to anyone who lived through it (Prescott 1999) – doesn’t matter to any modern economist who is working today’s issue of inflation. Old failures can be forgotten.

Just as importantly, the underlying Neoclassical vision of capitalism is a highly seductive one. It depicts a meritocracy in which what you earn is what you deserve, where harmony rules because of equilibrium, and which is free of coercion: there’s no need for government control when the market works ‘perfectly’. Therefore, even if some students break away from Neoclassical economics because of one of its failures, enough ‘true

believers' can be found in the student body to replace existing 'true believers' when they retire.

I spent my late teens fighting against believers in Neoclassical economics who were then two to three times my age – and, though I challenged them vigorously, part of me felt that, being older and more experienced, they must know more than I did. Now in my seventies, I am still fighting believers in Neoclassical economics who range from being my contemporaries (Paul Krugman is one month older than me) to being one third of my age. I *know* they know less than I do, not only about economics in general, but even about their own school of thought. But they teach at Harvard and Cambridge, while I and fellow critics labour at lowly ranked universities with excessive teaching burdens and fragile finances.

Funerals, therefore, aren't sufficient to cause a true scientific revolution in economics. The generational change that enables new paradigms to emerge in sciences does not occur in economics.

The final factor that enables economics to escape the revolutionary change it desperately needs is rather ironic: myths in economics survive because, despite the dominance of our politics by economic ideas, you don't need economic theory or economists to have an economy. The economy exists independently of economists – and would probably function a lot better if economists simply didn't exist. In contrast, engineering doesn't exist independently of engineers: you need engineers to create the technological marvels the rest of us take for granted, and when something goes wrong with the things that engineers create, engineers face real consequences: a collapsing bridge fingers the engineers who didn't take account of its harmonics, and a crashing plane implicates the engineers (or their managers) who approved a faulty design.

To use Nicholas Taleb's phrase, economists don't have any 'skin in the game': they don't suffer any serious consequences when their advice is badly wrong, and there is a myriad of complicating factors that they can point at to explain away any failure. Ironically, the fact that economists aren't strictly necessary is something that gives them great power. They are the witchdoctors of capitalism, holding the leaders of our society in their thrall as they read the entrails of their Dynamic Stochastic General Equilibrium models, while at the same time they have no idea how that society actually works.

**Figure 9: The Political Economy struggle, as reported in the *Sydney Morning Herald*, July 1974**

# War of the economists

By GAVIN SOUTER

IT IS NOT often that academic strife reaches the stage of seeming able to tear a faculty apart. But when it does, as now in the Department of Economics at Sydney University, the bitterness and waste of time are awful.

Sydney University has had this sort of strife before — notably in its Department of English, over Dr Leavis's peculiar brand of literary criticism, and more recently in Philosophy, over the teaching of Political Philosophy.

In each case hostilities were limited, and did not affect the rest of the Faculty of Arts. Professor G. A. Wilks routed the Leavitts, and Professor D. M. Armstrong was only too glad to have his dissidents off into their own Department of General Philosophy.

The trouble at the Department of Economics, which, of course, is in the Faculty of Economics, concerns the teaching of Political Economy. Political economists tend to describe their conventional colleagues as apologists for the status quo — what Karl Marx called "the scientific representatives of the bourgeoisie."

Committed to such "real world" issues as inequality and under-development, they see conventional economics as a sort of medieval scholasticism, obsessed with the question of how many angels can stand on the head of a pin, or rather how many equations can be harnessed to an econometric model of the economy.

In their turn, many of the


Theatre was hardly visible for paper darts.

Professor Hogan defends emphasis on technique, and criticises the proposed PE course for its lack of this in the first two years. "Let's face it," he says, "if you're going to look at economic policy you've got to be able to measure things and have some sense of numbers."

In a statement last month to a meeting of faculty, presided over by Mr Simpson-Lee, Professor Hogan criticised the proposed course for being too varied in first year ("the outcome could not be the acquisition of understanding in any depth as so much would have to be covered in a limited time"), for lacking clarity about what techniques and statistical competence would be called for, and for reflecting only part of the international debate on political economy, the part most commonly handled in Government or Political Science.

With particularly strong support from the Department of Government, this faculty meeting endorsed the PE courses by 26 votes to 10. The full membership of the faculty is about 100, but they had been approved in principle at an earlier meeting by 41 to 12. At a subsequent faculty meeting last week, one of Professor Hogan's supporters, Dr Ian Sharpe, moved that a committee be set up to consider the transfer of Government from the Faculty of Economics to a new Faculty of Social Sciences.

The motion was lost by 12 votes to 13, but the idea of moving Government and the political economists out of the faculty may be explored further.



Mr G. Simpson-Lee      Professor W. Hogan  
Dr F. Stilwell      Professor E. Wheelwright

## DISSIDENT ACADEMICS PLAN 'OUTRAGE' DAY AT SYDNEY UNIVERSITY

So, do I regret organizing *The Day of Protest*, half a century ago? Or being one of those to occupy the Vice-Chancellor's office in 1975? Not at all.

Firstly, though our protest failed to dislodge the mainstream, we were as right about Neoclassical economics being a false paradigm as Galileo was about the Ptolemaic model of the universe — and these days I've taken to referring to Neoclassical economics as Ptolemaic Economics, to highlight that point. One should never regret fighting for truth and against fallacy.

Secondly, it was rewarding hard work. The fifty or so of us students who put The Day of Protest together had never worked so hard in our lives before, and possibly since, and we worked for passion and a commitment to truth, rather than for money. Richard Osborne, who first proposed the idea, became a pivotal part of our negotiating team; Greg Crough, Richard Fields, Graham Kerridge and I initiated the revolt, planned the Day of

Protest, and gave several of the alternative lectures on the day; Bill Nichols responded to the need for banners by producing two 25-metre-long calico banners and numerous smaller ones; Rod O'Donnell churned out posters like an automaton.

**Figure 10: Students doing a 'Ring-around-the-burning-professorial-effigy' at a rally before occupying the Vice-Chancellor's office in 1975**



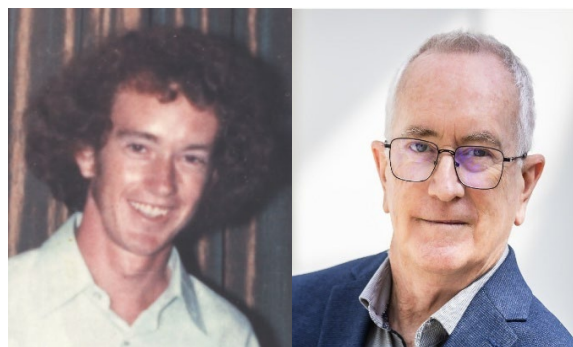
Thirdly, I saw real courage in action. Several of the staff publicly sided with the students: Paul Roberts, Jock Collins, and above all, Frank Stilwell, put their careers on the line by speaking out in our favour, literally in full view of the Professors, on the Day of Protest itself: Hogan and Simkin could be seen watching the speeches in the Quadrangle of the Merewether Building, from the window of Hogan's office. Other academics in the Economics department, including Margaret Power and Geelum Simson-Lee assisted us within the confines of the University's administrative system: Geelum, as Dean, was responsible for subsequently deciding that the vote on whether the Faculty should investigate the

problems in the Economics Department would be a secret ballot (it was passed, 24 votes to 14).

Other staff, including John Burgess, Evan Jones, and Gavan Butler, galvanised us. At a chance meeting in the vestibule to the Merewether Building, Gavan implored me to begin student action the week before the Day of Protest. When I initially rejected his request on the basis that Economics students were too apathetic, he replied that Frank's first year Economics class had voted to support the strike then taking place in the Philosophy department. That exciting news set off the events that led to the Day of Protest itself. Other departments (including Accounting and Government) surreptitiously assisted us with printing facilities – and even proof-reading our leaflets – and most of their staff voted with us on the Faculty motion to investigate the Department of Economics.

Fourthly, it was great, great fun. Hundreds of students attended the alternative lectures we put on, and most stayed for the mother of all parties that finished the evening.

**Figure 11: Me in 1973, a few months before the Day of Protest, and in 2024**



Finally, Political Economy pointed the right way forward - when the world was about to embark on a Neoliberal journey in the opposite direction. We didn't realise it then, but our rebellion in 1973 was the counterpoint to the ascendancy of Neoclassical economics in the world of policy. At the same time, we were trying to pull it down, politicians, administrators and

journalists around the world were succumbing to the fantasies of Neoclassical economics. The stagnant and crisis-ridden decades that followed showed the gap between its promises and the impact of imposing its false beliefs on the real world.

If I had done nothing else of significance in the following 50 years, I could still look back on *The Day of Protest* with great pride and pleasure. So, from my 72-year-old self in 2025 to the 20-year old rebel in 1973, here's lookin' at you, kid. And here's to today's rebel Political Economists as well.

### **'The ruthless criticism of the existing order'**

If we have no business with the construction of the future or with organizing it for all time, there can still be no doubt about the task confronting us at present: the ruthless criticism of the existing order, ruthless in that it will shrink neither from its own discoveries, nor from conflict with the powers that be (Marx 1843).

I would be remiss if I did not note my major criticism of Political Economy as actually practised at Sydney University: its failure to use mathematics both as a weapon against Neoclassical economics, and as a way to help construct a new economics.

Neoclassical economists do not use mathematics: they abuse it. I coined the neologism 'mythematics' to describe what they do, and my colleague Asad Zaman coined the equally apt 'mathemagics'. What Neoclassicals do appears to be mathematics to the uninitiated, but they either use the wrong mathematical tools or start from ludicrous assumptions, or make even more ludicrous assumptions when the results they reach don't have the properties they desire.

This was evident to the engineer Jay Forrester when he first encountered Neoclassical economics. His reflections on the sorry state of mathematical analysis by economists in the mid-1950s are, if anything, even more true of today's Neoclassical diehards:

*Note to the Faculty Research Seminar. From: Jay W. Forrester. November 5, 1956*

During the last three months I have read a small part of the literature on economic models [...] considering it from the viewpoint of one who is new to the field [...]

Present models neglect to interrelate adequately the flows of goods, money, information, and labor [...]

Linear equations have usually been used to describe a system whose essential characteristic, I believe, arise from its non-linearities [...]

Many models are formulated in terms of systems of simultaneous algebraic equations. These impress me as particularly unsuited to the kind of behavior being studied [...]

Very often the model and its results are judged by the logic with which the model is developed out of its founding assumptions, whereas the failures probably lie in those assumptions (Forrester 2003: 329-35)

The experience inspired Forrester to begin the development of *system dynamics* – a method to develop truly dynamic models using flowcharts, which replaced the Neoclassical *ceteris paribus* with the real-world of ‘everything depends on everything else’ (Andersen *et al.* 2007). These techniques lead to radically different mathematical models of the economy than the ‘mythemagic’ nonsense peddled by Neoclassicals. Neoclassicals insist on deriving macroeconomic analysis from microeconomic concepts, not because this is the right thing to do, but because they can’t think of any other way to proceed:

The pursuit of a widely accepted analytical macroeconomic core, in which to locate discussions and extensions, may be a pipe dream, but it is a dream surely worth pursuing. If so, the three main modeling choices of DSGEs are the right ones. *Starting from explicit microfoundations is clearly essential; where else to start from?* (Blanchard 2016: 3, emphasis added).

In fact, physicists realised almost fifty years earlier that it is not, in general, possible to derive a higher level of analysis (such as macroeconomics) from a lower level one (such as microeconomics). As the genuine Nobel Laureate, physicist P.W. Anderson (1972: 393), put it:

The main fallacy in this kind of thinking is that *the reductionist hypothesis does not by any means imply a ‘constructionist’ one: The ability to reduce everything to simple fundamental laws does not imply the ability to start from those laws and reconstruct the universe [...]* at each level of complexity entirely new properties appear, and the understanding of the new behaviors requires research which I think is as fundamental in its nature as any other [...] Psychology is not applied biology, nor is biology applied chemistry [emphasis added].

And nor is macroeconomics ‘applied microeconomics’. Instead, as I showed in ‘Emergent Macroeconomics: Deriving Minsky’s Financial



Instability Hypothesis Directly from Macroeconomic Definitions' (Keen 2020b) and *The New Economics: A Manifesto* (Keen 2021), macroeconomics can be derived directly from indisputable *macroeconomic* definitions.

The macroeconomics that results is anti-Neoclassical. Dynamise the definition of the employment rate and the wages share of GDP and, with reasonable simplifying assumptions – that workers' wage bargaining power is high when the employment rate is high, and that capitalists invest their profits – you get Goodwin's 'growth cycle' model (Goodwin 1967; Goodwin 1966), which itself was inspired by Marx's verbal model of a cyclical economy in Volume I of *Capital* (Marx 1867: Chapter 25, Section 1). Add the existence of a banking sector that creates money when it lends (Moore 1979), and replace the assumption that capitalists invest all their profits with the more realistic assumption that capitalists invest more than profits during a boom, and less than profits during a slump, and you get Minsky's 'Financial Instability Hypothesis' (Minsky 1982). Include government deficit spending and you get a complex-systems version of Modern Monetary Theory (Kelton 2020).

The system dynamics approach can be applied not only to macroeconomics but to the many other social and economic issues that the Department of Political Economy explores (Zaini *et al.* 2017; Mallick *et al.* 2014; Radzicki *et al.* 2009; Pavlov *et al.* 2005; Radzicki 2003, 1988). What's more, these models can be derived using the flowchart logic pioneered by Jay Forrester. You don't have to learn mathematics to use them – though some mathematical training does help.

### **The next 50 years?**

Fifty years of experience with academic economics has taught me that real change in economics will not come from conventional Economics departments. Neoclassicals have driven critical economists out of all the leading Universities, which pushed my colleagues and I into low-ranking Universities where we were at the mercy of government policy changes that were often motivated by Neoclassical thinking. The progressive curriculum that I helped develop at the then University of Western Sydney was terminated largely because of the removal of first year quotas. I subsequently built a strong heterodox program at Kingston University in London, only to see that undermined when the UK government copied the

Australian government's market-oriented *deform* a year or so later. Today, despite significant student interest in alternatives to Neoclassical economics, only a handful of universities around the world offer a non-Neoclassical curriculum.

A major factor behind this decline of heterodox economics, at a time when it should be rising, is the determination of Neoclassical economists at leading universities to drive out heterodox thinkers. This process has turned even Cambridge UK into a mainstream stronghold, when it used to be a bastion of critical thought in economics. The only critical economists left at Cambridge – Ha-Joon Chang (Chang 2010) and Tony Lawson (Lawson 2013) – teach in non-Economics departments.

In this sense, the survival of Political Economy is vital to the continuing development of alternative paradigms that could supplant Neoclassical economics. When you have no Neoclassical economists on staff, nor are any likely to apply, you are therefore, to some extent, insulated from the Neoliberal rot that undermines heterodox economists working in mainstream economics departments. I would be delighted to see the Department of Political Economy exploit that advantage by appointing staff who can teach and develop the system dynamics approach to political economy.

There remains the question of whether society in general, let alone the Political Economy Department, will survive another 50 years. In 2019, I discovered to my horror that a major reason why humanity has done so little to prevent climate change is because some influential Neoclassical economists have simply assumed that it won't be a problem (Keen 2023; Keen *et al.* 2022; Lenton *et al.* 2021; Keen 2020a). William Nordhaus calculated that 3°C of global warming by 2100 will reduce global GDP in 2100 by a mere 3.1% (Barrage and Nordhaus 2024: 3) by, *inter alia*, assuming that a roof – or as he put it, 'carefully controlled environments that will not be directly affected by climate change' – will protect you from climate change (Nordhaus 1991: 930): 'Our estimate is that about 87% [...] of United States national output [...] is produced [...] in sectors that are negligibly affected by climate change'. This delusional nonsense suited the agenda of fossil fuel companies. They have led and financed the war against action, and Neoclassical economists like Nordhaus have supplied them with ammunition to fight that war. They have won in the court of public opinion, as we can see from the election of climate-change-denying leaders across the planet. But they will not win against Nature. The crazy

climatic events we are now regularly seeing across the globe could herald the collapse of human civilisation itself. Some Neoclassicals, like Ross Garnaut in Australia, have been strong advocates of carbon pricing and will doubtless claim that all would have been good had we only followed their recommendations, but others have encouraged complacency in the face of the biggest threat that human civilisation has ever faced. A capitalist market equilibrium mindset is ill suited to addressing an existential challenge.

In this sense, the Political Economy struggle is far bigger than any of us realised, way back in 1975. We are fighting, not merely for more realistic economic theory, but for the survival of human civilisation itself.

Let's keep on fighting.

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## **DISSENTING TRADITIONS AND AUSTRALIAN POLITICAL ECONOMY**

**Geoff Dow**

Although political economists are typically critical of economic orthodoxy, they have diverse approaches to understanding economic issues. The labels heterodox and post-Keynesian acknowledge this diversity within political economy. Disagreement is inevitable, even over the object being studied – an autonomous economy or a managed economy? – and behind that, over evidence, method, interpretation, conclusions and policy implications. Heterodox post-Keynesians share the significant disquiet about the presumptions of mainstream (orthodox) economists that has been there since the discipline first consolidated in the eighteenth century. They have always insisted that important aspects of contemporary ‘market-based’ economies have not been well-captured in conventional scholarship. This intellectual anxiety at the heart of political economy has led to continuing conflict over the types of state intervention (policymaking and institution-building) that can be condoned by the polity, as well as how to accept any non-economic foundations for the economy. The sceptics are unwilling to accept that market outcomes should be regarded as sacrosanct; yet deliberated outcomes are too readily shunned.

Attempts by humanity to consciously revise, transform or transcend what would otherwise occur are, of course, the essence of politics. Politics informs political economy both directly – it sanctions the private *and* public activities that together constitute an economy – and indirectly – it is there to be invoked, or not, whenever remedial or ameliorative actions to alter its priorities become imaginable.

Post-Keynesian political economy emerged as a critique of postwar policy orthodoxy and its conceptual underpinnings. Its advocates were initially

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inspired by John Maynard Keynes and the generation of nation-builders after his death in 1946. They then became discouraged by the renunciation of Keynesian ideas from the 1950s – repeatedly, sometimes cataclysmically, experienced in the decades thereafter. In particular, they attributed cycles in economic activity to fluctuations in (usually) private investment (giving rise, for example, to high or low unemployment); insisting that these irregularities could be tempered (though probably not eliminated) through policy-driven injections of public investment. The post-Keynesian critique of orthodoxy concentrated on institutional and considered mechanisms to publicly manage investment. The dissidents have also explored systemic complications for effective counter-cyclical activity (for example, the demands put upon each sector by its relationship to or effects on other sectors). Specific challenges imposed by the wage inflation after 1974 (to which specific policy responses were imaginable, though under-utilised) have also been a source of contention. Similarities with the recurrence of inflation a half-century later – and intellectual controversy concerning its explanation – continue. Less subject to detailed examination have been the imaginable limits to any public policy in a world where much economic activity is affected by actions beyond national political overview or where policy competences commensurate with the problems are lacking, underdeveloped or compromised.

Tragically, the implied deficiencies in policy effects (lower or less-balanced levels of activity and development) can be attributed to an unwillingness to recognise the interconnectedness between the variable substantive and facilitative conditions that inevitably constitute any mature economy.

Many of the outcomes that non-traditional institutions are committed to alter, both wealth-creating and distributive ones, have been investigated within post-Keynesianism – in parallel with heterodox political economy. Hence sociological, historical, political, even (pre-capitalist) religious and mercantilist perspectives have been deployed. And these have often offered complementary and non-trivial insights into our understanding of how contemporary economies function and dysfunction. The resulting interdisciplinarity now comprises the rich and expanding intellectual traditions in political economy.

## **Australian political economy**

Although fractious debates persist over the extent to which worldly problems can be resolved through politics, Australian theorisation and institution-building aspirations have had more impact than might have been expected. Perhaps this is because our small population and geographic isolation gave rise to a federal system where the need and scope for ‘fiscal-equalisation’ arrangements quickly emerged. The possibility of disassociating capacity to pay from the normal standards and expectations of a civilised society (and then continually enhancing the latter) was similarly appreciated early in the federation’s history. This led to successful practices of regional cross-subsidisation as well as publicly debated and periodically adjusted principles.

Subsequently, the constitution authorised a long-standing system of centralised wage regulation (including bespoke institutions and a role for functionally important collective participants) to subject the level and distribution of income to political determination. These developments were long held as cynosures of Australian progressiveness. Australian policy-makers were unusually optimistic and prepared to experiment (for example, the early franchise encompassed social concomitants and guarantees that proved much more open-ended than initially envisaged, though such enhancement of citizenship was routinely resisted by economic liberals).

As a result, the links between equality and affluence (that the former encourages the latter) were probably understood more readily in Australia than in other pace-setting jurisdictions (such as Scandinavia). A mutual interaction between societal achievement and material development was appreciated here well before it became a more generalised topic of academic excitement in the opening decades of the twentieth century. Many of these provisional though popular strands of policy-making have been rescinded in recent decades.

## **Portraits of Australian political economists**

In 2019, I commissioned Melbourne artist Lewis Miller to prepare a series of five portraits of heterodox and post-Keynesian Australian political economists. The commission was motivated partly by the fact that Australia has for long contributed ‘above its-weight’ to, first, Keynesian,



then post-Keynesian, later heterodox political economy; partly by what seemed to be Australia's increased reluctance to take ongoing intellectual ferment and academic debate seriously; and finally by the somewhat disheartening under-performance (itself not uncontested) of the Australian economy in recent decades – particularly reflected in normal recourse to conventional and austerity-invoking measures (such as monetary policy) in public management.

For a political economist working outside a conventional Economics department (and one trained at least as much in accordance with sociological and political science disciplines, hence implying the interdisciplinary approach of the humanities), maverick traditions offered a more generous and appropriate framework with which to interrogate the problems which had emerged since the turn of the century. These contributions, if recognised, could then potentially be mobilised to counter depredations emanating from the populism and demagoguery witnessed in mature democracies over the same period.

The five chosen 'sitters' were Geoff Harcourt, Peter Kreisler, Joseph Halevi, Frank Stilwell and John Quiggin. All were at or near the end of their careers and unembarrassed by being selected in accordance with the above criteria. The idea of commissioned portraits originated, for me, by having seen Robert Hannaford's impressive depiction of Hugh Stretton at the Art Gallery of South Australia a few years earlier.<sup>1</sup> Social scientists are not nearly as well represented as judges, politicians or pastoralists in publicly available art, a dispiriting situation that I sought to rectify by approaching Lewis Miller who had earlier produced a series of sketches of more than 60 scientists working on the human genome project.<sup>2</sup>

### Five Australian dissenters

*Geoff Harcourt*, in the 1970s, popularised the 'Cambridge critique' of capital – showing that the Economics discipline's attempts to treat it as a

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<sup>1</sup> Now in private collection.

<sup>2</sup> The portraits of all five political economists (each 60cms X 80cms, oil on Belgian linen) are currently in the Noel Butlin Research Archives Centre at the ANU. They are on permanent loan from Manning Clark House, Canberra.

‘factor of production’, commensurate with labour or land, each receiving its proper compensation (rewards always aligned with contributions) in a harmonious setting, has been flawed. On this issue, as for others, intellectual concerns have long been ignored despite their shattering implications. Conceptual disquiet dates back to the classical writings (Smith, Ricardo, Marx) which had always doubted conventional ‘parables’ concerning the beneficent (self-correcting) properties of unregulated markets if deployed as an over-riding philosophy (explanation and anticipation) of behaviour – and, later, outcomes.

The Cambridge critiques also insisted that capital itself could be neither measured nor defined in the way it needed to be for the orthodox allegory to apply. In fact, capital has always been more than a sum of money or a cache of resources; it also implies specification of the conditions under which labour and capital (people and money) are combined in production processes. Because these social conditions differ from sector to sector, and according to the stage of the accumulation process, they cannot be accommodated by conventional understandings and implicate causes and effects discoverable mainly within other disciplines. The ensuing intellectual ferment (which has not been without social benefits) has followed directly from Harcourt’s persuasive moral and political values.



*Peter Kriesler* has done much to elaborate the implications for growth, distribution and sustainability of post-Keynesian thinking, not just in Australia. His writings describe the ‘instability of economic stability’; that is, that even periods of high employment may be latently impermanent and unsustainable, for internal or endogenous reasons. We commonly appreciate that industrial adjustment is ongoing; so, if intermediate periods of stasis suggest the elimination of crisis tendencies, the inferences are mistaken. New crises (new rounds of industrial transformation with new bouts of dislocation/renewal, and renewed threats to high employment), always loom. Moments of quietude usually harbour later problems needing resolution (perhaps sooner rather than later). Periods of growth will usually be periods of disequilibrium.

Economies are always unfinished projects, partly unaccomplished and imperfect phenomena. It’s not just that history is always unfolding, but that economic activity continually produces disjunctions which continually require (new or revamped) social and political responses. Efforts to create durable corrective institutions will always be ongoing. Distributional arrangements, too, remain contentious and precarious.



*Joseph Halevi* has been crucial to the attempt to remind us that the dialogue between Marxism and twentieth-century post-Keynesianism postulates the unlikelihood of permanent full employment. Such controversies as these are underwritten by unsettled conceptions of crisis – whether disruption is a short-term or long-term phenomenon, whether crisis tendencies are primarily internally generated (endemic) or external (contingent), whether they are self-replicating or transformative, and the extent to which political influence can be brought to bear on them.

History and particularity always assert their effects. For such reasons, a firm demarcation between times of growth and times of breakdown cannot always be specified, even conceptually. Much economic history (as well as all else) takes place *between* moments notionally represented as stable. And the possibility of intellectual error (unnecessarily impairing policies and politics) persists.



*Frank Stilwell* has for long emphasised the need to respect cross-disciplinary insights in both knowledge-formation and public action. The configuration ‘economies+societies+polities’ can be found in institutional and evolutionary political economy. In Australia much of this knowledge

has been garnered and re-presented for political economy students at the University of Sydney. Although it is as a political economist that Stilwell is most well-known, his interests and capacities have been informed by familiarity with dissident social scientific advances across sociology, history, social philosophy, urban studies and environmental activism. He has blended interdisciplinary understandings and critiques of liberal economics – from classical and modern, conceptual and empirical, progressive and conservative, rationalist and anti-rationalist traditions. This work has not only explored the widening of inequalities in current times; but has shown why orthodoxy has not provided a sufficient basis for a reliable understanding of economies in any epoch.

Economies are always supported by political and societal institutions (often inherited from the past) that then define and differentiate them. Economies cannot be depicted as discrete, free-standing entities. The most imaginative and useful branches of political economy recognise the inevitability of disorder. Economies change over time, not just quantitatively, but also in terms of the capacity of their respective citizens and ancillary supports to manage production, to maintain collective cohesion, to defend past attainments, to adapt to unwanted change, to create competent institutions, and to respond to external pressures. Societal instability, and its implied discontinuity, needs to cement its place in the concerns of political economy.



*John Quiggin's* critiques of major strands of current policy (with their disclosure of intellectual cant and dissembling) are – or should be – an ongoing thorn in the side of 'business-as-usual'. His work highlights the constant need for intellectuals and policy-makers to refute mistakes (which are often more akin to fraudulent misrepresentations) and to consult actual experience before conventionally convenient formulations become unintended habits in the policy-makers' mindset. Economic data has been misread and misinterpreted too: journalistic characterisations of recession often pre-empt policy reactions (by minimising the former's structural and recurrent aspects), for the origins of inflation-in-recession to be confused with inflation during a boom (and its non-monetary dimensions to be missed), for levels of economic growth to become a proxy for levels of economic activity, for the future benefits of debt-funded projects to be disregarded, and for the national costs of low taxation to be overlooked (biasing economic activity towards excessive private consumption).

It is through associated processes that theorisations and realisations of the postwar period such as the welfare state and its enabling shell, the mixed economy (which sociologists know as 'welfare capitalism'), have been despoiled. Acceptance of the intellectual endeavours of the postwar generation has recently become grudging and disheartening, the achievements accordingly devalued.



These five political economists have not always agreed on the implications of their findings. Harcourt strongly defended the integration of economic and social objectives (the imposition of social goals onto wages policy) following inflationary conflicts from the 1970s. Kriesler and Halevi drew from regressive historical experience elsewhere the conclusion that progressive solutions (such as real wage maintenance over time, or institutionalised equality) to redistributive struggles would be improbable. Stilwell favoured the derivation and use of more robust measures of social progress (opposing subsequent retreats from it). Quiggin has preferred more innovative (if insufficiently discussed) criteria for distinctly public activity (including regulatory principles). From the same evidence, diverse analytical conclusions and policy inferences have been derived; while disparate aspects of the same historical reality have sometimes become rival foci, even obsessions. Such ferment, with its ongoing controversies, has been particularly evident in Australia.

### **Analytical traditions and the future of affluence**

Despite shared discontent with the mainstream, the dissident tradition to which Harcourt, Kriesler, Halevi, Stilwell and Quiggin have contributed is not a convergent one, intellectually or politically. Its scholarly objectives are often discrepant, as are restless ideas fostering unresolved intellectual problems. The different traditions even appear not to share the same enthusiasm for exploring policy solutions to anticipatable difficulties, often devoting more effort to the identification and honing of critiques of observed and anticipatable tendencies.

Nonetheless, as different as they are, the heterodox tradition(s) and the post-Keynesian one exist on a continuum (it must be noted, in the age of resurgent populism, that heterodoxy can accommodate either progressive or reactionary possibilities). From this observation it is possible to proffer some suggestions concerning both what politics is reasonably able (or not able) to achieve and what unexpected peculiarities can be anticipated. The five political economists discussed here have not tendered consolidated opinions, though extrapolation from the existing scholarship is possible.

Since the nineteenth century, reasoned argument in political economy has held that affluence increases the demand for public, as opposed to private, activity. Since then, developmental and Keynesian aspirations have been augmented by social-democratic ones. These developments tend to be

increasingly costly and contentious because they imply universal entitlements (unrelated to contributions). Further, expanded aspirations imply expanded political efforts to eliminate resistances to the full utilisation of capacity (people and resources). New responsibilities and possibilities for public action have emerged, often without the explicit intention of their practitioners.

Yet in recent decades neither academic research nor bureaucratic enthusiasm has endorsed such shifts. Government (the state) now accounts for about 50 percent of total spending in rich countries and almost the same percent of revenues (slightly less in Australia). And nearly 25 percent of total national income is received in the form of transfers mandated by politics (again, slightly less in Australia). Yet most mainstream effort has been directed towards frustrating rather than facilitating this growth and development of the public realm. The latter's enlargement has become, over the past century, a clear structural phenomenon, persistently epitomising the democratic and civilising purpose behind it. The altered conditions accord neither with conventional depictions of market capitalism's responsibility for affluence nor of a benign polity's responsiveness to its citizenry. Substantial empirical confirmation has now been marshalled on modern policy-makers' complicity in foiling institutional trends towards the egalitarianism and reduced insecurity that followed the 'age of catastrophe' (roughly 1914 to 1945).

An invigorated heterodoxy for the future might be expected to outline more anticipative political potentials for the political economy of the rich societies – those with high per capita incomes and realised wealth, but accordingly low rates of growth. In such circumstances, affluence coincides with enhanced capacity for policy experiment, for activation of unheralded priorities, for reaffirmation of the social and moral sphere in political economy, not to mention a need for redoubled attention to unusual emerging complexities, such as sectoral conflicts in 'hard times' or resource depletion or climate change or migration. Synergies between post-Keynesian analysis and social-democratic politics have always been apparent (for example, the mutually accommodating relationship between redistributive emphases and productive ones). However, contemporary scholarship has not fully celebrated the positive political and social impacts of higher taxation, income egalitarianism (incomes divorced from contributions to productivity), high expenditures on infrastructure, compulsory and centralised wage fixing responsive to non-economic criteria, a social economy which actively amplifies the scope of non-



market allocation, or industry policy able to side-step managerial preferences in favour of long-term developmental ones. Mainstream commentary (for example, through mainstream media) seems to have colluded in resisting the integration of these viewpoints into public discussion of public possibilities. Associated policy lapses and failures are now increasingly being experienced, not quite accurately, as the hollowing-out of democracy.

Looking ahead, it is likely that the most salient inference from debates in Australian political economy since the 1970s has been the waning of a distinctively statist (or nation-building) perspective. Statism implies that only when governance (politics) is right can sound economic outcomes follow. Liberalism reverses such causal expectations.

Departures from deliberative statecraft have dominated conventional public policy for almost fifty years. This abrogation has delineated, for the worse, established political analysis as well. Institutional retreats, social dislocations, uncertainties, inequalities, wasted opportunities and resentments are being encouraged, often egged-on by the fickle practitioners and self-serving charlatans of 'new public management' which has successfully eroded the singularity of the public realm. It is acridly comforting, if belated, to observe the sporadic reversals, after perhaps a decade, of public bureaucratic adventures with decentralisation and hypothecation, and to experience the deafening non-appearance of apology, not just for damage done but for gratuitous efforts to demolish what had taken a singular cohort of principled public officials decades to instigate. Yet some major public policy aficionados have begun to concede recently that their responsibilities might involve extending societal cohesion as well as economic performance. We shall see if such a possibility comes to fruition. There is no shortage of academic warrant.

To reclaim the role for politics that an earlier generation of social scientists optimistically thought had been secured requires an expansion of principled government and popularly accepted taxation (financing) imposts. Of course, these must be seen as the unavoidable 'costs of affluence'; wealth legitimates them. Politics writ large has become unavoidable in equal measure. It remains for humanity to acknowledge that long-lived institutional processes can consent to many of the social and moral obligations that will always accompany progress. We were wrong to expect that the 'anti-rational' bases for human advancement could be by-passed indefinitely; the destruction unleashed under the

auspices of economic liberalism has been real – though it can, even now, be corrected.

We know via many channels, not just economics and political economy, but also from literature, philosophy, art and undisciplined speculation, that economies are not ‘knowable’ without intuitive appreciation. This was one of Keynes’s most suggestive appreciations; the post-Keynesians have since asserted that some economic matters must never be decided according to market principles. Obviously the ‘follow-on’ responsibilities of good economic management will be complicated and contentious too: from responsible productive organisations to permanent macro-regulatory and governance arrangements, to ensuring enhanced modes of negotiation, to securing support for higher-cost solutions, and to adjudicating technological developments and environmental protections.

Despite the manifest success of *JAPE*, its contributors and institutional supporters over the last half-century, political economists seem to have lost traction, though they were well-placed to explain discrepancies between the promises of the post-1945 era, when the uniqueness of the public was taken seriously, and the deliveries of recent decades. Politics have clearly retreated from former commitments to full employment, balanced development, egalitarianism, broadly based welfare and the institution-building required to sustain them all. If today, still-ardent custodians of unproven anti-interventionism sometimes appear to regret the eclipse of popular enthusiasm for multilateral *laissez-faire* and the economic ‘reform’ mentality, any return to deliberation seems nonetheless far from assured. In multiple jurisdictions, including within our universities, public controversy has been downgraded in favour of ‘performance indicators’, while critique has been discounted and substantive principles of determination subjected to castigation. Civility and institutional memory are still widely derided as indulgent and unaffordable; regulation is abandoned as the statist conceit of a former era; and past social accomplishments are discarded as if they were insignificant and their costs unbearable.

Even so, the specific difficulties of contemporary affluence – how to bring the creation of high-quality employment (a distinctive challenge for any epoch) into line with wealth creation (which has been substantial, though subject to disruption and imbalance) – are questions that remain unaddressed. They increasingly resemble development problems. That is, they require lavish investment in activities where previous experience and

previous success do not immediately yield solutions (for example, environmental remediation, public childcare, universal healthcare, education attuned to future problem-solving, some forms of infrastructure). Refurbishment of the public realm, anticipated by its pioneers as a harbinger of societal development, must be reckoned as continually necessary – not only as new demands (and obligations) are placed upon it, but as new possibilities (and criteria) for collective provision arise.

However, in critically facing new challenges and embracing new potentials, dissident political economists are ‘standing on the shoulders’ of predecessors in many disciplines. And for this we must be pleased.

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# **PROBLEMS OF PLURALISM: SOME COMMENTS ON 50 YEARS OF AUSTRALIAN POLITICAL ECONOMY AND ITS PROSPECTS**

**Bill Dunn**

*The ideas of the ruling class are in every epoch the ruling ideas: i.e., the class which is the ruling material force of society is at the same time its ruling intellectual force (Marx and Engels 2010: 59).*

Excuse me conforming to type by beginning with the Marxist cliché. Of course, the Marxist project means rejecting the ruling ideas rather than seeing them as immutable. But short of moments of radical social change, we face an uphill struggle. While the inherent difficulties give us all the more reason to celebrate 50 years of Australian Political Economy it provokes some more pessimistic, but I hope still constructive, evaluations of our situation and of what can be done.

Recognising that there are problems and pitfalls with any strategy, I want to argue for something close to the broadest possible, most inclusive, approach; the broadest possible, most inclusive, understanding of PE. Others are better placed to write about the struggles to create and maintain Australian PE (Butler *et al.* 2009). I can only claim direct experience of a third of the 50-year history, having worked at Sydney University between 2005 and 2022. I will lace what follows with some personal reflections but want to use this opportunity to offer some more general comments. My thesis – too grandiose a term for some very provisional thoughts – is that although we are besieged by economics’ imperialism and profit-driven

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university administrations, effective resistance should beware a siege mentality. PE needs reinforcements from ‘outside’. This article was substantially written before reading Stilwell (2019), but it stresses the virtue of the ‘hybrid strategies’ identified there, how PE can, of course, contribute to other disciplines and other institutions but also benefit from them. It is perhaps a bit more introspective, arguing that if we recognise pluralism as at the core of the PE project, that pluralism needs continuous renewal.

The first section comments on the currents against which we struggle. There is necessarily a confrontation with mainstream economics. We need to know what we are up against and can win the intellectual battles. Unfortunately, this confrontation faces inherent difficulties. There is change within the mainstream, innovations which need to be acknowledged if our critique is not to become an outdated caricature. There are also (whisper it) occasional things to be learned. More fundamentally, there are difficulties engaging with mainstream economics on its own terms. Beating them at their own game means playing by their rules and profoundly limits the scope of PE. Fighting off a mad dog in a closed room for long enough – 150 years and counting – would impact anyone’s mental health. And we know that it is not on the basis of its intellectual strength that the mainstream thrives. Rather, to re-emphasise Marx’s ruling ‘material force’, we are up against powerful institutional and economic adversaries.

In this context, the second section discusses PE’s necessary but difficult insistence on intellectual pluralism. In the face of economics imperialism, it is tempting – and sometimes impossible to avoid – elements of the siege mentality in defence of ‘our’ canon. However, there are problems. First, pluralism allows the mainstream a foothold, from which, with all the institutional support it receives, it colonises. Second, conversely, we are institutionally weak and although the negative of being non-mainstream may be enough for tactical alliances it cannot provide sufficient grounds for intrinsic unity or a positive research agenda. Third, our pluralism, any heterodox canon, is not and should not be settled. Our dead white men are better than their dead white men but we should be sanguine about our positive achievements.

The third section continues that it becomes possible, in Bourdieu’s (1977) rather awkward language, that orthodoxy and heterodoxy together constitute a ‘doxy’, which excludes the ‘doxa’ or universe of the

unexplored. Accordingly, I argue for exploring beyond the frontier, both intellectually and institutionally. PE needs to be invigorated from ‘outside’. Of course, that is not to belittle the achievements on the inside – either the research done in the traditions of classical political economy or the Sydney University PE model of which I was proud to be a part. But our research communities are small and the Sydney model has proved hard to reproduce. Precisely because it is unexplored, it is impossible to provide an adequate route-map but PE gains strength through interdisciplinarity, solidarity with, and learning from, others. I use the example of Global or International Political Economy (GPE), a conspicuously proximate discipline, because I am familiar with it, but the insights from historians, geographers, ecologists and many others might be equally apt. These other fields are also the scene of battles against economics imperialism, to which we can contribute but from which we can also learn. Recent debates across academia around ‘decolonising the curriculum’ become particularly pertinent. Unlike the economic mainstream, PE can be at the forefront, while our canon too can usefully be refreshed.

### **Economics’ imperialism at an institutional level**

It is necessary to engage with and to understand the mainstream. And it is possible to interpret what we do as defined by that engagement. Ours is then a discipline focussed on critique. I am reminded of the way some Marxists insist that the subtitle of *Capital: a critique of political economy* implies that it is (only) a rebuttal of mainstream thinking and no kind of description, no kind of objectification of the world (Holloway 1995). Keynes’s *General Theory* has been interpreted in a similar sense, an engagement with orthodoxy on its own terms, without requiring us to believe that Keynes himself accepted the individualist assumptions that pervade the book (Dow 1996; Dowd 2004). It is necessary to keep-up, to learn the economic tricks-of-the-trade, if only to understand their illegitimacy. Often ‘tricks’ is wholly appropriate. Mainstream arguments can sound convincing so, as Robinson (1964) says, we need watch carefully to know how the rabbit gets into the hat. Personally, it was only on reading Marshall (2009) that I properly grasped the absurd circularity of treating utility as a theory of price and then using price as a proxy for utility. It is impossible to adequately contest rival visions unless they have first been understood.

Unless we keep up, PE depictions can also become something of a caricature. Periodically, mainstream figures acknowledge the limits and follies of their discipline. Major crises like that of 2007-09 provoke moments of reflection and contrition. The enduring horrors of capitalism occasionally shock its most trenchant supporters. I enjoy showing students a video of Sachs (2021), quite the villain of the piece in his advocacy of shock therapy in Eastern Europe, now wishing space billionaires a happy one-way trip. Writing for the IMF, Deaton (2024) recognises the debilitating failures of mainstream economics to understand power, philosophy and ethics, issues beyond efficiency, the limits of econometric methods, and ends with a plea for greater humility.

Unfortunately, if unsurprisingly, little of this impinges on the substance of the textbooks or university degrees. Nevertheless, the mainstream does change (Stilwell 2019). This can involve a further descent into the hellish circles of their own construction. I think the ever-deepening mathematical formalism can be rejected *a priori*. The social world simply does not operate in the precise way that is imputed. Maths is passed off as economics. Other changes can add all sorts of qualifications and acknowledgements of complexity. Sometimes this has the effect of adding epicycles to prop-up a fundamentally pre-Copernican worldview: market imperfections, asymmetric information, satisficing behaviour can all be assimilated. But unless these shifts are acknowledged there is a danger of fighting yesterday's battles and presenting an unconvincing portrait of our opponents.

The advance of behavioural economics presents perhaps the clearest example. Geocentric in clinging to methodological individualism and, in Kahneman's (2012) version, finally accepting mainstream micro as a legitimate starting point, it jettisons older claims of *homo economicus*, that we are all rational utility maximisers (Urbina and Ruiz-Villaverde 2019; Miyamura 2020; *cf.* Primrose 2017). Yet we (at least I) have been slow to incorporate such perspectives into the version of the mainstream we criticise, into our teaching or textbooks.

We should acknowledge too, that the mainstream is not always and everywhere nonsense. At least sometimes, mainstream economists go deeper than ostensibly more critical thinking. To give examples from my own teaching and research, the orthodox Stolper-Samuelson theorem (Stolper and Samuelson 1941; Samuelson 1948) identifies class interests in international trade in a way almost wholly absent from the main lines of

putatively radical dependency thinking, which perceive the problems in national and nationalist terms. I also enjoyed the rare privilege at Sydney of teaching methodological individualism to third-year honours students. I based this around two compulsory readings; the 'for' reading by Roemer (1982), the Marxist, the 'against' by Arrow (1994) from the mainstream. Sometimes 'they' make sense. So, the battlelines are often unclear. 'Economics imperialism' (Fine and Milonakis 2009) encroaches, insisting there is one right way; the desocialised, methodologically individualist, mathematically formalist way of mainstream economics. But there is a spectrum and I think that rather than there being two discrete modes of thinking, and a single 'great divide' as one excellent political economy text puts it (Tabb 1999), there is a variety of approaches. As I argue elsewhere (Dunn 2020), nobody regards themselves as an uncritical economist and there are dangers of reifying 'us' versus 'them' thinking.

'Us and them' thinking can also foster a defensive attitude which dooms 'us' to be always in more or less orderly retreat. In a world of finite time and resources, an orientation towards the mainstream is both limiting - we miss the historical and social dimensions so recalcitrant to mathematical formalism - and vulnerable to the economics imperialism. To become first an economist, to learn the tricks of the trade to an adequate level to satisfy the mainstream is a fruitless and almost impossibly endless task. It requires playing by the mainstream's rules. Perhaps the clearest advocacy of this is Davidson's insistence that post-Keynesian must accept '(1) Marshall's and Keynes's concepts as equilibrium analysis and their approach to supply and demand function analysis, and (2) the need for an axiomatic formal logical approach to developing a theoretical framework' (2007: 257). We seem chained to orthodoxy. There is much to be said for beating 'them' at their own game but our participation risks entrenching orthodoxy as the only game in town.

Our victories also prove pyrrhic because it was never intellectual coherence that achieved the mainstream's hegemony. Mainstream economics is more religious faith than science. Like much religious doctrine it thrives precisely as ruling ideology. To quote the young Marx for a second and I promise final time, 'the "religious sentiment" is itself a social product' (Marx and Engels 2010: 5). However carefully its epistemological underpinnings and predictive limitations of are unpicked, neo-classical economics remains an effective ideology, supported by a vicious circular and cumulative causation.



Thirty years ago, Ormerod (1994) wrote (oh so optimistically) of *the Death of Economics*. He cited Michael Lewis on the expansion of economics degree enrolments. The material taught in university economics served no purpose in the graduates' jobs. That mattered little.

The more people studied economics, the more an economics degree became a requirement for a job on Wall Street. There are good reasons for this [...] The banks wanted practical people, willing to subordinate their education to their careers [...] Economics allowed investment banks to directly compare the academic records of the recruits (cited in Ormerod 1994:4-5)

The rationale still holds. Whatever the shortcomings of the material, there is a congruence of student credentialism, and of university and of business interest sustaining mainstream economics. All this is ABC. My point is the corollary, that intellectual coherence seldom pays the bills. University administrators may admit in private the sort of things that Deaton acknowledges, even more radical claims made in contributions to *JAPE*, about the rationale for economics as a social science. That is of little use if the degree structures sustain orthodoxy as they bend to the dull compulsion of economic forces.

In this context, the success of PE at Sydney University and of the few other outposts sustaining critical thinking and economically viable enrolments are all the more remarkable, all the more to be celebrated, and all the more to be defended from the inevitable encroachments and attacks. Similarly, attempts to replicate that successes are wholly laudable.

Unfortunately, there have been setbacks too, unsurprising outcomes of the horrendous structural pressures we confront. With the inexorable logic of asset strippers everywhere, universities insist that each business unit pays its way. Departments and research funding panels are organised on established disciplinary lines. Mainstream institutions often present near insurmountable barriers to getting jobs or getting published in the 'top' journals. There is, of course, a danger of seeing only the structures and underestimating the potential for counter-structural agency – a danger which Marxists are so often accused of neglecting. However, I think the greater dangers lie in the opposite direction; vainly hoping that if only we could raise our voice, if only 'they' could be made to understand that our economics was better than theirs, if only university administrators and governments would listen to us, the world would be so much better. Unfortunately, their deafness is the deafness of those that will not hear.

Moreover, as the next section argues, as powerful as our critique might be, it is seldom entirely clear what constitutes our better economics.

### **PE pluralism and an alternative canon**

Political economy should be plural. In PE at Sydney it was, and I assume remains, a point of principle to defend intellectual pluralism. As in other social sciences, there is a variety of legitimate perspectives. The fact that (mainstream) economics insists on one right way, give-or-take a few epicycles, immediately disqualifies it as a social science. The best PE textbooks instead reflect our pluralism. This vision means that PE is not simply critique. There is both orthodoxy and heterodoxy. Smith and Ricardo, the marginalist revolution, Friedman and Hayek, cannot be photoshopped from history. Teaching political economy, at least as I interpret it, therefore always attempts to represent fairly the different traditions. Students are welcome to advocate any perspective, including that of the mainstream, but that advocacy is only convincing if it involves an engagement with alternative views and criticisms.

Unfortunately, pluralism confronts considerable difficulties. First, as above, the institutions make life hard. The Sydney experience confirms that only by establishing itself as non-mainstream economics, and in competition with mainstream economics, could the department prosper. Subsequently, the mainstream economics department would usually (albeit with variation even down to the level of individuals) obstruct any attempt to teach 'their' material. Plurality is pushed back to heterodoxy. In 'our' academic societies it is also often necessary to have protective walls. The institutions, the Society of Heterodox Economists and journals like *JAPE* and their counterparts around the world, only thrive as forums for opponents of the mainstream.

Second, it is also possible to be plural in different ways. If the institutionalisation of PE as a minority current versus the mainstream confronts enormous difficulties, the problems are magnified once the diversity of heterodox thought is recognised. 'Us against them' now also fragments on our contrasting diversity. Practical alliances and accommodations between different heterodox schools are necessary but often there is little mutual understanding or sympathy. Simple numerical problems also make it hard to build effective research communities in any

one tradition. There are few Marxist political economists in Australia, fewer followers still of Henry George or of the German historical tradition.

Our research orientations also potentially open a divide between what we do and what we teach. As researchers we cannot avoid specialising. Some scholars advocate eclecticism as a research principle (Strange 1991; Anderson 2004). There are surely dangers of accepting that there is one right way and remaining blinkered to insights coming from other directions. However, most of us seek methodological coherence. We are specifically Marxist, institutionalist, post-Keynesian political economists rather than anything-goes political economists. It is at least legitimate to be specifically Marxist, institutionalist, post-Keynesian political economists. But then, to use my own example, my knowledge of Marx and to a lesser extent of Keynes is much deeper than it is of the neoclassics. Nor have I bothered with more than a few lines of George. Of those traditions not my own but which a commitment to pluralism means I teach, I am more likely to fall back on secondary sources, risking caricature and limiting my ability to critically appraise students' work in those traditions.

Finally in this section, but at slightly greater length, however scrupulously pluralism is defended, it involves making decisions of inclusion and exclusion and of relative importance. Political economists inevitably offer different answers. Even of the non-mainstream, it is not obvious who is 'in' and who is 'out'. For example, Stilwell's (2019) mapping has much to recommend it, with a core of Marxist, Institutional and Post-Keynesians and nine other traditions on the periphery. But it is always possible to quibble. Behavioural economists are out. Stilwell also finds no place for even the more critical new Keynesians, presumably subsumed within 'neoclassical orthodoxy'. Personally, I have long had a soft spot for Krugman since he read his endorsement of Lenin's theory of imperialism (Krugman 1981) and have learned a lot from New Trade Theory. Meanwhile, the Austrians are given a toehold. They have interesting things to say, for example about time, but their distinctiveness from the mainstream is not always obvious even to leading proponents like Mises (Kirzner 1987), while their normative commitments can be among the most unsavoury. More fundamentally, I think quite correctly, there is an overlap of the two big circles – PE and the mainstream – and once a commitment to pluralism allows entry to the mainstream, economics imperialism can spread its tentacles, squeezing out more radical ideas.

I will say a bit more about International or Global Political Economy (GPE) below. As an academic discipline it is much more plural than mainstream economics. Most of its leading figures may be economists by training (Cohen 2008) but it has typically been taught out of departments of politics or international studies. Here I simply want to note how it provides a striking example of this process of shifting pluralism. Tooze's (1984) early 'consumers' guide' suggested there was a five-way theoretical division; between liberal, mercantilist or neomercantilist, structuralist, World-systems, and Marxist and radical perspectives. Subsequent textbook interpretations, including those of Balaam and Veseth (2001) and Cohn (2008), retained the first two categories, subsuming the last three under a single 'Marxist or structuralist' heading. Latterly, this has often become a still broader 'critical' perspective, alongside feminism, environmentalism (O'Brien and Williams 2016) and constructivism (Cohn 2012). The different approaches are all plural but the weight allocated to Marxist-structuralists shrinks from three-fifths to a ninth or even a twelfth of the total. The addition of feminism, environmentalism and constructivism is welcome. Again, there is more on this below. My point here is simply that the new arrivals captured ground from a shrinking critical field, as the mainstream advanced.

A more restrictive, more 'traditional' PE also involves choices. Table 1 quantifies this by comparing five well-known PE textbooks. The list is derived from Stilwell (2006) who has box entries introducing 14 key political economists. Omitting Wheelwright (important to the history discussed in this special issue but mentioned in none of the other books), the number of pages of index entry for these authorities are counted in each of the five texts. The indexing methods vary, so the number of references is converted into percentages. This brief survey produces the list in Table 1, providing a rough estimate of the relative importance attached to leading political economists.

It is apparent that Smith, Marx and Keynes are all central to the canon. These numbers exclude references to 'Marxism' and 'Keynesianism', whose inclusion would considerably increase the relative weight of both traditions. All five texts also reference Marshall, Mill, Schumpeter and Veblen, albeit to very different extents; Stilwell saying less about Schumpeter than do the others, Dowd and Heilbrunner more about Veblen than do the others. The omissions are perhaps particularly revealing; only two texts mention George, only three mention Myrdal, Galbraith and Robinson.

**Table 1: Proportional reference to authorities in PE textbooks**

	<b>Fusfeld (2002)</b>	<b>Heilbroner (1999)</b>	<b>Dowd (2004)</b>	<b>Tabb (1999)</b>	<b>Stilwell (2006)</b>
<b>Engels</b>	12	6	3	...	2
<b>Friedman</b>	4	...	3	2	5
<b>Galbraith</b>	6	...	...	1	13
<b>George</b>	...	3	...	...	4
<b>Keynes</b>	11	15	24	22	31
<b>Marshall</b>	7	5	2	13	4
<b>Marx</b>	21	19	20	13	10
<b>Mill</b>	5	6	4	8	3
<b>Myrdal</b>	2	...	...	1	3
<b>Robinson</b>	...	...	6	6	5
<b>Schumpeter</b>	8	10	9	13	2
<b>Smith</b>	20	25	7	17	10
<b>Veblen</b>	5	11	20	4	8

The final section will say more about omissions but it is immediately evident that the list is heavily anglophone, with five British authors, three US Americans, two Germans (who spent most of their working lives in Britain), one Canadian, one Austrian and one Swede. Of course, none of these books are restricted to these authorities but it can be hard to find discussions of substance on authors from outside Europe and North America. Even from the Francophone tradition, Quesnay makes only brief appearances in the books by Fusfeld and Tabb and Sismondi only in Fusfeld and Dowd. I admit to sharing the linguistic limitations and thence this rather traditional parochialism and I am wary of extrapolating from my own ignorance. Even in the mainstream, the anglophone biases are less prominent in some fields, for example among development economists. Important contributions to Australian PE have been made by those much

less reliant on the established canon, working in development, feminist and ecological economics to name just three. But, as a generalisation, I think it is reasonable to assume that there are things we are missing.

### **Orthodoxy, heterodoxy and the universe of the unexplored**

Bourdieu (1977), the great French sociologist, distinguished between what he termed the 'doxy', the apparently rival orthodoxy and heterodoxy, and the 'doxa' or universe of the unexplored. The apparent antagonisms within the doxy can mask shared assumptions which go unchallenged. Perhaps the most obvious example in our field is the way that until recently growth has been assumed desirable, the legitimate questions only about the ways to achieve it. I would argue that too often there have also been shared assumptions of the nation-state as the legitimate unit of analysis and of 'government' (for good or ill) as a separate category from that of the market economy. The heterodox can then take a standard accounting equations and the corresponding data as given, even as they try to make something different of them. Among other things, the vast amounts of unpaid household labour are hard to assimilate to such a schema and have remained a niche interest, seldom making it beyond the specialist feminist panels, even among the avowedly heterodox. In this section I will argue that potentially fruitful lines of enquiry, going beyond the established doxy, can be opened through engagement with other institutions and traditions.

First, necessity has its virtues and some of this engagement may be thrust upon us. PE needs allies. Butler *et al.* (2009), accounting the early history of PE at Sydney, note the parallel struggles in the department of philosophy. More broadly, the social change and optimism of that era fostered an activist environment. Today our struggles are more likely to be defensive but there may still be two-way gains and learning. In practice, critical economists find refuge working in departments and engaging with networks of other disciplines including economic history, critical accountancy, development economics, geography, ecological economics, sociology, industrial relations and international studies.

The engagement can be a two-way street; from PE and adding PE insights to these other disciplines but also of learning from them. The point of economics imperialism, of course, is that it colonises other disciplines. I have heard methodological individualism asserted with extraordinary

arrogance by political scientists and repeated in volumes of economic history. Other social scientists put up resistance. I recall a historian giving a PE seminar at Sydney, so glad that we were allowed to talk theory. Another colleague, I think again a historian, greeted me quite differently learning of my department: 'Oh, you're the good guys'. That there are other ways of understanding the economy can add fuel to their resistance. We have a common cause.

There is also potentially much to be learned. A crucial strength of PE over the centuries has been its ability to understand the economy by drawing on insights from other disciplines. It is hard to imagine Marx without Hegel or a knowledge of history; or Keynes without Burke, Moore or an understanding of probability. Today, probably the world's best known Marxist Political Economist, Harvey, began his academic life as a geographer. More modestly, a quick perusal of current members of the department of Political Economy at Sydney shows them publishing in journals of economic history, ecology, geography, industrial relations, international relations, law, political science, and regional studies. There is much to be gained through an openness to interdisciplinarity, or perhaps better an attitude of 'transdisciplinarity' (Stilwell 2019) or even anti-disciplinarity (MacLean 2000).

I want to extend this point using the example of GPE because it is a discipline with which I am familiar, but I think that something similar might be made of other fields. GPE shares many of PE's concerns and it too is a tradition marked by an interest in its intellectual origins. GPE has also become the scene of battles against economics imperialism. Cohen (2008) champions 'rigour' in the form of positivism, empiricism and methodological individualism in the name of an American as opposed to an allegedly eclectic British school, meeting trenchant opposition (Higgot and Watson 2007, Dunn 2008, Germain 2009, Weaver 2009). Of course, there are also substantial disciplinary differences with PE as it has usually been understood in Australia over the last 50 years.

As a basis of comparison, Table 2 repeats the method used to construct Table 1, now based on O'Brien and Williams's (2004) nomination of 17 representative authorities and comparing five influential textbooks. Again, I make an arbitrary exclusion, this time of two figures (Kant and US President Wilson who I struggle to see as political economists of any description).

**Table 2: Proportional reference to authorities in GPE textbooks**

	<b>O'Brien and Williams (2016)</b>	<b>Gilpin (2001)</b>	<b>Cohn (2012)</b>	<b>Balaam and Dillman (2019)</b>	<b>Ravenhill (2011)</b>
<b>Cox</b>	9	3	4	...	...
<b>Frank</b>	3	...	4	4	...
<b>Gilpin</b>	4	...	2	5	8
<b>Hamilton</b>	5	...	9	7	...
<b>Hayek</b>	3	...	2	4	...
<b>Keohane</b>	5	26	6	...	...
<b>Keynes</b>	4	10	20	19	18
<b>Krasner</b>	3	10	4	...	...
<b>Lenin</b>	8	...	6	9	3
<b>List</b>	6	3	15	7	13
<b>Marx</b>	9	3	9	9	...
<b>Nye</b>	3	16	6	5	5
<b>Ricardo</b>	9	6	4	7	13
<b>Smith</b>	19	10	11	18	38
<b>Strange</b>	13	13	...	7	3

Smith and Keynes again emerge as key points of reference. Marx is less prominent than among the PE texts considered in Table 1 but is usually acknowledged, the apparent exception, the Ravenhill text, mentions 'Marxism' on ten occasions. Other Marxists; Lenin and Cox, also make some substantial appearances. The importance of Ricardo and the references to Hayek are also similar to those in the PE books. Conversely, important political economists, Galbraith, George, Robinson and Veblen are not mentioned in the GPE texts, Marshall only occasionally.



Meanwhile, Krasner, Gilpin, Strange, Keohane, Nye and Cox are unmentioned in the PE texts. This is perhaps unsurprising, given the different intellectual origins but in both directions there might be something to be gained from a greater dialogue. Interestingly, GPE has seen several pleas for a greater engagement with the older traditions of PE (Watson 2005; Hobson 2013), however incompletely realised these remain.

My concern here is with PE and what it might usefully appropriate. I have little political sympathy with the mercantilist or realist tradition but it says things worth taking seriously. List does receive brief mentions in the texts by Dowd, Tabb and Stilwell considered above, but the relatively slight engagement seems telling. Where he is mentioned (in both GPE and PE) it is usually in terms of his critical attitude to international trade. List was more of a generalist than that implies and a significant precursor and originator of the wider 'German historical school' which Tabb (1999) discusses at some length and which other political economists have tried to recuperate (Reinert 2005). The contemporary exclusion of this tradition in preference for a largely US-centred institutional economics may again have more to do with Anglophone parochialism than any intellectual unworthiness. Hamilton, too, is usually presented as a trade theorist responding to Smith and free trade, but his classic text (Hamilton 1792) is much broader in its orientation toward strategies for national economic development. As anachronistic as much of his argument now sounds (any takers for methods to increase child labour?), it might potentially provide a useful point of reference for modern advocates of industrial policy. Marxist political economists have also recently debated the incorporation of a 'realist moment' (Callinicos 2007; Pozo-Martin 2007), a problematic manoeuvre but one that suggests a deeper engagement with GPE scholars of that bent might pay intellectual dividends.

If List and Hamilton are forebears of a nationalist political economy, it is also noticeable how little reference is made in PE texts to dependency and 'World-Systems' approaches. Amin, Emmanuel, Frank, Rodney, and Wallerstein between them earn a single footnote across the five PE books of Table 1. Only Frank appears in O'Brien and William's first division but this tradition is a recurring presence in GPE discussions. These leading authors' work is available in English but (I understand) there is a rich but much less studied seam of literature in Spanish and Portuguese, which is only starting to be mined (Latimer 2022; Marini 2022).

Among other GPE scholars, for what it is worth, my own research and teaching has benefitted greatly from an engagement with Cox's anti-determinist 'neo-Gramscian' approach. Strange's work on financialisation and globalisation (e.g. 1986, 1996, 1998) has been influential far beyond the narrow confines of disciplinary GPE (referenced 32,999 times according to google scholar at the time of writing) yet hardly seems to have impinged on PE discussions.

The two tables also illustrate my final points about the problems of canonical thinking. Whatever the differences between texts, the respective authorities are overwhelmingly dead white men. All but two are men. The women, Robinson and Strange, embody the mutual neglect. Robinson accounts for 3.4% of PE references and Stange for 7.2% of those in GPE. Neither receive a single mention in the texts of the other tradition. As far as I know, all these leading scholars are white.

This speaks to a much more general problem, recognised by recent advocates of decolonising the curriculum. Shahjahan *et al.* (2021) understand this as a broad initiative which involves; recognising the constraints, disruption of established canons and making room for alternatives. They survey 161 texts across 62 disciplines. Tellingly, economics was unrepresented. PE was probably too small to be surveyed, but the disruption of established canons and making room for alternatives should be at the core of what we do. Of course, recognising the constraints means that decolonisation is easier said than done. Curricula need to be acceptable to university administrators and compatible with the market forces, presenting barriers to genuine innovation. There are more or less acceptable decolonisations. It is only a modest improvement on the status quo if we populate our reading lists with women and men with non-Anglo names but who articulate conventional narratives. A method of denunciation of other scholars' Eurocentrism, with Marxism a favourite target of attack, meets little resistance while the promotion of resistance to the practice of colonialism remains an activity for the brave.

At best, almost by definition, it is hard to identify what might lay hidden in the universe of the unexplored. Time and resources are limited. It is impossible to know everything and necessary to prioritise. Anyone who has attended non-mainstream conferences will be familiar with some peculiar eccentricity. But outsiders' voices need to be heard. In an essential sense, it has always been 'outsiders' who have constituted PE. All this raises intractable questions about how much attention different traditions

should receive and poses questions of what we still exclude and what we might usefully admit. While we cannot escape our past, the critical nature of PE should position it well to extend its pluralism in anti-colonial directions even as this requires tough choices.

## Conclusions

Keeping a tradition of critical PE alive in dark times is an extraordinary achievement. The times have involved different shades of darkness, even glimpses of light but the ideological and institutional pressures broadly put us on the defensive. A critical tradition centred on the classics, Marx, Keynes and institutional economics has provided and continues to provide vital foundations for that defence. That is nothing to apologise for. For my own part, I remain proudly a Marxist. Nevertheless, a degree of humility is in order. The great foundations of the Nineteenth Century have hardly provided the basis for the towering achievements the founders might have expected. Too much Marxism goes back to chewing over the true meaning of sacred texts. More broadly, PE faces a danger of ghettoisation, of talking to ourselves in diminishing numbers. Unless the exterior darkness lifts, we should not expect a glorious creative upsurge; and supporters of PE reasonably adopt different tactics (Stilwell 2019), with no one right way. However, PE continues to develop. Adaptions, either forced upon us by difficult circumstances or chosen as creative responses, shape PE in ways that continue to change its character and even its meaning. There have been casualties, disappointments along the way. But there are also processes of renewal. There are gains as new generations take over and engage with new problems. I have stressed that political economists can contribute to the battles against economics imperialism in other fields while also leaning from others and their battles. There is a universe of the unexplored, or at least underexplored, issues and ways of understanding them, into which political economists are relatively well equipped to venture and from which we can profit.

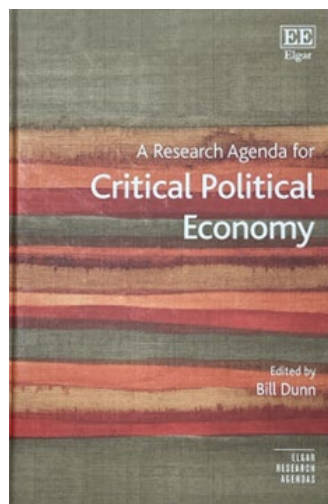
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# **PARLIAMENTARY POWER, POLITICS, AND POLITICAL ECONOMY**

**Eliza Littleton and Barbara Pocock**

We are two feminist political economists who currently work in our federal parliament and have previously worked in the more analytical spaces of universities and think tanks. In both spheres we have aimed to better understand the power relations within which we all live, and – most importantly – attempt to change them. For us (one a senator and the other a senior parliamentary advisor), the tools of political economy are important and useful. They allow us to deconstruct events and the power relations in which they are embedded, and to guide political action and priorities.

Over the past few years, we have turned from the work of research and analysis to the practical challenges of the parliamentary sphere. Parliament is not always seen by progressive analysts as a priority frontier for change making. We are often reminded of the 1970s postcard of a crowd of banner-waving revolutionaries, the words below saying: ‘show me the parliamentary road to socialism!’ The parliament – dominated by the two big parties – has rarely been a place of radical change in Australia. However, with a third of Australians now using their votes to express their dissatisfaction with the politics of the two major parties, possibilities exist.

For us, the power relations that shape political outcomes continue to lie well beyond the manicured courtyards and long corridors of Australia’s parliament. They lie in the boardrooms of very large firms and in the hands of the billionaires who control them. Parliament provides a front row seat to the battleground as vested interests flex their muscle.

Their opposition lies, at least in part, in social movements like the labour, environmental, and women’s movements which can create momentum for

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political change - including through parliaments, along with radical leaders who hold up the possibility of change, whether inside the parliament or outside it. In this space there is a crucial role for political economists – both informing and as part of social movements – to apply the tools for understanding who is winning, why, and how. Without social movements, parliamentary change is extremely hard to secure. None of these social movements are at their political zenith at present. The space they create for political change is small, and radical political parties, similarly.

We are at a time where new challenges are growing in significance: the erosion of independent media; growth in algorithmic and dishonest social media; the rise of the right; and the massive aggregation of autocratic power in many countries. It is a critical point of reflection for people on the left to better understand what has and hasn't worked and how we can be effective in contributing to improving the lives of people.

Amid all that, here we are, two feminist political economists who are applying the lessons and lenses of political economy to the parliamentary sphere. In this article, we draw examples from our recent experiences to explore how mainstream economics is wielded by the right and how political economy can provide an antidote to assist the left. We present a substantial examination of the power and actions of big consultants. These experiences illustrate how power and influence is often exercised contrary to the public interest and show something of the limits, possibilities and lessons of parliamentary work in the current political context. Finally, we turn to the lessons we draw for the future.

### **All economics is political**

Stillwell *et al.* (2022:5) write that one of the unifying characteristics of political economy is its critique of orthodoxy. We would add that one of the most important critiques, in the parliamentary sphere, is to treat mainstream economics as inherently political. Economic theory in and of itself has never been free from prejudice but, in the realm of politicians, media, stakeholders, and legislative decision making, it is often used as a tool for political purposes, particularly by lending credibility to political agendas while masquerading as value-free.

Economic theory has evolved alongside a changing economy, politics, real world problems, and conflicts. Theory and models are historically contingent and are built upon assumptions, informed by ideology, and lead



to (and that contain) inherent conclusions about how the economy should function. Just think of the implications of assuming free competitive markets exist and create the conditions for supply and demand to efficiently allocate resources. It is a ‘logic’ that precipitates a hands-off role for governments and a belief that the private sector can do no wrong.

Mainstream economics is often treated as an objective science, producing advice independent of value judgements. The advice of mainstream economists holds weight, and they are often called upon to provide evidence, advice and predictions by governments, politicians, and the media. This creates opportunity for economic theory, arguments and language to be wielded to justify and defend political agendas and/or mask vested interests. The policy solutions born of these conditions are rarely able to tackle the issues they purport to solve; and it is often disadvantaged people that are most adversely affected. Political economy offers us a critique of mainstream arguments and their masking functions; and it gives us a counter narrative.

Many examples are regularly evident in our federal parliament. Take for example, a recent inquiry into housing finance and home ownership in which we participated. Of course, housing is a particularly contentious issue in current politics. All sides of politics agree that there is a housing crisis and that this is a wicked policy problem with high political stakes and huge household consequences. Engagement in the debate is almost always political. Largely for this reason, policy solutions that would tackle the root cause of house price growth over recent decades – namely negative gearing and capital gains tax discount reform – are, for the major parties, off the table. The calculation by the major parties is that politically viable solutions must be found elsewhere.

The Coalition used a recent inquiry to gather evidence and test messaging for a politically palatable solution that didn’t rock the actual boat but that could be presented as a ‘real’ solution for first home buyers. The focus was on lowering the serviceability buffer<sup>1</sup> for first home buyers so they could borrow more, incidentally increasing their risk of loan difficulty if rates rise. Senator Bragg (2024a) claimed that these ‘reforms to prudential regulation will be a solution for many Millennials and Generation Zs

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<sup>1</sup> The serviceability buffer is a safety net in assessing loan eligibility that ensures capacity for repayment if interest rates rise. It is an additional interest rate set above the loan rate and is set by APRA.

missing out on the Australian dream.’ It is one thing for a politician to say this publicly but another when it is backed in by an economist. Dominant public discourse puts a premium on mainstream economics and its advocates’ pronouncements, such that we trust the advice of bank economists while somehow forgetting they have a stake in the outcome they are defending. Big banks, including NAB, as well as mortgage brokers and industry bodies made the case to the Senate committee that reducing the serviceability buffer would improve access to housing, particularly for first home buyers (Parliament of Australia 2024a). This was widely reported and the arguments of these handful of stakeholders were used, particularly by the Liberals, to claim the evidence was clear that ‘the blunt 3% serviceability buffer is damaging first home ownership’ (Bragg 2024b).

What is conveniently forgotten is the profit that these stakeholders stand to gain from expanding eligibility to housing credit. One of the first lines of critique in political economy is asking the question ‘who benefits and how?’ We gathered other stakeholders and evidence during this Senate inquiry to expose the vested interests of banks in supporting the Liberals’ proposed housing affordability solution. Mortgages make up around 70% of major banks’ asset base (Parliament of Australia 2024: 28). Expanding the pool of people to whom they can lend not only bolsters their bottom line, but increasing demand for housing without a commensurate supply drives up prices, resulting in all home buyers having to borrow more from banks. The outcome is win/win for banks, other lenders, and mortgage brokers. But for home-buyers? Expanding eligibility for housing credit (and thus feeding demand) in a supply-constrained environment has the effect of pushing up house prices, making it even harder for disadvantaged borrowers who the policy is supposedly helping – first home buyers.

### **Political economy as the antidote**

Unlike mainstream economists, political economists take a pluralist and multidisciplinary approach to understanding the economy. This makes them well placed to help understand and solve the persistent policy challenges of our time, many of which cut across multiple intersecting policy areas. In the realm of parliament, political economy gives us alternatives to abstract economic theorising devoid of social and historical context. It gives us theory, history, and language to better understand

complex and unpredictable economic systems, and the capacity to analyse power and ethics. For example, the epidemic of domestic violence cannot be properly addressed just by closing loopholes for financial abuse or better training the police force. The material bases of gender inequality, including housing and jobs, must be rectified for real progress along with the cultural constructions of masculinity and their institutional manifestations.

A critical contribution of political economy that sets it apart from mainstream economics is the focus on analysing power, without which we could not understand the historical and entrenched inequality that exists everywhere in the world. Theory that connects ownership and wealth with the concentration of power and its influence over political decision is particularly useful in the parliamentary sphere because it enables understanding of policy, politics, outcomes and the distribution of resources.

The tools of political economy are especially relevant when working on issues of workplace relations – the age-old battle ground of labour and capital. We had ample opportunity to observe this during 2022-24 as Labor brought three significant tranches of workplace relations reform before Parliament. These omnibus bills reformed multi-employer bargaining, labour hire processes, a pathway for casuals to permanency, and better protections for gig workers.

The Greens secured several improvements for workers and unions as we negotiated the passage of these bills. The most significant of these was developing, negotiating, and passing a ‘right to disconnect’ for Australian workers (Parliament of Australia 2023b). In theory, legislating the right to disconnect should have been easy. Opposing the right to disconnect is, in effect, tantamount to expecting people to work for free – whenever and wherever their employers request it, flying in the face of basic Fair Work principles and laws. Most Australian employees stood to benefit from the introduction of a right to disconnect; and 84% of Australian workers expressed support for it (Littleton and Raynes 2022). Unions had been campaigning and negotiating for the right to disconnect for a while, with some success. The Police Association of Victoria won a right to disconnect in 2019, the Queensland teachers in 2022, and the Financial Sector Union for some of its members in 2023 (FWC 2020; QIRC 2022; FWC 2023).

The right to disconnect was passed into law by the Parliament in February 2024, but not without fierce resistance from employer groups, business-

aligned politicians and lobby groups who campaigned vigorously, saying that a right to disconnect would be impossible to manage, sink small businesses, and harm workers. Dozens of business lobbyists worked the halls of Parliament House throughout negotiations, attempting to influence the bill out of public view.

Unsurprisingly, there is often a stark difference in the access of lobbyists from large cashed-up groups and those from unions or community organisations. Powerful and profitable industries and businesses often have more access to politicians and attract skilled and experienced lobbyists with attractive salaries. They have the right numbers to call, understand the cycles of parliament, know when and where to apply pressure, and have the capacity to wage effective negative public campaigns. The Senate is all about numbers – 39 to pass something and 38 to oppose it. This is where lobbyists work their magic. In February 2023, that meant Labor, the Greens and two crossbenchers could pass legislation. The crossbench was thus a target of vigorous lobbying.

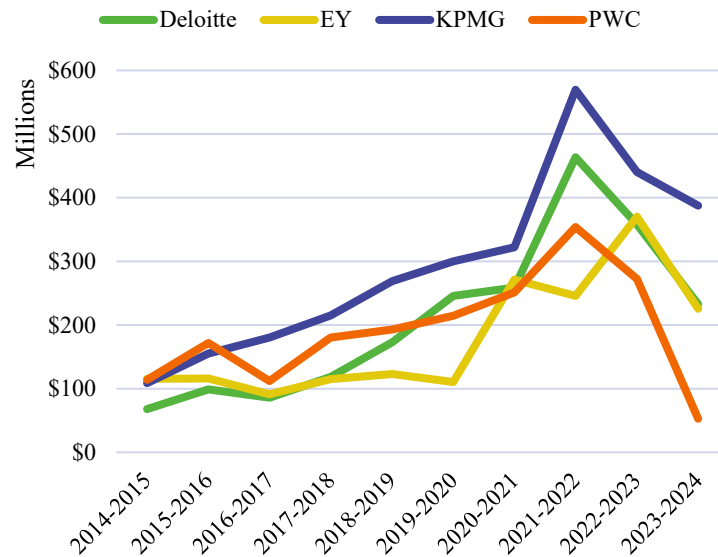
Negotiating is rarely based on evidence and logic but around interests and who has the most leverage and what they are willing to lose. Understanding power and how it is used in parliament is crucial to the strategies employed to achieve positive outcomes. Through these negotiations, the right to disconnect underwent many iterations to arrive at its final winnable shape. Finally, however, our amendment was passed, after a lot of overtime, discussions, and around 40 drafts. This reform gives workers the right to reduce unreasonable contact from their boss unless in an emergency or they are paid for it. While modest and aggressively resisted, it was welcomed and well understood by many Australian workers.

### **Politics, economics and the Big Four: state capture in motion**

Another powerful influence on public policy is the role played by the Big Four consulting firms: EY, Deloitte, KPMG, and PwC. Fly into any big city in the world, and their office towers are likely to dominate the skyline of the financial district, now eclipsing the big banks, and commonly providing key economic advice to government and country. They are among the planet's primary architects of neoliberalism, pushing the expansion of markets, opposing and shaping regulation, protecting large

corporations, minimising the tax they pay, and capitalising upon every opportunity to privatise public services and assets. These are all observable trends in Australia over the past 25 years. Figure 1 shows the massive public expenditure going to each of the Big Four

**Figure 1: Value of Australian government contracts and amendments awarded to the Big Four consultancies**



Source: Based on AusTender data, extracted in December 2024.

The Big Four have rapidly expanded into all aspects of public administration and many corners of private corporations. They have also expanded their business across the private sector, rapidly growing their consultancy activities alongside more traditional – and often less profitable – activities like audit and tax advice. By 2022, at the peak of the outsourcing era in Australia, the Morrison government spent \$20.8 billion on external labour and consulting contracts. This sum could have employed more than 179,000 full-time public servants (calculations based

on Australian Government, 2023). Instead, governments made the decision to bankroll their friends in the private sector. During this time, the Big Four dominated the field of government contracts. Over the decade to 2023-24, they received \$8.7 billion in contracts from the Australian government (Parliament of Australia 2024c:38), making it amongst the highest spenders on consultants in the world (Grigg *et al.* 2023).

This diversion of public resources was assisted by staff caps on the number of public servants, which commenced under John Howard and dug even deeper under Tony Abbott and Scott Morrison. Consultancy spending also grew under Labor Governments like that of Kevin Rudd. It was no doubt also assisted by what has been revealed as a ‘mates club’: a dense web of personal relationships between politicians, Big Four partners and some senior public servants and regulators – sometimes on quick rotation across these institutions. Government departments hamstrung by staffing caps outsourced core public sector work to private contractors; and the Big Four heavily dominated at this very profitable trough.

The consequences are vast. Political economic analysis of the influence of neoliberalism on our public institutions has revealed the high cost of outsourcing work to the private sector because of excessive profit margins, the creation of opportunity for conflicts of interest, and a lack of accountability to the public interest. Because they related to our portfolios of Finance, Public Sector and Employment, these issues were much on our radar early in the parliamentary term. What we didn’t know then was the scale and reach of the damage.

In late January 2023, *Australian Financial Review* journalist Neil Chenoweth published a story about the Tax Practitioners Board (TPB), which had recently deregistered a tax adviser at PwC (Chenoweth 2023). Despite all the regulatory frameworks in place to enforce the rules around tax and audit services, and the enormous size and powers of the Australian Tax Office, the tiny and little-known regulator, the TPB (which regulates the tax agents in Australia), brought this long-brewing scandal into the open. It turned out to be ‘the little engine that could’ after a long period in which PwC partner Peter Collins’ breaches were known within the public service but not acted upon.

As the PwC scandal took hold around the world, Mariana Mazzucato and Rosie Collington’s book, *The Big Con*, was published, shedding light on the global phenomenon of government capture by big consulting firms around the world, distorting the provision of public services. The

Australian experience was about to cast that account into shade with example after example of systemic failures.

In this context, we pushed to establish a Senate inquiry to look, not just at the behaviour of PwC, but at broader consultancy related issues including the impact of outsourcing on the public service. Our first proposal of the inquiry was met with initial resistance from the major parties, some of whose members claimed that ‘we already knew it all’, that it had all been done before, that whistle-blowers would not come forward, and that everyone – including public sector unions – were ‘too busy’ for such a project. We were not convinced and pushed on until, on 9 March 2023, the Greens’ motion to set up the inquiry was passed in the Senate (Parliament of Australia 2023a: 1). Subsequent hearings excavated a cascade of appalling behaviour and cover-ups. The initial probes concerned the actions of PwC partner, Peter Collins, between 2013 and 2016. Mr Collins received and shared confidential information from the Treasury in relation to forthcoming anti-avoidance tax laws. Despite having signed multiple confidentiality agreements as part of consultations on draft legislation, Mr Collins deliberately shared this confidential information with PwC partners and clients – with the goal of generating income by assisting them to work around these new laws.

While the PwC tax leaks issue was the ‘gateway scandal’ to larger revelations about the Big Four ways and means of work, culture and coverup, it proved far from the most significant failure. Indeed, a concentric circle of unacceptable behaviours widens out from the initial PwC ‘bad apple’ scenario – particularly implicating KPMG, Deloitte and EY – to the way Australian governments use consultants.

There are many examples. In 2020, EY was employed by the Climate Change Authority to advise on carbon market schemes policy. Its final report concluded that Verra and Gold Standard were ‘the leading international offset schemes for governance’. However, EY had previously done unpaid work for Verra and Gold Standard, which was undeclared to the Authority as a potential conflict of interest because they did not see it as such (EY 2023a: 23). So, EY was contracted by the Federal Government to do work on climate policy while simultaneously working for the fossil fuel industry. The firm, which is a member of the oil and gas lobby and audits Santos, insists that there is no conflict of interest between its work for industry and government (Belot 2024). This practice is called walking ‘both sides of the street’: giving advice to governments on issues including

regulation, while also advising private clients on the same topics. Big consulting firms defend these perceived and actual conflicts with talk of ‘sterile corridors’, the purported independence of consulting firms’ analysis, and their capacity to maintain separation between the work they do for public and private clients. The weakness of ethical principles when pitted against the powerful possibility of large profits is repetitively exposed in these accounts – especially when they are embedded in personalised reward systems and organisational cultures.

Further, any perception that consulting firms deliver value for money for governments is undermined by this large body of evidence, riddled with examples of consulting firms being frequently subject to overruns and under-delivery, along with very costly procurement disasters. Insider sources indicated to us that profit margins on consulting contracts can be as high as 50-60%, when the same work could be done at a much lower price by the public service.<sup>2</sup> While there may be a legitimate need for governments to seek external advice in some situations, consulting firms are too often ‘opinions for hire’, providing clients the answers that they want, or – in the famous joke – ask for your watch in order to tell you the time (Wooton 2022).

Political conservatives and partners at consulting firms have relied on orthodox narratives and language to justify the move to and maintenance of this status quo – the heart of which is framing the state and public service as inferior to the efficiency of the private sector. The power of these narratives puts the profit motive front and centre and well ahead of serving the community’s interests – a job which, on paper at least, public service is specifically designed to do.

This sad chronicle is of little surprise when you consider the economic power that the Big Four consulting firms wield. Between them, these firms earned more than \$11 billion in revenue in FY23 and account for 70% of total revenue earned by the top 100 accounting firms in Australia (Tadros 2023). The Federal Government has been a major contributor to the Big Four’s bottom lines. Until recently, government contracts made up around 25% of total revenue at the Big Four every year (Deloitte 2023: 17, 28-9, 30; EY 2023b: 4; KPMG 2023: 2-3; PwC 2023: 3).

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<sup>2</sup> Unnamed whistleblower with extensive contract management experience who provided evidence directly to Senator Barbara Pocock.



While the economic power of the Big Four consulting firms is clear, the Senate Inquiry revealed the opportunities used and created by these firms to shape the terrain of policy and service provision in their favour. The extraordinary expansion of consultants into our public sector over recent years has had dire consequences: it has gifted billions to the Big Four while cannibalising funding for essential public services. It has also given a great deal of power to small numbers of influential people, mostly men, who have assiduously and deliberately farmed a tight network of close relationships for personal benefit, across the big end of town and into governments and regulatory bodies. In too many places, a very profitable network is evident, circulating through revolving doors that spin across the sector. This involves broader processes for wielding power that in turn generate income streams.

Prosecuting an inquiry into the consulting sector is a worthy and revelatory project in almost every country for those who want to understand power and politics. It requires all the tools, lenses, and insights made available by political economy, including historical research and critical theories to understand and question political, economic and media narratives. Such analysis also requires scepticism of powerful people, political strategies, persistent investigation, and solutions that disrupt existing power relations. The task is enormous, considering the economic power held by these firms, but that power makes this invisible work all the more important.

### **Revolving door**

The revolving door is one way in which consulting firms seek to influence government, especially in respect of procurement decisions and the outsourcing of work (Schmulow 2023). Consulting firms strategically recruit ex-politicians and public servants, while ex-employees of consulting firms also move across to work in the public service or institutions (Gearin and Nilsson 2024). This revolving door is not limited to upper management either. KPMG has hired almost 100 people who previously worked at the Department of Defence over last five years to 2024. Defence is KPMG's largest government client, giving them a staggering \$1.8 billion in government work over the past decade. This relationship led to KPMG doing work for Defence that was ultimately not needed and billing for work not done (Griggs *et al.* 2023).

The revolving door has many perks for consulting firms, including enabling influence over regulation or the representation of their interests in the public service. It also assists with building up insider information which helps them win contracts and maintain close relationships.

### **Power mapping and ‘land and expand’**

Consulting firms leverage the insider information and relationships by means of what is termed ‘power mapping’. A power map or relationship map is a systematic qualitative assessment about the strengths of relationships with people in useful positions, and their capability to be farmed for future contractual work. Such maps allow private consultants to map who within government departments should be targeted to win more work (Stefano 2023).

The existence of power maps is regularly denied by the Big Four. In evidence to the Senate Inquiry, for example, KPMG denied using power maps but, when evidence of such maps was placed before them in relation to Transport for NSW, they firstly quibbled about the definition of power maps and then had to concede that their practices clearly illustrate careful relationship mapping (Parliament of Australia 2024b: 61-3).

Further, once big consulting firms have contracts, they employ ‘land-and-expand’ strategies, whereby a firm acquires new customers by landing a small contract or a ‘loss-leading’ reduced cost contract which then generates further work or expands the contract over time. This is a lucrative strategy with very wide ‘back end’ profit margins.

For example, at least \$444 million worth of work was tacked on to existing government contracts with Australia’s top consulting firms in FY21-2022, adding 25% in billings or \$1.2 million a day more (Mizen 2023). These extensions are not transparent, and they are extremely lucrative ‘sweet money’. Sadly, they are both common and poorly managed.

### **Regulatory capture**

Along with utilising opportunities to gain and expand contracts with governments, the Big Four work hard to influence regulatory decisions to protect their business models. They are large enough to do so, and to affect regulators’ stances and vigour. Their dense web of personal relationships

also enables the exercise of soft, personal power which is far from trivial in its effects – in winning contracts, creating profitable opportunities and ‘managing’ regulation or penalties.

Regulatory capture is obvious in many aspects of this story. The interests of big consulting firms are too often represented on and around the regulatory bodies and departments that affect their operation. This capture is so obvious as to be almost comical. However, it is still a common practice which sadly works all too often.

For example, recent parliamentary inquiries revealed that two former PwC partners, still in receipt of income from the firm, were sitting on the Tax Practitioners Board as the TPB was considering Peter Collins misdemeanours. While they usually declared an interest, they did not do so in all meetings where the issues were discussed. Of course, the *perception* of a conflict of interest should be enough to ensure an end to this practice, but what was found was worse. At the inquiry hearing on 9 February 2024, Mr Peter de Cure, Chair of the TPB, confirmed that two former PwC partners attended a meeting between the ATO and TPB on 1 September 2021 where a discussion about the TPB’s investigation into PwC took place. They did not recuse themselves (Parliament of Australia 2024b: 143).

The inquiry gathered further evidence suggestive of inter-agency push back against the TPB’s investigation into PwC’s tax leaks scandal, including from the ATO’s senior leadership, and within the TPB. As a consequence, on 15 November 2023, the Greens moved and the Senate passed an amendment prohibiting partners from large firms with active financial interests in the firms under regulation from being appointed to the TPB. That such a simple, clear measure to eliminate perceived or actual conflict of interest on the Board was vigorously resisted by some professional bodies illustrates the value they place on their vested interest and their aggressive assertion of it against the community’s interest in good governance.

### **Political donations**

The power of large financial interests in our political economy is, of course, also expressed in the direct payment of money to political parties. Consulting firms, especially the Big Four, use donations to gain access to

decision makers, secure favours, and wield undue influence over political and tendering decisions.

Over the past decade, the Big Four consulting firms have donated over \$6.6 million to the ALP and Coalition and received a staggering \$8.7 billion in government contracts, over the same period (Parliament of Australia 2024c: 38). It is no surprise that the Australian Government has become amongst the highest spenders on consultants in the world (Griggs *et al.* 2023).

Research by the Centre for Public Integrity (2024) found that donors to political parties were 2.49 times more likely to win procurement contracts than non-donors. They argue donations by the Big Four are ‘unrelated to any ideological goal or end sought but are rather focused on currying favour with whoever may be in power and warned that they left the major parties vulnerable to corruption in the form of clientelism, whereby patron-client relations emerge, and political support is exchanged for privileged access to public goods’ (Centre for Public Integrity 2023: 52).

In relation to political donations by consulting firms, Professor Allan Fels told the committee ‘they’re an investment to get a return and that makes us very worried about them’ (Fels 2023: 7). There is widespread support in the community for the view that allowing political donations by entities also bidding for government contracts creates unavoidable conflicts of interest. This practice is also anti-competitive, especially in relation to small and medium sized consultants and service providers.

### **What have we learned?**

The Senate Inquiry ended up being 14-months long with 10 days of hearings, hundreds of submissions, and the involvement of many insiders and whistleblowers about their experiences. In fact, because there were so many issues to canvas when it came to the consulting sector, a second related inquiry was set up focused on structural reform in the sector by the Parliamentary Joint Committee on Corporations and Financial Services.

These inquiries into big consultants point to the continuing power of these very large firms and their influence in the parliament amongst the main parties. They reinforce their significant economic power with the acute, effective construction, and harvesting of relational power. They remain architects of neoliberalism and the promulgation of its market, profit and

privatisation tenets. They aggressively harvest the public sector for its opportunities, whether for the profit of their corporate clients or their own contractual income – which has formed a large part of their business model in Australia over the last decade. Whistle-blowers from within their walls describe the Big Four’s current strategy as ‘waiting out’ overzealous senators and journalists before – they hope – a return to rewarding public contracting. Under a Coalition government, of course, their hopes would be more likely to be realised.

The Big Four’s championing of neoliberal corporate strategy makes them powerful actors in our political economy. Their current crisis management strategy, they hope, offers them a way forward. They have claimed that: any bad behaviour is all in the past; there were just a few rotten apples/we’ve sacked the sinners; our new ethical protocol puts it all behind us; profit no longer drives us/we have a new culture; and, finally, we are sorry, and it won’t happen again. Amongst the public’s favourite claims, perhaps, is that of Mr Luke Sayers, CEO of PwC throughout the years of Mr Collins’ misdemeanours, who claims yes, he was there, and yes, he was paid \$30 million over the period, but no, he did not see a thing. He continues to claim he has nothing to answer for in relation to the PwC debacle that unfolded on his well-paid watch.

These captains of industry have, however, been bruised. Their income has fallen by over \$500 million in 2023-24 and will remain lower than their heyday for a while to come (Australian Government 2024). Their social licence and reputations have been damaged. However, it is very possible this trend could be reversed by a future government. For instance, prior to the 2025 Federal Election, former Coalition leader, Peter Dutton, spruiked a very large cut in the size of the public service, which would have inevitably resulted in massive growth in an expensive external consulting workforce (Dutton 2025).

Several factors were in place to enable this important parliamentary excavation of the Big Four and their ways of working: dogged and skilled investigative journalists (particularly Neil Chenoweth and Edmund Tadros); the cooperation of Senators who worked together to pursue misinformation, coverup and the absence of ethics; whistle-blowers who – with very poor protection – took great risks to bring evidence forward; a number of public employees including regulators who (sometimes also at great risk) brought forward evidence. All of these elements have been critical to previous significant investigations of corrupt behaviour in

Australia, whether by the big banks, the Catholic Church, Robodebt officials and ministers, and so on.

In every one of these cases, despite extraordinary efforts, expense and risk taking, the consequences for those holding power have been slight and inadequate. In some cases, some institutional cost has been exacted, but rarely do individuals pay a price. In this way, big firms and their leaders live to fight and profit from another day. Each of these episodes provides lessons for political economy: follow the trail of financial benefit, map relationships of power, fight for effective regulation and regulators, make penalties personal. There is no doubt in our minds that state capture is a growing phenomenon, and a healthy democracy relies on its diagnosis and remediation.

Our country is witnessing extraordinary concentrations of capital accumulation which begets concentration of economic power, which is finding extraordinary political influence. For probing these concerns, political economy provided us with diagnostic tools – where to look and how to apply a historical lens to see structural trends in capitalism and neoliberalism. Moreover, it also pushes us to develop structural and systemic solutions – for example to break up the Big Four by separating audit activities from consulting, to regulate their size and structure, to limit their voracious reach into public work and more (Australian Greens 2024).

### **Power, politics and parliament: Possibilities?**

Our personal experience in parliament challenges our natural optimism. It points to a model of power where the parliament itself sits well below those who, holding real power, pull its strongest strings: bankers and financiers, resource companies, leaders of very large consulting firms, defence contractors, professional advocacy organisations and lobbyists, and captured public servants and regulators. While there are a lot of them, these powerful, mostly corporate, interests represent a level of power that is smaller in number than the level below them of elected parliaments. They are the pointy top end of a triangular power structure, with parliaments sitting in a middle layer beneath them and in their strong sway. It too often seems, as Frank Zappa once put it, that ‘politics is the entertainment division of the military industrial complex’.

Beyond and below all of these – the powerful string-pullers and the parliamentary theatre of politics – lie the voters and civil society. It is no surprise that increasing numbers are cynical about the whole show. On so many issues, voters are more supportive of positive, progressive, practical change than those they have elected: take for example, media ownership, gambling advertising, abortion, quality universal health and aged care. Many such voters get on with putting busy lives together hoping, at least, for minimal parliamentary damage to their efforts. This three-level triangular model of power is simple but accurate in our experience.

If great ideas were all it took to fix the current state of Australia, we would not face the existential threat of climate change. We would not have extreme inequality in the distribution of wealth and income, particularly in housing, health care and education. We would not be facing the first intergenerational declines in standard of living.

Great ideas matter, but they are far from all it takes. Recent decades have seen the success of the neoliberal project, resulting in enormous concentrations of corporate power which have captured the state, the media, many parts of universities, and repressed critics – whether journalists, whistleblowers, protesters, radical parties or dissident Senators and members of parliament.

For the most part, policy decisions are not made based on the weight of evidence. Instead, decisions are made based on a calculation of who the affected stakeholders are, how much power they have, and how to appease them without triggering a publicly damaging reaction from anyone.

Weak social democratic parties are inadequate to the challenges posed by the extraordinary aggregations of corporate power. There is no such timidity on the side of corporate interests or their parliamentary puppets. Their claims grow more majestic and absurd: they are so often not backed by facts, science or economics. Just take the Coalition's claim that their nuclear plan for Australia is somehow cheaper than a renewable energy approach to meeting the country's energy needs.

Too often in the context of a timid Labor government, we see social movement leaders of the climate, social, and women's movements overly delighted to be consulted by government figures, to get a seat at their table, and to gather the crumbs that fall from it. To join the media conferences and social movement grabs, to win a contract or two, or change a draft bill clause or paragraph here and there. The resulting reforms are marginal, in

the face of an extraordinary climate crisis and inequality divides that are huge and grow ever wider.

This is where political economy can be useful. We need analysis that helps us understand this power – who has it, how they use it, who benefits, and whose interests align. We need theory, history, empirical analysis, multi-disciplinary insights – and these tools need to be applied to the economy in its political, cultural, and social context. The understanding cultivated helps inform strategies, whether it is in negotiations, choosing an inquiry to pursue, questioning during estimates, understanding the motivations and decisions of other people, and plotting the path for successful reform.

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# **ACTIVIST RESEARCH: POLITICAL ECONOMY IN REAL-WORLD CLASS STRUGGLES**

**Jim Stanford**

*Philosophers have hitherto only interpreted the world, in various ways;  
the point, however, is to change it.*

Karl Marx, *Theses on Feuerbach* (1845).

Most radical political economists would agree energetically with Marx's famous dictum. Many were motivated by an initial passion for social change to enter this discipline in the first place; others came to a personal social change commitment through political economy studies and research. In general, progressive political economists have great appreciation for the historic role of working class and other social movements in propelling society toward greater equity, democracy and sustainability. Most would be glad if their personal research and teaching activities could make a contribution to those movements.

Given this natural alignment between the intellectual mission of radical political economy and the political mission of social change movements, it is perhaps surprising that there is not a deeper integration between political economy scholars and social change activism. There are pragmatic reasons why closer collaboration between political economy research and social change movements can be difficult to achieve in

Stanford, J. (2025)  
'Activist Research: Political Economy in Real-World Class Struggles'  
*Journal of Australian Political Economy*  
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practice.<sup>1</sup> Scholars face institutional pressures and constraints (all-the-more binding in the era of corporatised universities) that divert their energies and attentions elsewhere, and in some cases even censor or prohibit deeper engagement with social movements. Some scholars are insufficiently attentive to the need for their work to be accessible to non-specialists and practically relevant in discrete real-world political and policy struggles; some position themselves as experts instructing movements on what they should do, rather than offering their skills in support of those movements.

For their part, social movements are often so under-resourced and/or fighting an immediate battle for survival that they fail to allocate time or attention to cultivating relationships with sympathetic scholars and researchers, commissioning helpful research or providing space for the presentation and mobilisation of that research. Some activists are insufficiently attuned to the constraints facing progressive researchers (especially those in a university setting) and to finding ways of working together that acknowledge and work around those constraints.

Despite these pragmatic challenges, it is undeniable that progressive researchers and social change movements would both benefit from closer collaboration. Movements are stronger when they can use credible research and expert validation in their campaigns. Sympathetic scholars will be gratified and motivated by the prospect that their research could contribute to real-world social change, rather than being relegated to peer-reviewed journals with limited readership and impact.

A more deliberate, pro-active approach to aligning progressive political economy research with the needs and priorities of social change movements can achieve a closer and more effective partnership between these two worlds. If movements have direct input in shaping the agenda for progressive political economy research (reflecting priorities related to their upcoming struggles), they will be more likely to make maximum use of that research in those campaigns and struggles. That in turn will amplify the real-world impact of the research, to the benefit and satisfaction of those who conducted it. In this model, the researchers must have autonomy and credibility to ensure that their work is honest, rigorous, and innovative; they are neither hired consultants, nor propagandists. But, through a more

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<sup>1</sup> Stanford (2008) considers several of these barriers and proposes a list of best practices for both scholars and activists to help overcome them.

organic partnership between political economy researchers and social change activists, both sides can make a bigger contribution to the social change that each dreams of. This approach can be called ‘activist research’.

In a few disciplines (such as adult education and sociology) there is an established body of theory and practice regarding action or participatory research.<sup>2</sup> Hall (1992: 15) defines participatory action research as ‘practice that attempt[s] to put the less powerful at the center of the knowledge creation process; to move people and their daily lived experiences of struggle and survival from the margins of epistemology to the center’. This broad approach is inspired and influenced by the work of Paulo Friere and others on emancipatory research and pedagogy strategies (Horton and Freire 1990), in which the lived experience of participants, and their struggles for equality and economic justice, become central to the tasks of both research and education. In political economy, however, this approach needs to be adapted. The subject matter of political economy, particularly when more formal economic or quantitative techniques are required, is less amenable to true participatory research design. And, within this broad topic area, the importance of having acknowledged ‘experts’ to interpret data and trends, develop robust findings, and propagate them in the battle of ideas can be unavoidable – in contrast to determined efforts in other disciplines to rid popular research and education of any reliance on experts. Nevertheless, the vision of activist research can be furthered by building closer and ongoing relationships between political economy scholars and social movement participants, to ensure that movement priorities are well represented on the research agenda, and to then engage scholars centrally in real-world struggles that mobilise their findings.

This article provides a summary of one sustained experiment in activist research: the Centre for Future Work, a progressive labour economics research institute in Australia allied with the goals and campaigns of the trade union movement. This initiative (quite similar to parallel projects in other countries<sup>3</sup>) shows the promise of a closer and more deliberate bond between political economy research and social change activism.

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<sup>2</sup> Cornish *et al.* (2023) provide a recent compendium of theoretical motivations and methodological practices.

<sup>3</sup> See Stanford (2022) for a catalogue of initiatives in several countries which similarly attempt to blend rigorous political economy research with on-the-ground social change activism.

Moreover, from its foundation, the Centre has benefited immensely from close collaboration with the Department of Political Economy at the University of Sydney (as well as fruitful collaboration with progressive scholars at other institutions). Therefore, reflecting on the history and activities of the Centre provides a fitting opportunity to elucidate and celebrate another dimension of the Department's far-reaching influence in the fight for a better Australia.

### **Activist research: the Centre for Future Work**

The Centre for Future Work is a small research institute focused on labour market and economic issues facing working people and trade unions. It was founded in 2016 following discussions between the Australian Council of Trade Unions (ACTU) and the Australia Institute, Australia's largest progressive think tank. It was recognised at the time that unions and other progressive labour perspectives were being drowned out by the overwhelming dominance of business and neoliberal voices on labour and related policy issues in Australia's media and policy discourses. The Centre was conceived as an effort to strengthen the profile and influence of progressive, union-supportive economic arguments in that battle of ideas, and to better equip unionists and other campaigners with more evidence and arguments to further their campaigns.

I had recently relocated to Australia for family reasons, after completing a 22-year career as economist and policy director with Unifor (formerly the Canadian Auto Workers), Canada's largest private sector trade union. I was considering work options, hoping to combine my expertise in left economics with my commitment to trade unionism. Andrew Dettmer, former President of the Australian Manufacturing Workers Union (AMWU) and on the board of directors of The Australia Institute, initiated discussions with the ACTU's then-Secretary Dave Oliver and Ben Oquist, then the Executive Director of The Australia Institute. We developed a proposed project which would combine two essential components. First, *accollegial relationship with trade unions*, to inform the Centre's research agenda (reflecting priority issues and struggles for the union movement) and ensure that the Centre's research is taken up actively in the organising and advocacy efforts of unions and other advocates. Second, an *arms-length independence*, so the Centre could address priority issues with credible, rigorous research that would be accepted as legitimate (by the

media, political leaders, the policy community, and the broader public); and when necessary express conclusions that might not be possible or comfortable within the official boundaries of trade unions.

The Australia Institute agreed to host the new Centre, offering to share its administrative infrastructure, communications platform, and policy connections to help the Centre develop its profile and impact. This was a great assistance to the Centre, especially in its initial years (until its name and staff became better known). The Centre is funded through a combination of donations, grants, and commissioned research projects. The Centre's staff grew from just me (serving as its founding Director from 2016 until late 2024) to five people by 2020.<sup>4</sup> In 2021 the Centre (with support from several unions) launched its Carmichael Centre: a special project to undertake research and education activities related to the legacy of the late union leader, Laurie Carmichael. The Centre cooperates closely with researchers at the Australia Institute, many of whom had previously published occasionally on labour issues and who continue to contribute to Centre-branded research publications. This partnership with the Centre also expanded the Australia Institute's engagement with labour issues, enhancing the Institute's presence and reputation on topics like wages, industrial relations, industrial policy, and the future of work.

The Centre's research output is diverse in both content and form. Staff undertake research related to almost any dimension of labour economics, industrial relations, and the evolution of work under capitalism. Topics addressed in the Centre's research agenda have included:

- current labour market conditions, including employment, unemployment, and hours of work
- wage and compensation trends, including the impact of inflation on real wages
- insecure, non-standard, and precarious work, including gig and platform employment models

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<sup>4</sup> Staff who previously worked at the Centre during its history include the late Fiona Carney, Troy Henderson, Alison Pennington, Dan Nahum, Eliza Littleton, Lily Raynes, and Greg Jericho. Most have gone on to fill other important roles in progressive research and advocacy settings; Jericho now serves as Chief Economist for the Australia Institute but contributes frequently to Centre for Future Work projects. At time of writing, the Centre's staff complement includes Fiona Macdonald (Acting Director), Lisa Heap, David Peetz, and Charlie Joyce.



- skills and training, vocational training, and the economic and social value of public education
- inequality in labour markets, including gender inequality, the challenges facing young workers, and employment discrimination against indigenous Australians and immigrants
- the nature and value of work in the public sector, human services and care work
- technology and the future of work, including automation, robotisation and artificial intelligence
- employment dimensions of climate change and the transition away from fossil fuels, including detailed mapping of fossil fuel employment and potential channels of adjustment as fossil fuel use is phased out
- industrial and sectoral policy issues, including research on the structural importance of manufacturing.

For a small team, the Centre has published prolifically, with hundreds of publications released across four broad categories of output:

- full-fledged research papers (of 20 pages or more), incorporating more formal methodology, analysis and references
- shorter briefing papers (of 5 to 20 pages in length), providing shorter-form and rapid response interventions on evolving issues
- commentaries and op-eds published in commercial and alternative media outlets
- academic-quality and peer-reviewed articles and chapters published in journals, books, and other scholarly outlets. While not the Centre's central work priority, its successful presence in scholarly research enhances its credibility as a source of high-quality research and contributes to important networks and relationships with scholars (including, notably, several in the Department of Political Economy at the University of Sydney).

This output alone would cement the Centre's status as an important source of high-quality, progressive labour economics research. But the dimension of the Centre's work most relevant to the vision of 'activist research' is its synergy with trade unions and other advocates fighting for a fairer more sustainable world of work in Australia. The Centre's research and

publishing agenda is informed by consultation with unions and activists – including biannual meetings of the Centre’s Advisory Committee (composed of union representatives and leading progressive labour researchers from academia and civil society), as well as regular liaison between Centre staff, union activists, and other progressive advocates. That ongoing collaboration ensures the Centre’s research agenda is relevant to real-world debates and struggles on labour and related issues.

Moreover, there are several other organic ways in which the Centre’s research is fused with campaigns and struggles for a better world of work. Centre staff regularly speak to union conferences, leadership bodies, and panels. They appear frequently as expert witnesses in various parliamentary processes and industrial inquiries – including presenting their research at the Fair Work Commission and other tribunals (on topics including paid leave for family and domestic violence, reforms to Modern Awards, pay equity, and improved pay for care work). Centre staff frequently provide informal economic, strategic or quantitative advice and consultation on specific labour campaigns or issues. On several occasions, the Centre has sponsored open letters to marshal public support from academic economists and experts on key topics – such as preserving penalty rates for weekend and long hours work, the benefits of stronger wage growth, and the need for industrial policy support for the energy transition (through the recent Future Made in Australia initiative).

In other ways the Centre strengthens exchange and collaboration between progressive scholars and trade unions, such as publishing popularised versions of research from progressive labour academics, sponsoring union-related sessions at academic conferences (such as the Association of Industrial Relations Academics of Australia and New Zealand, AIRAANZ), and brokering connections between unions and academic researchers with expertise on topics relevant to union campaigns.

A key aspect of the Centre’s work has been popular economics education for union officials, leaders, and activists. The Centre’s pedagogical approach embodies Freirian principles of activist adult education, integrating training in basic political economy with the lived experience of trade unionists in their workplaces, and their concurrent engagement in both industrial and political struggles. Since its inception, the Centre has

offered an intensive course titled Economics for Unionists,<sup>5</sup> offered through the ACTU's Australian Trade Union Institute (ATUI). The course has been offered in two-day and five-day versions and covers core topics in political economy including: the nature and history of capitalism; work, value, and exploitation; governments and budgets; globalisation; the economy and the environment; and possibilities for economic reform and social change. Hundreds of unionists from different unions, industries, and states have completed this course; they are now better able to mobilise political-economy knowledge and concepts in their continuing work. Centre staff also provide shorter or customised educational offerings tailored for specific audiences or on particular issues.

The best measure of whether the Centre's approach to activist research is succeeding is the extent to which its research and analysis is actively mobilised by unions and others in their campaigns and organising. In this regard, the evidence is both impressive and gratifying. Because the Centre's research agenda is pro-actively informed by the advocacy priorities of unions and other labour advocates, its output is sure to be relevant to current workers' struggles. The Centre's focus on research that is accessible, linked directly to current debates and campaigns, and helpful to workers' economic and political demands enhances its value in those struggles. The Centre's research has been a key asset in numerous labour movement campaigns that were ultimately victorious. Examples include:

- Pioneering research on paid leave from work for victims of domestic and family violence (Stanford 2016) helped change the discourse around that demand – showing that, while the costs of this measure were economically trivial, its economic and social benefits are substantial. Pioneering paid leave clauses were taken up broadly by state labour councils and the ACTU, extended incrementally through Fair Work Commission awards and are now embodied in a universal National Employment Standard entitlement to ten days paid leave.
- During the early weeks of the COVID pandemic, the Centre marshalled international evidence regarding the need for large-scale emergency income supports and wage subsidies, to try to moderate subsequent employment losses and social displacement

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<sup>5</sup> The structure and curriculum of this course is similar to the residential popular economics course described in Stanford (2009/10).

(Centre for Future Work 2020). In their emergency campaign aimed at the Coalition Commonwealth government (led by Scott Morrison), the ACTU and affiliated unions used this evidence to win commitment to emergency payments to both workers and employers (including Coronavirus Supplement payments and JobKeeper wage subsidies) that were among the most comprehensive in the world.

- The Centre conducted sustained research for several years on the historic slump in wage growth in Australia during the latter 2010s when wages grew more slowly than any other time in postwar history (see Stewart *et al.* 2018; Stewart *et al.* 2022). That set the stage for a sea change in public attitudes to wages, no longer seen as a problem to be controlled, but as a key sign of economic success. That shift in attitudes was significant in the 2022 federal election, in which public concern over low wage growth proved important, as shown by exit polling analysis (Raynes 2022).
- A related body of work addressed the marked erosion in collective bargaining that had occurred during the 2010s, when the proportion of workers in Australia covered by a current enterprise agreement fell by about half, with the decline especially precipitous in the private sector (Pennington 2018). Successive reports explored the implications for wage growth, inequality, and representation, arguing that reforms to make collective bargaining more feasible and accessible would strengthen wages. The Centre's estimates of the impacts on wage growth of industrial relations reforms in 2022 (including limited opportunities for multi-employer bargaining) were mobilised by advocates of those reforms (Stanford *et al.* 2022).
- In conjunction with colleagues at the Australia Institute, the Centre also explored the causes and consequences of the surge in inflation that occurred after the COVID pandemic – showing that this inflation reflected excess pricing and profits by corporations in strategic sectors of the economy, rather than conforming to 'wage-price spiral' theories emphasised in neoliberal anti-inflation policy (Richardson *et al.* 2022; Stanford 2023; Stanford *et al.* 2023). This work, cited widely in campaigns by unions for better wage policies at that time, helped change popular attitudes about inflation, shifting blame to corporations (instead of workers

and unions), and ultimately influencing several aspects of government policy response to that inflation. The Centre then played an active role in the Public Inquiry into Price Gouging and Unfair Pricing Practices, headed by Allan Fels and hosted by the ACTU, that further heightened public awareness of the role of corporate power in post-pandemic inflation (Fels 2024).

- The Centre published a stream of research documenting the substantial economic and social benefits arising from stronger public funding for public schools and TAFEs, showing that in some cases expanded school funding pays for itself through regular taxes collected from the resulting economic expansion (Pennington 2020; Littleton *et al.* 2023; Stanford 2024). Working adjacent to the Australian Education Union's advocacy campaigns, this research was influential in the struggle for public education, successfully culminating in the Commonwealth government's commitment to guarantee 100% funding of public schools to the School Resource Standard.

Each of these examples (and others not listed) shows the power of a symbiotic link between progressive political economy research and on-the-ground social movement activism. In each case, the Centre delved into a topic that was important to unions who intended it to be a major focus of their future activism. The research is conducted independently and rigorously, and the Centre can fully defend its methodology and findings. But, because its research is relevant to and taken up directly in real-world struggles, it achieves amplified resonance and influence – far more than research conducted in isolation by well-meaning scholars. These victories attest to the value of activist research and a closer and ongoing partnership between skilled political economists and the social change movements which will ultimately win the change these researchers dream of.

## Conclusion

This case study of the Centre for Future Work tells the story of one effort to more closely pair radical political economy research with real-world social change activism, in this case the struggle of Australia's working class for fairer, better work and wages. There are many other instances of creative and productive partnerships between progressive economists and

social movements.<sup>6</sup> Organisational forms through which the goals of activist research are manifested will evolve over time and place, depending on political circumstances, funding and people.

The formation and work of the Centre for Future Work owes much to the impact of Political Economy at the University of Sydney. This influence was felt in various ways. Several of the Centre's staff were graduates of the Department. Centre staff have partnered in many Department panels and forums: and been guest lecturers in Political Economy classes. Centre staff have contributed articles and symposia to the *Journal of Australian Political Economy* on topics such as the declining labour share of Australian GDP, neoliberal labour policy, and Commonwealth budgets. The Centre has partnered with faculty on panels at conferences such as AIRAANZ and the former Society for Heterodox Economics. The work of several Department members – including Elizabeth Hill on women and work, Frank Stilwell and Michael Beggs on macroeconomics and full employment, and Gareth Bryant on work and the environment – has been reposted or publicised through Centre publications and events.

In all these ways, the close and fruitful collaboration between the Centre for Future Work and the PE academics is testament to the value of activist research strategies in strengthening the bonds between radical political economy and social change movements. It also reflects the broad and lasting impact of the globally unique Department of Political Economy.

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<sup>6</sup> Stanford (2022) catalogues numerous other efforts to mobilise left economic ideas and proposals in real-world campaigns and movements – including a profile of the Institute for Research on Labor and Employment (IRLE) at the University of California, Berkeley, which resembles the strategies and strong union relationships of the Centre for Future Work.

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# POLITICAL ECONOMY AS LEADERSHIP

**Paul Porteous**

*We shall not cease from exploration  
And the end of all our exploring  
Will be to arrive where we started  
And know the place for the first time  
- T.S. Eliot (1943)*

After decades of working in international development, foreign affairs, politics and social development, I constantly return to the fundamental principles of political economy learnt at university. In a world of increasing dysfunction and uncertainty, political economy and leadership go hand in hand, with both practices encouraging us to avoid deterministic certainty and instead adapt to changing environments based on pluralism and diversity. From the United Nations to remote African villages, the capacity to face difficult realities while remaining open to alternative perspectives, cultures and understandings is the touchstone of progress. Political economy draws attention to reality in a world where truth and facts are increasingly optional. As an adaptive and pluralistic approach, this generates fresh perspectives to systemic problems through understanding the interrelationship between power, inequality and social justice.

Our experience with COVID showed how fast-moving viruses can mutate in ways which overwhelm the human body. These viruses transmit readily, adapt freely and have deadly results. Similarly, our body politic is having a COVID moment. Groups such as Meta and X joyfully dispense with pesky facts, foment conflict and misinformation, and destabilise democratic and international systems which took centuries to evolve. The

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**‘Political Economy as Leadership’**  
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term ‘disruptor’ and ‘innovator’ have been subsumed by ‘tech-bros’ to supposedly celebrate the destruction of reliance on science and facts in favour of popularism and oligarchy. New technologies are squeezed into old politics, as we are seeing with the widespread misuse of social media and artificial intelligence. Increasing authoritarianism across the world is ushering in uncertainty and remoulding international relations around raw power.

In times of uncertainty, communities demand ‘leadership’ – resulting in it being one of the most misused words in the public arena today. Leadership is already a confused concept, with more than 35,000 definitions in the literature (DuBrin 2000). On a daily basis, our media refers to ‘leadership’, or lack of it, with endless opinion on whether it is good, bad, calculated, strategic or just plain muddled. On one hand, we seek leaders who have the answer, the politician exuding confidence who can provide clarity in troubled times. On the other hand, we know that the image is flawed and there are no simple answers for complex issues such as poverty, inequality and racial or religious conflict. The political bar is not high. Often, we are content to simply settle for someone who can hide the problem from the front pages of newspapers.

In understanding this contradiction, we need to distinguish Leadership from Authority. Authority is positional, claiming expertise and promising solutions and answers (Heifetz 1994). However, too much reliance on authority results in dependency and a ‘top-down’ dictatorial or managerial approach. In focusing on authority, leadership is erroneously reduced to reliance on ‘experts’, getting people to ‘follow’ or coercing them to move in a particular direction. However, for complex issues, there is no clear direction, so simply getting people to follow is folly.

Groups confronting difficult values problems often engage in defensive reasoning and routines which prohibit questioning and avoid scrutiny of the underlying causes (Argyris and Schon 1996). Similar dynamics are the source of much resistance and avoidance in communities dealing with critical social issues, such as child abuse, domestic violence or suicide. Where authorities reinforce these dynamics, simply raising issues, such as racism, generates avoidance or angry denial. Sharing the same root as ‘authoritarian’, it is not surprising that an over-reliance on ‘authority’ is leading the world to increasingly totalitarian political models. Rather than creativity and a commitment to solving critical issues, politicians demand compliance and loyalty to an individual, group or ideology.

For *leadership*, the situation is quite different: how the necessary ‘learning’ occurs among competing values and interests becomes paramount, bringing contradictory assumptions, beliefs and values to the surface for consideration and negotiation. We should not concede the concept of ‘leadership’ to a political objective of gaining power; nor a managerial orthodoxy that equates it with KPIs, Mission Statements or Visions. Allowing it to be weaponised as a code for authority, power, control and bullying does little to progress structural dysfunction. Instead, the concept of leadership as pluralism needs to be reclaimed as an important component in achieving paradigm shifts: otherwise, it becomes an obstacle to progress.

For example, a meeting of senior international humanitarian organisations (at which I was present) struggled with how to focus Pakistan and India on the Indus River system, where water shortages are a flashpoint for conflict. Discussion became excited as creative possibilities emerged from combining their skills and contacts. Suddenly, a voice interjected: ‘*Yes, that’s all very well, but who would be the lead agency?*’. Like glass shattering, participants retreated to their organisational agendas and interests, weighed down with the baggage of the status quo. In the name of ‘who leads’, the creative moment was lost, their enthusiasm subsumed, and conversation shifted from the group being the sum of its potential to instead being the sum of its excuses as to why nothing could be done.

In such environments, political economy and leadership share much in common in going beyond ‘solving current problems’ to exploring how organisations and communities can increase their ‘problem-solving capacity’. In contrast, leadership is an alien concept to orthodox economics which relies on price signals from markets to ‘lead’ people to rational choices, devoid of power relationships. Orthodox economics sees power diffused among an infinite number of disparate agents, which is ironic given that so many corporate executives lay claim to their ‘leadership’ as the basis for efficient decision-making.

In biology, organisms that over-specialise in becoming ‘efficient’ in one environment quickly die out when challenged with a new situation. In the same way, orthodox economic pursuit of ‘efficiency’ and ‘certainty’ has left us ill-prepared for the dynamic changes rocking our world, ranging from geo-political instability to climate change. Conversely, social leadership comes naturally to political economy which, in an evolutionary way, adapts to fast changing environments through embracing diversity

and pluralism as part of the fabric of human interaction. The more complex the adaptation necessary to confront a changing environment, the more diversity and pluralist perspectives we require to respond with innovative solutions.

As a catalyst for change, political economy as leadership not only acknowledges competing theories but encourages them as a way of diagnosing contradictions and conflicting values, revealing how conversations on the surface are often different to the dynamics churning below. In my work with senior executives, open conversations are usually about development, creativity, innovation, finding solutions, reaching compromise and avoiding conflict. In contrast, powerful underlying dynamics, which are less openly discussed, are about competing and conflicting values, protecting world views and identity, and struggling with what it even means to make progress.

Even at a local level, a pluralistic approach is essential. For example, a massive land reclamation project in a South-East Asian country sought to build several new islands but also risked destroying traditional fishing villages and damaging marine biodiversity. In my discussions with corporations, consistent with an orthodox economic perspective, they spoke only in terms of cost/benefit analysis, land values and potential profits. Government agencies spoke in terms of infrastructure development, broad policies and multiple levels of government coordination. However, neither could comprehend the underlying values of villagers who spoke in terms of identity, traditions, heritage, environmental protection, culture and history. A pluralistic approach would reach across these boundaries, engaging with the values clashes to expand possible solutions. Instead, reliance on economic modelling, which failed to take account of villagers' concerns, led to protests and political pressure which eventually undermined most of the project.

From a political economy perspective, Stilwell (2023: 196) suggests four elements necessary for steering social change: critique, vision, strategy and organisation. This equates favourably with a social leadership perspective in leading with critical questions: Critique (Where are we now?), Vision (Where do we want to be?), Strategy (How do we get there?) and Organisation (Who will do it?). These pillars provide the foundation for progress based on adapting to new situations and valuing pluralism and diversity for both building awareness of underlying power dynamics and directing action. There are several concepts in social leadership discourse

that can enhance our understanding and practice across all these elements, including learning, innovation and engagement.

### **Learning as discovery**

Framing current challenges as potential ‘learnings’ rather than ‘problems to be solved’ generates creative dialogue beyond just competing agendas. Demands such as *‘you are either with us or against us’* disempower communities from recognising the reality of power dynamics blocking progress. A pluralist approach breaks away from stale polarised views to instead generate ‘missing conversations’ based on multiple perspectives. This allows difficult issues to continue being worked on during periods of stress and uncertainty, instead of waiting for authorities to impose solutions. For example, when the Morrison government signed the AUKUS arrangement, it did so without any prior public debate. This saw a leadership process of discovery, based on public engagement and parliamentary scrutiny, bypassed for a politically convenient solution. As a result, the community is still struggling with what question AUKUS is the answer to. Instead, we need to approach challenges as a ‘shared dilemma’ – a jigsaw puzzle where diversity of priorities, values and approaches are essential. Otherwise, we design systems and processes inwardly focused on their own machinations, rather than the real issues.

Working with Secretaries of Departments in a South-East Asian nation, I was engaged in exploration of sustainability issues in a regional area dependant on tourism. Although a national park, years of rubbish dumped in a neighbouring valley threatened the entire area. *‘The poisons from the rubbish are leaching into the soil and mangroves and destroying the whole environment’*, remarked a despondent park ranger. An incinerator that had been installed to deal with the rubbish broke down after only a few weeks. Years later, it was still not repaired despite a simple technical solution. However, senior government officials described the situation as ‘very complex’ because of contractual issues, overlapping authority between departments, political disagreements, etc. Even facing an existential threat, including the collapse of the regional environment and economy, the system looked inward. Complying with rules and process was more important than survival. They no longer had a system; the system had them!

With seemingly good intentions, we construct organisations, laws, rules and processes to help regulate our safety, and provide certainty and direction. Yet when major problems emerge, such as climate change, we seem unable to take action to circumvent or prevent them. When systems work against our collective interest, we need multiple perspectives to help re-evaluate what is most important and what needs to change. Unfortunately, by the time symptoms emerge, there are usually entrenched interests who are committed to, and benefit from, the status quo, regardless of the inequalities or existential threats which are generated. Inward-looking systems are characterised by people staying silent to avoid risk, covering-up reality in the name of loyalty, maintaining control by limiting agendas, repressing concerns in the name of survival, or maintaining facades of false certainty in pushing agendas. These systems resist reform and become anti-learning and self-protecting. Numerous Royal Commissions in Australia, such as those looking into the Robodebt scheme or institutional abuse, reflect the self-protecting nature of such organisational systems which resist external enquiry or engagement.

Breaking out of myopic systems requires a pluralist approach which generates 'missing conversations' between different perspectives. For example, a large government agency, with multiple regional offices supporting clients with complex needs, decided to transfer services online, justifying this as being innovative, efficient and providing 24/7 service. However, its local staff immediately interpreted this as job losses, reduced access for clients (many of whom did not have internet) and devaluing their face-to-face engagement. Strategic planning sessions only focused on implementation. However, during session breaks in the hallways, the Executive complained about 'dinosaur' local staff who resist change, while the Staff complained about 'out of touch' Executives – but no open discussions took place in formal meetings, leading to rumour and suspicion. The critical learning conversation about how to support client needs with new technology in the face of limited budgets (which was ostensibly the primary purpose of the new policy) failed to occur. This 'missing conversation' adversely impacted millions of people. A pluralistic approach would have actively sought alternative views, worked across boundaries, and developed a 'shared dilemma', thereby allowing a range of stakeholders to interrogate reality and develop alternative options - instead of imposing a program that ultimately was unsupported by staff determined to protect their clients.

The key questions that can help in generating such learning conversations include: What is at stake? What is progress? Who benefits from the status quo and who has the most to lose in any reform? How do we gain and maintain attention to core values issues? How can we increase diversity? Who are the dissident voices and what can we learn from them?

### **Innovation: shape-shifting challenges**

Policy innovation occurs as the environment changes, as values change in the community, and as new obstacles are encountered and overcome. Our most critical challenges are constantly shape-shifting, so policies and best practice models should not be static but rather framed as ongoing 'work-in-progress'. False certainty, the foundation of neo-classical economic models, reduces dynamic communities to static economic models, which generates limited problem-solving capacity. The track-record of confident economic forecasts based on such models have been dismal, with the International Monetary Fund highlighting that they failed to predict 148 of the 150 recessions between 1992 to 2014 (An *et al.* 2018).

Conventional problem diagnosis is often viewed as a medical or analytical model which presumes a problem exists, symptoms are obvious and that the cause is discoverable. Appropriate treatment is then based on past experience. However, political economy and leadership diagnostics are different, as the reality of the situation itself might be elusive. Symptoms may not only be hidden but actively masked; and the underlying root cause may never be discoverable in a way which lends itself to a 'solution'. The current peddling of 'alternative facts', conspiracies, falsehoods and outright lying in the US is a case in point.

Distinguishing between the foreground (technical) and background (underlying) dynamics is helpful in these situations. In leadership programs, senior executives readily identify and openly discuss technical strategies, vision, productivity and efficiency goals in line with mainstream management and neoliberal discourse. However, such technical approaches tend to generate technical solutions and reinforce existing hierarchies and authority relationships. In contrast, background issues reflect people's values and culture and include issues such as power, control, blame, fear, trust, respect, autonomy, identity, belonging, loyalty, equity and fairness. Addressing these challenges requires learning and interaction between competing values to explore how they may be engaged

or modified to generate new possibilities. Simply applying technical solutions such as efficiency to values issues, for example religious conflicts, may just inflame a situation (Porteous 2018: 33).

Evolution shows that diverse systems thrive while specialised systems die out when the environment changes. Similarly, a monocultural approach to policy is the antithesis of an adaptive and pluralistic learning system. Excessive reliance on technical solutions avoids the values conflicts in the background as populations are instead implored to respect and trust systems and processes as if they are value-free and the only possible solution. Are we to respect and trust systems that took children away during the Stolen Generation? Are we to respect and trust systems that allowed Robodebt to flourish for years? Are we to respect and trust systems of endless arms sales to promote forever wars and genocides? Are we to respect and trust systems that poison our environment and the very air we breathe? People in senior positions often protect and are rewarded by those systems, which are then replicated through mentoring the next generation.

At the international level, this dynamic also limits innovation. UN Trade and Development (UNCTAD) currently estimates that 54 countries representing 3.3 billion people (almost half the world's population) spend more on debt interest than on education or health, with total debt for developing nations having reached \$US29 trillion (UNCTAD 2025). A similar situation in 2005 had led to the Gleneagles Agreement, announced with much fanfare and promising \$US25 billion in aid for developing nations. In Madagascar, where at that time I was Senior Adviser to the President, I was involved in launching the ambitious Madagascar Action Plan (MAP). Madagascar has a population around 30 million with over 80% of the population living on \$2 a day. The MAP represented a two-year engagement with the people to set a national vision and priorities for development around education, health, environment, governance and the economy. However, no funding ever materialised from the Gleneagles Agreement – the vision of the international community was about propping up creditors in the existing system, not reform and national development.

Senior World Bank officials explained that the Gleneagles Agreement was an 'accounting trick' and not even one dollar was available. The funds were in the form of 'debt-reduction' on loans developing nations were unable to service anyway. Cancelling the debt appeared as a huge increase

in overseas aid but resulted in no additional funds on the ground. We were told to abandon our national vision and integrated development strategy to instead engage in a *'beauty contest'* to attract donors because *'it is easier to raise funds for specific sector activities (e.g. AIDS, Malaria, water) that represent donor priorities'* (comment by Senior World Bank Executive). Excessive resources were then diverted to evaluation processes, ostensibly to reassure donors. Compounded with rising food insecurity and the effects of the international economic crisis, it was of little surprise that the result was rioting in the streets in many nations.

In being subsumed into a system, organisations become anti-learning. Neoliberalism, with the language and thinking of managerialism, has overwhelmed our capacity to respond meaningfully to fast-changing environments. I saw this firsthand while on the Executive of a large Australian charity as our Board became corporatised. Management language replaced advocacy, and critique of social policy disappeared in favour of gaining government/corporate favour and grants. Government grant policy expanded to include 'gag clauses', limiting the ability of groups to even warn of policy failures. The Australian Productivity Commission (2010: 308-10) report into the *Contribution of the Not-for-Profit Sector* found that charities had 'a strong sense of disenchantment' with their engagement with government, including opposition to top-down imposed solutions and a 'master-servant relationship'. In contrast, government agencies promoted the same engagements as examples of 'successful partnerships' (Productivity Commission: D2). This has real world consequences. For example, during the 'radicalisation issue', when seeking out youth workers who had been essential in defusing earlier crises involving the Arab community in Sydney, I was told that they had been *'replaced with grant writers and grant acquitters'* (Porteous 2018: 33). The loss of engagement capacity at that critical moment was an own goal for a government that did not understand what was happening.

### **Engagement: beyond consultation and stakeholders**

Beyond a decision-making or problem-solving process, engagement is a joint 'learning dynamic' that frees groups from a reactive siege mindset to re-imagine what progress even means. The heart of engagement should be structural pluralism, whether between sectors, community and government or within organisations, as part of the creative process of understanding



competing perspectives, rather than just seeking sanctuary in like-minded groups.

Most metrics show that people do not feel engaged in decisions that impact them and trust in institutions is plummeting. The Edleman Trust Barometer found that over 50% of people see government and business in Australia as a dividing force in society (ETB 2022: 13) and worldwide almost 70% are convinced we are *'purposely being misled'* by societal leaders (ETB 2025: 10). Recent surveys on how well government listens reported 63% of people felt either 'not heard' (37%) or do not even bother giving feedback (26%) (EMT 2024). An earlier survey revealed that around 85% of Australian citizens felt they had little or no influence over national decision-making (Evans *et al.* 2013). Even within government, 57.4% of public servants under 44 years are dissatisfied and plan to look for another job within 12 months (Mandarin 2024). More disturbingly for our democratic systems, the ANU Australian Values Study found that *'having a strong leader who does not have to bother with parliament or elections'* was considered a very good or fairly good idea by a third of those surveyed. And for the 30-34 age group, that figure increased to a majority of 51% (AVS 2018). If politics is how we solve our most difficult issues, all is not well. Alienation, fuelling the politics of resentment, thrives. The result is usually a mash of competing agendas with the usual suspects locked in stale debates as they attempt to coerce, intimidate, influence or otherwise convince their way to a solution. In this atmosphere, communities are becoming increasingly suspicious of 'consultation' and 'stakeholder engagement' processes which appear designed to reduce opposition to policies rather than generate new approaches (Porteous 2018).

When engagement becomes reduced to transactional dynamics, it shifts the purpose away from critical issues to a misplaced emphasis on resources. Working with the Arab Communities in Sydney showed me how grant funding based on competitive models exacerbated conflict as organisations scrambled for resources. An obsession with *'what's in it for me and my organisation?'* overwhelmed the potential for community groups to work collaboratively. Shifting the question to *'how does it build community?'* generated new perspectives and mindsets based on joint learning and partnerships. The community experienced a major shift away from a transactional competitive model based on markets, business models, a win/lose mindset and hoarding resources to instead be based on a collaborative leadership approach of valuing diversity, partnerships,

community building and evolution of social policy (Porteous 2018: 34). New options emerged, with numerous joint programs and collaborations formed based on existing relationships.

These types of engagements are a learning dynamic which requires:

- revealing contradictions and values gaps between what people say and do
- questioning deeply held assumptions – approaching issues as learners not experts
- encouraging diversity and competing values as a source of new perspectives and potential solutions
- building partnerships, with a keen eye to those groups which most resist change
- avoiding quick-fix solutions and the blame game
- taking action as experimentation, knowing that it can generate tensions
- keeping the focus on purpose and key issues, instead of being centralised around individuals, experts and authorities (Porteous 2013: 16-7).

## Conclusion

As we lurch from one crisis to another in housing, health, education, defence, rising inequality, and climate change, political economy plays a leadership role in surfacing underlying dynamics and seeking a plurality of approaches which re-imagine ‘progress’ through learning and discovery. In posing critical challenges as ‘shared dilemmas’ and generating ‘learning conversations’, it can systematically raise critical questions, analyse undercurrents, tease out contradictions, assess opportunities and threats, build collaborative partnerships, prepare for resistance and make critical interventions. Leadership perspectives on learning, innovation and engagement give greater depth to political economy analysis and action to look beyond ‘solving problems’ to instead increase communities’ ‘problem-solving capacity’. Making that distinction allows us to understand not just the current challenges we face but also develop the imagination to deal with those yet to arise.

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## **FEMINIST POLITICAL ECONOMY AT THE UNIVERSITY OF SYDNEY**

**Elizabeth Hill and Gabrielle Meagher**

The University of Sydney was the first known English-speaking university to teach an undergraduate unit on feminist political economy. This pathbreaking unit, called Political Economy of Women (and commonly known as PEW) was first designed and taught by a collective of feminist scholars from across the University in 1974. Led by Margaret Power from the Political Economy group in the Department of Economics, the collective drew in scholars from disciplines including anthropology, fine arts, history, industrial relations, philosophy, political science and sociology (Power 1995). Students completing a range of Bachelors' degrees could take the unit, which was explicitly interdisciplinary. At this time The University of Sydney had some of the greats of feminist theory and scholarship, including Carole Pateman, Bettina Cass and Elizabeth Grosz, all of whom contributed to teaching PEW.

The later creation of the Department of Political Economy provided the unit with a more secure home; and it has been taught for more than 50 years under various titles such as 'Women In and Out of the Economy', 'Gender and Capitalism' and now 'Gender, Work and Care in Economic Life'. Students have been taught by a variety of academics from the Department including not only Margaret Power, but Gillian Hewitt, Pamela Cawthorne, Sue Himmelweit, Rebecca Pearse and the two of us. In all its iterations, the curriculum has offered students critical feminist perspectives on fundamental economic questions of work, value, wellbeing, and how we define 'the economy'. The connection between academic feminist research in political economy and its contribution to public policy debates and design has also been a consistent theme.

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Our article on these issues takes the form of a conversation between us, as two graduates of the Political Economy program at Sydney University who went on to become professors of feminist political economy. Although our memories and reflections are necessarily incomplete – even in relation to our own experience – we offer them in the spirit of celebration on this, the occasion of the fiftieth anniversary of Political Economy. We reflect on what the curriculum offered students, the core ideas that shaped our own teaching and research, how Sydney's approach connects with international developments in feminist economics, and the contributions that students who were influenced by the unit have made in public life. Our conversation begins with a discussion of our experience as undergraduate students of feminist political economy.

**What was your experience of feminist political economy at Sydney?**

**Gabrielle:** I came to the University when the PE conflict had been partially resolved through the creation of a distinct Bachelor of Economics (Social Sciences) in which students could do a major in Political Economy taught by a semi-autonomous group within the Department of Economics. Although I didn't take the third-year Political Economy elective on women, Margaret Power was an important presence and influence. As a student, my interests converged on questions that are central to feminist political economy: the political economic structures that shape the gendered division of labour and economic inequality between women and men, while our broader education within Political Economy shaped my way of thinking.

At that time, undergraduate majors were a structured progression, which really enabled us to build our knowledge and analytical resources. There was no orthodoxy within the heterodoxy of PE, and exposure to different casts of mind and research interests in our teachers – later colleagues – was intellectually invigorating, even liberating. And despite the ever-presence of the orthodoxy both in the intellectual ether and in the corridors, we learnt from prescribed materials drawn from across the social sciences, which helped us develop a wide and critical view.

**Elizabeth:** I started my degree two years after Gabrielle. I arrived fresh from three years working as an advisor on commodities and bond trading in international financial markets, keen to understand international

relations of economic power, inequality and gender. Margaret Power taught me the fundamentals of feminist political economy, but I also benefitted from the feminist perspectives included in units run by Stuart Rosewarne on labour, migration and the environment, and Evan Jones on the state. English literature was one of my majors and I loved Evan's use of Jane Austen's novels to illustrate key aspects of the gendered social relations of capitalist development. But the most important text I read as an undergraduate was Marilyn Waring's *Counting for Nothing: what men value and what women are worth* (Waring 1988). This calm, logical exposition of the way in which patriarchal notions of capitalist economic life have been institutionalised in systems of national accounting and global economic policy to extract the so called 'free goods' of nature and women's labour was a turning point for me and formed the intellectual foundation of my honours thesis and subsequent research.

**What was it like to teach feminist PE? What was in the curriculum? How were the students?**

**Gabrielle:** I taught Political Economy of Women a few times during the 1990s. At that time, the unit had a hybrid status as an interdisciplinary unit available to a variety of students including in (what was called at that time) Women's Studies, and as a third-year elective unit in a Political Economy major. PEW was also a Third-Year elective in the Economics major, for at least one of the years I took it – and I think some students found some of its subject matter quite eye-opening, in a way I will explain later.

I co-taught some parts with political scientist Lisa Hill (no relation), now Professor at the University of Adelaide. Lisa brought great depth of knowledge about the history of classical liberal political theory. In an early set of lectures, we were able to explore through a feminist lens the connections between classical liberalism -- manifestly a set of ideas about how the world should be – and neoclassical economics, which purported to be value-free.

Alongside lectures on these and other topics you might expect, such as the gendered division of labour, the unit had a structured workshop program that got students working together to write a 'working party report' through which they learnt to analyse and propose actions for change on an important issue for women. I won't go into the detail of the teaching strategy here (for that, see Meagher 1999), apart from saying that some of

the topics students could choose from focused on the intersection of the market and women's bodies – including sex work, commercial surrogacy and pornography. Students from Women's Studies took this in their stride, while some of the Economics majors were quite surprised to have such topics treated in a university subject and to learn about the depth of scholarship and the terms of often vigorous debate on these 'contested commodities' (Radin 1996).

In my other teaching I attempted to integrate feminist questions and empirical evidence about gender in economic life. In the large, team-taught first year survey unit, *Structure and Change in Modern Economies*, there wasn't the space, and I didn't have the breadth of expertise, to offer a feminist perspective on all topics – for example, on international trade or the role of the state in a globalizing economy. However, in a section of the unit on labour markets, income inequality and social security policy, I had both the room and the necessary knowledge (or a good reason to gain it). I also really enjoyed teaching an introductory Honours unit about theories of class. This was an ideal context for engaging students with debates between feminists and class theorists as well as debates within class theory itself (the unit was the first in what was then a quite fantastic Honours program that began in the students' second year). I often felt I should pinch myself when teaching this class – we had the most amazing and engaged students.

**Elizabeth:** In 1993, I was engaged as a tutor on Margaret's unit which, at that time, was called 'Women In and Out of the Economy'. I still have the reading kit for the unit sitting on my shelf – a light blue covered pile of photocopied readings bound together with large staples. As Gabrielle said, students in Political Economy were required to read broadly from disciplines across the social sciences and these readings were typically pulled together by lecturers in a student Reading Kit.

In the early 1990s there were often a handful of 'mature aged' students in the Political Economy program. These students were highly engaged and lifted the quality of classroom discussion, bringing their own lived experience of work, family, community and economy into the classroom to contest received ideas and male bias in the scholarship.

As a lecturer in the Political Economy program, feminist political economy has informed the structure of all my teaching, particularly the unit on international development where I draw on the pathbreaking work of scholars such as Esther Boserup (1970) and Maria Mies (1986)

alongside the various works of Naila Kabeer, Ruth Pearson, Diane Elson and Vandana Shiva, amongst others. Each of these scholars highlight the different ways in which the process of economic development is deeply gendered, often producing vulnerability and poverty for women and their households. In response, these authors offer alternative feminist models of development that reflect the realities of agricultural life and the persistence of the informal economy in low-income countries. Political Economy students have always been interested in economic development, and many have gone on to find employment in international development agencies.

In 2024, I started teaching the Political Economy of Women unit. In the pre-COVID years the unit was taught by Rebecca Pearse, and I inherited a curriculum that provided students with a comprehensive understanding of the multiple theoretical and global feminist traditions that have dealt, in one way or the other, with the gender division of labour and gendered inequalities. Since I am a less skilled theoretician than Bec, the current iteration of the unit is focused more on the gendered dimensions of public policy and how it shapes and rewards (or not) women's work and care. This approach reflects the recent focus in feminist political economy on social reproduction and its reinterpretation for a Twenty-First Century economy. While the unit no longer has so many 'mature aged' students, it does attract international, refugee and migrant students who bring a new type of rigour to the classroom, contesting common Australian approaches to ideas of gender, work, care, family, the body, and community and lifting the bar on the diversity of the scholarship we read. These are all welcome developments that create a more interesting, albeit sometimes challenging, classroom for all.

**Feminist political economy has a long history. What are some of the big ideas, key questions and contributions that have shaped feminist political economy?**

**Gabrielle:** Of course, the history of feminist political economy, although not necessarily under that rubric, goes back centuries (see, for example, Pujol 1997). Here I want to say something about some of the key thinkers and ideas that have been important to me.

New Zealander Marilyn Waring's 1988 book, *Counting for Nothing: What Men Value and What Women are Worth*, also called *If Women Counted: A New Feminist Economics*, was – as for Liz – perhaps the first feminist



political economic text that I was exposed to as an undergraduate student, and it made a big impact. Waring makes a sweeping critique of what she called the ‘villainy and incompetence’ of the system of national accounts for ignoring the unpaid reproductive work mainly done by women, and for counting activities like weapons manufacture and pollution clean-up as ‘productive’. She wasn’t just arguing for changing what counts; she was trying to expose the essential brutality and inequity of the global capitalist system and its patriarchal foundations.

Sue Himmelweit (who has taught the feminist political economy unit at Sydney and is a long-term friend of the department) had already examined similar issues in one of her early papers, ‘Domestic Labour and Capital’, co-authored with Simon Mohun (who also taught in the Department for several years in the early 1990s) and published in the first issue of the heterodox *Cambridge Journal of Economics* (Himmelweit and Mohun 1977). In this and some of her later papers Sue explores how caring labour is both similar to and, critically, *different* from ‘work’ in capitalist labour markets and argues that it is essential not to lose sight of the distinctiveness of care when trying to make care work visible (Himmelweit 1995, 1999, 2007).

These ideas have been very important in feminist policy advocacy. For example, in sustained interventions over decades, feminist political economists, such as Sue Himmelweit and her colleagues in the UK Women’s Budget Group and Australians Rhonda Sharp and Ray Broomhill (1948-2022), have tried to help policy makers recognise the gendered impact of economic and social policies. Their work on gender auditing of government budgets has revealed inequalities and they have proposed gender responsive budgeting to address these (Himmelweit 2002, 2014; Sharp and Broomhill 1988, 1990, 2002).

**Elizabeth:** Nancy Folbre’s scholarship on care and care markets has made a major contribution to feminist political economy. Her insight into the true value of unpaid care work, particularly the care of children, was the focus of her early book *Who Pays For the Kids? Gender and the Structures of Constraint* (1994), which was followed by *The Invisible Heart: Economics and Family Values* (2001) in which she highlights the complicated relationship between women, altruistic care, and the need for public policy supports for family care.

Theoretical ballast for work on the political economy of care has in part been provided by new feminist scholarship on an expanded notion of

social reproduction that moves beyond the family and household to include the social provision of food, water, shelter, healthcare, education, clean air, as well as safety, values and identity (Bhattacharya 2017; Elson 1998; Picchio 1992) and care for country, culture and community (Banks 2020; Klein et al 2023). The pandemic experience highlighted the importance of this scholarship.

Other critical contributions that have shaped feminist political economy and its teaching at Sydney include the ecofeminist work of Ariel Salleh (1997), who was an honorary affiliate of the Department for many years, and Maria Mies and Vandana Shiva (1993) who, like Waring, unpick the destructive patriarchal foundations of economic life to identify capitalist development as ‘bereft of the feminine, the conservation, the ecological principle’ (Shiva 1989: 4). Most importantly these scholars advocate and practice alternative definitions of wellbeing and development and different ways of doing economic life. This is also a major contribution of J. K. Gibson-Graham – the pen name used by feminist economic geographers Julie Graham (1945-2010) and Australian Katherine Gibson in their publications (1996, 2013). Like many feminist political economists, Gibson-Graham embed activism within their intellectual practice and have led various community movements that have long motivated political economy students.<sup>1</sup>

**The pandemic has put care work on the economic agendas of many national governments and treasuries. How has feminist political economy contributed to the profile, urgency and policy ideas that are currently being discussed?**

**Gabrielle:** I think care work and the value of care are no longer peripheral in public policy and there is no doubt that feminists have brought some essential ideas into mainstream public debate. Many policies and institutions show this in one way or another. Australia’s *Carer Recognition Act*, with its object to ‘increase recognition and awareness of carers and to acknowledge the valuable contribution they make to society’ is now 15 years old. The modern awards objective of the Fair Work Act ‘includes the need to achieve gender equality in the workplace’ through equal pay and

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<sup>1</sup> See: <http://www.communityeconomies.org/>

other provisions. More recently, the Australian government has taken up the concept of the ‘care and support economy’, having noticed it is ‘one of the fastest growing parts of the Australian economy’. And in its 2023 *Draft National Care and Support Economy Strategy*, we even saw recognition that ‘Funding high-quality care and support provision is an investment in social infrastructure. It provides long-term benefits that go well beyond direct users of these paid services’ (PM&C 2023: 1). The draft linked this to gender equality because women are the majority providers of both paid and unpaid care. So far, so feminist – so far as it goes.

Unfortunately, we can see the kinds of problems that Sue Himmelweit warned of when economic concepts are stretched to pull care in. The problem that has exercised me most has been that ‘investing’ in the ‘care economy’ mostly involves extending market models across all publicly funded care services (aged care, early learning, disability support). In a handy collision (collusion?) between (orthodox) Economics 101 and human rights ideas, marketisation is justified by reference to ‘choice and control’ and underpinned by the idea that competition will drive up quality. This policy approach comes with great risks for the *quality* of care work and care jobs, so I think we have quite a way to go before we could say we are all feminists now. But you only get to a destination by taking steps in the right direction, and we can only hold our nerve and keep working together to move forward.

**Elizabeth:** Gender Equality is now a formal policy priority of the Commonwealth Government and, in 2024, the first National Strategy on Gender Equality, *Working for Women* (PM&C 2024) was released. In my opinion this is the culmination of decades of robust feminist scholarship, across many disciplines, not just political economy, that was catalysed by COVID-19. The social impact of the pandemic disruption to global labour markets and national care infrastructure revealed to all just how interconnected care work is to a functioning economy. This was not news to feminist political economists – we’d been talking about this for decades. What was new, was the new *public* understanding that emerged (W+FPR 2020). Care is now widely understood to be the foundation of the economy, and as a result we are seeing fresh policy attention given to building and funding sustainable high-quality care infrastructure – in early childhood education and care, disability support and care for older people. We’ve reached a ‘turning point’ in how care is understood in economic life, but there is much more to be done (Baird *et al.* 2024).

### **How does Political Economy at Sydney fit into the international feminist political economy landscape?**

**Gabrielle:** Our sense is that political economy under that name has patchy recognition as a discipline/field internationally, and feminist political economy at Sydney has always been quite interdisciplinary. We often connected into the international scene through the International Association for Feminist Economics (IAFFE), which is a lively community of scholars, activists and policymakers.<sup>2</sup> In 2006 we hosted the Fifteenth Global Conference of IAFFE at Women's College. Through our engagement in IAFFE, we came to see that, at Sydney, although we were based in an Economics department, we didn't experience the same pressure to meet the professional norms in Economics as our northern hemisphere colleagues. This gave us freedom to develop curricula and research agendas within feminist political economy, framed in an interdisciplinary way, even as the university sector was tightening constraints around disciplinary research reporting metrics.

We could perhaps pull out two important threads in the international scene – an interest in public policy analysis and an interest in critical theoretical engagement with prevailing ideas in economics. That said, the international scene is diverse; and people are working with a wide variety of methodologies and theoretical frames. There are many feminists with orthodox economic training working on heterodox projects and who have moved into new disciplines. There are others using orthodox tools to address feminist questions in innovative ways. Many we would include in our broad understanding of contemporary feminist political economy have trained in disciplines such as political science, development studies, anthropology, philosophy, sociology and human geography.

Since 2000s, feminist political economy has forged a more complex and open relationship with the orthodoxy in economics as a discipline, particularly in public institutions. Some of the developments and ideas that have dominated research and teaching in PE at the University of Sydney have started to influence thinking in public treasuries, international institutions and economic think tanks. In these organisations, many of the women who have been encouraged in the economics profession are working with questions that have been the mainstay of feminist PE –

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<sup>2</sup> See: <https://www.iaffe.org/>.

unpaid work, labour market equality and early learning and other social policy supports – and are seeking solutions to problems women face in rich and poor countries.

**What impact have students trained in feminist political economy at Sydney had?**

**Elizabeth:** Our observation is that students who have studied feminist political economy often pursue working lives that seek to promote the public good. For some graduates this has been through school teaching, using insights gained through feminist PE to inform their teaching practice on specific economic questions on unpaid work, value and the social benefits of using a gender lens and gender disaggregated data. Other graduates schooled in feminist PE have found employment in our regulatory authorities such as the Australian Competition and Consumer Commission (ACCC) and The Australian Prudential Regulation Authority (APRA) where a sensitivity to the drivers of gendered inequalities in markets and financial systems has shaped inquiries and research. A number of graduates in feminist PE have found employment as policy and research officers in some of the feminised unions and in not-for-profit organisations and peak bodies, where they have brought skill to analysis of feminist questions on older women's economic security, welfare rights for single mothers and children, superannuation and housing. A number work in the public sector, using a gender lens to inform their work in state and federal Treasuries and pressing feminist public policy concerns such as early childhood education and care. Finally, there is a small group of us who have found employment as academics where we have applied the tools of feminist political economy to guide our research agendas and research-informed advocacy across a range of disciplines including discrimination law, the undervaluation of women's work, workplace sexual harassment, international care chains and migrant labour programs, the marketisation of care services and work/care policy regimes.

Training in feminist political economy and a desire to use these insights to shape public policy led me to establish and co-convene (first with Barbara Pocock and then Sara Charlesworth) the Australian Work + Family Policy Roundtable. The Roundtable is a network of 36 academics from 20 universities and research institutions with expertise on work, care and

family policy.<sup>3</sup> The goal of the Roundtable is to propose, comment upon, collect and disseminate research to inform evidence-based public policy in Australia. This collaborative feminist research network has informed the development of work, care and family policy since 2005, shaped by core insights from feminist political economy and amplified by expertise from colleagues from a variety of disciplines. Gabrielle and other graduates of political economy at Sydney are members of the Roundtable.

**Gabrielle:** Yes, and the Roundtable is classic feminist political economy – collaborative, engaged and grounded! Speaking personally, an education in political economy has given me an intellectual foundation for, and a drive to do work that tries to improve people’s lives, with a focus on women. For example, I have been able to support equal remuneration cases in industrial tribunals as an expert witness and to contribute to unions’ advocacy for improving aged care services, not least by improving jobs in aged care. Drawing heavily on my PE training, I have also been a persistent critic of social service marketisation (Meagher 2021; Meagher, Perche and Stebbing 2022). I have worked with colleagues in Australia and the Nordic countries to examine how governments have opened publicly funded care systems to private businesses with too little attention to the consequences.

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<sup>3</sup> See: <https://workandfamilypolicyroundtable.org/>.

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# **POLITICAL ECONOMY, SOCIALIST ECOLOGY AND ECOFEMINISM**

**Stuart Rosewarne**

The mounting global concern with the degrading state of the environment found its way into the academy somewhat belatedly, but Political Economy stands out as a place for theorising the capital's contradictory encounter with nature. Indeed, political economists have been at the forefront of radically rethinking how to theorise the environmental problematic as a systemically confronting challenge engendered by the contradictions of capital accumulation.

## **Contesting conventional economic theory**

How mainstream economists have conceptualised the environmental-economic problematic has been too limited in its scope. When pressed about the failure of the discipline to take seriously and critically engage with the environmental problems, those mainstream economists who had an interest in the subject – and these were few and far between – made the excuse that the problem was the failure to fully cost environmental damage or resource depletion, rather than the economy compromising environmental sustainability. Seen in this way, environmental problems arise from the 'externalities' that cause distortions in an otherwise efficiently functioning market economy. Rectifying market failure was the simple solution: fully cost the damage done and incorporate this into the market price. The two standard methods for pricing environmental damages were the introduction of a tax (as posited by Arthur Pigou) or privatising the right to pollute (Ronald Coase), so that the decision on the cost of the externalities is managed in the market. Perhaps reflecting their

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limited interest, there were few concrete studies to test the utility of their thinking

During the last two decades of the Twentieth Century, several global initiatives reinforced a scepticism about leaving governance of economic interactions with the environment to be resolved in the market. These were the Brundtland Commission's 1987 *Report* (the World Commission on the Environment and Development), the 1992 Earth Summit held in Rio de Janeiro, and the *United Nations Framework Convention on Climate Change* culminating in the 1997 *Kyoto Protocol* prioritising the idea of putting a price on pollution, rather than regulating the issue of emissions. These processes exposed industry's preference for limiting state regulation and privileging the least-cost solution – a steady-as-she goes approach that ensured there would be no impositions on capital accumulation.

Here in Australia, the Labor government led by Bob Hawke responded to the political momentum for action on climate change by setting up the Ecological Sustainable Development Working Party in 1990-91. This was an extraordinarily innovative initiative that brought together representatives of government bureaucrats, industry, environmental groups and community organisations, with a view to developing sustainable development strategies. However, its recommendations were effectively abandoned by the following Keating Labor government and, after the election in 1996 of the Liberal-National Coalition government led by John Howard, there was a decade of inaction. The policy emphasis returned to debating the merits, or not, of the 'environmental externalities' approach to abating carbon emissions, culminating in 2011 with the Labor government led by Julia Gillard putting a price on emissions – a decision that was to undermine Labor's political future.

The neoclassical economic proposition that unfettered trading in emissions would provide an efficient, equitable and optimal means for abating emissions gave the greenhouse gas emitters *carte blanche* to carry on with business as usual. The endorsement of this position by most economists reflected the lack of critical focus on the environment-economic problematic in the academy, as well as a lazy deference to theory. At best, the debate around climate change did prompt some university departments of economics to dust off their welfare economics texts and resuscitate some conventional theorising, leading to a rediscovery of a discourse within the economics discipline that could inform policy design. Its dominant effect, however, was to give more traction to the neoclassical

economic thesis that the most effective way of mitigating emissions was through the adoption of market-based mechanisms unhampered by state intervention. This had to be challenged since it was so blatantly misleading.

### **Towards a political economy alternative**

The political economists at The University of Sydney did not shy away from introducing the environment as an object of concern and study. From 1975 onwards, in the opening lectures for the first-year undergraduate unit of study in political economy, Ted Wheelwright broke with the economists' convention of leaving acknowledgement of the deteriorating and unsustainable pattern of economic growth to the last couple of lectures. He drew on his published research on capital accumulation and environmental degradation to highlight the environmentally destructive nature of capital's imperative to accumulate. A more radical approach to understanding the destructive character of the environment also provided a receptive home for developing a distinct unit of study focusing on capitalism's environmentally destructive force. This was a one-semester unit of study called The Political Economy of the Environment; and as a young Greenie, I was invited to step up to the plate to design and teach it in 1993.

I had already been exploring a developing radical literature in the maelstrom of the international debates on the state of the environment in the late 1980s. The initial challenge in developing the new unit of study was a lack of critical thinking published on the subject, though this was changing, particularly because of the ecofeminist research that had re-theorised nature as possessing its own dynamic. Exciting contributions had been made by Australian feminists such as Val Plumwood, Ariel Salleh (who was a Research Associate in Political Economy at the University of Sydney), and political scientist Robyn Eckersley on the state. In the wake of such attempts to theorise the destructive nature of patriarchal capitalism, there had been a concerted effort to integrate the feminist interventions and the critique of conventional environmental economic theory in the formulation of Ecological Economics. This drew on the discipline of Ecology to posit the idea of ecology as a biophysical system that can be synthesised with the economy, not just as a collection of discrete phenomena as in the more mainstream Environmental Economics. The

Ecological Economics approach to the ecology-production nexus generally reduces the dynamics of an ecological system to terms that commensurate biophysical processes with the economy. Further, its endeavor to operationalise policy design generally falls back to the conventional economic preoccupation with price as the medium for achieving that commensuration.

As a unit of study assessing these competing perspectives, The Political Economy of the Environment at the University of Sydney was probably the first of its kind to be offered at either the undergraduate or postgraduate levels in the world. Its excitingly innovative character reflected the attention being given at that time to the re-theorising of ecofeminism, together with the re-examination of Marx's analysis of capitalist exploitation to draw out the different insights into labour's connection to and capital's exploitative relations with nature. Its subject matter also included re-visiting some classical Marxist concerns: capital's ostensible control over the planning and organisation of the dynamic interactions with nature, including the mix of natural inputs and labour in production processes; the impact of the centralisation and concentration of capital on the scale, intensity and pace at which the natural elements are extracted and transformed; and on how the transnationalisation of capital, the ascendancy of global supply chains and the more globally extensive reach of capital's extraction imposed on ecological systems.

The unit of study also drew out the implications for labour's incorporation in the labour process, the extent to which labour is alienated from nature, given capital's monopoly over planning the mix of natural inputs and labour in production processes. The unit also reflected on the transformative effects of the biophysical constraints presented by ecological systems and the labour process; and on how these necessarily impose limits on labour and the production of commodities, manifest in labour becoming *naturalised*, the biophysical world being transformed and nature subjected to humanisation. Each of these problematics opens the potential for contesting capital's destructive force. The unit of study also considered the refashioning of Marx being undertaken with the rereading of Karl Polanyi's *The Great Transformation*. This synthesis of Marx and Polanyi had been one of the methodological inspirations behind the structure of the introductory first-year political economy unit of study.

My personal impetus for exploring these issues was enhanced by spending a period of study leave at the University of California Santa Cruz, working

with James O'Connor and the *Capitalism Nature Socialism* project on Marx and Polanyi. O'Connor had based his reconceptualisation of the environmental crisis of capitalism as capitalism's 'second contradiction', the 'underproduction of nature'. Interpreting environmental crisis in this way highlighted another dimension of capitalism's contradictory dynamism and how this invites challenges to capital's exploitative character and creates pressures for planning, making more social capital's interactions with nature. This framing provides a critical method for unravelling the multiple forces that define ecological systems in crisis and has invigorated a fresh research agenda.

### Further developments

A postgraduate unit of study was subsequently introduced into the Political Economy program, also based on the analysis of the 'second contradiction' and the biophysical world socialisation of capital's interaction with nature, introducing the import of capital's extraction, processing of resources and the destructive impositions on the environment. Since then, the undergraduate and postgraduate units of study on these ecological-economic issues have been further developed by Gareth Bryant, Anna Sturman and Claire Parfitt. Significantly, many postgraduate research students chose to do their projects and theses in this subject area. As a result of these initiatives, Political Economy at the University of Sydney has become one of the premier sites of teaching and research in the field of socialist ecology.

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## **POLITICAL ECONOMY OF DEVELOPMENT AT THE UNIVERSITY OF SYDNEY**

**Gavan Butler**

This article presents a short history of the evolution of the teaching of Development Economics and the Political Economy of Development in the specific context of Sydney Political Economy. It is not about the underlying and evolving contest between neoclassical, 'mainstream', or 'orthodox' perspectives as distinct from heterodox ones: other articles in this issue of the journal deal with those more general matters. Rather, it is about how the Sydney political economists handled the challenge of teaching about the economic development of poor countries connected variously with the rich capitalist countries. It emphasises the intrinsically important and interesting character of the subject, as well as its innate relationship to the broader concerns and characteristics of the movement for political economy.

Prior to the 1970s – before the Australian Political Economy Movement was born – the development of poor economies was already among the topics being taught within the then-Department of Economics. It also had a place in the purview of the then-adjacent Departments of Economic History and Government and Public Administration within the Faculty of Economics (as it was then still known). However, in the curricula of economics departments in Europe and the United States, a distinct subject of 'development economics' had begun to emerge in the wake of the work of W.A. Lewis (1954). This field of study had to do with the challenges of *the development of poor and 'undeveloped' economies*. It recognised the coexistence of such economies with the continued advance and increasing prosperity of other capitalist economies but was loth to acknowledge a causal relationship between the riches of some and the poverty of others.

**Butler, G. (2025)**  
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In the Department of Economics at the University of Sydney, these challenges were being addressed by Ted Wheelwright within the Department of Economics (along with Ken Buckley in Economic History).

The appointment of Warren Hogan (Snr) and Colin Simkin as the two senior Economics professors in the late 1960s, however, began a process of change to the whole curriculum. With the backing of the Vice Chancellor, these two professors (who took turns as Head of Department) embarked on a staff recruitment drive for new lecturer appointments; and they brought some new specialisations onto the menu of courses taught within the Department. One of these was ‘development economics’, the inauguration of which involved the appointment of two new lecturers, Debesh Bhattacharya and myself.

### **Some personal asides**

Prior to being recruited to Sydney in 1970, I had been working for the Development Centre of the Organisation for Economic Cooperation and Development in Paris. The Centre served the members of the OECD who were aid donors and formed the Development Assistance Committee. It was under the academic direction of Montague Yudelman, who later joined Robert McNamara as a special assistant in regard to agriculture when the latter took over the Presidency of the World Bank. It goes without saying that the Centre was not a hotbed of left radicalism. Nonetheless, it did advance positions and arguments concerned with independent development (Yudelman *et al.* 1972). Among its most impressive Fellows was Angus Madison (Madison 2006), who had been responsible, incidentally, for recruiting me to the Centre as I was about to submit my dissertation at UC Berkeley. When I sought to return to Australia after my time at the Development Centre of the OECD, I imagine I was seen by the professors of economics at the University of Sydney as someone with an exposure to contemporary debates (and as someone thought likely to be a ‘liberal’ rather than a ‘radical’ – in which expectation they were disappointed).

Within a couple of years, the two newly appointed ‘development economists’ had made common cause with other newcomers at the time (Frank Stilwell and then, a little later, Evan Jones) and some academics already in post who were not enamoured of the direction in which Hogan and Simkin had taken the Department, namely Margaret Power, Hugh



Pritchard, Maurice and Louis Haddad, Geelum Simpson-Lee, and Wheelwright, of course. We formed the dissident ‘political economy’ faction in the Department. The four newcomers also became associated rapidly with the campaign to end the American War in Vietnam and Australia’s role in that war (the Vietnam Moratoria of 1970 and 1971), as well as local campaigns against continued nuclear bomb testing in the Pacific, opposing apartheid in South Africa, and much else besides. In these and other activities, we were ‘fellow travellers’ with the Communist Party of Australia, being contributors to its publications (*The Tribune* and the *Australian Left Review*), and members of the Association for International Cooperation and Disarmament (the AICD – later named People for Nuclear Disarmament or PND).

We early dissidents were joined by Stuart Rosewarne and Dick Bryan as ‘the struggle for political economy’ gained pace into the 1980s.

### **Development Economics in the 1950’s**

At the time of the beginning of ‘the struggle for Political Economy’ at the University of Sydney, the conventional understanding of ‘development economics’ was that it was about prescriptions for the structural and institutional development of an economy. Thus, it was concerned with (a) the transfer of resources within a dual economy – from the traditional and ‘backward’ part of an economy to the modern part – from industries in which labour productivity is low to areas of relatively high productivity; and (b) ‘getting prices right’, in the sense of ensuring that actual prices reflect ‘shadow prices’ or opportunity costs. The ‘right prices’ would be made evident if markets were free of distortions such as state ‘interventions’ and if market failures were avoided or corrected. A major contributor to ‘the birth of development economics’ was the remarkable W. Arthur Lewis, a Fabian socialist and humanitarian, whose conception of development economics came to include economic planning (Tignor 2020; Lewis 1954).

However, the conventional understanding of the subject had become firmly neoclassical in orientation by the 1960s, reflecting the influence of Lionel Robbins and Friedrich Hayek of the London School of Economics (where Lewis had been an unconverted undergraduate student and junior member of staff). Happily, the neoclassical orientation was countered

among some young economists by the work of scholars such as Gunnar Myrdal and Paul Baran (Myrdal 1968; Baran 1957).

### **Ted Wheelwright's influence**

Within Sydney University's Faculty of Economics, challenges to the conventional perceptions of development were mounted by Ted Wheelwright in the Department of Economics and Ken Buckley in the Department of Economic History, and a little later by Debesh Bhattacharya. Ted Wheelwright was the most senior of the dissidents in the Department of Economics and his influence was important. Although he did not actually teach directly on economic development, he had a strong interest in development issues and 'on the ground experience' through his advisory work in Argentina and Malaysia. Phil O'Hara (O'Hara 2010), like many others, has described Wheelwright as the 'father' of 'radical political economy' in Australia and, quoting Jock Collins, as a 'figurehead for the political economy movement'. While this may be hyperbole, Wheelwright was, with Ken Buckley, a source of great knowledge for his younger colleagues of the nature of the political economy of Australian capitalism and an inspiration. Wheelwright and Buckley subsequently collaborated in, for example, the editing of five volumes of *Essays in the Political Economy of Australian Capitalism* published between 1978 and 1983 (Wheelwright 1978-83).

Wheelwright's study of foreign direct investment in Australia led to his elaboration of the idea of 'client states' and to his obtaining support for the Transnational Corporations Research Project (TCRP) at the University of Sydney. Under the aegis of the TCRP, Wheelwright undertook various studies with Greg Crough (an early participant in the Australian Political Economy Movement), Ernst Utrecht, Malcolm Caldwell, Kate Short and others. The thrust of this work was consistent with Andre Gunter Frank's 'development of underdevelopment' (Frank 1989). Wheelwright co-wrote with Bruce Macfarlane a study of Chinese socialist development (Wheelwright & MacFarlane 1969), but little that explicitly bears a stamp of 'the political economy' of poor counties in what was to become known as 'the Third World'. That having been said, though, O'Hara stressed that Wheelwright was concerned to place the history of Australian capitalism firmly within a 'global and regional context'.

### Debesh Bhattacharya and the NIEO

By the time I joined the staff of the Economics department in 1970, Debesh Bhattacharya was already teaching a course in development economics to undergraduate students. His version of the field emphasised the idea of a New International Economic Order (NIEO) in which ‘underdeveloped’ or ‘developing’ economies would realise their collective bargaining strength in their dealings with rich capitalist countries (in other words, that ‘South countries’ should unite against the ‘North countries’). That idea had been promoted notably at the 1955 Bandung Conference of representatives of 29 African and Asian countries, together then accounting for 54 percent of the world’s population. The conference was held in Bandung, Java, at the instigation of then-President Soekarno of Indonesia; and its stated aims were to promote Afro-Asian economic and cultural cooperation and to oppose colonialism or neocolonialism by any nation. The conference was a step towards the eventual creation of the Non-Aligned Movement (NAM), which in turn led to the ‘Group of 77’ non-aligned countries (although the present membership is actually 134) which was formed in 1965 at the UN Conference on Trade and Development.

This was a period in which ‘the Third World’ came to be accepted as a characterisation of the group of poor countries that had recently become notionally ‘independent’ of European empires (plus the US in the case of The Philippines) – the so-called First World. It did not include countries that had moved from Russian Czarist imperial rule to becoming parts of the Soviet Union or countries beholden to the USSR – the Warsaw Pact countries, or the so-called Second World. The countries of Central and South America were generally included within the Third World group, although most of these countries had long been formally independent of erstwhile, mainly Iberian, rulers. The countries of the Third World came increasingly to be known as ‘the Global South’ or ‘the South countries’.

Bhattacharya argued in his book, *Economic Development and Underdevelopment* (Bhattacharya 1989), the neo-Marxist position that ‘the basic problem facing developing countries is structural, arising from the metropolitan centre/colonial periphery relationship’, and that there is consequently a strong case for a NIEO. He also argued that, in view of the conditions of the poor in developing countries and the egregiously grasping behaviour of ruling elites in the developing countries, the case for a new domestic order within developing economies is ‘even stronger’.

While adopting a neo-Marxist paradigm, Bhattacharya also decried the failure of neo-Marxists, as he saw it, to study the negative role played by the elites. He called for 'partnership between social groups' against them.

### Neo-Marxism

Different approaches to understanding development emerged at the University of Sydney as the political economists, bit by bit, came to exert influence and eventually control over setting the curriculum. Two different modes of understanding the political economy of development became most prominent in the teaching of the Political Economy of Development (PED) program at the University of Sydney. These are, first, the neo-Marxism of Baran, Sweezy and others at *Monthly Review* and, second, the developmental role of the nation-state. By 1950, the Prebisch-Singer thesis (Prebisch 1962) had emerged, according to which revenues were being transferred through deterioration of the terms of trade between developing and advanced countries. According to the thesis, the producers of the traditional exports of developing countries are price-takers and find that the prices they can command decline over time. Thus, the value of export production is transferred from the export industries of the developing countries to countries which import the goods. On the other hand, in the modern export industries of the advanced countries prices are maintained by monopoly power; and the export revenues are secured by the advanced countries' export companies and their workers. Paul Baran contributed substantially to 'dependency theory' with the publication of his *The Political Economy of Growth* in 1957. While Baran's neo-Marxist emphasis on 'monopoly capitalism' was sternly rejected by Nicholas Kaldor at the time (Kaldor 1958), others of Baran's bent were emerging, including other contributors to *Monthly Review* such as Paul Sweezy and Harry Magdoff and the redoubtable Andre Gunder Frank (Andreas Frank), who had graduated from the University of Chicago where his PhD thesis was supervised by Milton Friedman (!). Frank was one of a so-called 'gang of four', along with Arghiri Emmanuel, Immanuel Wallerstein, and Samir Amin, in this field of political economic analysis.

Other, less prominent perspectives employed in the teaching of the political economy of development included the perspectives of human rights and of patriarchy, such that the program may be called eclectic – for good or ill.

### **The developmental state**

Especially since the publication of Chalmers Johnson's *MITI and the Japanese Miracle*, Wade's study of Taiwan in *Governing the Market*, and Alice Amsden's study of South Korea, *Asia's Next Giant* (Johnson 1982, 1999; Wade 1990, 2004; Amsden 1992), the study of the PED has re-established interest in the role of the nation-state in less developed countries and, not surprisingly, has run afoul of the Washington Consensus. This area of study was addressed mostly in postgraduate courses in PED within Sydney's Political Economy program. Robert Wade has visited the Discipline periodically. In 2004, in the wake of and to mark the publication of the second edition of *Governing the Market* and the new foreword, the National Chengchi University of Taiwan invited contributions from several who had been involved in the debate about the developmental state, along with a response by Wade, and published the set of papers (*Issues and Studies* 2004). In that response Wade wrote 'The contributions read like an animated conversation over a good dinner'. Among the contributors were Phil Toner and Gavan Butler from the Discipline of Political Economy and Linda Weiss and Elizabeth Thurbon of the Discipline of Government and International Relations at the University of Sydney.

### **Debates on the 'Washington consensus'**

Alongside these issues in neo-Marxism and the developmental state, the evolution of PED teaching at the University of Sydney during the last 50 years reflected PE's position on the outskirts of a global drama of geopolitics in which The World Bank (or, more precisely, two of the five organisations now constituting the World Bank Group, namely the International Bank for Reconstruction and Development – the IBRD – and the International Development Association) has been a major player. The IBRD was an organisation created, along with the International Monetary Fund, by the Bretton Woods Conference in 1944, as the end of the Second World War was in sight, to establish a post-war international order. The power and influence of the organisation grew rapidly. Together with the IMF's financing conditions for monetary assistance to member countries, the IBRD asserted its authority in regard to strategies for the economic development of suppliant countries. Quite quickly, there developed a

‘Washington consensus’ in which, baldly stated, the strategic aim of ‘development assistance’ was to promote capitalism as the global mode of production. A major focal point for critical inquiry in PED has necessarily been this broad consensus of views among the World Bank, the IMF and the US Administration regarding how poor countries can develop. Since the beginning of the present century, it has become common to speak of a ‘post-Washington Consensus’, indicating that the preferred development for poor countries should encompass a greater degree of social development than hitherto; but whether this second consensus is essentially any different from its predecessor is a moot question.

The so-called consensus, in both its phases, has been met with vigorous opposition, recurrently questioning whether its prescriptions are appropriate. The Nobel laureate Joseph Stiglitz became disillusioned with the Bank while serving as its chief economist and was forced to resign: his disillusionment is evident in his celebrated *Globalization and its Discontents* (Stiglitz 2015). In the face of the proponents of the developmental state, particularly the Japanese government, the Bank published its claim for the efficacy of its policies in *The East Asian Miracle* (World Bank 1993). Robert Wade, as one of the chief proponents of the alternative view that it was developmental states that were efficacious in achieving the ‘miracle’, described the Bank’s proselytising as what he disparagingly termed ‘the art of paradigm maintenance’ (1996, 2002, 2003). Numerous other critics have weighed into the debates too. For PED teaching at Sydney, we were fortunate for a while to have had a colleague, Susan Engel, a visitor from the University of Wollongong who had considerable knowledge of and insight into the World Bank and the impact of its policies on Vietnam and Indonesia (Engel 2007).

### **Collaborations, academic visitors and internal tensions**

Various other ‘external’ connections and influences also helped to shape the approach to Political Economy of Development at the University of Sydney. During the 1970s, there was a close collaboration between some in the PE group and staff of the ABC’s Lateline (radio) Program led by Alan Ashbolt and thence Bob Debus (later head of Community Aid Abroad – which became Oxfam Community Aid Abroad – and thereafter Attorney-General of NSW and a Federal Minister). The edited book of transcripts of interviews was called *Political Economy of Development* (Debus and

Merson 1977). The list of interviewees represents a ‘who’s who’ of experts in the theory of third world development and underdevelopment’ during the 1970s (as Dick Bryan observed – but, as he also observed, there was not much Marxism in the collected interviews). The list includes two of the early members of the political economy group at the University of Sydney – Wheelwright and Bhattacharya. Transcripts being what they are, the interviewees’ contributions sometimes fail to do justice to their views.

There was also a limited collaboration between members of the political economy group and other academics within the Faculty of Economics. For example, Michael Leigh joined me in teaching a development course in the Honours program of the then-Department of Economics that included study of the development experiences of countries of Southeast Asia of which Michael had immediate knowledge. That there was not more extensive collaboration with other members of the Faculty, especially in the Department of Government and Public Administration (as it was then known), is testimony to the frictions between the political economy group and others in the Faculty that developed over ‘the struggle for political economy’. With the later removal of the two departments of Political Economy and Government and International Relations (GIR) from the Faculty of Economics to a new School of Social and Political Sciences in the renamed Faculty of Arts (now the Faculty of Arts and Social Sciences), some structures of cooperation do now exist. Members of both disciplines are active in the Australian International Political Economy Network or AIPEN.<sup>1</sup>

Some further influence on the teaching of development and other specialisations is attributable to academic visitors to the University of Sydney, both long-term and short-term. Over the years, the long-term visitors have taken part in teaching in the political economy program and have incorporated their own viewpoints and nuances. These visitors included Shaun Hargreaves-Heap, Sue Himmelweit, Simon Mohun, Rhys Jenkins, Yanis Varoufakis, Makato Itoh, and Susan Engel. Another early visitor was Walden Bello, who had come to Sydney to present the first in what was to be an annual series of Wheelwright memorial lectures. Both

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<sup>1</sup> For more information, see: <https://www.ppesydney.net/australian-international-political-economy-network-aipen/>.

Rhys Jenkins from the University of Essex, UK, and Susan Engel contributed directly to teaching the political economy of development.

The visitors' viewpoints were diverse, of course. So, too, was there a diversity of emphases within the Political Economy group, to the extent that there were tensions. One constant tension within the Political Economy group was between some members whose approach was Marxian, in the sense of being rooted in value theory, and those who adopted a neo-Marxist approach which endorsed the idea of class conflict in production while also accepting the importance of degrees of monopoly in production and the disposition of economic surplus (a 'surplus orientation').

The tension was most clearly acknowledged in the teaching of the core second-year undergraduate course in the Political Economy program, but was a feature of the program more broadly. In the teaching of the Political Economy of Development, for example, students had to manage the contrast of Bill Warren's approach with that of dependency theorists. Warren's approach could be summed up in terms of the argument that the apparent diversity of modes and degrees of development across the globe is the essentially uneven nature of development of innate capitalism but within a range of experiences and conditions (including dependency on more powerful countries across the globe). When Dick Bryan retired (in 2016), he conceded the aridity of value theory (Bryan 2016) but not the validity of a neo-Marxist approach to the nature of the development of capitalism (Bryan spoke at that time of his conviction that Marxian theory has to 'take financial innovation seriously' and to incorporate the world of finance – thus of securities and securitisation, the creation of value without labour, risk as a commodity).

### **The Journal of Australian Political Economy**

The role of this journal – with its base at the University of Sydney, initially in the Faculty of Economics and, later, the Faculty of Arts and Social Sciences, despite the journal's being formally nationwide from its inception – has always been important in relation to the political economy program. Numerous interesting contributors have written on a wide range of topics. That having been said, the number of published articles explicitly addressing the Political Economy of Development has been quite small. In the first twenty years of its existence, *JAPE* published Ernst



Utrecht on the Political Economy of ASEAN (Number 1), Bill Warren on the Postwar Economic Experience of the Third World (Number 3), Bob Catley on Imperialism and Development (Number 6), and Dick Bryan (Number 2), prior to his joining the Political Economy group in Sydney, in a review of the Political Economy of Development (see below). Warren took a critical position (Warren 1978) on neo-Marxism and dependency theory, and Bryan was especially critical of what he saw as the nationalism of Ted Wheelwright. In later issues of *JAPE*, there did appear a few more papers on the Political Economy of Development, including reviews by Walden Bello and Joe Collins of two books by Franklin Obeng-Odoom (previously a PhD student in Political Economy), the first on property, institutions and social stratification and the second on migration, in an African setting. Obeng-Odoom was also the guest editor of one issue of *JAPE* (Obeng-Odoom 2016-17) in which the majority of articles had to do with PED.

### **The PED curricula of recent times**

The political economy of development continues to be a feature of study and research programs almost everywhere that political economists congregate in sufficient numbers. In a world of glaring economic inequalities, how could it sensibly be otherwise? At the University of Sydney in recent times, the undergraduate offerings in The Political Economy of Development have included Development and Environment in India, Global Capitalism: Uneven Development, and Global Development. In the Master's program, the further offerings have included Global Capitalism: Uneven Development; Economic Development: Growth and Wellbeing, and China in the Global Economy. The curricula at both undergraduate and Master's levels have been influenced by the research interests of those members of the Political Economy discipline already mentioned in this article and by those of Elizabeth Hill (including the roles of gender and the generally overlooked contributions of women to development, especially in South Asia), Tim Anderson (including human rights in development), and newer members of the discipline. PhD students interested in the Political Economy of Development have studied and written theses on a diverse range of subjects reflecting the diversity of interests of the academics in the Political Economy discipline. In these

various ways, the teaching of this branch of political economy features distinctively in the overall Political Economy program.

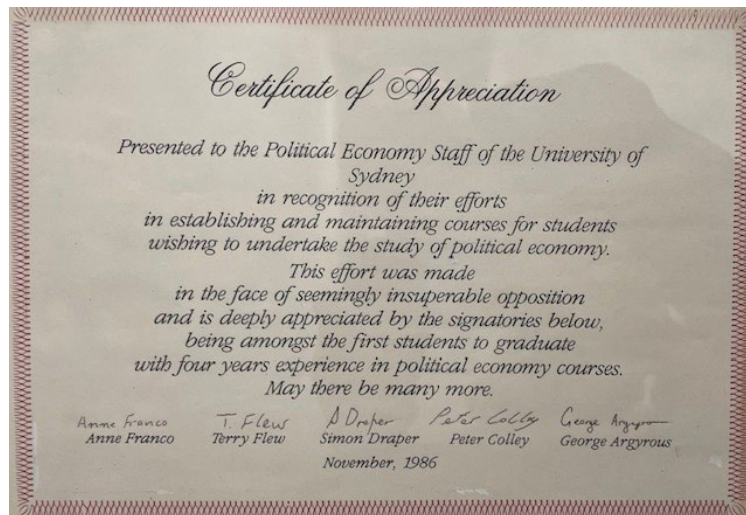
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# **THE IMPORTANCE OF PHILOSOPHY TO POLITICAL ECONOMY: REFLECTIONS AND PROPOSALS**

**Rod O'Donnell**

While philosophical analysis and critical thinking are important in all disciplines, this paper makes a case for including a philosophical component in the education of tertiary-level political economy students. This strengthens political economy in three areas. It creates internal critiques of Neoclassical economics that are more powerful than external critiques. It shows that mathematical logic is not to be conflated with propositional logic. And it helps ensure that political economy itself reposes on logically sound foundations. The arguments are illustrated with the author's history over fifty years which gave him exposure to multiple domains – civil engineering, politics, philosophy, orthodox economics, political economy, and teaching tertiary-level students.

## **Intellectual formation**

After 1962-65 secondary schooling in Brisbane, my next step was university. As I had no particular preference, my tertiary-educated mother suggested engineering as her father had had a successful career as a mining engineer. I enrolled at the University of Queensland in civil engineering (due to my above-ground preferences). A 1966 Bachelor's degree and a 1968 Master's degree preceded my first employment in Brisbane working on bridge design in rural and urban areas. As a member of UQ's bushwalking club, I also learned that the best way to see as much as

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possible of any territory (rural or urban) was to climb to a good vantage point, with a plurality of routes, methods, and times available.

The late 1960s were also politically formative through protests against the Vietnam war and subsequent attempts by Bjelke-Peterson's government to ban the CBD marches in which many students had participated. In reading about the war, I became more aware of the huge economic inequalities across the world, and their possible alleviation via development projects. Prior to my Brisbane employment, I volunteered in late 1967-early 1968 as the engineer responsible for the design and construction of a 50-metre suspension bridge over a fast-flowing river in PNG that had claimed local lives. After 3 years in Brisbane (1968-1970), I then joined Australian Volunteers Abroad, spending two years in northern Nigeria, an often-dry region except for the rainy season, where I assisted in constructing a one-kilometre earth dam and other water-related structures.

### **Lessons learned from engineering...and beyond**

First, if theories are to be useful, they must be connected to *reality*, even if reality needs simplification for theoretical purposes. Second, whatever engineers create, it must *work* in the ways intended – structures must not collapse, and ships must not sink, *etc.* Third, theories must be grounded on *logical reasoning* with conclusions following from premises.

Two years living in Africa in an ex-British colony and visiting neighbouring ex-colonies gave me direct exposure to the extreme income and wealth inequalities I had earlier read about. I became dissatisfied with the narrowness of my education, and decided to learn more about how economic and political systems work, and interact, to produce such disparate inequalities in wealth and contentment. On return to Australia, I moved south, left full-time engineering, enrolled at Sydney University in economics and philosophy (as well as government subjects), all seen as essential to understanding why the world was the way it was.

In the 1970s, each department became embroiled in internal dissent and protests concerning (i) what should be taught and researched in the modern world, and (ii) who had the power to decide such matters. Philosophy split in 1973 into two departments: General, and Traditional and Modern (Grave 1984: 213-7). Economics also split into two departments, Political Economy and (orthodox or Neoclassical) Economics, but only after prolonged contestation and drama from 1969 to 1983, largely because it

was opposed by the orthodox professors and two Vice-Chancellors (Stilwell 2006; Butler *et al.* 2009). The philosophy split was undone in 1999, but the economic one fortunately remains.

I was far more attracted to political economy because it dealt with reality in its theorising and policy-making, rather than Neoclassical economics and its unrealistic axioms. Major, ongoing, involvement in the Political Economy Movement ensued, including making posters in the Tin Shed Galleries,<sup>1</sup> election as a student Fellow of the Senate; election as a student member of the Academic Board; becoming an organiser of, and participant in, various protest marches and meetings; and, finally, after the 1976 occupation of the office of Bruce Williams (the then Vice-Chancellor), suspension from the university, along with Lance Baker and Martin Hirst. In the proctorial board meetings, assisted by witnesses, I was declared not guilty by a vote of 4 to 1 (John Ward, the chair, being the lone dissenter). I also took the history of economic thought course taught by Peter Groenewegen who, for reasons never disclosed to his students but probably related to preference for a quiet studious academic life, sided politically with the *status quo* despite his intellectual position being closer to political economy.

In philosophy, I chose General Philosophy. Bill Bonney taught me deductive logic, and Professor John Burnheim supervised my final year thesis on Hollis and Nell's 1975 book, *Rational Economic Man*. Two other students and I edited a book of philosophical readings entitled *Paper Tigers, An Introduction to the Critique of Social Theory*. My two chapters provided an overview of its general themes, and a critique of Neoclassical economics, including its reliance on theoretical individualism (see O'Donnell *et al.* 1978). Much later, aided by more philosophical reflection, I presented impossibility theorems concerning that doctrine and Neoclassical economics (O'Donnell 2024b, c).

In my final year, I won a scholarship to Cambridge University, where I did my PhD on J.M. Keynes's philosophy and its relations to his economics (O'Donnell 1982). Midway through my Cambridge years, I had an unexpected but amusing (for me) encounter. While walking down Senate Passage, I saw someone approaching who looked familiar. On drawing closer, I realised it was Bruce Williams. Having quickly to decide what to

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<sup>1</sup> See: <https://archives-search.sydney.edu.au/nodes/view/142663>.

do, I chose to greet him and started with the words, ‘Good morning, Professor Williams, you may not remember me, but...’. Before I could finish, he said very seriously: ‘I remember you very well’. After we parted, I couldn’t help but smile.

On returning to Sydney, the Economics Department at Macquarie University employed me to revitalise its very large first-year macro course which had about 1500 students per semester. In my research, I expanded my PhD to include politics (O’Donnell 1989). My interests in logic and probability also allowed me to show that a criticism of Keynes’s theory by Karl Popper was mistaken (O’Donnell 1992).

Despite the contextual differences, my Sydney education reinforced the lessons learned in engineering:

- Political economy and socially useful philosophy concern the real world, the one that engineers by necessity deal with.
- If scientific disciplines are to be relevant to this world, their theories must deploy axioms based on *realism*, not *idealism*. Idealism is commendable as a motive for improving reality, but is hopeless as a foundation for understanding reality.
- For theories and arguments to fulfil their functions, they must ‘work’, that is, obey the rules of whatever logic is chosen to express them. Propositionally, that logic is normally classical deductive logic. Here valid arguments and theories only function without collapsing if they avoid contradictions. Even if only one contradiction is present, an infinite number of other contradictions follow, so producing greater theoretical chaos.

In orthodox economics, unseen contradictions can persist undetected for decades for two main reasons. First, orthodoxy relies on mathematical logic, and ignores the different nature of propositional logic, on which see below. That reliance allows propositional contradictions to be present in its explanations of reality and for these to remain undetected. Instructors trained in Neoclassical theorising then pass on propositionally invalid theorising to students. Second, students are trained to believe that theories that are invalid are actually valid. Those with high grades get good jobs, rise to leadership positions, use the same theorising in these positions, and employ graduates with similar training.

## Propositional logic and mathematical logic

Most economists are unaware of the distinction between mathematical logic (ML) and propositional (or verbal) logic (PL). The first works brilliantly in natural sciences such as physics because its *explananda* concern inert or unconscious material. That success generated ‘physics envy’ and hence attempts, mainly by Neoclassical economists, to emulate by imitation – if economic theorising could be grounded on mathematical foundations, it would be as successful as theoretical physics. But what works well for inert, non-conscious matter usually does not work at all for conscious, reflective, decision-making entities capable of responding in multiple ways to the same environment or changing environments. Humans are not machine-like automata, but conscious beings making decisions in situations of incomplete information and so delivering ranges of individual and global outcomes. They may *desire* maximum incomes at all times but, given their knowledge and abilities, and the way market economies function, the *realised* incomes are often less than desired.

As used here, these terms refer to *standard* PL and ML, the kinds normally used in economics and political economy, but not to *non-standard* PL and ML which exist in philosophical terms but are rarely, if ever, used in economic domains. The key difference is that PL and ML work with distinct logical categories – *contradictions* and *contraries* – which have different definitions and rules (see, for example: Copi *et al.* 2014: 180-1, 620-1). Note also that the focus is solely on logic, not the different arena of ontology.

PL focuses on contradictions, and their total avoidance. These exist between two propositions or statements where there are two opposing alternatives ( $n = 2$ ), such that *both cannot be true*, and *both cannot be false*. Let  $P$  = Today is Tuesday, and  $Q$  = Today is not Tuesday. These cannot both be true, for today is either Tuesday or a not-Tuesday. And both cannot be false because if  $P$  is false (Today is not Tuesday), then  $Q$  *cannot* be false because whatever today is, it must be one of the days within not-Tuesday. Another simple, economic, example is  $P$  = all prices in all markets are perfectly flexible, and  $Q$  = one market has sticky or fixed prices. Here  $P$  and  $Q$  contradict each other, so that both should not be present in explanations (see also below).

Valid arguments in PL use propositions (verbal statements) that are internally consistent due to the *absence of contradictions* (AOC).



Otherwise put, valid arguments obey the law of non-contradiction which forbids the presence of  $P \& \sim P$  conjunctions and possess the property of truth-preservation. If the premisses are true, the conclusion must be true. PL explores the forms that verbal arguments must have to satisfy logical validity, with the focus on form, not on content, making it a general discipline applicable to all fields (economics, other social sciences, physics, daily life etc).

Contraries, as a *term*, may be less familiar to economists, but the *idea* will be very familiar as it is present in counting, daily life, classifications, and sets. Contraries are foundational to ML and are defined as follows. Two propositions are contraries when both cannot be true, *and* both can be false. When we count things, or refer to collections of items in general terms (say cars or buyers), we use contraries. If there are 5 people in a room, it is false to say either that (i) there are 5 or 8 (both cannot be true), or that (ii) there are 11 or 15 (both are false). Reasoning in ML is grounded on the *presence of contraries* (POC) and the rules logically following therefrom.

The key point is that PL and ML have related, but different, foundations. PL depends on  $n = 2$  alternatives and the absence of  $P \& \sim P$  conjunctions (or contradictions). ML depends on  $n > 2$  alternatives and the presence of  $P \vee \sim P$  disjunctions (where  $\vee$  means 'or'). In short, only two alternatives exist in PL, but more than two in ML. Both are logical, but in different ways.

Consider a square, a two-dimensional figure with four equal sides. To say that a square is a triangle or a pentagon is to utter a propositional contradiction, namely, that  $P$  (a square) is actually  $\sim P$  (something that is not a square). But given its definition, an infinite number of possible squares exist of different sizes. The set of all squares is thus a set of contraries in which all members are of the same kind, yet are all different due to having different dimensions. A 10cm square co-exists with, and never contradicts, any other square (say of 1cm or  $10^6$ cm). Contraries allow for differences *inside* the set of alternatives embraced by the definition. The same applies to humans, institutions and economies. Here each individual item in a given set is different, but all are members of the same set. As a result, contraries underpin general theory-special case theorising, a key economic example here being Keynes's general theory of employment which is general because it explains all the particular levels of employment that occur in market economies.

In summary, both contraries and contradictions are important in scientific analysis, the former being included and the latter excluded. Contraries differ significantly from contradictories because more than two possibilities exist (up to  $\infty$ ); any two alternatives cannot be simultaneously true, but any two can be false due to another alternative being true. Otherwise put, contraries are items with potentially limitless alternatives, as in  $n = 3, 4, \dots, \infty$ , whereas contradictories only have  $n = 2$  alternatives,  $P$  and  $\sim P$ . Contraries thus belong to single multi-membered sets, and contradictories to two single-membered non-intersecting sets.

Contraries are present in Neoclassical theory in one particular sense, namely, that individuals can differ in their preferences and resources. But these contraries play *no* role whatsoever in determining outcomes (individual or social) because only one kind of outcome is allowed by external decree, namely, universal optimisation. The 'production function' of pure Neoclassical theorising is 'perfections in, perfections out', with that excluding contraries in outcomes.

### **Why contradictions destroy propositional reasoning**

It is a basic theorem in PL that from a contradiction, any proposition can be deduced. That proposition may be an empirical falsehood (Adam Smith was an American), an irrelevant proposition (Pierro Sraffa liked peanuts), or a nonsense proposition (David Ricardo was a diagram). In isolation, or within a theory, contradictions generate absurdity. The theorem is also called the law that 'from a falsehood anything follows', or the 'principle of explosion'.

By contrast, contraries are necessary and beneficial. They concern multiple alternatives, are unrestricted within their specified range, and do not generate the 'anything goes' theorems that contradictories deliver. Finally, deductive conclusions either do, or do not, follow from premisses. Valid arguments cannot involve 'degrees of truth', or deliver nearly or roughly true conclusions, unless such qualifications appear in the premisses. Approximation is possible in mathematics and physical reality, but has no place in deductive logic. A 'near truth' is not a truth, but a falsehood (Jeffrey 1967: 3-4).

### How *valid* ML can deliver *invalid* PL in economics

Pure Neoclassical theorising is grounded on ML. Its verbal assumptions of perfectly flexible prices, combined with other perfection axioms, provide continuous upward-sloping supply curves and downward-sloping demand curves, with their intersections delivering market-clearing prices, and optimised buyers and sellers. Reality, however, often delivers non-optimal outcomes with some sellers and buyers left unsatisfied, as in unemployed workers during recessions. To explain such non-optimal realities, Neoclassicism resorts to Synthesis Neoclassicism, the view that pure Neoclassicism provides the correct initial framework for economic science but may need expansion to explain cases of non-optimality occurring in reality (see: O'Donnell 2024b). To its pure theory, it adds one or more extra axioms referencing the cause obstructing optimality, say the use of market power by unions engaged in wage-fixing, or by oligopolistic firms engaged in price-fixing.

In terms of ML, this is correct, algebraically and diagrammatically. One starts with equations or diagrams providing oppositely sloped market supply and demand curves that have single intersection points representing equilibria (E) in which all agents enjoy maximum satisfaction given their preferences and resources. If reality then displays excess supplies and some unsatisfied agents, the cause is attributed to prices that are not perfectly flexible due to being controlled by non-competitive forces. To explain such non-optimalities, Neoclassicism supplements its pure analysis by drawing a horizontal line above E at a fixed price, so generating excess supplies/unsold items. The non-optimalities have now been mathematically explained so that everything appears logically impeccable in both micro and macro domains.

Consider the following example. Let the supply and demand curves respectively be  $Q^S = 12 + 3P$ , and  $Q^D = 42 - 2P$ . Their simultaneous solution delivers equilibrium, E, at  $P = 6$  and  $Q = 21$ . Now suppose some cause absent from the framework of perfect competition fixes the market price at  $P = 10$ . This gives  $Q^S = 42$  and  $Q^D = 22$ , and an excess supply of 20 unsold items, whether of labourers or commodities. Readers might draw the relevant diagram to make the two cases visible. In ML terms, this is all logically correct.

But in PL terms, it is entirely illogical. Mathematics *per se* is just mathematics and cannot offer a *theory* of anything that is non-

mathematical. To deliver theories in a verbal domain, the mathematics must be interpreted in propositional terms. When that is done here, three inter-related, contradictions emerge.

First, consider axiom  $A_1 = \text{all prices are perfectly flexible}$ , which, combined with other perfection axioms, produces optimal outcomes at E, i.e. no unemployed resources. To explain any non-optimalities observed in reality, the Neoclassical theorist adds an extra axiom, say  $A_2 = \text{one price is fixed}$ . In PL terms, that is equivalent to  $A_2 = \text{not all prices are perfectly flexible}$ , which means  $A_2 = \sim A_1$ . One is thus attempting to *explain* a real event using a theory containing the contradiction  $A_1 \& \sim A_1$ .

Second, the analysis began with  $A_3 = \text{the market is perfectly competitive}$ , but then added  $A_4 = \text{the market is not perfectly competitive}$ , which now means the expanded analysis now reposes on  $A_4 = \sim A_3$ , and the attempted explanation on  $A_3 \& \sim A_3$ . Third, an equivalent initial assumption is  $A_5 = \text{no agent has market power}$ , to which is added  $A_6 = \text{some agents do have market power}$ . This time invalid explanation occurs via  $A_5 \& \sim A_5$ . The validity of the *mathematical* reasoning based on POC remains intact at all times, but the validity of the *propositional* reasoning delivered by the mathematics is destroyed for it reposes on  $P \& \sim P$ .

Once one has the philosophical tools for distinguishing ML and PL, and for contradiction-detection in PL, it is evident that contradictions are a universal feature in all versions of Synthesis Neoclassicism. Whenever a given axiom is supplemented with an opposing axiom, the only outcome, one way or another, is  $A \& \sim A$ , which leads to  $P \& \sim P$ .

The validity of ML, combined with the mistaken view that ML and PL have the same foundations, deceives orthodox theorists into believing that ML validity automatically generates PL validity. That would be true if ML and PL had the same foundations, but as they do not, valid ML is capable of generating invalid PL in the social sciences.

The *fundamental* cause leading to ML-PL conflation is that orthodoxy's initial assumptions are based, not on realism but idealism, on axioms referencing *perfections* concerning individuals, environments, causal mechanisms, and outcomes, with all such perfections capable of mathematical expression. By contrast, realism-based scientific accounts in the social sciences are expressed in propositional terms that remain logically coherent, either without, or with well-chosen, extra axioms.

Note also that the realism-idealism divide is related to another important philosophical topic, the difference between induction and deduction. Realism is based on inductions from experience delivering axioms that deduction then uses in theorising to explain reality. Idealism in Neoclassicism begins with perfect worlds that exist only as ideas never instantiated in reality, and then assumes that such ideas are necessarily the best way to develop theories helping us understand reality.

### **More ML-PL dissonance**

Pure Neoclassical theory is grounded on its particular version of general equilibrium theorising, one developed mathematically using simultaneous equations. This ML-based framework, initiated by Walras in 1870, reached a highpoint in the Twentieth Century work of Debreu and Arrow. Here commodities are defined as time-and space-dependent items over finite time and space. All agents have perfect knowledge of their preference orderings over all possible combinations of these commodities until the end of time when the economy ceases to exist. An invisible auctioneer (that is not an economic agent) is inserted into the theory to provide an explanation in PL terms of how the mathematical equations are solved so that universal agent optimisation occurs. This fictional entity calls out a set of prices for all commodities; agents then decide their supplies and demands; and transmit them back to the auctioneer. If the respective totals are unequal, disequilibrium obtains and the auctioneer repetitively calls out new sets of prices until all supplies and demands are equal, so producing universal optimisation. At that point, which is still time-zero (!), the auctioneer informs all agents; economic decision-making and the economy cease to exist; and all that occurs thereafter until the end of time is the delivery of quantities of goods and services according to previously agreed contracts.

In ML terms, the equilibrium solution, as given by the solution of a finite set of simultaneous equations, is impeccable. But again, mathematics is just mathematics. To be explanatory in a social science, it needs interpretation in PL terms, in this case of how universal optimisation could always occur. Since reality has no candidates here, Neoclassicism necessarily resorts to idealised fictions, such as (i) an omniscient auctioneer repeatedly running economy-wide auctions that take zero time at time-zero for (ii) economic agents who, *as decision-makers* only exist

at time-zero, and (iii) who thereafter only deliver and receive the correct physical quantities until the end of time. Note that money is absent because it has no role whatsoever. Theory-reality contradictions abound, with generations of Neoclassical economists seeking remove them by adjusting their core theory in various ways, but with all failing. As Rogers (2024) explains, Hahn tried to insert money into general equilibrium theory, but never succeeded for it is logically impossible.

The problems with core Neoclassical theory are plain. It is entirely fictional and unrealistic; it does not correspond to, and cannot explain, any human reality; and all later additions or modifications aiming to create explanations of reality just create internal PL contradictions.

### **Econometrics**

The above critique of ML does not apply to econometrics used a tool for determining empirical information about reality. But it does apply to theorising that introduces false, idealised, claims about the nature of econometrics, such as viewing it as providing a perfect forecasting tool. That claim is used as an axiom in orthodox economic theorising as the 'rational expectations hypothesis' illustrates.

### **The centrality of contraries in political economy**

Contraries have no relevance to outcomes in pure Neoclassical or Austrian economics due to their requirements of universal optimisation. But they are central to approaches in political economy such as the Post Keynesian, Institutionalist, Marxian, Behavioural, Ecological and Feminist schools. These allow for variability in outcomes and satisfaction levels across agents due to realistic assumptions concerning agent knowledge, abilities and objectives, and how economies function. It is thus important that political economists be aware of the contrary-contradiction distinction, and the resulting PL-ML differences, for at least three reasons.

First, it delivers powerful *internal* critiques of all forms of orthodox economics. It shows how PL, a crucial tool that Neoclassicism needs to offer verbal explanations of how its ML-based theorising relates to reality, delivers unanswerable critiques of Neoclassicism by showing that its theorising, based entirely on fictions, cannot possibly be abstractions

drawn from reality, and that it always generates contradictions when attempts are made to explain reality. In PL terms, what Neoclassicism advances as valid theorising helping us to understand reality is actually invalid theorising due to the inevitable presence of contradictions in all its attempts to explain reality.

Second, it alerts those political economists using ML to be aware of its dangers, and thus to ensure that similar mistakes are avoided. It is possible to use ML in PL-consistent ways, but the opportunities are more limited due to the need for realism.

Third, key lessons can be taken from the history of economic thought where famous political economists were philosophers before becoming political economists. In the 18th century, all the writings of Adam Smith, who held chairs in logic and moral philosophy at different times, had philosophical and logical foundations regardless of their subject matter. His awareness of contradictions, and of genera-species relations (involving contraries), is evident across his works. And the theorising in his *Wealth of Nations* has clear foundations in his philosophy, including the scientific, realism-based, meaning given to his 'invisible hand' remark' which, contrary to Neoclassicism, does not involve universal optimisation (see: O'Donnell 2024a).

In the Nineteenth Century, Marx held a doctorate in philosophy, criticised and developed Hegelian philosophy, wrote *Economic and Philosophical Manuscripts*, and produced *Das Kapital* (1867-94) which mainly focused on economic theorising. While certainly aware of propositional contradictions, he more often used the notion of contradiction in a different 'material' sense, namely, of things in the real world that oppose each other, as in the contradictory interests of capital and labour. His writings also implicitly reference contraries, as in a general theory of history involving a succession of different modes of production. But he did not, to my knowledge, explicitly focus on the contrary-contradiction distinction, even though it implicitly informed his thinking due to his concern with historical reality.

In the Twentieth Century, J.M. Keynes used the distinction explicitly in his philosophy and implicitly in his economics. His university studies began in mathematics and hence ML but, being far more attracted to philosophy, he wrote his fellowship dissertation on the philosophy of probability, with this advancing his 'logical theory' as a general theory covering all probabilistic arguments, non-numerical and numerical. In chapter 5 of the

1907 and 1908 versions of the dissertation, he explicitly utilised the difference between contraries and contradictories, this continuing in the 1921 published work as illustrated by two key instances. First, his diagram (Keynes 1973: 42) where the two endpoints, 0 and 1, are contradictories, 0 representing logical impossibility, and 1 logical necessity, and all the other lines represent non-numerical probabilities in which probabilities only have ordinal relations of larger or smaller. Second, his discussion of situations in which statements have more than two alternatives, as in ‘the colour of this book is  $x$ ’. where  $x$  references not just the two contradictories, red and not-red, but a range of contraries, such as red, blue, green, black, yellow, etc (Keynes 1973: 45-7). These philosophical ideas later emerged in his economic writings, especially his *General Theory* of 1936 and his subsequent theorising (see: O’Donnell 1989, 1991).

### Theoretical individualism

The doctrine of theoretical individualism (TI), an essential foundation of Neoclassical economics, provides further illustrations of ML-PL conflation. TI asserts that wholes are the sums of their parts, no more and no less. This is true of entities that are independent of each other, as in sand grains, sailing ships and numbers. Adding these inert things together produces sand piles, fleets of ships, and bigger numbers. But TI is false when applied to *interdependent* entities such as humans who, by their nature, cannot exist independently of other humans and hence necessarily exist in societies with social institutions.

If  $n$  is the number of economic agents, TI allows mathematical Neoclassical economists to view economies as having the range,  $1 \geq n \leq \infty$ . While both extremes are possible in ML terms, they are impossible in PL terms due to producing internally contradictory accounts. The lower limit is impossible as there is no such thing as a one-person economy ( $n = 1$ ) because, by definition, *exchange* requires a minimum of two agents. The upper end is also impossible. An infinite number of humans on a planet with finite total resources,  $F$ , cannot exist because  $F/\infty = 0$ , which means many or all individuals have nothing, which both means no trading, and that these individuals will die. Both extremes, however, have been deployed by Neoclassical economists with disastrous outcomes in PL terms (see O’Donnell 2024c).



## Pluralist economics

In broad terms, pluralist economics embraces the following ten schools: Neoclassical, Austrian, Post Keynesian, Institutional, Marxist, Behavioural, Ecological, Feminist, Neo-Ricardian, and Complexity economics. Within this group, some oppose others in core respects, but the majority display concordances. A key difference arises between the minority positing *single* equilibrium outcomes for agents, i.e. universal utility maximisation as in Neoclassical and Austrian economics, and the majority allowing *multiple* outcomes to occur with varying levels of agent satisfaction, as in Post Keynesian, Institutional, Marxian, Ecological, Behavioural, and Feminist economics.

The question now arises as to whether the large sub-set using realism-based assumptions and contraries in outcomes can be combined into a more general theoretical framework in which they become contraries in the sense of analysing different aspects of a single multi-faceted reality. This large, important, and engaging topic is not pursued here, but Anderson (2004), Stilwell (2006), and Stilwell *et al.* (2022: Ch. 31) broach relevant aspects.

## A wrong road

Some previous discussions have advanced the idea of *accommodation* or *convergence* between schools. The late David Colander, whom I liked and respected more as a person than as a logician, was a leading exponent of this muddled strategy. Colander (2010) sought to move beyond ‘the rhetoric of pluralism’ to what he called ‘an “inside the mainstream” heterodoxy’, as opposed to the current pursuit of “outside the mainstream” heterodoxy. That such a move was even possible reveals a deficient understanding of PL, as it involves contradictions seeking to reconcile the irreconcilable. By definition, orthodoxy and heterodoxy are opposites,  $P$  and  $\sim P$ . It is then impossible to relocate  $\sim P$  inside  $P$  as a member of  $P$ , for that creates the contradiction that  $P$  and  $\sim P$  are reconcilable in some way. The only logical path is to abandon convergence and uphold non-convergence. What Colander advanced was just an expanded, meta-level, form of Synthesis Neoclassicism.

## Conclusion

My life-journey, via civil engineering, politics, philosophy, orthodox economics, political economy and tertiary education, has led me to the following conclusion. To ensure that vitally important philosophy-related issues are well understood, and practised, by political economists, a philosophical component dealing with the above issues is desirable in undergraduate political economy syllabi.

While ML can be a useful tool in economic theorising, care is needed if it is to deliver theories satisfying PL validity. The belief that the mathematical approach underpinning Neoclassicism is the necessary and best foundation for all economic theorising is a pernicious doctrine needing total abandonment. To my knowledge, deploying the distinctions between (i) contraries and contradictories, and (ii) ML and PL, represent new contributions to political economy and the history of economic analysis.

As a social science, political economy is linked to multiple disciplines – politics, sociology, psychology, and histories (of nations, the world, and economic thought) – with these topics already receiving attention to varying degrees. But as a *scientific* discourse, it must also have foundations both in valid propositional logic and realism. To ensure that such requirements are met, its teaching and research can benefit greatly from the addition of philosophical components dealing with these matters. While I am far from alone in such a call (*e.g.* Boumans *et al.* 2010; Davis 2025), Sydney's Political Economy Department is in a position to actually implement such a change.

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## **GEOGRAPHY AND POLITICAL ECONOMY: REFLECTIONS BY A GEOGRAPHY CONVERT**

**Kurt Iveson**

During my studies in Political Economy at the University of Sydney in the late 1980s/early 1990s, Frank Stilwell taught a class on *The Political Economy of Cities and Regions*. Among the readings were pieces by David Harvey, Manuel Castells, and draft chapters of Frank's *Understanding Cities and Regions: Spatial Political Economy*, published shortly afterwards as a book (Stilwell 1992). It was a brilliant class. As someone who had been turned on to radical politics when my dad sat me down to watch Pat Fiske's documentary *Rocking the Foundations* about Sydney's green ban movement (see Iveson 2014), the attention to cities and regions really floated my boat. For me, it inflamed an on-going interest in urban politics, while agitating me to develop my understanding of the political economy of the urban process.

As the class drew to a conclusion, I asked Frank – 'if I want to know more about cities, what other subjects should I be taking?' Frank recommended geography. At that time, the Department of Geography had some interesting characters, like Ron Horvath and Maurie Daly, teaching urban and economic geography, but I never got to meet them. After I took Frank's advice and enrolled in first year geography, I only lasted two weeks – a few lectures about atmospheric circulations and landform variations were enough to see me withdraw from geography and pursue other interests.

Coming back to university several years later to start PhD research on the politics of public space, I once again sought Frank's advice. This time, he suggested the Urban Research Program at the ANU – and this advice stuck. But experience only served to reinforce his earlier advice about geography. As my research progressed, I found myself reading more and more

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geographers – along with Harvey, geographers like Ruth Fincher, Brendan Gleeson, Jane Jacobs, Doreen Massey, Don Mitchell and Neil Smith all became important sources of inspiration and ideas. And, when I finally finished the PhD, the first job I landed was in a geography department seeking urban and social geographers. A few years after that, I moved back to Sydney to take up my current job as an urban geographer. I found myself teaching the very first year geography class that I'd quit as an undergraduate. I'm trying to do better at hanging on those geography-curious political economy students that come our way!

### **Cross-disciplinary collaboration**

From where I sit now, Frank's initial advice about geography makes perfect sense. While they have their own distinct identities, geography and political economy share a range of overlapping concerns and a range of overlapping approaches. If geographers seek to understand the production and experience of spatial dynamics and differences, it is not surprising that radical geographers are influenced by work in political economy which helps us understand the role of capitalist accumulation in shaping those dynamics and differences. Conversely, as political economists seek to understand the historically and geographically specific manifestations of capitalist economies and societies, it is not surprising that they would take an interest in the work and approaches of radical geographers who are attuned to such dynamics. In Frank's 1992 book, he called this 'spatial political economy' – a concept further developed by current Political Economy Professor Adam Morton (see Morton 2017).

These overlapping concerns and approaches in the work of geographers and political economists have manifested themselves in a variety of ways at the University of Sydney. Certainly, I regularly see political economy colleagues presenting their research at national and international geography conferences, and publishing in geography journals like *Antipode* and *Environment and Planning*. But, more significantly, it has been exciting to witness (and be part of) a range of collaborations between staff and students in geography and political economy.

The University of Sydney's senior management (like managers at many other universities) talks up the need for inter-disciplinary collaboration to enhance the university's 'impact' on the world's 'big challenges'. Unfortunately, the way they manage the place frequently works in the

opposite direction! The neoliberal transformation of university Faculties, Schools and Disciplines into a series of ‘cost-centres’ whose value is measured in surpluses and deficits doesn’t exactly lend itself to collaboration, as we’re all incentivised to compete for ‘bums on seats’ and scarce research resources on the pathway to ‘excellence’.

Before I get onto the ways that staff have nevertheless collaborated in teaching and research, it’s worth mentioning that our union (the National Tertiary Education Union) has been an important space for geography-political economy collaboration as we fight for a more democratic and collaborative university that is oriented to the public good. University of Sydney political economist Damien Cahill is currently the General Secretary of our union nationally, having previously been an active leader in the University of Sydney branch over many years. As a member of the University of Sydney bargaining teams, branch committees and as branch president, I can say that the comradeship of political economists like Damien, as well as people like Mike Beggs, Gareth Bryant, Claire Parfitt and Rebecca Pearse has been one of the very best things about working (and fighting!) at the University of Sydney. And I know all of us have been inspired by the union activism and leadership of political economists like Gavan Butler, Stuart Rosewarne and Dick Bryan who came before us.

## Teaching and research

In teaching, while it’s always exciting to see individual students making connections between their studies in political economy and geography, the most significant collaboration to have taken place in recent times had its basis in shared concerns about global uneven development and gendered inequality. For several years (2016-2020), Elizabeth Hill (Political Economy) and Bill Pritchard (Geography) jointly led and co-taught a student field trip to India that brought together political economy and geography students. Hill’s work on gender and economic development, including women’s participation in the Indian informal economy (see especially Hill 2010), intersected with Pritchard’s work on food security and nutrition in rural India which included a focus on challenges emerging from feminised agriculture in India (see, especially, Pritchard *et al.* 2014). The trip involved a collaboration with the Tata Institute for Social Sciences (TISS), including a week of classes run by TISS scholars to expose students to south Asian scholarship before then spending two weeks in the

field observing a range of places and processes, and engaging with communities, scholars and activists with stakes in their management. Sadly, the pandemic brought this teaching collaboration to an untimely conclusion – the last trip took place in early 2020, just as restrictions on travel and gathering began to be imposed.

In research, there have also been various informal and formal collaborations. Informally, shared curiosities and appreciations of the benefits of cross-disciplinary collaboration have seen political economists and geographers participating together in reading groups and research networks, such as the Urban Crew (hosted in Geosciences), the Past and Present Reading Group (hosted in Political Economy) and a fortnightly reading group focused on Climate and Capital (jointly hosted by Geosciences and Political Economy). Shared interests in processes like neoliberalisation and financialisation have seen political economists like Damien Cahill visit geography departments (such as the University of British Columbia which is the home of Jamie Peck); and geographers like Brett Christophers (from the University of Uppsala, Sweden) visit Political Economy at Sydney.

Not surprisingly, urban and rural dynamics have been one of the areas to have generated more formal research collaborations. In the past few years, shared interests in the relationship between housing and inequality have seen collaborative research between political economists (especially Martijn Konings and Gareth Bryant) and geographers and planners in the School of Architecture, Design and Planning (including Dallas Rogers, Laurence Troy, Sophia Maalsen and Peta Wolifson) on property inflation and the ‘asset economy’. This collaborative work examines the ‘social, financial, and urban policies that sustain [property inflation] and the way these policies both reflect and maintain particular political constituencies and cultural priorities’ (Konings *et al.* 2021). Formal collaborations funded by the Australian Research Council and the Australian Housing and Urban Research Institute have pursued research into these policies and their alternatives, offering a much-needed critique of the ways in which on-going property inflation has been made ‘sustainable’ in policy and tracing the ways in which socio-spatial inequality has been exacerbated and navigated in Australian cities (see, for instance, Konings *et al.* 2021; Troy *et al.* 2023).

Also on urban and regional dynamics, it is important to note Adam Morton’s contributions and collaborations on spatial theory – including his



collaboration with UK-based geographer and theorist Stuart Elden on the work of Henri Lefebvre. It is hard to overstate the impact of Lefebvre's work on the production of space in geography; and Morton's collaboration with Elden has been vital in bringing together some Lefebvre's key writings and previously unpublished work on 'the rural' and its fate as a key site of capitalist development and struggle (see Lefebvre 2022).

### **On the frontiers of environmental and social issues**

A shared concern with climate change and emerging forms of climate capitalism has also driven fantastic research collaborations, while also provoking recent political economy PhD projects to take the project of spatial political economy in promising new directions through engagement with geographical theory. A most important collaboration on this shared concern is the recent book *Climate Finance*, co-authored by Gareth Bryant (Political Economy) and Sophie Webber (Geography) (Bryant and Webber 2024). As its first page says: 'the politics of climate change is now being fought on the terrain of climate finance' – which is to say, the challenge of mitigating and adapting to climate change is increasingly framed as a financial challenge that involves finding ways to direct private and government investment towards funding climate measures. The book asks how things came to this, and poses a question that's vital for our times: how can we engage with climate finance in pursuit of forms of climate mitigation and adaptation that are equitable and just? Bryant and Webber answer this question by showing us that climate finance takes a range of forms, then analysing both the limitations and the political opportunities of each of these different forms of climate finance. Not only is their book a super-useful guide to the different ways corporations, banks and investment funds, governments, international agencies and activists are imagining the role of finance in mitigating and adapting to climate change: it also showcases the analytical and political benefits of collaboration between political economists and geographers.

Here, lest you get the wrong idea, let me emphasise that it's not as though 'political economy brings the theory' and 'geography brings the case studies'. Bryant's brand of political economy is always contextualised in actually existing dynamics and debates, while Webber's brand of geography is always rigorously theorised. Rather, my point here is that these two excellent thinkers are enmeshed in the different debates and

currents with their respective disciplines; and their book shows how forging a dialogue across these debates and currents can enhance our understanding of contemporary spatial political economy, helping us to identify opportunities for intervention and coalition.

Similarly, recent Political Economy PhD theses by Anna Sturman (2021), Matt Ryan (2023) and Natasha Heenan (2025) bring together insights from both political economy and geography in a manner that issues challenges for both disciplines as we grapple with intersecting global ecological, economic and geopolitical crises. Each of these three theses is written in the context of intersecting crises of climate change, mass extinction and increasingly authoritarian neoliberalism. While they address diverse topics, questions and influences across them, there's also evidence of their collective effort to establish new directions in contemporary political economy, in part through engagement with geographical theory and research. Geographer Neil Smith's (1984) work on the production of nature in capitalism features strongly across all this work – used in conjunction with other work in geography and political economy to unlock new understandings of 'how we got here' and 'where we are headed'.

Sturman (2021), in her account of New Zealand capitalism in the context of contemporary debates over climate change, develops an analytical approach inspired by socialist-feminist and eco-socialist perspectives which highlights the 'hidden abodes' in which capitalist accumulation resides – not only in the exploitation of wage labour, but in the human and non-human labour of social reproduction upon which waged labour and associated forms of accumulation depend. The line of thinking is then extended primarily through a dialogue between O'Connor's (1998) work on the second contradiction of capitalism and Smith's (1984) work on the production of nature. Putting these thinkers together, Sturman offers new insights on the crucial role of the state as a site of struggle and shows how an expanded concept of labour beyond waged labour helps to understand the formation of more powerful political subjectivities and alliances across 'workers' in all their diversity in that struggle.

Seeking to develop a similarly historical and spatial account of Australian capitalism, Ryan's focus is on the ways in which capitalist states secure the conditions of production through the production of knowledge about natures that are exploitable, and through the production of conditions in which natures become exploitable 'cheaply' (in the Australian settler-colonial context, via dispossession and enclosure into property among

other state actions). Among the sources upon which he draws to develop this approach, there are several geographical influences, not least Neil Smith's (1984) work on the production of nature in capitalism and Jason Moore's (2017) work on 'cheap natures' and the generation of commodity frontiers (which, as Ryan draws on Sturman to point out, itself owes a considerable debt to socialist-feminist thinkers of social reproduction who were pivotal in establishing the ways in which capitalism depends upon the 'free gifts' of unpaid labour).

If Sturman's and Ryan's priority is to interrogate our current crisis and the potential for radical transformation by developing new perspectives on 'how we got here', Heenan's thesis on geoengineering in Australia brings us up to the present and even to speculative futures of climate capitalism. Building on Smith's work on the production of nature, she contends that critiques of carbon capture and storage and of other geoengineering technologies that are premised on concerns about human intervention in nature are misplaced. If humans are a part of nature and if human labours are productive of natures, then the challenge is not to avoid human intervention in the climate but rather to rescue it from its capture by the disciplining and destructive priority of capitalist accumulation. In this context, she carefully traces the ways in which geoengineering technologies like carbon capture and storage are being enlisted in the struggle to 'fix' the climate for on-going accumulation; and she offers an alternative vision of a democratic and anti-capitalist science that might be put to work in the service of human and planetary need.

For me, the work in these theses has been a fantastic inspiration and agitation. As someone now located in geography, I feel as though I'm being educated by political economists on the on-going relevance of geographical perspectives such as those pioneered by Smith! And I'm also being schooled on the roots and routes of some contemporary strands of geographical thought, for instance through the discussions of Moore's work and its intellectual and political antecedents. In my own field of urban geography, I can see plenty of opportunities to carry this perspective and dialogue forward. Research work I'm about to start with my UNSW geography colleague Marilu Melo Zurita on 150 years of wiring and re-wiring Australian cities for telecommunications will be looking at the ways in which the production of this urban infrastructure has involved contests over land, labour, resources, capital and authority.

There are exciting research directions for us to follow in how Sturman, Ryan and Heenan approach the historical and spatial political economies of settler-colonial capitalism, not least the role of states and technologies in providing ‘fixes’ for capitalist contradictions and their potential to be re-purposed for a more democratic economy. A school of ‘urban political ecology’ has centred the concept of metabolism as a means of thinking through the production of the urban. While the initial articulations of this concept were explicit about its roots in a couple of brief passages of Marx’s *Capital*, the combined work of Sturman, Ryan and Heenan has the potential to significantly advance contemporary debates about metabolic shifts and rifts associated with capitalist accumulation. Most importantly, their work helps us to work through the political challenges that currently confront those of us working towards alternatives.

Indeed, the on-going priority of connecting these critical perspectives with political practice has also been a shared concern of geographers and political economists. Here, work led primarily by Amanda Tattersall (Geosciences) on the Real Deal project that seeks to build powerful place-based alliances that can win genuine community benefits from transition has involved important contributions from political economists. Bryant helped co-author the report which set out this on-going research-action agenda (see Tattersall *et al.* 2020); and Tattersall is currently collaborating with Clarie Parfitt (Political Economy) on research funded by the Sydney Environment Institute into the efficacy of ‘Community Benefit Agreements’ for regional communities whose economies are being significantly transformed in the transition away from fossil fuel extraction and energy generation.

## Conclusion

While this article has been personal and partial, I hope it conveys a sense not only of the shared concerns and approaches of political economists and geographers at the University of Sydney, but also the *comraderie* and on-going collaborations among us. There remain differences in the ways in which we approach the relationship between theory building and empirical work, but the collaborations discussed above illustrate the fruitfulness of those differences being brought into dialogue. Long may it continue!

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## REVISITING ‘POLITICAL ECONOMY: STATE OF THE ART’

Joy Paton

There has been continuous teaching of political economy (PE) at the University of Sydney for fifty years. My own journey began as a mature aged student in 1994 after dropping History and Psychology in exchange for majors in Government and Political Economy. In undergraduate studies through to PE Honours and finally completing a PhD in 2007, I had the privilege of learning from and working alongside some incredibly inspiring teachers, researchers and colleagues before moving on to another University in mid-2015. In parallel, I held a long-standing interest in art and have been a practicing visual artist and ‘accidental’ curator. Bringing together my interests in political economy and art, one of the highlights of those twenty-one years at the University of Sydney was organising and curating an art exhibition marking the ‘retirement’ of Professor Frank Stilwell.<sup>1</sup>

The exhibition – *Political Economy: State of the Art* – coincided with a conference considering the contributions Frank had made to the field of Political Economy (and which resulted in an edited collection, *Challenging the Orthodoxy: The Contributions of Frank Stilwell to Political Economy* [Schroeder and Chester 2014]). The exhibition themes aligned with those of the conference, traversing both topical and enduring issues, including: the green economy, cities and regions, economic

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<sup>1</sup> The exhibition was held at Verge Gallery (University of Sydney Union) from 29 March to 12 April 2013. Despite official retirement in 2012, Frank continues to be an important contributor to the field of PE, not least through his ongoing JAPE editorial activities.

Paton, J. (2025)  
‘Revisiting “Political Economy: State of the Art”’  
*Journal of Australian Political Economy*  
No. 95, pp. 198-212.

inequality, the contest of economic ideas, economic policy and the pedagogy of political economy. These themes reflect areas in which Frank made significant impacts over his career and which, today, remain important areas for critical scholarship. In their differing modalities, both the conference and the exhibition honoured the contribution Frank made to research and teaching at the University of Sydney as well as to the broader Australian political economy movement.

In this article, I focus on that *Political Economy: State of the Art* exhibition as illustrative of what lies at the interface of art and political economy. Hence the inclusion of some of the images and narratives exhibited. However, I also explore the visual more broadly in relation to political economy and suggest this is an area rich in potential for research and teaching. This does not purport to be an analysis of art from a political economy perspective. The latter would require consideration in this article of the art market, which is already a substantive area of analysis with a (surprisingly) long history.<sup>2</sup> Nor does it focus on the place of art in the capitalist economy.<sup>3</sup> Rather, my focus here is on the more modest, but perhaps also more fundamentally important, task of considering how and why we might engage in *visual* 'political economy, now!'

## The PE of visuality and the visuality of PE

Why should political economists be concerned with the visual? One reason is that, beyond arts-based critique or social commentary and even Cultural Economy, 'visual economy' is expected to dominate the future of business and with it, the organisation of and values in, the capitalist economy/system of provisioning. In a world of 'new media visuality' (Ibrahim 2020: 1), the way businesses communicate is rapidly changing. According to Hatch (a coaching and consulting practice for business owners), the combination of digital social media platforms and declining attention spans – they suggest the average is now just 8 seconds - means consumers prefer 'quick, engaging visuals that deliver information instantly', rather than text-heavy content (Porterfield n.d.). This shift, they

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<sup>2</sup> See, for example, Throsby (2011), on John Ruskin's 1857 *Political Economy of Art*.

<sup>3</sup> See Mattick (2003), for a useful primer engaging (critically) with art history and theory.

argue, has led to the rise of the visual economy where ‘images, videos, and graphics dominate how brands connect with customers’ (Porterfield n.d.).

Although the Hatch claims above are not referenced, there is much anecdotal evidence regarding shorter attention spans in the digital era. The intensification of white-collar work is likely related. However, a statistically significant study conducted by Medvedskaya in 2022 demonstrated that adult readers have a higher ability to concentrate attention than active Internet users (both young people and adults), keeping their capacities within the normative boundaries that were inherent in people of the pre-digital era. This kind of evidence supports the idea that we are in a particular ‘visual epoch’ that warrants the attention of political economic analysis.

Even though ‘visual culture’ is a highly contested notion, it is acknowledged as an important area of study generating ‘political and ethical critique’ and highlighting the visual as an ‘instrument of domination’ (Mitchell 2005; *cf.* Debord 1995 [1967] on ‘the spectacle’; and Foucault 1977 on ‘surveillance’). Simultaneously, the visual is also a tool of resistance and activism whereby diverse artistic practices (including the ‘spectacle’ of public protest) are mobilised in the ‘picturing and politics of dissent’ and to ‘activate’ opposition to injustice (Cronin and Robertson 2011:1). Although Mitchell (2005) warns against the ‘reductive treatments of visual images as all-powerful forces’, the historical importance of imagery is not in doubt.

Each new wave of visual form – from ‘the invention of photography, of oil painting, of artificial perspective, of sculptural casting, of the internet, of writing’ – gives rise to a turning point worthy of scrutiny and analysis (Mitchell 2005). What then, is distinctive about the current *zeitgeist*? The latest ‘revolution’ in mass communication that began with the printing press is undoubtedly the advent of digital technology. According to Yasmin Ibrahim (2020: 36), the coming together and intensification of the visual and the technological in our time has engendered the most recent ‘visual turn’. This is characterised by the accelerated speed and reach of information via the internet (increased scope of dissemination) and mobile phones (reduced size of hardware), leading to new and more accessible platforms of social media and streaming services.

In her book *Politics of Gaze: The Image Economy Online*, Ibrahim (2020) explores how social media and the speed and scope of digital images has implications for how we organise and understand our world and ourselves.



She suggests that the technologically mediated everyday 'visuality' has wide ranging practical and ethical implications for how we 'construct our worlds, understand world events, represent ourselves, commodify our environments and transact these with the wider world' (Ibrahim 2020: i). In the process is a need to 'constantly negotiate [...] notions of what is public and private [alongside] issues of security and conflict whilst constructing moral codes for a technologically mediated society' (Ibrahim 2020: i). In highlighting these complex aspects of contemporary life, it becomes apparent that it is not just the behaviour of end-consumers that is of interest, but the whole production-distribution-consumption cycle shaping personal and social existence.

### **Vision and voice**

The exhibition of visual work, thoughtfully curated and presented, can contribute to the amplification of marginalised voices and the visibility of diverse social and political economic issues. Such work may stem from a dedicated curatorial project with artists invested in arts-based enquiry and making work toward a specific theme for public consumption. However, it may also stem from deploying arts-based and visual methods that provide an avenue for purposeful research engagement and permit the articulation of stories (dissemination of data) that might otherwise go untold/unheard/unseen. Here, I propose a conception of visual political economy as an interdisciplinary and creative practice of economic enquiry and transformation where new knowledge can be folded back into the teaching domain. Such research is motivated by the principles of social justice, social change and a desire to amplify marginalised voices and address the stigma and real economic injustices that are so often intensified for people who lie outside the 'mainstream'.

Working creatively (visual methodologies) with marginalised groups or those whose experiences are often hidden enables their stories to be told while sensitising the public to marginalised experiences. Over the past decade, I've utilised arts-based methodologies to conduct qualitative research primarily, but not exclusively, under the broad umbrella of public health. Arts-based approaches offer 'different ways of knowing' and are 'more than simply adjuncts to typical data collection and dissemination' processes (Boydell *et al.* 2012). They offer a way of 'doing data differently' and often exceed what would be garnered in a typical

interview-based method. I've found Photovoice to be a particularly useful visual methodology, especially in sensitive research contexts (Paton *et al.* 2018), including mental health (Paton *et al.* 2017) and end of life (Paton *et al.* 2023; Leonard *et al.* 2023).

Photovoice is traditionally a form of participatory action research typically used to give voice to specific communities or marginalised people(s). The term was first used by Wang and Burris (1997) to describe their research with rural women in a Chinese province where they combined photography and written narrative to explore community issues, empower participants and reach policymakers to bring about social change<sup>4</sup>. Conceptualising participants as co-creators in knowledge production is a central feature of this work and using cameras is an accessible means for participant engagement, requiring no particular artistic skills. In turn, the sensitive curation of participant photography and narratives for exhibition and publication provides a basis for innovative research dissemination. Exhibition catalogues with essays and image-laden reports are useful teaching aids and provide a rich way of communicating findings that are accessible to the public while being suitable for government, non-government and industry organisations.

Visual imagery in the public domain has the power to re-author and re-create social narratives, challenging dominant discourses and orthodoxies. Art makers give us all the opportunity to reflect on what we see and to be changed by encountering work that draws us into everyday stories and experiences. The work of art, John Dewey (1934: 344) argues, has the capacity to generate empathy in the viewer through the process of exposing suffering and injustice because it is 'saturated with story' connected to people and the rhythm of their lives. Embodied in visual portrayal, the 'everyday', becomes framed for deeper consideration underpinned by the capacity of the artist to make 'the objects of our common life [...] poignant and momentous' (Dewey 1934: 118). Visual imagery, indeed, art in all its forms, has the capacity to bridge different worlds. It can open up 'new fields of experience' for the viewer, but it can also reveal new dimensions and qualities in the 'familiar scenes' that we take for granted as 'normal' (Dewey 1934: 144).

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<sup>4</sup> They distinguished photovoice as a research method from other more general photography-related practices such as photo elicitation.

### Political Economy: State of the Art

The artworks and attendant narratives on display in the *Political Economy: State of the Art* exhibition can be seen as fulfilling much of what Dewey expected of art. In their own way, each piece held the potential for generating increased awareness of the issues and struggles of concern to political economists. The exhibition was a collaboration between artists and political economists (students/alumni/staff) who used visual language to engage with and give voice to issues arising from the themes identified in the concurrent conference, *Challenging the Orthodoxy*. The exhibition continued the long tradition of arts-based social commentary, utilising visual media in the form of archival material together with new artworks created by staff, students, alumni and supporters of political economy.

The 12 new artworks in the exhibition comprised work by ten individual artists. A range of materials and media were used, reflecting the diversity typifying much contemporary visual art. Painting, drawing, photography and mixed media textile work sat alongside video, film and installations. Conceptually, the works engaged with political economic issues including power and global conflict, social and economic inequality, affluence and crises, exploitation, decadence and decay, and environmentalism. Below is a selection of artwork images and excerpts from artist statements drawn from the exhibition catalogue (Paton and Shapley 2013).

**Figure 1: *For Sale* (Installation), Navid Ghezelayagh**



*'For Sale* addresses the forces that determine the global political and economic conditions of the world under continuous modern colonialism'.

**Figure 2: *Untitled* (Photographs), Nicola Edwards**



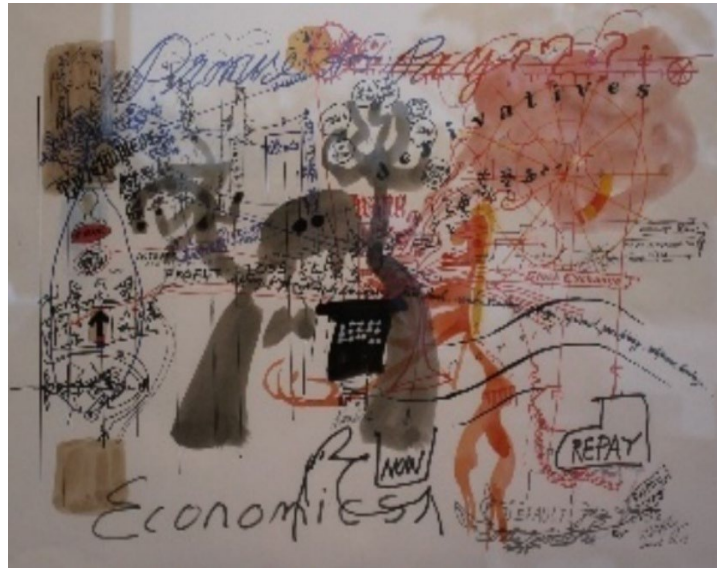
‘The photographs in this series document the international nature of inequality [...] I have tried to document my subjects with dignity, illustrating that the homeless have little, but remain human just like everyone else’.

**Figure 3: *Untitled* (Film), Annika Elise Blau**



‘This film is a montage of footage depicting three of the historical periods fallen to decadence [...] these eras of opulence [were followed by] disorder, revolution and economic depression. The audio clips tie this to our contemporary predicament. The film runs on loop to reflect decadence to degeneration as a cycle: by exposing it as a repetitive pattern, my work questions why we don’t recognise history repeating itself.’

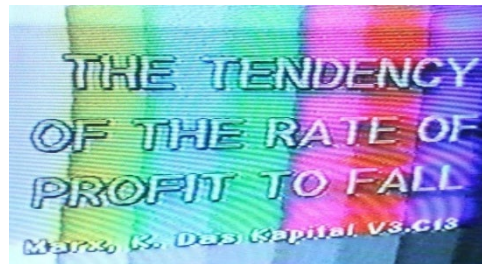
**Figure 4: *Untitled (Drawing)*, Bruce Petty**



‘One of Australia’s most influential cartoonists, Bruce Petty, was also a writer and director, and an Academy Award winner for animation. Through his sharp, darting characters, squiggly lines and giant human machines he [...] created unique visions of Australian politics and society’ (ABC Radio National, *Big Ideas: The Wisdom Interviews*).

Bruce Petty created this work – and another work showing a lecturer addressing a large class of political economy students – to commemorate the retirement of his friend, political economist Frank Stilwell.

**Figure 5: *The Tendency of the Rate of Profit to Fall* (Video),  
Matte Rochford**



‘Marx proposed that the motivating force of capitalism is in the exploitation of labour whose work is the ultimate source of surplus value and profit [...] In [this] video work, there are three sequences of images [...] a test screen, an excerpt from the animation *Cricket* (1980) and a scene from the film *Batman* (1989). Each sequence has been recorded on to a blank VHS tape and then dubbed again and again for the entire duration of the tape [180 minutes]. The first copy or generation is quite sharp and recognisable. With each subsequent copy, the image and sound get progressively degraded. The later copies are so distorted and washed out that they are no longer recognisable’.

**Figure 6: *The Labyrinth of Decay* (Immersive installation –  
stones on large scale photographic prints), Joy Paton**



‘...former USYD lecturer and political economist Yanis Varoufakis (2011) described the US-led global economy as a ‘Global Minotour’. This metaphor stems from Greek mythology where the Labyrinth was an elaborate structure made to hold the mythical half man/half bull creature to which a steady flow of tributes must be made. Today, labyrinths are used for contemplation and quietening the mind. You are invited to walk this labyrinth, reflecting on the images of decay left in the wake of the minotour’.

**Figure 7: *Untitled* (Textile – stitch and photography on cloth), Zsuzsanna Domenika Ihar**



‘My work explores economic inequality [...] grey suits, normally an analogy for the business world, represent the cynicism and insensitivity often associated with wealth distribution and the cost of actions made by those in the world of finance and wealth [...] the suit morphs into a living skin of Australia’s varying realities, bred by disparate economic conditions [...] the stitches serve to symbolise the [...] collateral damage birthed by decisions made at the top. The vibrant colours in the work infuse the dichotomy of the rich and the poor [...] the various faces seen across the greater Sydney region included in this work [...] remind the audience of people’s the divergent and diverse experiences’.

Selected images from the University's Archive relating to the 'struggle' for political economy at the University of Sydney were also an important foundation for the exhibition marking Frank Stilwell's retirement. In part, this reflected acknowledgement that he, together with other staff and student activists, had been a key figure in securing political economy as both a discipline grounded in critical political economic analysis and a viable academic unit/department.

Original posters, many made at the iconic Tin Sheds Gallery, sat alongside prints of photographic and other visual material that chronicled this important element in the University's history. Below is a selection of poster images and photographs from the exhibition.

**Figure 8: *The Struggle for Political Economy* (Installation view of photocopied archival material and photographs), Greg Shapley**





**Figures 9-12: *The Struggle for Political Economy* (Printed Posters), Artists not identified**



The 'struggles' for political economy drew on the movements of protest and social commentary that proliferated in the sixties and seventies, continuing the much older tradition of print forms in mobilising support. The hand-printed posters and other visual materials portraying events across the seventies and eighties reflect the passion and commitment of those participating in protests, sit-ins and strikes, providing 'visual spectacles' aimed at securing a reflexive, non-elitist, democratic pedagogy.

**Figures 13-14: *Protests (Photographs), Photographers unknown***



Despite the different forms of visual material, there was an evident synergy in the exhibition as a whole that reflected its underlying subject matter. Karl Marx once said the commodity was the 'cell form' of capitalism and, intentionally or not, this was taken up in the contemporary art of Andy Warhol who pioneered the commodity as art form through the distinctive use of repetition. In keeping with this now key feature of much contemporary art, a number of the exhibited artworks featured 'repetition', reminding the viewer of the commodification and accumulation at the core of capitalism. The notion of repetition was also implicit in the historical posters produced in the print shop at the former Tin Sheds Gallery as well as in the historical photographic material.

## Conclusion

Revisiting *Political Economy: State of the Art* in this article, however briefly, has been sobering yet thought-provoking. The various artworks and images continue to hold traction more than a decade after they were first exhibited. Indeed, even the ‘struggle for PE’ archival material going back more than 40 years still speaks in today’s environment of university cuts and restructurings. The exhibition provides an example of how the concerns of political economists can and have been represented visually, whether through historical images of struggle or through using art forms to illustrate themes of ongoing political economic concern. There is ample scope in the rapidly changing digital world to grow the field of visual political economy across teaching, research and activism.

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# **RESEARCHING TRANSNATIONAL CORPORATIONS: A PERSONAL PERSPECTIVE**

**Greg Crough**

From the time I joined the Foreign Participation section of the Australian Bureau of Statistics in Canberra, after graduating from the University of Sydney, I was able to pursue my interest in the operations of multinational companies. My interest was developed following my experience studying economics at the University of Sydney which I, and many others, considered did not really help you understand the 'real' economy and how businesses and industries work.

There is certainly nothing more 'real world' than studying and researching the activities of multinational companies. I became very interested in the industries these companies were active in and whether they operated differently from domestically based companies. Did it matter that there were high levels of foreign ownership in some of Australia's key industries? Did government policies that regulated and constrained their activities benefit Australia, and if so, how?

## **Researching TNCs at the University of Sydney**

The public service bureaucracy was not really to my liking so, after a short time, I applied for a research assistant position with Ted Wheelwright. He had received funds from an Australian businessman and grant money from the federal Labor government to set up a research unit at the University of Sydney to study multinationals. In 1976, we established the Transnational Corporations Research Project (TCRP) in the Department of Economics.

**Crough, G. (2025)**  
**'Researching Transnational Corporations: A Personal Perspective'**  
*Journal of Australian Political Economy*  
**No. 95, pp. 213-21.**

We preferred the less common term ‘transnational’ because we felt it was a better description of how these companies operated, rather than the more common term ‘multinational’ which implied the companies had owners from multiple countries. Obviously, as the global reach of these companies has grown over the decades, both terms have become accurate and interchangeable: these companies obviously operate across multiple country borders and many also have complex ownership structures spanning different countries and investors.

Although the TCRP was small, employing only two staff, we were able to undertake our own research and establish linkages with researchers in Australia and around the world who were working on similar issues. We produced numerous papers, books and reports that, in their own small way, contributed to the debate about foreign ownership in Australia. Ted and I also wrote a popular book on how Australia had become a ‘client state’ under the influence of international capital (Crough and Wheelwright 1982).

In the context of the already multi-year struggle for the establishment of a Political Economy department at the University, one clear issue arose. Most mainstream economic models did not really enable you to understand the dynamics of these corporate entities. When much of international trade and investment is internalised by these companies – as has increasingly become the case – models of ‘normal’ or romanticised notions of market mechanisms are not very helpful in understanding how these companies operate and why. Clearly these companies face market mechanisms when they deal with their customers, but how they arrange their affairs to manage these mechanisms and take advantage of them is an important and extremely complex area of study.

As with a lot of things in life, you can expect something unexpected to happen sooner or later. One such moment for me was when I was approached by a researcher, Stuart McGill, who had been engaged by the Australian Minister of Aboriginal Affairs to do some work on the activities of multinational companies that were impacting Australian Indigenous communities and how this compared to the experience in North America. The research was specifically focused on the impacts of mining and exploration companies operating, or seeking to operate, in areas close to Indigenous communities (McGill and Crough 1986). Following this introduction to indigenous issues, I spent a few years, mainly in the Northern Territory and the Kimberley region, working with Indigenous

communities and organisations on their economic issues (Crough *et al.* 1989). Needless to say, it was not an area of research crowded out by mainstream economists. Marginal costing, perfect markets and concepts of economic optimisation did not easily translate into explaining how the local economy of these communities, much less the broader economy, worked and where indigenous people fitted in. I found that geographers, because of their emphasis on field work and their broader social and physical sciences approaches, had a lot more to contribute.

Ultimately, Ted Wheelwright decided to relocate the TCRP at Sydney University from the Economics department to the Geography department. Instead of battling with unsympathetic - and even hostile - economics professors who could not see why research on multinational companies was important, we found a much more welcoming home there.

### **Transfer pricing**

Some of the research I undertook while working in the TCRP at the University of Sydney focused on transfer pricing. That is, analysis of the impacts of the internal pricing decisions of transferring products, services and intellectual property, between entities within multinational corporations. The pricing of their trade in products, services, intellectual property and financial transactions not only enables the corporations to better control resource allocation and profitability between their constituent entities, but also to manage their taxation position *vis a vis* different country jurisdictional tax systems. Multinational corporations are in a very strong position to take advantage of different tax rates (of all types of taxation), tax incentives, tax holidays and weak regulatory regimes in many countries.

The bauxite mining and alumina and aluminium processing industry was a focus of my early transfer pricing work. One paper focused on a large company, Comalco Australia Ltd., whose transfer pricing issues ultimately ended up in the Australian High Court. I remember meeting High Court Justice Lionel Murphy, a personal friend of Ted Wheelwright, who said there was important evidence presented to the Court that he thought someone should write about. Justice Murphy provided us with copies of the so-called *Appeal Books* that included detailed information that had been presented to the Court. These books provided details of what would normally be confidential information of the company's internal pricing

activities (Crough 1981). While the Commissioner of Taxation ultimately ended up losing the case on a number of legal technicalities, it did expose weaknesses in Australia's legislation for dealing with transfer pricing and tax avoidance. New legislation was ultimately introduced to remedy the technical inadequacies of the previous legislation and expand the scope of the Commissioner's power to adjust the income and expenses relating to non-arm's length transactions.

The second piece of work came from one of the unlikeliest of places: Iceland. A group of Icelandic researchers visited us in Australia seeking details of the pricing of alumina processed in Australia for shipment to Iceland for smelting into aluminium. The researchers noticed some irregularities in the trade statistics between exports from Australia and imports to Iceland that suggested the price of alumina was somehow being inflated, effectively while it was on board ships travelling to Iceland. Iceland, with its abundant natural resources for producing electricity, was an excellent location for aluminium smelters which use large amounts of electricity. The researchers were concerned that Swiss Aluminium was manipulating the transfer prices of alumina sold to its related entity in Iceland to artificially shift profits out of their country. Trade statistics do not normally disclose confidential details but, possibly due to an oversight in the Australian Bureau of Statistics, it was feasible to roughly estimate the prices of alumina being exported from Australia by Swiss Aluminium and compare these to the import prices (Crough 1985).

Another unexpected path to working on transfer pricing issues was when I was approached by a researcher, David Doulman, from the Food and Agriculture Organisation (FAO), who was working on the global tuna industry with the Pacific Islands Forum. I was not aware of it at the time but, during the research, I found out that one of Australia's largest tuna and marine fishing companies today, the South Australian Fishing Cooperative Ltd (SAFCOL), originally established in the South Australian town of Port Lincoln in 1945, was one of the first companies to internationalise its operations when it established tuna canneries in Thailand to take advantage of low labour costs and access to fish resources from the Asia Pacific region. Heinz, a global multinational food company, had set up a tuna cannery in the NSW town of Eden to process its *Greenseas* brand of products after having established food processing and distribution operations in Australia in the mid-1930s.



The tuna industry is of vital interest to various countries, including Pacific Island nations, as the fish resources are within their maritime economic zones, but the exploitation of their resources is typically undertaken by large international companies in other countries (Doulman 1987). The canning and processing of tuna is a major employer in other countries, such as Thailand and Vietnam, and the companies that undertake the processing benefit from low wage costs. One issue being examined by the FAO was whether the ability of the large companies in the supply chain to determine or significantly influence the pricing for fish, canned fish, and other fish-derived products sold around the world was shifting value and profits away from the lower income countries and not properly rewarding them for their contributions to the global industry (Crough 1987, 1991).

Next time you buy a humble can of tuna or sardines, think about where the fish came from and who caught them (was it a locally owned fishing business or a large international company with industrial-sized fishing and freezing ships?); where were the fish processed and canned and by whom? (look on the bottom of the can to see the names of countries where the processing occurs); who owns the brand and is it part of a vast stable of brands owned by a multinational food company? When the price is broken up into its constituent parts, what share do each of the multiple entities involved in the supply and marketing chain get? This continues to be an interesting area for research.

### **Economic consulting**

Ultimately, my studies of transfer pricing and multinational corporations led the Australian Taxation Office to offer me work as an economic consultant. This was when the ATO's compliance approaches to the taxation of international corporations were being developed. The ATO was one of the leaders, following the developments in the US regulatory and compliance regime, in focusing on transfer pricing as a tax avoidance problem. I was later employed by the ATO as an economist to specifically focus on transfer pricing compliance.

At the same time as tax authorities around the world began to develop their own approaches to transfer pricing through the implementation of new laws, regulations and compliance programs, the accounting, law and tax advisory firms began to develop their own approaches to advise their clients on how to comply with these laws and the new audit programs.

Ernst & Young (EY) in Australia started to employ economists to focus on transfer pricing and international tax issues; and I was offered a position to join those efforts.

After working for EY for a number of years in Sydney, I was offered a position in the New York EY office. The initial offer was for a 3-year secondment but, like a lot of people who come from other countries to live and work in New York, the opportunities to work in teams with other professionals and with large companies as clients – as well as living in a city as dynamic as New York – there is a strong inclination to stay. In my case, the 3 years turned into 18 years.

Working as an academic researcher on multinational corporations is rewarding, but you are always limited in the information you have available for your research. While transfer pricing is a global issue, it is subject to an extensive network of laws and regulations in virtually every country in the world and it is a critical program focus of the Organisation for Economic Cooperation and Development and its member countries. The OECD's work is known as the Base Erosion and Project Shifting (BEPS) project which has resulted in legislative and regulatory changes in many countries in recent years. Information on how companies make internal pricing decisions is very difficult to obtain as an outsider. Working in a global accounting firm such as EY gives you access to financial information of even the largest companies in the world. It also provides an opportunity to better understand what drives these entities. What do they do, why do they do it, how do they adapt to economic and regulatory changes, what drives the value created in the business, how is their intellectual property developed, exploited, maintained and protected?

While transfer pricing might seem to be an issue that economists would have an advantage in researching and analysing, the internalisation of market mechanisms within a global enterprise is affected by a wide range of complex economic, legal, regulatory, financial issues. Even the most complex of mainstream economic models struggle to understand these multiple dimensions and produce reliable outcomes. Lack of real-world data to input into these models further reduces their usefulness.

### **Arm's-length behaviour**

One of the important foundational elements of transfer pricing work is the concept of arm's length behaviour. That is, most regulatory regimes are

based on the principle that transfer prices within a multinational corporation should be similar to, or comparable to, the pricing behaviour of parties dealing at arm's length. Put simply, the pricing should be based, to the extent possible, on the pricing outcomes of parties that are unrelated to each other, with each following their own commercial and financial interests. While the concept sounds relatively straightforward – find arm's length prices and compare them to the transfer prices of a product or service – in practice, except for a few products such as basic commodities like minerals and agricultural products, there are no publicly available prices that are comparable to the prices set within a multinational corporation.

An extraordinary range of products and services incorporate some form of intellectual property and are effectively unique to that company, and the intellectual property in these products is a closely guarded secret. In fact, this is how many companies differentiate themselves from their competitors and drive value. Some of them, like pharmaceutical companies, spend billions of dollars developing their products and want them protected through regulatory regimes such as patent protection. Once generic products come into the market, new prices appear in those markets but the value attributable to the marketing and branding of these products is still difficult to incorporate into a transfer framework.

These concerns lead to the question of what exactly is the business that is being analysed? Is Tesla more correctly characterised as a car company or as a software company? How much of Apple's success is driven by its products or by its marketing prowess? Are Facebook and Google similar to a broadcasting/media businesses or are they really in the advertising business? These answers to these questions have real world implications. For example, when the CEOs of Facebook and TikTok recently appeared before US Congress it was revealing that most of the questioning demonstrated the complete ignorance of many members of exactly how these companies operate and how they make money. If the Congress, and indeed any legislative body in the rest of the world, thinks of regulating the activities of these types of companies, if they do not understand their business models it is almost inevitable that the legislative responses will be completely inadequate and lead to all sorts of unintended consequences. Many people who use these apps would also probably wonder how these companies can be so profitable when it is 'free' to use them.

To properly understand concepts like comparability, the underlying principle of arm's length pricing, you need to focus on these questions. Is there a market, or arm's length price, for a Tesla car, let alone all of its component parts, including the software? Can you compare transfer prices of Apple phones with those of Samsung? What is the correct arm's length price for unique software like that of Microsoft? How does a global consulting business with thousands of employees in India or the Philippines price the internal services provided to the parent entity. With technology often owned in one country, manufacturing in others, marketing in others, is value – and ultimately taxing rights – being properly allocated to the countries where these various activities are located? While there is an external market price for all of these products, transfer pricing is concerned with how these companies sell their own products, services and intellectual property internally between their own entities located in different nations.

## Conclusion

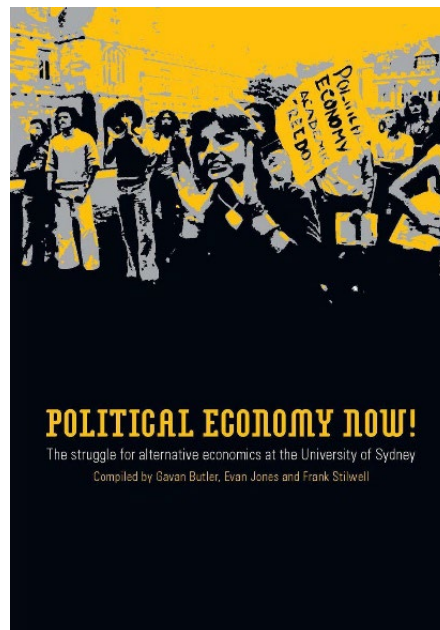
It has been five decades since I started working in the Australian Bureau of Statistics measuring foreign ownership of Australian industries and resources and then worked with political economist Ted Wheelwright to develop TNC-focused research at the University of Sydney. The world of international business is immensely more complicated now than it was then. I have been fortunate in having the opportunity to work with researchers from all over the world and with highly professional people in a global organisation for companies and governments that are dealing with more complexity than ever.

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# **GAZA, THE CORPORATE UNIVERSITY AND THE RE-REGULATION OF INTELLECTUAL FREEDOM**

**Tim Anderson**

The corporate university has become more vulnerable to political pressures, with undermined collegial processes and greater sensitivity to financial and reputational attacks. In that context, staff and student responses to university collaboration in the recent massacres of Palestinians in the Gaza Strip has catalysed a repression which includes radical reregulation of the traditional idea of 'intellectual freedom'. The corporate university response has been to ban many traditional freedoms.

How was this possible? When the Political Economy group was founded in the 1970s and 1980s, despite the ideological repression of 'heterodox economics', there were certain collegiate features of the University of Sydney (USyd) and some openings for staff and students to agitate and alter the status quo. Proposals for new academic curricula were backed by extended activism which included partial strikes by staff, protest meetings, boycotts of classes, a 'day of protest' and a 'day of outrage', resulting in the University authorities setting up several committees of inquiry and eventually acceding to the demands for new political economy course (Jones and Stilwell 1986).

Once the political economy course was established, it provided space and opportunity for lecturers to weave strong critiques of current economic and political arrangements into the new curriculum and to encourage students to consider critical viewpoints alongside the more conservative views offered in more mainstream economic courses and most media commentary. Units of study were developed with themes like the social

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foundations of capitalism; the political economy of conflict and power, and human rights in development (which I introduced and taught for some years). These aspects of the political economy program have provided an atypical opportunity for students to consider critical and radical alternatives.

In the Twenty First Century, however, the logic and structures of the corporate university have increasingly snuffed out such possibilities for critical views and dissent in Australian tertiary education. Many options for agitation are now banned. Curiously, much of this has been done under the banner of ‘intellectual freedom’, non-discrimination and maintaining a safe learning environment.

This article examines how the corporatised University of Sydney, linked to the ideological apparatus of the state, has acted to re-regulate political expression and political protest. It points to the pressures from private funders and notes how innovations in rhetoric have weaponised ‘intellectual freedom’ and even non-discrimination slogans. The article begins by briefly setting out the constraints of the corporate university, then examines management innovations during the National Tertiary Education Union *vs* University of Sydney court case, the 2024 student encampment for Gaza and subsequent initiatives to control ‘controversial’ political expression, concluding with reflections on how this has changed the context for political economy and for radicalism at universities more generally.

### **Gaza and the corporate university**

There can be little doubt that the corporate university is a different creature to the idealised (if elite) statutory public institution, created many years ago. But how might it best be characterised?

Increased emphasis on private fund-raising, instrumental learning and research, and concern for a marketable reputation are features of today’s corporate university. Some have preferred to call this an ‘enterprise university’, recognising the institution’s differences with private corporations, but with the key drivers remaining prestige and competitiveness linked to fund-raising (Marginson and Considine 2000: 5). This may be overly generous, suggesting dynamism and creativity above corpulence, compromise and corruption. Most university staff agree, for example, that academic standards in Australia have deteriorated

in recent times, with increased commercialisation (Evans 2018). It is also a common complaint that ‘the increasing corporatisation of universities’ has threatened the role of the university as a ‘public good institution’ (Baum and Anaf 2023: 1).

Discussions on university ‘success’ certainly focus more on fund raising than on intellectual achievements. The links with grants and private contracts are constantly stressed (Dodd 2016), with grants often serving as proxies for actual research outcomes. Qualitatively, commercialisation has been said to contribute to a ‘hollowing out of education’, reducing education to a skills-focussed process aimed at preparing students for a business world, rather than a process of non-commercial ‘learning and reflection’ (Abele 2015). This sort of instrumentalism was criticised decades earlier by Paolo Freire (1970). With the rise of industrial ‘partnerships’, the character of research can be similarly degraded.

Corporate university managers must deal with pressures from government, from an often aggressive corporate media, and from the demands of their private sponsors. Australia’s oldest university, the University of Sydney, boasted in 2019 of receiving over one billion dollars in private funding (University of Sydney 2019). Yet there has been no systematic public accounting of these funds, in origin, purpose or deployment. Those factors must compromise academic independence. Yet academic freedom seems to have become most threatened at times of instability and war and, with the scale of hybrid and proxy wars increasing this century (Turse and Sperry 2022; TUFTS 2022), the Australian state has often acted, if inconsistently, to contain dissent (Nilsson 2024). The state response has included setting up a Senate Inquiry into ‘Antisemitism at Australian Universities’ (Parliament of Australia 2024). It is notable that most Australian universities have repressed student protest over the slaughter in Gaza (Amnesty International 2024).

To what extent do compliant corporate universities act as part of an ‘ideological state apparatus’, as Udas and Stagg (2019) have argued? Building a revisionist instrumental state theory, using Clyde Barrow (1990), Louis Althusser (2014), William Domhoff (1979), Ralph Miliband (2009), Jürgen Habermas (1988) and others, they try to explain greater political repression at times of war, as well as the inability of the corporate university ‘to engage in a serious critique of corporate liberal democracy’. If the university is – or has become – more an auxiliary agent of the state, it would certainly act to ‘restrict the university’s ability to engage in critical



dialogue about state sponsored capitalist forms of democracy [...] [and] the state's role in privatising the common good' (Udas and Stagg 2019), as well as state and university support for foreign wars.

Then there is the role of private, unaccountable funders. Israeli lobby groups have been very active at the University of Sydney. The most influential lobby seems to be the Fund for Jewish Higher Education (FJHE), a sub-group of the World Zionist Organization (Anderson 2024) which has funnelled millions of dollars into Sydney University. Former Provost Stephen Garton praised FJHE Chair, Emeritus Professor Suzanne Rutland, for her contributions to 'interfaith dialogue' plus 'tolerance and understanding' (Anderson 2024); yet Rutland is one of those who claims that student chants of 'Free Palestine' are the cry for a new genocide of the Jewish people (Lynch and Riemer 2015). Since this trajectory is broadly consistent with bipartisan state policy, the Israeli lobby might be best regarded as reinforcing an elite political consensus.

Before the 2023-2024 war on Gaza, there were increasing attacks on 'dissident' academics in the USA. For example, 'Turning Points USA' created a 'Professor Watch List' of 195 academics said to 'advocate a radical agenda' (Turning Point USA 2017; Loomis 2016); while Google-YouTube and Facebook announced they were working with the US Government to combat supposed Russian subversion (McCarthy 2016; Lieberman 2017; RT 2017). Such pressures can intimidate revenue- and reputation-focused managers. But reactions to the slaughter in Gaza have also led to more forthright management interventions.

### **Shutting down criticism of the Gaza massacres**

At the University of Sydney two events helped shape managers' response to criticism of the war on Gaza. The first was a Federal Court challenge (NTEU vs Sydney University) to the dismissal of this writer. I was fired, after twenty years' service at the university, for 'discourteous' criticism of pro war journalists and comments over the 2014 Gaza massacres that were deemed 'offensive' to the Israelis (Anderson 2024). The second was the student encampment for Gaza (Abbas 2024) over several months in 2024. Managerial responses to both have helped build new, systematic constraints on political expression. The details of these two processes merit some attention.

Much of the argument in the case against this writer focused on a ‘Gaza Graphic’ I had used to illustrate methods of ‘reading controversies’. One aspect of it compared the 2014 Israeli massacres in Gaza with those committed by Nazi Germany: at left an obscured Nazi swastika was placed over the Israeli flag on an Israeli tank. The re-post of this graphic was linked to my research article ‘The Future of Palestine’, which showed the parallels in racial ideology and racial massacres (Anderson 2018). Otherwise, this was a graphical explanation of how to read sources, using as an example reports on the massacre of Palestinian civilians in Gaza during the Israeli invasion of Gaza of July 2014.

The student led Gaza encampment, modelled on similar actions in the USA (Banerjee 2024), ran from April to June 2024, as a protest against Sydney University’s links to the arms industry and support for the Israeli regime (AAP 2024). Students spoke of a moral necessity for the action, so that their hands ‘were not stained with blood’ by university links to the crimes in Gaza (Abbas 2024). The camp ran for 55 days, after which managers declared that any further such actions were prohibited. Vice-Chancellor Mark Scott in May had ‘apologised to students and staff who felt unsafe around the encampment but stopped short of ordering them to disband’ (McKeith 2024). However, a new Campus Access Policy (University of Sydney 2024a) banned any repeat, by demanding 72 hours’ notice of any type of demonstration, subject to approval, and prohibiting any encampment on university grounds (Panegyres 2024).

Sydney University Vice Chancellor Mark Scott came under fire from Israeli lobbyists (Narunsky 2024) and some parliamentarians because, unlike at other universities (McGrath 2024), University management (a) let the encampment wind down before banning any recurrence, rather than calling in police to dismantle it; and (b) did not adopt the International Holocaust Remembrance Association ‘working definition’ of antisemitism (IHRA 2024), which labels virtually any criticism of Israel as anti-Jewish (Anderson 2020). Responding to these attacks – and with the legal rationale approved at the final round of the Federal Court of Australia in *NTEU vs University of Sydney* – managers made extra efforts in late 2024 to codify sanctionable ‘uncivil’ speech or behaviour (University of Sydney 2024b).

## NTEU vs University of Sydney

In the union-run legal appeal over my 2019 dismissal, University managers argued that a ‘right to intellectual freedom’, as stated in the Enterprise Agreement (University of Sydney 2013), did not really exist; it was ‘an aspiration’ subject to management control based on a range of principles under the code of conduct. This claim was successful in the first round but was overturned by a first full bench Appeal, which ruled that such a right did exist, subject to some prescribed limits, and could be maintained against management directions. However, in a second Appeal, management won with the counter argument that anyone claiming intellectual freedom had to prove to managers that this right was exercised ‘consistent with the highest ethical, professional and legal standards’. We lost, as I was said to have not proven such a case.

The NTEU ran this ‘unfair dismissal’ case for five years in defence of the ‘right to intellectual freedom’ provision placed in successive enterprise agreements (EAs), which stated that:

The Parties are committed to the protection and promotion of intellectual freedom, including the rights of Academic staff to [...] express unpopular or controversial views, provided that in doing so staff must not engage in harassment, vilification or intimidation.

Managers did not allege that I had engaged in any ‘harassment, vilification or intimidation’ (University of Sydney 2013).

The NTEU decided to run the case as a defence of the ‘intellectual freedom’ provision, with little emphasis on the content of my political arguments. The assumption was that, if my comments were linked to my work and had not breached any proscribed standard, they were permissible.

In the first round, managers won. In November 2020 Justice Tom Thawley ruled in favour of arguments from Sydney University’s Barrister Kate Eastman, first that the ‘intellectual freedom’ clause in the Enterprise Agreement (cl.315) did not create ‘an enforceable right to intellectual freedom’, which exempted it from claims of ‘misconduct’ (FCA 2020: 161, 163). Second, it was not for the court to decide on matters of actual ‘misconduct’; ‘It is sufficient to note that the view taken by [Provost] Garton was open and [...] not shown to be affected by some vitiating error’ (FCA 2020, 227, 233). Third, the exercise of ‘intellectual freedom’ did not prevent the imposition of manager-determined sensibilities. In relation to

posting teaching materials (some of which Garton disapproved) the judge said,

Even if the posting of the (Gaza) infographic was a genuine exercise of intellectual freedom [...] it would not matter [...] It is open to the university to invoke the [misconduct] processes [...] and to be satisfied that there has been 'serious misconduct' where, in the context of an exercise of intellectual freedom, the standards required [...] have not been met (257, 260).

Finally, the judge relegated the academic role to that of a loyal employee, bound to follow orders:

An employee's duties would include [...] the implied duty of fidelity and to obey the lawful directions of the employer [...] a refusal to follow lawful directions [...] is capable of being 'serious misbehaviour' (FCA 2020: 265).

However, in the second round, the NTEU appealed Thawley's decision to the full bench of the Federal Court, which ruled in our favour. On 31 August 2021 Justices Jagot, Rangiah and Chief Justice Allsop overturned Thawley's decision, finding that he had mistakenly ruled that (1) academics had no right to intellectual freedom, under the USyd Enterprise Agreement; and that (2) it was simply for the delegated manager to be satisfied whether or not misconduct had occurred.

The majority (Jagot and Rangiah) recognised the substance of my 'Gaza Graphic' (FCA 2021: 268-9), saying that my presentation 'involves the expression of a legitimate view, open to debate, about the relative morality of the actions of Israel and Palestinian people'. The graphic was

including Israel within a long history of colonial exploitation by one political entity over another weaker entity or people. It does not matter whether this comparison may be considered by some or many people to be offensive or wrong [...] offence and insensitivity cannot be relevant criteria for deciding if conduct does or does not constitute the exercise of the right of [lawful academic] intellectual freedom.

This judgment overturned the claim by Provost Garton that the Graphic served 'no legitimate academic or intellectual purpose'.

Jagot and Rangiah said:

If the impugned conduct [...] constituted exercises of the right of intellectual freedom [...] then the University had no lawful right, power or authority to give warnings to or terminate Dr Anderson's employment because of that conduct as it could not be misconduct (FCA 2021: 271)

[...] If Dr Anderson intended the reposting [the Gaza Graphic as an exercise of intellectual freedom] he would have been correct and entitled to make that point to the University by the re-posting of the material (FCA 2021: 267).

The court ordered the matter be remitted to Judge Thawley to decide (1) whether the social media posts were lawful expressions of my right to intellectual freedom; and (2) whether the University decided to dismiss me 'in whole or part' based on my lawful expression of intellectual freedom (FCA 2021). In a third round, Thawley re-heard the matter, delivering his second judgement on 27 October 2022. He found on every count for the NTEU and myself, saying that all the key comments complained of were linked to my intellectual work and so protected under the University's Enterprise Agreement (FCA in CCHS 2022).

On the Gaza Graphic, Thawley said that no part of that graphic should be taken 'out of context'. It was created 'for an academic purpose' and was not intended 'to incite hatred of Jewish people'. University managers 'did not establish any breach of standard' under university rules. Barrister for management, Kate Eastman, claimed that there was still some breach of s.317, which additionally demanded 'the highest ethical, professional and legal standards'. Thawley asked her: 'So in what way do you say Dr Anderson didn't meet that standard, and what do you say the standard is?' Eastman could not specify any breach. Thawley found that my employment was terminated illegally and, several months later, ordered my reinstatement, with four and a half years back pay.

Yet all this was negated in a fourth round, after Sydney University management appealed Thawley's second judgement. In May 2024, a second full bench ruled in favour of the University managers on an argument not run at trial, that there was an onus on me to prove that my exercise of intellectual freedom was 'consistent with the highest ethical, professional and legal standards'. Two of the three judges disapproved of my subordination, saying I had not proven my words to have met these 'highest standards'. Justice Nye Perram said that I had 'waded into the briar patch which is the situation in Palestine' and not explained how my

at least incendiary conduct could be characterised as being consistent with the highest ethical, professional and legal standards [...] I cannot be satisfied that Dr Anderson's comments met the highest ethical, professional, and legal standards. This of course does not entail a positive finding that Dr Anderson's comments did not meet those standards. Rather, given the paucity of evidence on this topic from at

least the Union parties, I am unable to determine the issue one way or the other' (FCA 2024: 21).

Justice Michael Lee agreed, emphasising my 'refusal to comply with the directions to remove comments' and remaining 'defiant' over managers' censorship demands (FCA 2024: 37, 40, 42).

Only dissenting judge Geoffrey Kennett, who set out a detailed history of the case, backed the final decision of trial judge Thawley (FCA 2024: 254). Although, in total, five of seven judges had found in our favour, the final word went to Perram and Lee. In this way, a vague additional burden effectively neutered the Enterprise Agreement's 'right to intellectual freedom'.

Reporting of the case was distorted. In November 2024, presumably to reinforce his defence against Israeli lobby attacks, Vice Chancellor Mark Scott claimed that I had been dismissed for 'antisemitism', saying 'I believe we're the only university in the country that has fired someone for antisemitism' (White 2024).

### **Re-regulating intellectual freedom**

After *NTEU vs University of Sydney* 2024, the obligation on those claiming 'free speech' would be conditioned by demanding proof that such speech met 'the highest ethical, professional and legal standards', to management satisfaction, but without any specified criteria.

For example, in September 2024, the University of Sydney's Registrar, Hayley Fisher, wrote to students planning a discussion of Gaza, demanding several things: a change of venue, 'appropriate conduct' including that none should engage in any anti-Semitic, racist or unlawful conduct', and that 'any exercise of intellectual freedom is in accordance with the highest ethical, professional and legal standards' so as to meet 'the University's expectations' (Fisher 2024). The freedom part was side-stepped in favour of management expectations, with the phrase endorsed by the Federal Court.

Perhaps conscious of the vague nature of these 'highest standards' demands, managers then commissioned a report from lawyer Bruce Hodgkinson, who reported back with a series of recommendations on enforceable 'civility' standards (University of Sydney 2024b).

The Campus Access policy had already made many protest actions subject to approval. Hodgkinson's proposals sought to further systematise control in the following ways: (1) by prohibiting any future encampments and indeed 'any form of protest within a building on University campus'; (2) by prohibiting student announcements at the start of a class, (3) by requiring permission to put up any posters; (4) by requiring that the 'words or phrases' of on campus speech 'be made clear' to the audience (most likely a reference to complaints that 'from the river to the sea' is not a Palestinian democratic slogan but rather an anti-Jewish slogan); (5) by demanding training in and compliance with new 'civility rules' for all who speak on campus; and (6) new sanctions and penalties for those who break these rules, including enforcement agreements with state and federal police (University of Sydney 2024b).

The corporate media and the Israeli lobby kept up the pressure for control of speech over Gaza. Management said that they were 'investigating' comments on media bias over Gaza made by sociology Professor Sujatha Fernandes (Chidiac and Haghighi 2024), while pro-Israeli lawyers made a 'race discrimination' complaint against two other academics, Nick Riemer and John Keane, claiming that 'Jewish students and staff members [...] have encountered a hostile environment perpetuated by certain academics whose actions allegedly foster antisemitic sentiments' (Klein 2024).

What was this 'antisemitism'? In August 2024, in an extraordinary general meeting, more than 500 Sydney University students voted for the University to cut all ties with Israel. The first motion called on managers to disclose and divest from its partnerships with weapons manufacturers and higher education institutions in Israel; the second demanded support for Palestinian statehood and recognition of their right to resist (Honi Soit 2024). A similar motion had been passed, earlier in the year, by 'more than 1,500 students' at the University of Queensland (Liang 2024). In October 2024 the National Council of the university academics union, the NTEU, passed a motion calling for an 'institutional academic boycott of Israel' (Chidiac 2024).

Sydney University managers had already decided how to deflect this, ignoring their links to Israeli groups and arms manufacturers. Non-discrimination principles including opposition to 'anti-Semitism', must mean, they said, that no-one could be excluded from engagement with the university (Riemer 2024). Managers were indulging Israeli lobby claims of a 'crisis of antisemitism' at the university, while even one pro-Israeli

academic admitted that: ‘classic Jew-hatred’ doesn’t exist at the University of Sydney’. Sydney University NTEU President Nick Riemer said:

Zionists want us to believe that the mere expression of support for Palestine – Palestinian flags, slogans calling for freedom, equality and justice for Palestinians, criticism of Israel as an apartheid and intrinsically racist state – makes ‘Jewish’ people feel ‘distressed’ or ‘unsafe’ and is therefore inherently anti-Semitic (Riemer 2024).

Vice Chancellor Mark Scott, in his statement to a Senate Inquiry into alleged ‘antisemitism at universities’, showed that ‘non-discrimination’ would be the idea behind a management decision to not even contemplate a boycott of Israel, so as ‘to ensure a safe environment free from discrimination’ (Scott 2024). Of course, the Israel lobby and some politicians would cry ‘discrimination’ if there were to be any management endorsement of a boycott.

The series of controversies and pressures led to administrators second-guessing political sensitivities. For example, a young student of Lebanese background offered to show a documentary of how artefacts at the Aleppo museum were protected from the ISIS terrorist group back in 2015. The first reaction of the administrator in Archaeology was ‘is it overall a balanced portrayal or is it quite pro Assad? I’m just concerned of how risk averse the university is in the current climate’ (BC 2024). The same student was told by his tutor that he could not do an indigenous studies essay on Palestinians as they were said to be ‘not one of the world’s indigenous peoples’ (BJ 2024). Fear of managerial repression was very real.

## Conclusion

The corporate university has created a more codified and repressive approach to dealing with dissent than existed fifty years earlier when the agitation for political economy at the University of Sydney began. That was a time when, nationwide, anti-war protests, anti-racist, feminist and emerging environmental struggles were frequent and often intense, both on university campuses and in the broader society.

The experiences during 2024 of the protests over the slaughter in Gaza may be seen as pushing an increasingly repressive response to dissent harder and faster. The corporatised University of Sydney, conscious of pressures from the state, private funders and the corporate media, has created rhetorical innovations to re-regulate ‘intellectual freedom’, even



using non-discrimination slogans to shut down controversial political expression and calls for a boycott of Israel. After *NTEU vs Sydney University*, the student encampment, media attacks, the Senate inquiry and the Hodgkinson review, managers effectively reclaimed their original position that ‘intellectual freedom’ is more an aspiration than a right. A first full bench of the Federal Court forced them to accept that a ‘right to intellectual freedom’ indeed existed, and exercise of that right could overrule management directions. However, a second full bench endorsed their claim to trump that right with an extra, rather arbitrary demand, that those exercising such a right must prove that their actions met (some unspecified) ‘highest ethical, professional and legal standards’, to management’s satisfaction. If adopted, the Hodgkinson ‘civility’ rules may further codify that burden, while seriously limiting further protest. The campus will remain ‘safe’ from debate over controversial matters such as genocide.

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# **W(H)ITHER THE HIGH SCHOOL ECONOMICS SYLLABUS**

**Evan Jones**

High school student enrolments in Economics are in a parlous state. In 2020, the Reserve Bank of Australia did a study of enrolments in NSW (Livermore and Major 2021), showing that Year 12 Economics enrolments had plummeted by 70% over the past three decades. Enrolment had declined more for females than for males; and ‘the shares of students from low socio-economic backgrounds and regional locations have also fallen substantially’ (Livermore and Major 2021: 1).

The RBA study notes:

Surveys [...] of university students have found perceptions of economics to be largely negative [...] For students at Australian universities at least, economics is generally viewed as abstract, difficult, dull and boring, not relevant to the real world, lacking an ethical dimension (Livermore and Major 2021: 4).

These reported student perceptions are prescient. Yet the RBA authors’ inference is that potential students are poorly apprised of what Economics is and thus are scared off, through misunderstanding, of all the benefits that early exposure to Economics study can bring.

The RBA study was reported in the press (Irvine 2021). I wrote a response, highlighting the problems with the conventional university Economics syllabus (the high school syllabus is a cut-down version), suggesting topics for a more engaging syllabus that might attract and keep students (Jones 2021). The *Sydney Morning Herald* declined to publish it.

The RBA did not systematically investigate the sources of the decline in Economics enrolment nor the trends in enrolment in other social studies

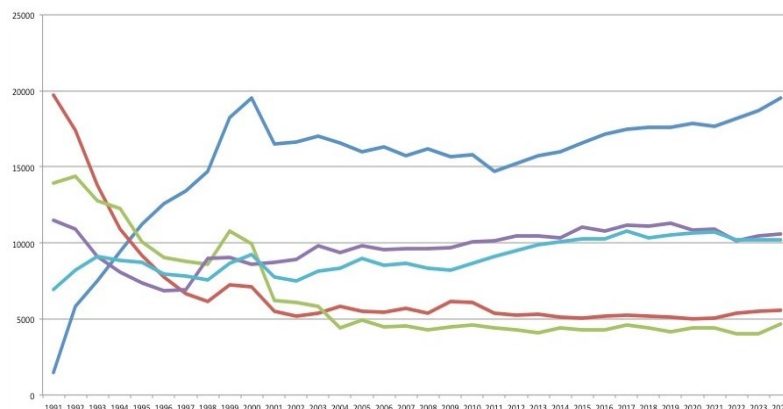
**Jones, E. (2025)**  
**‘W(h)ither the High School Economics Syllabus’**  
*Journal of Australian Political Economy*  
**No. 95, pp. 237-55.**

subjects. A recent issue of its *Bulletin* contains a further study by Emma Chow (2025) that details the statistics of declining enrolments but still doesn't question the Economics syllabus itself – at either university or school level. It talks of the need for 'economic literacy' but is oblivious to the failure of current syllabuses to cater to that objective.

Journalist Ross Gittins responded critically to the Chow study (Gittins 2025), arguing that the essential problem with Economics is the obsession with mathematics. Gittins also refers to the syllabus' overcrowding with diverting exercises, thus losing the bigger picture.

This article attempts a more systematic assessment by presenting a critique of the most recent reform of the curriculum, coupled with suggestions for a modification of the syllabus that would better help students to understand the economy, and from a political economic perspective.

**Figure 1: HSC Enrolments by subject, NSW, 1991-2024**



Source: Figure supplied by Stephen Rix.

Figure 1 above shows enrolment trends in HSC Economics relative to other subject choices. As shown by the brown line, annual enrolments in HSC Economics plunged during the 1990s from nearly 20 thousand to below 7 thousand. Over the same period, the new subject of Business Studies (shown by the dark blue line) surged to nearly 20 thousand. For

Geography (shown by the olive-green line) -a subject less driven by dogma and in principle complementary to Economics - enrolments also fell, although from a lesser initial total, plateauing at just below 5 thousand p.a. Annual enrolments in Modern History and Legal Studies (the purple and light blue lines respectively) have been steadier, even growing a little and levelling off at over 10 thousand each. Evidently, Economics lost its premier position more than a quarter century ago and has remained in the doldrums ever since.

Business Studies was pragmatically introduced as a ‘practical’ course for those who were likely to struggle with Economics or as a ‘filler’ subject, but its proponents did not expect its subsequent attraction. Moreover, there appears to be a pronounced public / private school divide, with Business Studies enrolments occurring disproportionately in the public school system. Even within private schools, enrolment in Economics has a strong utilitarian element as a means to gaining a higher ATAR, in turn as a means to later specialise in other subjects. Only a minority of a minority aspire to specialising in Economics at university to become economists.

### **A revised economics syllabus: More of the same**

The responsible state institutions such as the NSW Education Standards Authority (NESA), undertake periodic reconsiderations of the syllabus for each subject. The NESA recently produced a draft of a ‘reformed’ Economics 11-12 Syllabus, which demands detailed consideration.

The NESA proposal (NSW Education Standards Authority 2024: 12) sets the scene with a standard, mainstream statement of the subject:

Economics is the study of how limited natural and human resources are allocated to satisfy the unlimited wants of individuals and society. The allocation of scarce resources involves choice, and economics investigates the factors that inform these choices. Economics investigates human behaviour and responses to incentives and disincentives. Economic decisions involve opportunity cost and other trade-offs and the subject of Economics hinges on these principles.

This is a ritualistic claim but misleading. The conventional syllabus, although related, is not so structured. Instead, it comprises artefacts of neoclassical microeconomics and a crude Keynesian macroeconomics, the latter given material substance through the now-institutionalised national accounts framework developed during World War II.

In the neoclassical framework that underpins the microeconomics part, people do not make ‘choices’. Rather, the emphasis is on ‘equilibrium’ settings, derived from axioms (adopted *a priori*) that individuals and business enterprises are ‘optimising’ agents. The entire neoclassical edifice is a convenient mind construction whose driving force is methodological and ideological considerations and not real-world relevance. There is no acknowledgement that the orientation is paradigm-based, which requires a historical context and defence. There is also no acknowledgement that there are other analytical approaches or that non-English speaking countries (even though influenced by ‘Anglo’ cultural imperialism) might approach the subject differently and their economic policies be concomitantly different.<sup>1</sup>

Let’s first deal with a furphy – the claim in the screed for the NESA review that Economics endows students with information and capacity to inform their own life trajectory. Thus:

[The study of economics] develops an individual’s capacity for prudent decision-making to protect and grow their financial interests and maximise personal prosperity, through examining the concepts of tax, interest rates, cost of living expenses and other issues that dominate the immediate concerns of people everywhere (NSW Education Standards Authority 2024: 12).

This claim is deceptive advertising – effectively a reaction to the realisation that Business Studies has stolen Economics’ ‘market share’. Economics as it is taught does nothing of the sort. This claim could leave the precociously ambitious income-oriented student deceived and the conscientious student perplexed. In practice, self-interested HSC students are usually being rational in opting for Business Studies instead (and Commerce and Finance degrees at university level).

Worse, the Economics syllabus has students going through endless difficult and meaningless exercises. For example:

- ‘Construct and interpret demand/supply schedules & graphs’ (p. 18)
- ‘Construct and interpret long-run average cost curve graphs’ (p. 22)
- ‘Calculate the real interest rate’ (p. 23)

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<sup>1</sup> A marvellous, eminently readable, account of the policy impact of ‘national mentalities’ during the fabled post-WWII ‘long boom’ can be found in Shonfield (1965).



- ‘Hypothesise optimal rates of taxation’ (p. 24)
- ‘Construct and interpret graphs depicting negative externalities from production and positive externalities from consumption’ (p. 30)
- ‘Construct and interpret a demand and supply graph that demonstrates effects of the minimum wage, under the assumption of perfectly competitive labour markets’ (p. 32)
- With respect to environmental policy, ‘Calculate and identify the optimal size of a subsidy or tax from an externality graph’ (p. 33).

These are examples of the exercises that Gittins (2025) is sceptical about. These exercises are generally hypothetical, devised to exemplify time-worn abstract ‘truths’. In any case, empirically-based exercises would require resources devoted to the acquisition and perennial updating of data, making impossible demands on time-poor teachers.

### **The inbuilt biases of the syllabus**

The proposed ‘reform’ is deeply flawed. Year 11 is given over to ‘Microeconomics’ and year 12 to ‘Macroeconomics’. This ordering may be due to some presumption of ‘base and superstructure’, but the two parts are stand-alone. The Microeconomics component is an immediate turnoff. In terms of substance and implicit values, the ‘analysis’ implies an overall benign economic system. Individuals ‘maximise utility’. Individuals and national economies tend towards a ‘market equilibrium’, the latter being ‘the dynamic process from a state of disequilibrium to equilibrium price, market clearance and resource efficiency’ (p. 19). The NESA document dutifully informs us of troublesome ‘factors affecting optimal economic decision-making, including bounded rationality, cognitive biases, and the availability of information and time’: but, instead of contextualising real-world individuals, the syllabus provides ‘add-ons’ to mask an idealised fiction. There is more:

- ‘governments are ‘social welfare-maximising agents’ (p. 24)
- central banks operate with wisdom, based on the Phillips’ curve and the Non-Accelerating Rate of Unemployment (NAIRU) which are taken as true facts (p. 29)
- ‘policies to improve efficiency’ (p. 32) lists an incoherent smorgasbord of measures, including unqualified ‘deregulation’ and ‘competitive neutrality’ – the latter an ideologically driven

construct to foster private company entry into areas previously operating under public provision

- foreign trade is determined by a country's 'comparative advantage', to the global population's mutual benefit (p. 34).<sup>2</sup>

Some biases are transparent in the designated presentations. One example relates to the unintended consequences of government failure. These are said to include 'housing shortages arising from rent controls' (p. 20). This is an *a priori* statement and the implied causation is gratuitous. Rather, one should take the opportunity to bring in a selective history of rent controls, their context and outcomes (Kallin and Gray 2024).

Another example is the old chestnut of 'consumer sovereignty' (p. 21). This is a classic *a priori* proposition which removes all context and history of consumption patterns. In reality, some sovereignty may exist but within strict bounds, as Gary Cross's *Time and money* (Cross 1993) shows in an excellent analysis of the last several centuries of the social determination of consumption patterns.

Other problems relate to the treatment of environmental sustainability and environmental policy. There are some appropriate phrases (p. 30, 33) in this point form-type treatment of the environment. However, the treatment of the ecological crisis is entirely cock-eyed as it is seen through the lens of a comprehensively 'marketised' economy (where governments 'intervene' on the margin) and adverse environmental impacts are to be analysed via 'market failure' and 'market externalities' (Rosewarne 1993, 2002; Spash 2013). Invisible is the reality that the profit-driven system ('capitalism') has been born and has thrived on the appropriation, exploitation and degradation of nature. Nowhere in the syllabus is there any possibility to consider that capitalism and a sustainable environment are incompatible.<sup>3</sup> A useful case study might be the Murray-Darling River system and its fragility, with copious material generated over decades by the Murray-Darling Basin Commission, consultant reports and inquiries.

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<sup>2</sup> An article I wrote for the then NSW Economics' teachers' journal provides an alternative perspective on the winners and losers from global trade (Jones 1999).

<sup>3</sup> Corporate-dominated fish farming (Flanagan 2021) and high seas industrial fishing (Carmine *et al.* 2020) are representative of the current devastation wrought on nature, and of corporate impunity given state support.

Equally problematic is the assumed ‘need for ongoing microeconomic reform in Australia and the role of the Productivity Commission in the reform process’ (p. 32). There has been ongoing ‘microeconomic reform’ for 40 years. Claims of success are hollow (Quiggin 2024 [2004]). Everything that is functioning is claimed by its adherents as a product of microeconomic reform, whereas everything that is dysfunctional is ignored. The role of the ill-educated and ideologically driven Productivity Commission will no doubt be treated uncritically.

### **Making the best of a bad thing**

Some topics in the syllabus provide an opportunity for instructive case studies. Examples include ‘Changes in the value, direction and composition of Australia’s international trade’ and ‘Balance of payments’ (pp. 26-7). Here the syllabus, for once, provides a ready opening for an empirical exploration of Australia’s trade history. A country’s trade structure opens a simple window into the character of its economy. One would hope that readings and data made available would allow students to transcend the conventional story that Australia’s evolving trade structure has been dictated by its innate ‘comparative advantage’ and see it as a matter of political decisions.

Australia has a trade regime dependent on exports of un- and semi-processed mineral products and rural products (recently supplemented by compromised ‘education’ exports), with imports dominated by manufactures. Recent statistics are outlined in Jones (2024). One cannot discount the limiting dimensions of a small domestic market and a global location distant from North Atlantic markets. However, since comprehensive deregulation from the 1980s, authorities have displayed a laxity towards this seeming success (based on iron ore, coal and LNG exports) in overcoming long term current account deficits tendencies. The minerals exports bonanza has been serendipitously dependent on the successive dramatic national economic and industrial development of Asian states. Moreover, the ecological crisis now threatens the sustainability of such mineral exports. The manifest failure to harness and/or constrain the mineral resources sector in the public interest has been well documented by Paul Cleary (2011, 2012).

Looking at trade figures can also be also a window into the national origins of particular product categories.<sup>4</sup> In general, consumers don't care where their purchases come from or under what conditions they are made, transported and sold. Hence the importance of the phenomenon of 'supply chains', typically also absent in the university Economics syllabus.<sup>5</sup> Supply chains expose crucial dimensions of the global economy. Whereas 'globalisation' and free trade are perennially touted as good things, supply chain analysis can expose its downsides, whether the potential fragility of the product's 'journey' or its exploitative character – both labour-wise and ecologically.

The cut flower industry is representative. If one is buying flowers in North America or Europe, chances are that they have been grown in northern South America or East Africa. The linkages are increasingly sophisticated, driven by perishability, but behind that sophistication is perennial worker exploitation – wages, physical abuse and health risks associated with pesticide use (Higgins and Hunjan 2024).

Sometimes a crisis brings out what might otherwise be invisible to the ultimate consumer. A factory collapse (Butler and Begum 2023), the COVID-19 pandemic (Nierhoff 2020) and corporate retailer failure (Hogan 2024) have exposed the fundamental absence of (mostly female) worker rights in the clothing and textile complexes of South-East Asia. The lack of accountability, essentially due to the corporations behind famous brands, is linked to a string of sub-contracting relationships down the line where an ethics- and regulation-free environment is entrenched.

Moreover, the stability of a supply chain can be perennially upended by leading corporations' pursuit of costs reduction through ever lower labour costs. In the US during the post-World War II period, auto makers gradually moved to 'right to work' Southern States (later to Mexico) to escape the unionised labour of the Mid-West. Australian textile, clothing and footwear manufacturers (important regional and female employers)

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<sup>4</sup> During the Covid pandemic, unfortunately, the publication of the excellent annual publication *Composition of Trade, Australia* was permanently abandoned, making it now difficult to access nation-to-nation trade.

<sup>5</sup> A course specifically on supply chains and their ethics, 'Global Sourcing, Profits and Corporate Codes of Business' was taught by Pamela Cawthorne in the Sydney University Political Economy Masters program during 2004-2006. Courses on supply chains appear, at best, in Geography syllabuses, but Geography has less status in the subject hierarchy.

moved to Asia because of the labour cost differentials that overwhelmed even high tariff levels in that sector. After 1990, German manufacturers moved operations into the newly independent Eastern European states. Western manufacturers moved *en masse* to China. Subsequently, with rising labour costs in China, Western and Chinese manufacturers have moved operations to Vietnam and elsewhere in South-East Asia.

Such is the dynamic of global capital accumulation that draws national states into supporting capital's imperatives in the hope of generating local employment. Supply chain analysis exposes the spatial dimensions, while trade figures expose the shifting inter-national linkages. Raphael Kaplinsky (2000) analyses in depth the conditions in which 'value' is appropriated across the chain, highlighting that those who are seduced into such global linkages are perennially short-changed.

Similar concerns arise in relation to the topic of market structures (p. 19). Some treatment of the competition authority (Trade Practices Commission; after 1996, the Australian Competition and Consumer Commission) should be essential. Remarkably, there is no mention in the NESAs proposed syllabus of that authority or the legislation that formally regulates competition and market abuse (*Trade Practices Act [TPA]*, 1974; later *Competition & Consumer Act [CCA]*, 2010). Attention to the evolution and weakness of the takeover/merger provision (s.50) of the *TPA/CCA* might be an appropriate topic. This section of the Act was emasculated by the Fraser government in 1977 and not restored until 1993, during which time significant 'anti-competitive' takeovers/mergers with long-term adverse effects took place. These included the ultimate creation of 'the Big Four' in banking and the growth of Coles, now part of Wesfarmers, as a major retailer.

In relation to market structure, a dimension deserving consideration is whether highly concentrated sectors might be inevitable, for technical and scale economy reasons (e.g. airlines, telecommunications), because of the small size of the Australian market. If so, this requires consideration of other means to restrain the market power deriving from such concentration. The standard syllabus emphasis on 'equilibrium' and 'perfect competition' is an artificial construct which specifically excludes economic power from analysis.

Two other facets of corporate power are formally important – encapsulated in legislation under the 'misuse of market power' (s.46 *TPA/CCA*) and 'unconscionable conduct' (ss.51 *TPA*, Part 2-2 *CCA*). Large corporations

have been accused by lesser rivals of 'misuse of market power'. Foreclosed business/farmer borrowers have accused bank lenders of unconscionable conduct. However, the courts have generally been unsympathetic to claimants, highlighting that legal education generally legitimises the use and abuse of market power as a natural component of the 'competitive process'. Legal analysis of misuse of market power and unconscionable conduct is complex and too demanding for a high school syllabus, but it is worth having this domain raised in class to spark student interest for future study (especially in the law).

Another case study could be food and beverage retailing. Coles and Woolworths share two-thirds of the revenue in this sector and are perennially accused (but rarely indicted) for abusing their power.<sup>6</sup> Is there 'misuse of market power', with the retail duopoly exploiting small businesses/farmers who supply (or compete with) the duopoly, especially farmers supplying perishable products.? After numerous official inquiries, only recently has the Albanese Labor government established a mandatory retailing code of conduct. Properly monitoring and enforcing that code will be another matter. Students may well relate to discussing issues like this because of the connection to their lived experiences.

Government spending (p. 25) is another area that provides an ideal opportunity for a case study. It is best treated in historical perspective, not least in relation to the evolution of the welfare state in Australia. John Murphy has published an exemplary two-volume work (2016, 2024) from which selective chapters could be drawn. As Murphy notes (2024: 292), 'Much of [the history of 'some three-quarters of a century of welfare politics'] has been conflictual, sometimes bitter, with only occasional outbreaks of consensus.'<sup>7</sup> The welfare portfolios are good windows into the character of successive governments' policy agendas.

The use of monetary policy to deal with inflation (p. 32, 29) also deserves better treatment than it gets in the syllabus. The current coverage implies a functioning policy mechanism in place whose only potential weaknesses are of a technical nature. The syllabus needs to allow consideration by

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<sup>6</sup> Representative is the retail duopoly's abuse of market power in the lucrative packaged liquor segment, which is analysed in Jones (2005).

<sup>7</sup> An informed summary of the welfare state in Australia is conveniently available on the web (Pan and Vishwanath 2021).

teachers of the recent controversy surrounding the Reserve Bank of Australia, including accusations of failing to read the state of the economy and its much vaunted ‘independence’ having become unaccountability. It is now widely perceived that the main problem centres on the limitations and dangers of the RBA’s single instrument, the cash rate, which drives the general cost of credit. The RBA has long kept the cash rate relatively high, with the knowledge that countless home mortgagors are doing it tough, skimping on other essential expenditure, and facing foreclosure if forced to default. Previously the RBA had lowered the cash rate to a ridiculous 0.10% in November 2020, keeping it there until May 2022. The lowering was related to the lull linked to the Covid pandemic, but many businesses were forcibly closed. RBA personnel should have long known that a near-zero cash rate has no ready influence on business confidence and investment, as embodied in Keynes’ well-known labelling of the phenomenon a ‘liquidity trap’ (albeit mentioned in the syllabus).

As for sources of inflation, the RBA sees a tight (undifferentiated) labour market (hence the NAIRU) as the predominant cause, thus preparing to enforce higher unemployment for dubious gains in lowering the inflation rate. Economist Jim Stanford has claimed that the RBA ignores corporate pricing power and its impact on inflation (Stanford 2023). The RBA, in turn, claims to have refuted Stanford’s thesis (Champion *et al.* 2023).<sup>8</sup> The syllabus could also usefully get students to consider the *discriminatory* character of a high cash rate, even if the RBA doesn’t.

## The corporation

The ‘reformed’ syllabus for NSW schools is also notably deficient in how it treats the entities that produce goods and services. They are simply called ‘businesses’ and there is no description of any kind of the production process. Indeed, the absence has ‘respectable’ origins because the neoclassical theory of the firm is vacuous, without substance, the behaviour of ‘the firm’ being entirely dictated by the impersonal market.

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<sup>8</sup> Stanford et al. (2023) perform a lengthier analysis of their emphasis in response to the RBA (and its supporters in the federal Treasury and the *Australian Financial Review*). I provide an accessible summary of the controversy in Jones (2023b, c). Both sources refer to the comparable controversy as to the causes of inflation in the US, led by dissident economist Isabella Weber (Jones 2023a).

In the real world, production is organised predominantly by corporations, complemented by that of smaller companies (often family-owned). It is a hierarchical relationship between big and small. The corporation has discretion over its own operations – indeed, seeks to exert control over the vagaries of the markets in which it operates. This imperative for control naturally extends to the regulatory framework itself and thus to attempted control of government policies.

For example, corporations dictate terms to the US Congress, not least via funding of individual members. The power for corporations to ‘buy’ candidates, and thus policy, has been considerably enhanced by the US Supreme Court’s 2010 ruling in *Citizens United v. Federal Election Commission* (Weiner and Lau 2025). The 5-4 majority claimed that ‘limits on independent spending from corporations and other outside groups equate to limiting their speech and thus violate the First Amendment’. Across the Atlantic, a phalanx of corporate lobbyists in Brussels influences the European Commission that governs the European Union. In Australia, the mining and fossil fuel lobby has adversely impacted Australia’s supposed commitment to climate change abatement and moves to renewable energy. Globally, the fossil fuel lobby has inhibited meaningful progress at every COP (‘Conference of the Parties’) meeting since they began in 1995.

The modern corporation is at the heart of the modern economy. Methodologically, this presents a problem for the designers of the Economics syllabus. The commitment to grand abstractions has pervaded economics ever since it came to be seen as a distinct subject. Classical Economics invented ‘economic man’, driven only by pecuniary considerations. Neoclassical Economics deprived ‘economic man’ of any social context and made her/him a pure ‘calculating machine ‘on the margin’ (marginalism being the vehicle to readily bring in the classical calculus). The late-Nineteenth Century English economist Alfred Marshall created a (fairy?) story, literary and contrived, around hard-edged neoclassical marginalism (cemented in his *Principles of Economics*, 1890 and subsequent editions), which has formed the basis of English-language low level Economics courses ever since, including the microeconomics component of the high school syllabus. Marshall claimed that he was



theorising small business, the reputed dominant enterprise form of his time, but he wasn't theorising real world business at all.<sup>9</sup>

In short, the corporation is at the centre of the economy but it is largely absent from the conventional Economics syllabus. The reasons are ideological (one can't acknowledge entrenched market power) and methodological (the entity cannot be subject grand abstractions and thus analysed simply and mathematically).

The corporation needs to be explained within an institutionalist and historical context. Where does the 'joint stock' corporation come from? How did it acquire the anomalous and seemingly farcical status of an individual at law ('corporate personhood')? In its rise to a critical mass, it is essentially a Nineteenth Century phenomenon (as discussed in Jones 2020). In the US, the process was politically charged, with activists rightly foreseeing the dangers to democratic influence and accountability with unregulated incorporation. In Australia, the story of incorporation is poorly documented (Lipton 2007). Phillip Lipton's investigation highlights that, although much law was adopted from the 'mother country' England, there was also much local adaptation, not least to finance large scale mining ventures. Business historians Simon Ville, David Merrett and Grant Fleming partially fill a complex history with some articles (generally uncritical) on the rise and place of large-scale capital in Australia (Ville and Merrett 2020; Fleming *et al.* 2004). While a deep historical study of the corporation is beyond the high school Economics syllabus, some recognition of the development and character of corporate power would be helpful in getting students started on the journey towards an understanding of modern political economic realities.

## Markets and development

Meanwhile, the Economics syllabus remains resolutely centred on a 'market' economy, with some Australian empirics. The presentation is aseptic, specious and ahistorical. Markets are social constructions and

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<sup>9</sup> In *Industry and Trade* (1919), Marshall belatedly tried to insert some realism with an acknowledgement of the ascendancy of corporate enterprise (and utilising a Darwinian-type biological rather than a mechanical metaphor), but this *mea culpa* never made it into the Economics syllabus.

operate universally under varying social conventions and regulations. There is no such thing as a ‘free market’.

Here too the recognition of history and institutions is necessary. In early modern England, for example, local trade was hedged about with myriad restrictions to ensure that participants were not exploited, not least by more powerful ‘external’ forces located in the metropolis (Lie 1993). Participants were highly conscious that the ‘invisible hand’ of the market could be wrapped in an iron fist. Several centuries of the omnipresent crude ideology of ‘laissez-faire’ (latterly re-embodied under the rubric of ‘neoliberalism’) have camouflaged the brutality of the market mechanism and downplayed the inevitability of such.

Historically, many individuals joined the market economy as wage labourers not by choice but by compulsion (Angus 2023). The most unfree of markets is the ‘labour market’. The centuries-long enclosure movement in England is representative, driving families off the land. People in areas subject to colonisation were subject to various means of compulsion – brutal enslavement, debt bondage, head taxes, etc. The destruction of indigenous customary economies by Western colonisers (as in Australia) contributed to the compulsion. ‘Unfree labour’ continues worldwide in the form of formally temporary migration (not least in seasonal agriculture and domestic work) and human trafficking that brutally restricts the rights of such bonded workers. Nicola Phillips (2013) has described the ongoing systemic and functional role of formally unfree labour as ‘adverse incorporation’ in the global economy.

Regarding the Australian Indigenous population, the NESA proposed syllabus claims ‘to develop a stronger understanding and appreciation of the relevance and richness of Aboriginal and Torres Strait Islander experiences’ (p. 12) but doesn’t deliver on it. Some place should be found for the elucidation of the historical interaction of traditional aboriginal communities with the invading and evolving White economy, representative of Western colonisation – stories of marginalisation within a destroyed autonomy and partial integration into the White economy (Altman 2004; Lloyd 2010). Mention could also be made of the controversy raised by Bruce Pascoe in his 2014 book *Dark Emu*, regarding his claim of the existence of structures implying a stationary existence of some aboriginal communities and the denial of such, especially by Pascoe’s critics Peter Sutton and Kerryn Walshe (Clarke 2023; see also Broe and Finlay 2020; Davis 2021; Davies 2021; Touma 2023).

In the section of the NESA syllabus headed ‘Australia and the global economy’ (p. 34) we encounter belatedly a brief exposure to ‘International economic development’. Among the dot points we read: ‘Characteristics of types of economies, including least developed, developing, emerging and advanced’. The implicit presumption is that countries that aren’t ‘advanced’ are backward due solely to local structures but can be moved forward economically with the right advice and guardianship. Comprehensive commodification and unfettered foreign investment are implicitly assumed as desirable. There is no acknowledgement that the global economy is structured to divergent paths of national development with inbuilt exploitation across nations. The most transparent explanation of this phenomenon remains that by Andre Gunder Frank who coined the concept ‘the development of underdevelopment’ (Frank 2007). The global economy is a layered hierarchy, with a trail of sub-structures variously integrated (degrees of commodification and degrees of integration into the global metropolis). This analysis needs honest exposure, if only briefly, to develop awareness and interest for future study.

### **Dealing with a deeply flawed syllabus**

For the reasons canvassed above, the syllabus ‘reform’ proposed by the NSW Education Standards Authority is a disaster. While the NESA document laboriously accentuates good teaching practices that supposedly carry this syllabus and its mechanisms to best effect, the outcome can only be the opposite of what is intended. The content of the syllabus kills all inspiration. The most sophisticated pedagogy can’t disguise a rotten apple. It deserves to be scrapped, although that, of course, is not going to happen.

At best, after this syllabus ‘reform’ is imposed, there will be some windows for ameliorating its deadening impact. Rather than taking seriously the meaningless hypothetical exercises, teachers might develop student capacity in learning ‘how to read’ – hypothetical demand and supply schedules, unemployment data, RBA statements, etc. – and to draw out the implicit assumptions, biases and failings in them. Teachers can also introduce case studies that elaborate on the topics flagged in the syllabus. Preferably, the sequencing of Microeconomics and Macroeconomics in Years 11 and 12 would be inverted, giving students another year of maturity to discern the egregious content in the Microeconomics component – but this sequencing is no doubt unchangeable.

Ideally, the syllabus would undergo a more comprehensive reconstruction to make it more institutionalist-historical in orientation. Finding supplementary resources (at least in the first instance) would be a demanding exercise. Empirical material would need to be updated regularly, raising the question – whose responsibility would that be, the syllabus bureaucrats or individual teachers? Writing and marking examination questions would also be more demanding – but so be it. Teachers themselves might be enlightened and invigorated in the process, as I was when the political economy courses were gradually introduced at the University of Sydney.

More fundamentally, even if the HSC Economics syllabus were to be radically reconstructed (by a collective of rank-and-file teachers?) so that students' interest can be generated and their skills developed, what would be the point of that for those going on to study Economics at university if they are then confronted by the same old syllabus there? Only Sydney University's Department of Political Economy currently provides a systematically structured alternative. Yet, reform of the HSC Economics syllabus still has two strong rationales. First, even if students go on to do a standard mainstream economics course at university, a more 'realistic' HSC syllabus would give them a better basis for assessing its pros and cons and for questioning its underlying assumptions. Second, the students *not* going on to university would be better prepared for their more general needs as citizens and members of the workforce. In both cases, the current syllabus does more harm than good.

As with the university Economics syllabus, the high school Economics syllabus has been mulled and fought over for decades. Reserve Bank economists – whose version of 'economic literacy' still can't fathom the fundamental hopelessness and danger of trying to steer the economy with their single weapon (the cash rate) – are the people least well equipped to resolve the impasse.

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## **RETHINKING ECONOMICS: BUILDING BRIDGES TO POLITICAL ECONOMY**

**Dennis Venter and Mahesti Hasanah**

While the Department of Political Economy at the University of Sydney has delivered major gains for its own students over the past fifty years, its story has also inspired economics students around the world. Founded in 2011, Rethinking Economics International (REI) describes itself as a re-awakening of ‘the 1970s [...] [when] economics students in Sydney campaigned against the mainstream curriculum’ (REI 2025). Today, REI supports 117 student groups worldwide and collaborates with partners such as the Institute for New Economic Thinking and Exploring Economics, an open-access e-learning platform that attracts over 35,000 users each month.

As members of Rethinking Economics Australia (REA) at the University of Sydney, we are leveraging this international structure to build on the legacy of the students who campaigned for the creation of our department. The REA Curriculum Reform Project was initiated by the first author, based at the University of Sydney, shortly before commencing a research degree in political economy. The team has since grown into a multi-university group of eight students and recent graduates, brought together by a shared commitment to promoting alternative perspectives in economics.

In this article, we outline our project – an ambitious initiative that aims to embed a compulsory non-neoclassical component into first year economics degrees, one that teaches alternative perspectives on their own terms rather than funneling these through the orthodox research frontier.

**Venter, D. and Hasanah, M. (2025)  
‘Rethinking Economics: Building Bridges To Political Economy’  
*Journal of Australian Political Economy*  
No. 95, pp. 256-66.**



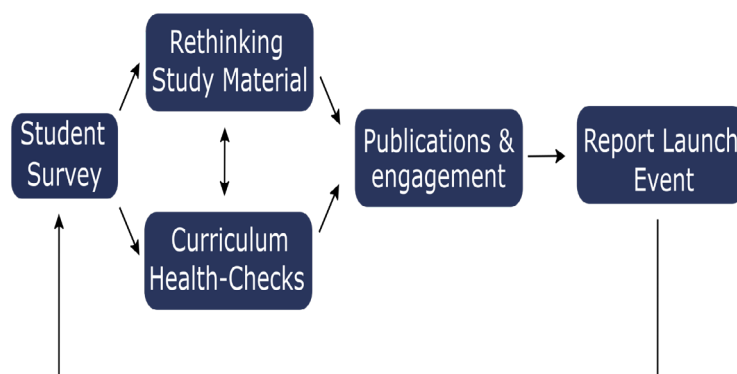
The project was initiated after our student survey (Venter 2023) revealed widespread dissatisfaction with Australian economics degrees and hinted at important topics being left out of the curriculum.

In response, we involved members of the global Rethinking Economics network in a collaborative effort to rethink educational material in initial areas of concern.

At the same time, we launched curriculum ‘health-checks’ at universities across Australia to assess the scope and nature of the problem. These two activities – creating new content and identifying what is missing – are co-dependent and form the core of the project.

As our project moves toward its goal, student engagement is essential. As such, we communicate our progress through media tailored to undergraduate audiences, and upon completing the curriculum health-checks, findings will be compiled into our first bi-annual report, to be launched at an event planned for November 2025 at the University of Sydney. The event will bring together stakeholders and students from both economics and political economy as we generate momentum for the next round of our project.

**Figure 1: Stages in the REA Curriculum Reform Project**



This article goes step-by-step through these stages shown above.

### **Student choices: The 2023 curriculum survey**

Our initial survey sought to capture student attitudes to the economics curriculum at Australian universities and direct further action. Respondents were asked to identify their university, program and stage of study, allowing us to compare responses between mainstream economics degrees and those with a heterodox or interdisciplinary orientation – such as Political Economy or ecological economics. This also allowed us to contrast responses from those who were around the middle of their course and those who have graduated (or soon would). From this, four key findings emerged (Venter 2023):

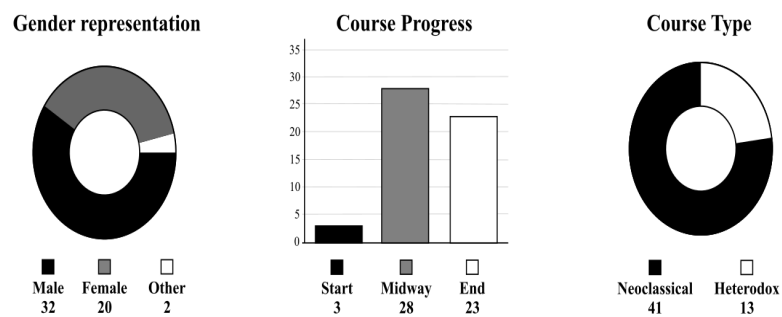
1. Satisfaction with mainstream economics declines over time: while students initially find units useful or interesting, by the end of their degrees, many felt disillusioned by the curriculum's narrow scope and high level of abstraction.
2. Students in heterodox courses are more satisfied: those studying Political Economy or ecological economics reported higher levels of engagement and satisfaction throughout their studies.
3. A clear critique of content: seventy percent of negative comments concerned unrealistic assumptions, mathematical equations that do not apply to the real world, and a lack of learning about environmental issues and history.
4. Growing disillusionment: agreement with the statement 'Mainstream economics is detached from the real world' increased with the level of study, peaking among those who had graduated or were about to graduate.

The relationship between the first two of these four points is particularly significant and warrants closer examination of the data. Of the 54 valid survey respondents, 41 were enrolled in degrees with a predominantly neoclassical focus, while 13 were enrolled in programs with a strong heterodox orientation. Regarding their stage of study, 3 respondents were at the beginning of their degrees, 28 were midway through, and 23 were either nearing completion or had already completed their course. Figure 2 provides an overview of the characteristics of these respondents.

Students were then asked to what extent their degree met their expectations. Table 1 summarises the results. As shown there, 74% of students at the start-midway stage of taking courses with a neoclassical

focus said that their expectations had been met and, by the end of their studies, that figure had dropped to 58%. In contrast, the student taking heterodox courses retained an 80% satisfaction rating throughout.

**Figure 2: Overview of respondents**

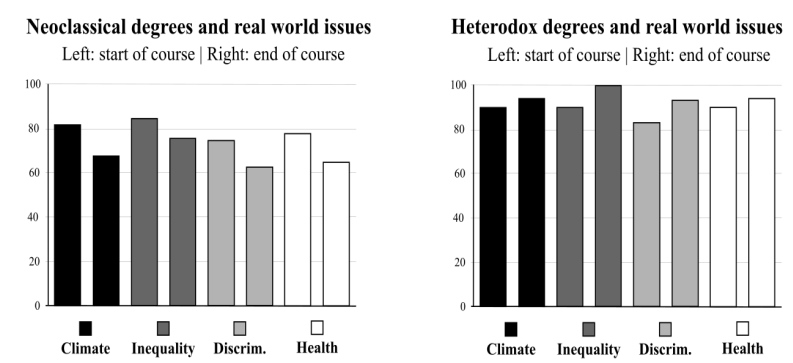


**Table 1: Responses to the question ‘To what extent does your degree meet your expectations?’**

	Neoclassical	Heterodox
Start - Mid	74%	80%
End	58%	80%

Students were then asked to what extent their course prepares them to understand the economic dimensions of real-world issues, such as the climate crisis, inequality, discrimination, and public health. The two charts in Figure 3 show the students’ responses in each course type. Each topic features two bars, the first showing responses from students at the beginning and the second showing responses at the end of their course. Summary averages are also presented in Table 2.

**Figure 3: To what extent does your degree prepare you to understand real-world issues?**



**Table 2: Responses to the question: ‘To what extent does your degree prepare you to understand real-world issues?’**

	Neoclassical	Heterodox
Start - Mid	80%	88%
End	68%	95%

In neoclassical-oriented degrees, we observe a decline in how well students feel their programs address the implications of these topics. This corresponds with a drop in how well such degrees meet students’ expectations – a connection that may help explain the former. On average, degrees with a heterodox orientation scored significantly higher, with an increase from first to third year. This may reflect the structure of some programs which deal with mainstream approaches early on and introduce heterodox perspectives after the first year.

These results align with established critiques of neoclassical economics education in Australia (Thornton 2013). What distinguishes the current

moment, however, is the presence of a national structure for student-led reform, connected to an international network that includes mechanisms for disseminating content and findings through student-facing platforms. For instance, survey results were published not only as a report on the Rethinking Economics Australia website but also in a video titled *Australia's Failing Economics Curriculum*, released via the Rethinking Economics International YouTube channel (REI 2023) and social media. More significantly, this structure has also enabled REA to move from critique to action by beginning to develop educational content.

### **Rethinking educational material and drawing students to political economy**

Following the survey, members from REA and REI began to co-author educational resources. Hosted on the Exploring Economics platform, these are designed to allow students to think critically about the orthodox content they encounter in class and spark their interest in political economy. So far, our educational resources include:

- Think complexity economics is too complicated? Then this is for you! (Venter and Varma 2023).
- Why we should think twice about production functions (Venter *et al.* 2024).
- Let's think about the IS-LM Curve and J.M. Keynes (Venter and Desgraz forthcoming).

Our strategy also explicitly considers alternative locations where curriculum changes may be sought (for a general discussion on 'the strategic choice of location' see Stilwell and Thornton 2015: 464-469). We identify activities in three different locations: leveraging the links between digital spaces outside universities, using the traditional spaces of economics departments, and working in an alternative space such as the Department of Political Economy.

### **Digital spaces outside universities**

The current generation of students form communities around online content and spaces. Not only do these digital spaces provide networking

and training opportunities for our members, they can also inspire undergraduates in their decisions about electives and postgraduate options, often drawing students into political economy courses.

REI is partnered with two such platforms: *Exploring Economics* and Tim Thornton's independent *School of Political Economy*. The former has been a key resource for many international students at the University of Sydney, serving as their main source of pluralist content during their undergraduate degrees in their home countries. Increasingly, it is also encountered indirectly through large language models. The latter, while also offering in-person classes in Melbourne, has been most valuable to our national team through its online classes. Through these, one member was inspired to enroll for postgraduate study in political economy after initially planning to enroll in econometrics; another was introduced to a future supervisor at our department; and a third got up to speed in political economy before contributing to our curriculum health checks. Too often, undergraduates assume mainstream economics is the only option – until they discover political economy through spaces outside the university.

### **Orthodox spaces inside universities**

As the Curriculum Reform Project matures, an up-to-date lecture series will be created to supplement introductory economics courses at Australian universities. We expect this should incorporate everything we have learned, however, to get to that point, two things are required: (1) further research into heterodox concepts; and (2) a deeper curriculum study. As explained above, these two elements will guide each other as our project progresses towards its goal.

To this end, we have produced a working outline of the compulsory components we think all economics students should encounter, regardless of specialisation. This outline draws from the work of eminent heterodox thinkers, rather than neoclassical co-optations of their ideas embedded in the orthodox research frontier. Our outline includes Simon's theory of behaviour as an adaptive and dynamic process (*e.g.* Gigerenzer), rather than a catalogue of biases to be corrected within a neoclassical framework (*e.g.* Kahneman, Tversky and Thaler). It includes complexity as an institutional and evolutionary concept (*e.g.* Veblen), rather than as a recent offshoot in complexity economics and econophysics (*e.g.* Farmer). And it includes Keynes's work on probability, fundamental uncertainty, and

formalism (*e.g.* O'Donnell), rather than its reduction to equilibrium modelling in the neoclassical synthesis (*e.g.* Hicks, Samuelson and Solow).

To help students build a mental frame of reference that allows them to relate heterodox content to the mainstream material they encounter in their classes, it is crucial for this educational component to anticipate the structure and content of the mainstream curriculum. To that end, our research team is currently evaluating undergraduate economics degrees at multiple Australian universities.

### **Curriculum health-checks: mapping what is being taught**

In our newsletter of 1 October 2024, we advertised the opportunity for members to participate in our curriculum health-checks and, on the 19th of that month, we hosted an information session explaining what the curriculum health-checks entail. Students use a template to guide them through the process of comparing the study units of an economics degree to the working outline above (which doubles as a benchmark for this purpose) and assessing the overall structure of the degree against our survey results.

These health-checks are currently being carried out by our team of students and recent graduates. This first round involves reviewing the flagship undergraduate economics degrees at the eight largest universities in Australia – commonly referred to as the Group of Eight (Go8). Other than offering research experience and the exciting opportunity to bring economics in line with reality, it is a labour-intensive and mostly voluntary process.

While the final results of our health-check will be presented in our 2025 report, early findings already help make sense of the student dissatisfaction revealed in our survey. Degree and unit descriptions raise expectations that students will explore how pressing issues – such as the climate, new technology, AI, institutions, and human behaviour – affect the economy. However, when the actual content and textbooks are analysed, these issues are typically incorporated into mainstream models in oversimplified ways, relying on increasingly unrealistic assumptions.

A related concern is the uncritical application of mathematics to social concepts, which tends to oversimplify real-world dynamics. By third year,

many classes become abstract and heavily mathematical, leaving little room for meaningful engagement with real-world complexity. Alternative perspectives are either marginalised or forced to conform to the orthodox method and framework. It is therefore understandable that many students, by the end of their degrees, feel their education did not fully align with their initial expectations.

Once completed, the health-checks will feed into our first bi-annual report – part diagnosis, part roadmap for the next two years.

### **The launch event: returning to the source**

To bring our project full circle, we are collaborating with our School's Postgraduate Student Organisation for Political and Social Sciences (POPSS) to plan a report launch event at the University of Sydney. As the birthplace of institutionalised heterodox economics in Australia, the university is a fitting venue to showcase a project that builds on that tradition. Scheduled for November 2025, the event will include:

- a presentation of findings from the student survey and curriculum health-checks
- a symbolic handover of the final report to the Faculty of Arts and Social Sciences
- talks from pioneers and departmental representatives, who might offer alternative points of view
- a student Q&A and a facilitated discussion between economics and political economy students and faculty.

We hope the event will generate momentum for the next round of the project: continuing the annual survey to produce richer data; and expanding curriculum health-checks to include all Australian universities. It is also an opportunity to showcase students' passion for strengthening the tradition of alternative economics that has taken root at the University of Sydney, highlighting political economy as a strong alternative, not only in teaching, but also in research and institutional partnerships.



## Continuity and change

If the first 50 years of our department were about *creating* a space where political economy could thrive, the next 50 will be about building bridges to that space. The underlying critique is similar: economics, as taught in most universities, remains out of step with economic, social, ecological and political realities. The presence of the Political Economy program at the University of Sydney for half a century demonstrates that an alternative is both possible and viable.

REA's Curriculum Reform Project stands firmly in that tradition. A more pluralist and socially informed approach to economics offers significant value not only to students, but also to cognate disciplines and organisations. For example, strengthening the ties between Political Economy and initiatives such as the Computational Social Science Lab and the Centre for AI, Trust and Government enables mutual learning and innovation, enriching the work of all involved. Extending these connections internationally – such as through engagement with the Emerging Political Economies research program at the Santa Fe Institute – offers an opportunity to represent our department on a global stage, 'strengthen[ing] its profile as a nationally and internationally recognised centre for teaching and research' (Butler *et al.* 2009: 162).

This is the legacy of the pioneering students of Political Economy at Sydney. Our tribute to those who laid this foundation is not only to celebrate their achievements but to continue their work – in our school, in our faculty, and through building bridges globally.

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*The authors thank their peers currently working on the curriculum reform project: Peter Chou, Ray Newland, Haonan Fan, Jon Nilsen, Xinrui Hu, and Anna Schlunke.*

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# **POLITICAL ECONOMY: PAST, PRESENT AND FUTURE**

**Frank Stilwell**

The contents of this issue of *JAPE* illustrate the range and depth of political economy in Australia over the last half century. Alongside the substantial successes in developing a coherent and effective alternative to economic orthodoxy, however, there have been significant limitations and setbacks. Considering these tensions may be helpful for strategy development and future progress. This concluding article addresses the issues in four stages: drawing lessons from past struggles; considering achievements; reviewing disappointments; and preparing for challenges ahead.

## **Lessons from the struggle for PE**

The origins of the political economy program at the University of Sydney were in the challenges to mainstream economics education, engagingly described in the earlier article by Steve Keen. The struggle continued for decades, pushing for more progressive course developments and fighting off reactionary challenges (see Butler 2010; Butler *et al.* 2009; Jones and Stilwell 1986; Stilwell 2006a). Much was achieved, not only in creating, defending and extending the PE program, but also in enriching the experiences of those who participated. The articles by former students earlier in this journal issue admirably illustrate this point. The capacity for critical analysis is a versatile skill and often a personally transformative attribute, as it certainly was for me too. Nothing beats personal participation in struggles for change for learning about the nature of power and the ways in which it may be exercised.

Stilwell, F. (2025)  
'Political Economy: Past, Present and Future'  
*Journal of Australian Political Economy*  
No. 95, pp. 267-80.

In the PE struggle, such episodes of activism and learning never ceased. Illustrating this, the 'Political Economy Now' badge shown earlier in this journal dates from the original struggles fifty years ago, while the photograph below shows PE student activists again marching across the campus nearly four decades later to protest a merger proposal by university managers that could have decimated the PE course program.

**Figure 1: Political Economy students protesting during 2011**



The lessons from participation in the Sydney PE struggle are many and varied. Perhaps most fundamental is the importance of understanding the economic, social, political and cultural context. The PE movement began at a time pregnant with possibilities for change. Following two decades of growing economic prosperity, a groundswell of support for the pursuit of other social goals was developing in the early 1970s. The membership and strength of trade unions was at a historical peak; and the green bans movement was showing how trade unionists and local community activists, working together, could challenge the power of corporate capital. Support was surging for numerous social movements – environmental, feminist, anti-war, anti-apartheid, pro-Indigenous rights, and many more.

The election of the Whitlam government in 1972 reflected this widespread view that 'it's time' for change.

This societal context was one in which more people were asking: what could I be doing, alongside other people sharing similar concerns, to make a difference? Their participation in social struggles was sometimes transformative; and the lessons they drew were probably almost as numerous as the participants, ranging from 'if you don't fight, you lose' to more subtle understandings of 'the politics of the possible'.

For me, as a participant in the long struggle for PE at the University of Sydney, three lasting lessons stand out. One is the importance of cooperation between different groups of participants. The dissident staff in the Department of Economics and the students pushing for curriculum reform achieved much more together than either group could have otherwise attained. The students focussed on distributing pamphlets, writing articles for student newspapers and 'lecture-bashing', together with periodic public meetings, demonstrations and sit-ins. The academics argued the case for reform at staff meetings of the Department and Faculty, based on formal proposals for new courses, as well as speaking at academic conferences and writing for academic journals about what was at stake. Some of the dissident academics regularly attended the student activists' strategy sessions too, ensuring that we worked in tandem. It was those combined student-staff efforts that were so hard for the university authorities to ignore, especially when widely covered in the media.

Broader legitimacy for the PE movement also came from support given by the university staff association (a forerunner of the NTEU) and the Student's Representative Council. The role of the Dean of the Faculty of Economics was also crucial because, in those days, it was an elected position within the structures of collegial governance, prior to the corporate managerial takeover of universities; and the elected Dean was Geelum Simpson-Lee, a strong supporter of the PE initiatives who helped ensure institutional approval for the student-staff proposals. The eventual success of the PE struggles was the fruit of effective cooperation between these actors and the actions both 'on the streets and in the boardroom'.

A second lesson is that differences among activists about strategy and tactics need not be sources of division. As always in social struggles, some participants favour incremental reform while others favour a more radical, even confrontational, approach. Although creating lively internal discussion, this need not impede collective action. Indeed, if the reformers

are ‘inside the boardroom’ while the radicals are outside demonstrating ‘in the street’, the chance of achieving substantial gains is reliably enhanced.

The development of the initial curriculum reflected similar characteristics. During the early days of the struggle, the students and dissident academics who got together at Sydney Uni to develop proposals for new PE courses did not work from any existing template. Some might have been content with tweaking the *status quo* while others sought comprehensive change; but out of those discussions came outcomes that were both desirable and achievable. The embrace of pluralism as a foundational design feature in the introductory PE unit of study emerged in that context. Having a curriculum structured around the study of diverse schools of political economic thought was conducive to reconciling diverse views about what would be the ideal course content. Pluralism has other pros and cons, as discussed in the earlier article by Bill Dunn, and may be justified variously in terms of pedagogic effectiveness, liberal education, scientific method and fostering critical enquiry (see Thornton 2022; Stilwell 2006b, 2019). But it is also interesting to consider how its adoption for PE at Sydney was shaped by the process of reconciling competing views among participants in what became a remarkably successful movement.

A third personal lesson is simply the importance of ‘being there’. In any long struggle, there are moments when momentum or commitment falters. It’s easy to say that, on those occasions, ‘you should turn up and support your comrades anyway’. But the more long-term lesson is that persistence is essential to attaining successful outcomes, notwithstanding periodic lapses of energy. Put a little differently, stamina is more important than brilliance (a point that I’ve occasionally made to research students losing momentum along the way to completing their theses!). In social struggles, developing elaborate arguments to support your case can certainly be useful – especially in an academic environment – but it is persistence, even doggedness, that is ultimately most important. Showing respect for your adversaries can also help because, while it may not come easily (as was often the case during the Sydney dispute), maligning your opponents may be counter-productive in a protracted contest.

## **Achievements**

Activists’ initial goals tend to be quite specific. In the Sydney Uni struggle, the initial goal was to reform the undergraduate economics curriculum.

Then – when the authorities blocked that – the goal was to get approval for introducing the alternative PE course. Supplementary goals included challenging professorial authority, creating opportunities for staff-student control, and attaining the administrative autonomy necessary to ensure that there would be sufficient lecturers and tutors for a sustainable PE program. To a considerable extent, these goals were attained.

However, as is often the case in social struggles, unexpected ripple effects can be just as important. In the Sydney PE struggle, seen in a longer-term perspective, probably the greatest product has been the transformative experiences of the students themselves. Little more on this need be said, given the direct evidence in the articles written by former students earlier in this journal – not only in the short reflective pieces but also in the longer articles, nine of which were written by former Sydney PE students. Learning about the 'real world'; developing alternative perspectives; acquiring skills of critical inquiry; integrating interdisciplinary knowledge – these are the generic attributes that have the deepest effects, usually more enduring than the formal curriculum. The social impacts are yet greater because of the many fields in which PE graduates have applied their personal skills and know-how – in government, public service, law, business, industrial relations, education, journalism, consultancy, running NGOs, and much else besides.

A second aspect of long-term transformative change is the output and impact of the *research* undertaken by PE postgrads and academics. Understanding the workings of modern capitalist economies and possibilities for systemic change is neither simple nor straightforward. Contributions must engage with the prior literature and develop clear arguments supplemented by appropriate evidence. The nexus between teaching and research is crucial here. Teaching students recurrently throws up key questions for further research about the important issues arising 'out there'. The research then informs teaching, making courses more interesting for students, especially when they perceive parts of what they're studying to be at the frontiers of knowledge. A 'teaching mindset' also helps to create clarity in presenting research findings in both oral and written communications, including journal articles and books.

Having good quality local outlets for feeding research and scholarship into broader, global networks matters too. This journal and the *Progress in Political Economy* website have been crucial in this regard, alongside locally produced PE analyses that have been published in international

journals and by international book publishers. These channels connect to the wider research community and to people in positions where they can use the information to good effect for progressive practical purposes.

Nor should the role of conferences be overlooked. Huge nationwide conferences were organised by the Australian Political Economy Movement (APEM) during the 1970s and 1980s; and the process continued, albeit on a more modest scale, during the 1990s and 2000s through the annual conferences of the Society of Heterodox Economists (SHE) in which Peter Kreisler at UNSW played a key organisational role. The efforts put into these processes of scholarship, research and network-building have been integral to PE's progress over five decades, helping to foster extensive sharing of knowledge and research findings. Arising from these collaborative teaching, research and information-sharing processes, political economists can also claim to have had significant impacts in the broader society.

Contributing to discrediting socially harmful economic orthodoxies is one aspect of this process. The following four orthodoxies are indicative:

- the claim that inflation will invariably accelerate unless a 'natural rate of unemployment' – or, its more modern variant, the 'non inflation accelerating rate of unemployment' (NAIRU) is recognised and maintained
- the assertion of inexorable trade-off between efficiency and equity, such that a fairer distribution of income or wealth cannot be achieved without undermining economic growth
- the claim that a 'trickle down process' reliably operates to spread the greater wealth of the rich for the benefit of poorer people
- the inference that conventional economic measures, such as GNP, serve as indicators of societal wellbeing.

In each case, political economists have exposed the prevailing orthodoxies for lacking firm foundations. This is not to claim that the orthodoxies have been eradicated – indeed, they persist as beliefs in what J.K. Galbraith called 'the conventional wisdom' – but there is now more ammunition for debunking them. Nor is it to over-estimate the local element, recognising that a global network of political economists contributes to the process. But Australian political economists have certainly been in the mix, perhaps even 'punching above their weight'. John Quiggin has been notably energetic and productive in this role of challenging economic orthodoxies.



Of course, where there are vested interests, there will always be ideologies to provide them a veneer of legitimacy. But the stronger are the PE footholds, the greater is the flow and effectiveness of the critiques. Eternal vigilance and doggedness is needed because the discredited economic orthodoxies frequently reappear in new guises, as and when it suits the purpose of those vested interests. To be effective in countering these processes, political economists need to address both specific problems of economic orthodoxy and the real-world problems of an inequitable and ultimately unsustainable economic system. Trying to meet this challenge has been an ongoing feature of what Australian political economists have done, using the available local publication channels and opportunities in the media for challenging orthodox economic ideologies.

A third achievement has been building links across the social sciences. Although inroads into university economics departments have been few, interdisciplinary connections have fostered more progressive teaching and research. Cognate disciplines within the social sciences and humanities have been the obvious focal points, but also extending into fields such as environmental sciences, urban planning and engineering. Beyond the universities too, Australian political economists have made links with think-tanks, trade unions, political parties and NGOs that have the capacity to impact societal change. Jim Stanford's article in this issue of *JAPE* considers what it takes to have traction and influence of that sort.

One pertinent local example of how a think-tank and PE academics can informally operate in tandem is the Australia Institute (TAI). Set up by Clive Hamilton (whose reflections on his personal experiences post-PE at Sydney Uni appear earlier), subsequently managed by Ben Oquist (who studied PE before going on to significant organisational work in the Greens), and now led by Richard Denniss (who completed his PhD in PE at Sydney Uni), TAI has become a large media-savvy research and advocacy organisation. Many other NGOs focussed on social change may be regarded as similarly comfortable fellow travellers. My long personal association with the Evatt Foundation (currently as its President) has made me conscious of significant crossovers of this sort. PE's connection with the broader labour movement is even more nicely personified by Neale Towart, who has worked for UnionsNSW (and its forerunners) for decades and set up the political economy library in its Sydney CBD location, all while being a key player in the 'behind the scenes' management of *JAPE*.

## Disappointments

Not surprisingly, there been setbacks and disappointments too. It could hardly be otherwise, given the bold ambitions within the political economy movement in its early days<sup>1</sup> and the huge obstacles that stand in the way of radical reform in the broader society and polity. Massive concentrations of power frustrate progressive attempts at transformative change that butt up against corporate interests, while institutional inertia operates to protect current complacencies.

Even within universities, formally committed to the pursuit of truth wherever it may lead, reasoned and research-informed proposals by students or relatively junior academic staff – sometimes even quite senior academics – may be like ‘water off a duck’s back’. Dissidents come and go; and delaying dealing with their expressed concerns and proposals usually suffices to block change – unless the change suits the interests of the established professoriate (or, more typically nowadays, the top echelons within the corporate managerial hierarchy).

Challenges to orthodox economics are particularly hard to win, despite the discipline’s evident incapacity to provide tools and analysis for making real-world economies better serve social goals. Powerful vested economic interests are again at stake – fundamentally, the interests of a capitalist class perpetually anxious about anything that smacks of socialism. As Robert Heilbroner (1986) astutely observed, pro-capitalist economic ideology is crucial, first and foremost, for reassuring capitalists that their relentlessly profit-seeking endeavours are entirely justified. Secondly, the dominant economic ideology, adapted for popular consumption, helps to convince the rest of society that the current economic arrangements are probably the best attainable, notwithstanding the problems that the system inflicts on them in practice. Mainstream economics has effectively carried out that dual ideological function (albeit typically by obfuscation); and it continues to do so, despite its manifest failures to analyse, explain and predict what is happening in the real world.

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<sup>1</sup> The first issue of this journal declared its aim to ‘represent and encourage a social movement [...] for a democratic economy, as a necessary precondition for a fully democratic society; for a radically new conception of the values to be observed and advanced in the planning and conduct of all facets of social life, for new theoretical perspectives on society and new forms of organization’.

Somewhat ironically, however, the recurrent incapacity of mainstream economics to serve the practical needs of business has led to the partial marginalisation of orthodox economics in university programs of management education – in B.Com. and MBA programs, for example. This became clear at the University of Sydney where, shortly after the PE discipline was shifted from the Faculty of Economics and Business into the Faculty of Arts in 2008, so too was the Economics department. Evidently, what the mainstream economists were teaching was not deemed to be adequately serving the corporate *desiderata* of the Sydney Business School (which replaced the former Faculty of Economics). ‘Too abstract’, ‘not providing the practical tools needed in managing businesses’ – these were among the views expressed about the economics courses at that time. Could it be that economic orthodoxy may eventually be more vulnerable to criticism of that sort than it has been to the political economists’ criticisms? At the least, being attacked on both your right and left flanks must be deeply irritating for mainstream economists.

That said, it should be conceded that studies in political economy in Australia, after the initial ‘beachhead’ at the University of Sydney, didn’t spread as much as hoped. Courses and programs in which PE has been taught and studied have existed in many Australian universities, including UNSW, Western Sydney, La Trobe, Adelaide, Macquarie, Wollongong, Murdoch and UQ, but usually depending on the presence and enthusiasm of individual academics willing to teach PE-oriented electives alongside a core of conventional micro/macroeconomics. Getting PE institutionally embedded, as it is at Sydney, has proved to be much more difficult; and the ‘critical mass’ necessary for longevity has typically not been attained. A survey of heterodox units of study in Australian universities that was undertaken over a decade ago (Argyrous and Thornton 2014) showed that, even if courses in History of Economic Thought and Comparative Economic Systems are included within its definition, heterodox economics had only thin nationwide spread. No fully-fledged PE programs currently exist in Australian universities other than at the University of Sydney.

On a brighter note, though, Tim Thornton’s School of Political Economy (SoPE), based in Melbourne, shows what can be achieved by a hard-working individual willing and able to create something significant ‘off the grid’ beyond the university system. Tim has expanded the units on offer; and the program caters well to the interests of the steady stream of people who enrol. There is evidently significant thirst for education in political economy ‘out there’ in Australian society.

Meanwhile in the high schools, the continuing orthodoxy of the HSC Economics syllabus has been a deep disappointment for all who'd hoped that PE might have more impact there. It has not been for want of trying. During the first three decades of the PE struggle at Sydney, some of the local PE academics tried to make inroads by making presentations to high school economics teachers at conferences and workshops organised by the Economic and Commercial Teachers Association (ECTA); by publishing articles in its journal *Economics*; and by visiting high schools to talk to students and staff. In the late 1990s, Jock Collins and I were participants in an official NSW Board of Studies HSC Economics syllabus review process, drafting proposals for curriculum change, but we had lamentably little effect on the outcome. As shown by the article by Evan Jones a little earlier in this issue, the situation remains dire. Many school students have negative perceptions of economics as a subject, judging by the huge drop in the number of them opting to take it during the last three decades, many more preferring to enrol in business studies. Individual economics teachers (such as Tim Kenny, whose retrospective on his HSC economics teaching is among the earlier cluster of short articles) have tried to encourage the students in their classes to think critically about economic issues and the prevailing theories, but more across-the-board curriculum change remains elusive. One may surmise that, unless mainstream economics loses its grip in the universities, future generations of high school economics teachers will continue reproducing what they learnt as students in those courses. Young people facing a difficult future deserve better.

What about the impact on public policy? Here too, serious impediments exist, as explained by Eliza Littleton and Barbara Pocock in their earlier article. Not surprisingly, when the conservative Coalition parties form government the possibilities for PE influence on policy are few because the ideological shutter slams down. The situation is better when the ALP forms government, but still difficult even when former PE students hold Cabinet positions – as they have in all the Hawke-Keating, Rudd-Gillard and Albanese governments. Probably all that political economists can realistically aim for is having some presence and voice among the array of actors and factors that feed into government policy decision-making processes. Seen like that, the presence of PE graduates 'on the inside' among the public servants preparing analyses and advice for Ministers is potentially the most significant channel of influence.

Michael Pusey's sociological analysis of the changes to the Australian public service late last century comes to mind in this context (Pusey 1993).

If, as Pusey argued, the increased number of economics-trained public servants contributed to neoliberalism's growing influence in Australian public policy from the 1980s onwards, might the reverse now be possible? With substantial numbers of PE graduates now working in the public service, including in key economic agencies such as Treasury and Finance, this is a basis for significant hope in turning the situation around, even though the constraints described earlier by Littleton and Pocock indicate the need for sustained efforts to counter the influence of more conservative forces on policy formulation.

### **Current challenges and ongoing tensions**

Australian universities are now typically tougher workplaces for political economists, as they are for academics more generally, because of the ascendancy of corporate managerialism. What were once regarded as rights to academic freedom are being curtailed, as Tim Anderson shows in his earlier article. Some significant gains can still be made though, despite – or, ironically, perhaps because of – the prevailing managerialism. New degrees in Philosophy, Politics and Economics (PPE) are a case in point. Presumably sensing that these degrees can be highly marketable 'prestige' courses, Australian university managers have shown a recent flurry of interest in introducing them. At the start of 2025, a PPE degree began at the University of Sydney, resulting in a substantial surge of enrolments in PE's introductory unit of study.

There are various ways in which PPE degrees can be structured. Simply combining mainstream economics with conventional studies in political science and philosophy, treated as three 'silos', is not conducive to an integrated education in political economy. That, as I understand it, is how the PPE program has operated at the ANU, for example. Lacking a radically different approach to economics education and without 'bridges' connecting the three course components, PPE programs do not usually lead students (or their teachers) to a political economic perspective (see Thornton and Stilwell 2022: 468). At the University of Sydney, however, the new PPE degree creates more positive possibilities, because Political Economy is already an established discipline there and, right from the start, it has a central place, alongside politics, philosophy and economics, in the structure of the degree.

A yet broader array of potent possibilities may arise from developing PE's links with other social sciences. Indeed, this is an area in which PE has an innate advantage. Sub-fields within PE, as described in the earlier articles by Elizabeth Hill and Gabrielle Meagher, Gavan Butler, Stuart Rosewarne, Rod O'Donnell, Greg Crough, Kurt Iveson and Joy Paton, relate directly to the concerns of other disciplines, including sociology, anthropology, political science, philosophy, environmental studies and geography, among others. Thus, political economists have natural allies for developing mutually beneficial partnerships. In principle, mainstream economists could do likewise, but their propensity for 'economics imperialism' (Cedrini and Dagnes 2022) creates a 'takeover' tendency that often inhibits a more two-way learning process among the academics and the students concerned. For political economists of more cooperative inclination, making teaching and research links with cognate disciplines can be innovative and highly productive.

The inference is clear: find out who are your potential friends and allies and work with them to make good things happen. That reliably creates more positive vibes than harping on at mainstream economists about the defects in their discipline. Of course, political economists will continue to criticise mainstream economics: I've certainly 'been there, done that' and continue to regard the process of criticism as important in defining what we do differently. However, we know from experience during five decades since the first full course in PE began that dislodging the deeply embedded character of conventional economic education is extraordinarily difficult.

Heterodox economics, as described in Geoff Dow's earlier article, might well trounce many aspects of the orthodoxy if the contest were on a level playing field, but the harsh reality is that a strategy of pushing for heterodox economics to displace the orthodox economics courses (as advocated by Hodgson 2019, for example) has a low success rate. This is not to say 'don't bother trying': indeed, as Tim Thornton has recurrently argued, trying to change the university economics curriculum is one of the avenues – probably a first port of call – that activists should consider, depending on local circumstances, when trying to effect change (Thornton 2017, 2022). The immediately preceding article in this journal by Dennis Venter and Mahesti Hasanah illustrates this position.

Anyway, a division of labour is possible. Some political economists will surely continue honing the critique of economic orthodoxy while others try to build bridges to interdisciplinary. Taking different positions need not

be divisive, as I've argued earlier in relation to the experience of the PE struggle at Sydney University. Movements aiming to create social change tend to be diverse in various ways – in terminology, in strategy and tactics, even in desired goals – and that need not obviate working in tandem. Regarding terminology, for example, my preference has always been for 'political economy' rather than 'heterodox economics' (Stilwell 2016), partly because the former term is more conducive to building bridges with other disciplines, but I have no issue with other people who prefer the latter label. We can 'march together under our different banners'. For political economists, having internal diversity is an intellectual asset and (as argued in Stilwell 2023) having 'unity in diversity' is a political strength.

## Prospects

Societal change is not shaped by any grand plan. Even though systemic economic forces create powerful tendencies, the outcomes always depend on human initiatives and endurance. Progress can nearly always be made, even when circumstances are not propitious. Beachheads, like the PE program's presence at the University of Sydney, matter; but so too do diverse efforts to develop political economy as a means of understanding the world and changing it for the better. To my mind, only one thing is certain: that the problematic features of modern societies, politics and economies – particularly the problems of climate change, war, economic insecurity, and inequality – will need ongoing political economic analysis and redress, without which the world will become a grimmer place.

The material conditions now are quite different from 1975 when PE established its first significant foothold in the land of Oz. During these five decades, there has been worldwide intensification of political economic problems, some now existential in character. In 2025 we're also witnessing the effects of the bizarre and globally destabilising policies of the Trump administration that make the already tenuous nexus between capitalism and democracy seem yet more shaky. There's much to be done, locally, nationally and internationally, and political economists need to be in the action, seeking explanations for current problems and probing potential paths for progress.

What can we achieve that will have enduring effects? And who will be here in another half century to take stock of the situation then?

Onward...

*Frank Stilwell is Professor Emeritus in Political Economy at the University of Sydney. He thanks Evan Jones for feedback on this article and all political economists for their comradeship during the last 50 years.*

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