

NESTING ECONOMICS IN POLITICAL ECONOMY CONTEXTS

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Unlike most other articles in this issue of *JAPE*, this article it is not about what should be taught in Political Economy (PE), in the few places like the University of Sydney where PE is well-established. Rather, this article considers one of the original aims of political economy activists: changing the mainstream economics curriculum. It explores a particular strategy by which mainstream introductory economics units might be reformed, which rests on a simple proposal: nesting economics in political economy contexts. Specifically, I focus on the *Economics in Context* (EIC) textbook series, as an established model through which this could be achieved. These books present most, if not all, standard economic theories in a manner that is far more qualified and nuanced than standard economics texts, drawing from various schools within political economy – and doing so in a way that is least likely to alienate mainstream academic economists who might adopt the texts in their own teaching work.

This article and my interest in the reforming of standard introductory economics curriculum arises from first-hand experience with introductory micro/macroeconomics units in my business degree. These subjects presented a view of reality populated by self-interested individuals, with prices reflecting value, determined by supply and demand in free markets, and maximising profits and GDP growth as good goals for businesses and nations. However, later, as a postgraduate student of peace and conflict studies, I came to see how problematic this earlier education was. In the process of seeking to understand and address structural forms of violence, I came to regard reforming introductory economics education as a powerful leverage point for systemic change.

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Introductory micro/macroeconomics units of study do more than transmit knowledge. They set up epistemic boundaries and normative values, perpetuating the dominant economic paradigm, influencing policymaking, investments and everyday decisions in late capitalist societies, with deleterious outcomes for human and planetary health (see: Bennett 2023). This is despite decades of critique from political economists, systems thinkers, feminists, sociologists and many others. Even mainstream economists admit their assumptions are not accurate reflections of reality – instead, justifying their use in terms of mathematical convenience and making predictions (Friedman 1953). The introductory economics curriculum continues to be narrow, uncritical and insufficiently plural and interdisciplinary.

The movement for PE was born out of discontent with mainstream economic curriculum and the struggle for an alternative course of study (Stilwell 2025). In the last half century, this has seen PE have a remarkable influence across society, in and through social sciences and other disciplines (e.g. see: Albanese *et al.* 2025; Hill and Meagher 2025; Littleton and Pocock 2025). Still, the original aim of political economy activists – to change the mainstream economics curriculum – has not yet been achieved. Every year, thousands of students in Australia – from many degrees, including economics, business, finance, political science, communications, and international relations, continue to take introductory economics as core or elective units, exposing them to its narrow view of the world. Changing the introductory economics curriculum has the power to inspire future generations of economists, journalists, politicians and citizens to use economics for good.

Considering the decades of effort directed towards reforming the economics curriculum, it is clear that the challenge is complex and multifaceted. It requires a range of strategies, different terminologies and practices, rather than everybody trying to do exactly the same thing (Stilwell 2005). Whilst many political economists might advocate the first-best strategy as pushing a thoroughgoing political economy approach, comprehensively pluralist and interdisciplinary, the immediate prospect of this in most economics departments is slight. Given this reality, some curriculum reformers have tried to develop alternative teaching resources that could have more chance of success. As Tim Thornton (2017) argues, reformers need awareness of the range of possible strategies, synergies and tensions, and a good sense of judgement as to which is most appropriate for which context, with the ability to adjust the strategy if required.

Political economists could benefit from greater awareness of strategies such as the textbooks developed by the Economics in Context Initiative to introduce standard economic theories in the realities of changing social, environmental, and lived experience contexts, thus providing a much more nuanced and qualified exposition of standard theories. This lays the groundwork for alternative concepts and theories (some of which are also introduced in the textbooks).

In sharing these suggestions and reflections here, I make the caveats that I am not currently a lecturer in political economy or economics; and that others have already offered their perspective on the topic (*e.g.* Thornton 2017, including detailed comparative case studies of mainstream and contextual introductory economics textbooks). Nor am I suggesting that the EIC curriculum is a panacea or the only way forward. The central proposition in this article, drawing on auto-ethnographic reflections and previous analysis of economics assumptions through the lens of process philosophy (Bennett 2023), is the importance of three guiding principles that I see as crucial to reorienting economics teaching, theories and practices – context, change and critique.

The Economics in Context approach

Like political economy activism, the EIC textbook series was born out of sustained efforts by a group of committed progressive economists to change the standard economics curriculum. The group has included Julie Nelson, Neva Goodwin, Jonathan Harris, Brian Roach, Mariano Torras, Pratistha Joshi Rajkarnikar and several others. Goodwin (2001) articulates the foundations of their approach, adopting Herman Daly's seminal observation of economic systems as existing within ecological systems; and that the growth of the former is limited by the natural constraints of the latter. These insights are combined with feminist theories of caring labour and non-monetised aspects of work within households and communities; Marxian theories of equity and power; institutionalist theories; and understandings of psychological/ social contexts (Goodwin 2001: 337-8). Much of this corresponds with the pluralist approaches taught in PE.

A key distinction between EIC and PE, however, is that the EIC texts embrace pluralism with a different ratio, and with different type of framing. EIC constructs novel integrations of heterodox/political economy

theories, and theories from orthodox/mainstream economics curriculum. For example, Goodwin explains:

The well-known demand/supply diagram has not been replaced, though it has been hedged around with warnings – especially adjurations to remember that ‘demand’ means ‘effective demand’, [that is] the desire *and the ability* to make purchases (Goodwin 2001: 338, emphasis in original).

The contextual approach teaches students to iteratively locate abstract theories into historical, political and cultural contexts. This necessarily triggers critical engagement with core assumptions, theories and practices. It assists students to think about and apply particular economic theories and methods, and to change these theories to address contemporary challenges. The strategy is to present orthodox theory *and* complement it with an exploration of how it does (or does not) resonate with real-world social and environmental contexts, with as much reference to alternative theories and concepts as orthodox economics teachers are likely to countenance.

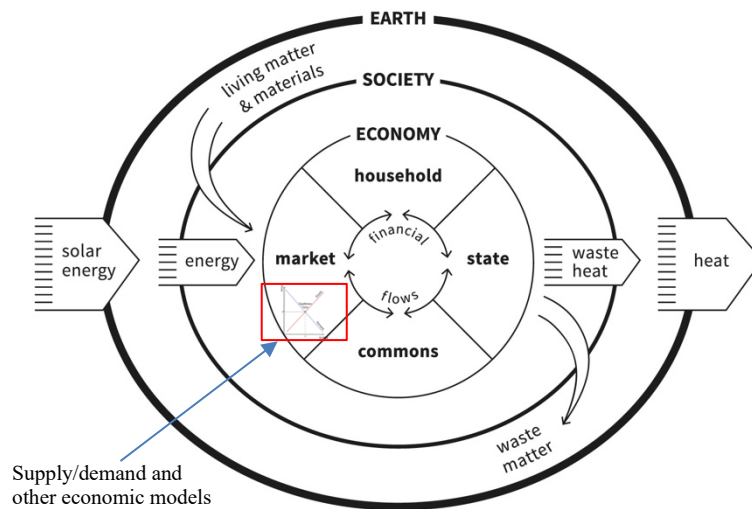
The table below offers five examples of conventional economic abstractions and how these might change when seen through a contextual lens.

Table 1: Economic Abstractions and Contextual Reframings

Mainstream Economic Abstractions	Contextual Alternatives
Self-interested separate individuals (<i>Homo economicus</i>)	Relational, caring, multi-dimensional people-in-communities
Profit seeking firms maximising shareholder wealth	Firms are comprised of actors with diverse motivations
Nature is an unlimited resource and an externality to economic models	Nature defines the boundaries for socio-economic systems
Economies of scale and competitive advantage	Optimal scale for different contexts and purposes
GDP growth as the primary measure of progress	Differentiated approaches to growth for human and planetary wellbeing

This EIC approach resonates strongly with Kate Raworth’s (2017) *Doughnut Economics*, as well as other emerging curricula being developed for universities and secondary schools (e.g. Brandsberg-Engelmann and Hett 2026). For a visual illustration, Figure One below adapts Raworth’s ‘Embedded Economy’ to nest economic abstractions and formal models (e.g. supply/demand models) within the market sphere. The market sphere is located alongside other economic spheres, including household, commons and state spheres, which are all nested within changing social and environmental contexts.

Figure One: Embedded Economy Adapted to Indicate the ‘Nesting’ of Orthodox Models Within It



Source: Adapted from Raworth (2017).

Nesting abstractions in relational-process contexts

Contextual approaches resonate strongly with the epistemological and ontological assumptions articulated by mathematician-turned-philosopher, A.N. Whitehead. These connections are clear in the seminal book by Daly and Cobb, *For the Common Good* (1989) that first articulated the Genuine Progress Indicator (then called Index of Sustainable Economic Welfare) as an alternative to GDP. This book did not mention process philosophy, but is crafted around the problem of economics having fallen prey to what Whitehead ([1925] 1967) called the *fallacy of misplaced concreteness* – ‘the accidental error of mistaking the abstract for the concrete’. Whitehead asserts that abstractions, which includes words, theories and mathematical models, are useful but should not be confused with the reality to which they point. We need to be alert to this distinction; and to iteratively nest and (re)interpret abstractions in the concrete contexts in which they are experienced.

In a similar vein, Nelson observes the dualistic tensions between ‘*hard*’ *economics* of markets, individuality, self-interested, objective, quantitative methods (in the context of this article, mainstream economic curriculum); and ‘*soft*’ *areas* of relatedness, other-interest, qualitative methods, normativity (approaches usually rejected in mainstream economics but commonly found in political economy and social sciences). Nelson (2003: 56) recommends not to ‘turn the tables, such as through a complete disavowal of both [...] profits and private property’. Instead, she articulates a nuanced *both/and non-dualistic* approach, that iteratively ‘nests’ abstractions in this contextualising integration of perspectives, held open for critique and change. Such an approach recognises people as both self-interested individuals *and* deeply relational, social and often altruistic. It also recognises that care and profit can co-exist; and that firms can have a positive or destructive impact on the world (just as governments, non-profit organisations and unions can).

An important take-away is the avoidance of one-dimensional critiques or assertions and, instead, to iteratively reassess the value of different economic theories in their multi-dimensional, relational, changing contexts. As Raworth (2017: 23) puts it, this would support economists to choose which model ‘best serves our purpose’ and continually reflect on how different models might suit the ‘context we face, the values we hold, and the aims we have’. This framework for conceptualising the

relationship between orthodox and heterodox economics approach may offer a way to enable new economic theories that can use economics to deal with complex challenges humanity is facing, such as climate change and health inequities.

Guiding principles

A reworking of the basic orientations of process thinking (Bennett 2025), as they apply to economics curriculum, may be a useful guide to nesting economics in political economy contexts:

1. *Context*: abstractions are most useful when understood in their lived, relational, temporal contexts. This means introducing abstract economic (and other) concepts and theories in ways that support students to understand them in historical, social, ecological and lived experienced contexts.
2. *Change*: recognising that the world and everything that makes it is always changing, is in process, and in relationship. This means that economic theories and the assumptions upon which they are based, should also be expected to change.
3. *Critique*: ongoing reflection, critical questioning, and creative (re)construction are essential to reimagining assumptions, theories, worldviews, institutions and the lives we live.

These 3Cs can be illustrated in reflecting on my own student experiences in the Introductory Micro and Macroeconomics units at University of Technology Sydney in the early 2000s. I still have my study notes showing that, on day one of Microeconomics, the concepts of ‘opportunity cost’ and ‘comparative advantage’ were first laid down; and economics was defined as a ‘science concerned with efficient use of limited resources for purpose of max. satisfaction of material wants’. Similarly, on day one of Macroeconomics, GDP was the first concept introduced, along with definitions of wealth as the ‘value of all things people can own’ and the circular flow diagram as ‘the economy’. My subsequent study notes are full of mathematical diagrams of micro-economic equilibriums, supply and demand, wage-price and demand-pull inflation, and so on.

Seen in relation to the 3Cs, my introduction to economics had: (1) *no sense of context*: neither historical context regarding where these theories and concepts came from, nor the environmental context in relation to resources

or outputs that come in and out of the economic system; (2) *no sense of change*: the theories were taught as if unchanging and, while oriented to narrow economic changes (e.g. GDP increasing), they did not attend to broader environmental and social changes; and (3) *no orientation to critique*: the theories and their assumptions were taught as fact, not taught as open to questioning. It is no exaggeration to say that it this approach creates the belief that: ‘People who are paid less are worth less. Growth is good. Nature is a stock of resources to be converted to human purpose’ (Meadows 1997: 84).

Similar observations, using the 3Cs, may be made of introductory micro/macroeconomics textbooks, such as Frank *et al.* (2025) and Nguyen and Wait (2024), when compared with PE and EIC textbooks, such as those by Stilwell (2011) and Goodwin *et al.* (2014, 2019). First, the mainstream economics textbooks introduce a short list of clear, simple concepts, and fundamentals from which mathematical theories can be understood and applied, without any sense of historical context, critique or change required to address contemporary challenges. By contrast, the contents of Stilwell’s PE textbook indicate a pluralist approach to Classical, Marxian, Keynesian, and Institutionalist economic theories, each connected with personal, political and historical contexts. A section of the book confronts ‘Contemporary Concerns’ with a chapter on ‘Class, Gender, Ethnicity’ and a chapter on the ‘Economy and Environment’, while extensive sections are dedicated to ‘The Critique of Capitalism: Marxist Economics’ and ‘The Ideology of the Market: Neoclassical Economics’.

The *Economics in Context* textbooks also appear constructive and integrative from the outset, starting with contemporary challenges, and teaching orthodox concepts and heterodox theories in historical and changing social and environmental contexts. These *EIC* textbooks give the sense of context, change and critique that is crucial for a sound economics education while aligning with the aspirations and theories of PE in a way that teachers of mainstream economics may deem acceptable.

Returning to the important conversation taking place through this issue of *JAPE*, I am left wondering: in what ways is (or should) reforming the mainstream economics curriculum be part of this discussion? Can the *EIC* textbooks and/or the 3Cs offer a way to clarify the intersections between economics and political economy? How then might introductory economics units become activated opportunities for systems intervention,

inspiring teachers and students to change economic theories to change the future?

Conclusion

In seeking to change the economics curriculum, this paper has posited that a critical next step is to nest abstract economics theories within historical, social and environmental contexts, using critical political economy theories. Orienting introductory economics units to context, change, and critical reconstruction would, I believe, help economists work with political economists to reimagine theories and practices for peaceful, just and ecologically sustainable futures.

Such considerations arise from a process of critical reflection. As described by Whitehead ([1929] 1978: 5), this method of theoretical reflection is like a process of an airplane taking off from the world of experiences, flying through the world of abstractions, and landing back in the world of experiences. As such, I recognise that the largely abstracted, philosophical reflections that I have shared in this article must now land back in the experiences of readers, to ascertain whether these contextual framework and process principles might be useful for their own teaching and research contexts.

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