

# Challenging the Orthodoxy: The Contributions of Frank Stilwell to Political Economy

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After more than 30 years of existence the neoliberal paradigm is being questioned as a viable approach to economic and social policies. A key question is, if it were to be replaced, what could it be replaced by? To date this is a question that has generated considerable debate without a definitive answer. However, what seems clear is that, broadly speaking, there are two possible paths—an even greater reliance on ‘free’ markets or a shift towards greater social cooperation.

This volume reviews Frank Stilwell’s efforts as a progressive academic and political activist, during his tenure at the University of Sydney, to critique the introduction and implementation of market-orientated economic and social policies, to promote greater social cohesion in Australia, how his research has supported the efforts of like-minded individuals both in Australia and abroad, and in what ways these like-minded individuals are currently developing alternative approaches to understanding the various features of an economy and the policies to guide it.

Who is Frank Stilwell and in what ways are the contributions being made at the University of Sydney in Australia relevant to the global community?

Originally from Southampton, England, Stilwell arrived in Sydney in 1970 to make his way as a young academic in the Economics Department at the University of Sydney. At the time, the department was beginning its shift towards the dichotomous American-style macroeconomic-microeconomic approach to the discipline—under the guidance of another recent arrival, the New Zealander and then Head of Department the late Warren Hogan (1929–2009). Stilwell had been trained as a neoclassical microeconomist, specializing in regional and urban development. His training suggested that he was well-suited to the Americanization of the Economics department at Sydney. What Hogan did not count on was the

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radicalization of Stilwell and two of his colleagues who arrived shortly afterwards—Evan Jones and Gavan Butler—by the likes of the late Ted Wheelwright (1921–2007). Through the efforts of Wheelwright, Stilwell, Jones, Butler and Geelum Simpson-Lee, their students and like-minded staff, a movement was born to protect an academic space and freedom for students and staff to explore alternative frameworks for understanding the characteristics of social-economic systems, capitalist or not.

The movement culminated in the emergence of a separate department of political economy in 2007—over 30 years since the push began for its creation and with its transfer from the Faculty of Business and Economics to the Faculty of Arts and Social Sciences. Butler et al. (2009) contains a detailed account of the trials and tribulations of the department’s creation. Today, the Department of Political Economy is a space that permits explorations of the interfaces between an economy’s evolution, its political, social and legal structures, its geography and industrial composition, its culture and how those interfaces change over time. The explorations draw upon and synthesize the various academic disciplines found within the Faculty of Arts and Social Sciences, reflecting the various training and experiences of the department’s staff. With this institutional configuration supporting the programs offered by the Department, it is our hope that the department will be placed alongside and support other progressive economics programs internationally, such as those offered at the New School for Social Research in New York, the University of Massachusetts at Amherst, the University of Missouri in Kansas City, the School of Oriental and African Studies (University of London), Cambridge University and the University of Leeds.

Stilwell, himself, developed a research agenda that encompassed six broad themes: the contest of economic ideas, economic policies, regions and cities, the environment and sustainable growth, economic inequality and the teaching of alternative economic paradigms. Highlights of his work include concerns with the creation and use of wealth, inequalities between rich and poor, the spatial implications of economic growth, the tensions between economic growth and the environment, and the development of alternative economic policies in response to the radical shift in Australian economic and social policies since the early 1980s.

That agenda evaluated the insights in the context of Australia yet there are lessons to be had for the global community about what works and what could work better. Each economy has its own unique social structure, geography and environmental features, the nuances of its politics and policies, culture and so on. The diversity of opinion and experiences is a key aspect in a society’s strength. It is diversity which necessitates a space for exploration of the approaches enveloped by the term “Political Economy”. As diversity widens in Australia with the arrival of new immigrants, the potential and need to protect this space can only increase. For it is in this space that we figure out how to get along and leave something better for future generations.

The definition of this space is largely defined by the history of thought and methodology. And, given the broad training that our staff hold, “history of thought” is not restricted to economics but for the social sciences more

generally. Largely derided by mainstream economists as “archaic”, the history of thought is no such thing. In fact, it is just the opposite. The history of thought is the tool by which we evaluate progress and robustness of new contributions. The openness of our political economic approach makes it stronger and adaptable for various problems, giving us an advantage over the mainstream’s methodology which is limited by the desire for quantitative “superiority”. They are more than welcome to have that straightjacket. The irony is that quantitative advances come with increasingly narrow and questionable assumptions about human behaviour in the context of a capitalist society. In other words, the more glorious the mathematical theorems become, the less applicable they are to reality. By not going that path, we may be labelled archaic, but we fully understand and question the mainstream’s methodological approach and are ready to create progressive alternatives, as Stilwell and his colleagues have done for the last 40 years. To borrow a phrase from our New Zealand cousins, we are so far behind we are ahead! And, proud of it.

Moreover, this project is not just for young students but for anyone regardless of age, gender, socio-economic background who has an interest in how their world works and to explore ways to make life better. One of our challenges for the future is how to strengthen our connections with the local and international communities as technology changes the way we communicate over time. There are opportunities in these challenges. Another challenge that we face, as academics come under increasing pressure to maintain punishing publication programs while simultaneously excelling as teachers and at 24/7 social media commentary, is to maintain the space for the development of theoretically-informed empirical research to provide critical analyses of contemporary problems and policies, and construct alternatives to prevailing orthodoxies which contribute to wider political and community debate beyond the bounds of academe.

The research focus of the Department of Political economy is on issues that are fundamental to individual and collective well-being and is underpinned by the proposition that economic phenomena do not occur in isolation from social and political processes. Important focuses of our contemporary critical analysis have included: the global financial crisis; the relationship of country risk assessment to international financial crises, business cycles and financial fragility; struggles around employment and human rights, and international labour migration; the creation of gendered and racially-specific visions of economic progress; the hegemony of neoliberalism and its relationship to the social foundations of capitalism; the short-term consequences and longer-term implications of restructured energy markets; the operation and outcomes of markets for social provisioning previously provided direct by government; and the impact of financialisation.

We need to maintain and extend this research contribution as we engage with, and contribute to the development of heterodox economic traditions such as Post-Keynesian economics, institutional economics, Marxism, evolutionary and feminist economics. In this sense, we need to not only continue but extend the legacy of Frank Stilwell’s contribution to the Department of Political Economy and Australian political economy more generally. A critic of orthodox economic

analysis and an advocate of alternative economic strategies which prioritise social justice and economic sustainability, Stilwell taught for 40 years at the University of Sydney and twice was awarded the University's Award for Excellence in Teaching. In 2001 he was elected a Fellow of the Academy of the Social Sciences in Australia. In addition to his many published journal articles, book chapters and opinion pieces Stilwell has authored eleven books, including *Economic Inequality*, *The Accord and Beyond*, *Understanding Cities and Regions*, *Reshaping Australia*, *Changing Track: A new political economic direction for Australia*; *Political Economy: the Contest of Economic Ideas*, and *Who Gets What? Analysing Economic Inequality in Australia* (with Kirrly Jordan). He has also co-edited five other books, including *Economics as a Social Science*, *Beyond the Market: Alternatives to Economic Rationalism* and *Understanding Neoliberalism: Beyond the Free Market*, and is the co-ordinating editor of the *Journal of Australian Political Economy*.

In recognition of Stilwell's contribution to Australian political economy, the Department of Political Economy hosted a Festschrift in April 2013 to formally commemorate his career in the form of a conference, an exhibition and a dinner. This book draws from the contributions made to the Stilwell conference.

The structure of the book is as follows. Each part reflects a theme of Stilwell's research agenda. The papers contained in each part were originally presented at the conference held on 4 and 5 April 2013 at the University of Sydney. Unfortunately, due to space limitations, it has not been possible to include all the conference papers here. Each of the conference keynotes for each theme, however, are included at the beginning of each part. This collection of papers are made by not only well-known heterodox economists but also emerging scholars of political economy, political activists, not-for-profit researchers and alumni of Sydney's Political Economy program, a further reflection, we think, of the contemporary relevance of the discourse generated by the analytical frameworks which fall under the rubric of political economy.

The Part following on from this Introduction, 'Contesting economic ideas', opens with the contribution of the eminent Post-Keynesian scholar, John King. Stilwell's book *Changing Track: A New Political and Economic Direction for Australia*, published in 2000, is the object of King's discussion. He reviews the contemporary relevance of Stilwell's principal arguments in the context of the 'three big problems' of insecurity, inequality and alienation before suggesting that four additional important questions—monetary policy reform, financialisation consequences, international economic reform, and global warming—need to be addressed if we are to 'change track'. The second chapter in this Part, by Therese Jefferson, explores the importance of linking critiques of conventional economics to policy discussion and applied research through two examples of projects concerning the wages and employment conditions of care workers.

Stilwell's approach, and more broadly that of the Department of Political Economy both historically and currently, to teaching an alternative to conventional economics education has been to emphasise the different traditions within

economic thought and their associated political philosophies. This approach encourages students to critically engage with contemporary and controversial issues rather than limit their curriculum to the more narrow, technical techniques of conventional analysis.

'Teaching Political Economy' is the focus of Part III. Andrew Mearman's opening chapter considers different definitions of political economy before exploring the relationship of these notions to the teaching approach. Principles for teaching political economy are identified after some discussion of educational goals. This chapter's discussion is important not only from a pedagogical perspective but also for drawing attention to an aspect that invariably conflates the teaching and research program of our Department with that of International Political Economy which is far more closely aligned to political science and international relations than economics and, as Mearman, notes has, in part, recently adopted 'neoclassical economic reasoning and liberal political philosophy'. This part also includes a contribution by O'Donnell—notably a Sydney Political Economy alumni—who grounds his chapter in a discussion of the valuable graduate attributes provided by the teaching of pluralist economics aka political economy which are not developed by conventional economics programs.

The following Part IV on 'Economic Inequality' is a stark reminder of the persistence, intractability and embeddedness of inequality, one of the defining characteristics of all forms of capitalism. Gabrielle Meagher's chapter picks up on Stilwell's research on the redistributive impact of public policies and presents a detailed examination of the evidence of persistent inequalities in the gendered distribution of care, time and money before turning to explanations of the observed patterns and a possible wage-fixing remedy. Macdonald and Spruyt tackle the embeddedness of indigenous inequality. They argue that indigenous Australians experience inequality in very culturally-specific ways both within the Aboriginal world and society more broadly and hence their call for the disciplines of political economy and anthropology to engage in a collaborative dialogue to initiate a new analytical framework which recognises the dynamic of cultural difference within a capitalist economy. Murray and Peetz round out this part with an insightful analysis of the changing fortunes of the elite top one per cent of the income tree and the links to financialisation.

Part V deals with 'Economic Policies'. Jane Kelsey commences the discussion with an in-depth comparison of Australia and New Zealand to probe the resilience of neoliberalism and the obstacles preventing a socially-just paradigm. A current Department of Political Economy PhD candidate, Elizabeth Humphrys, is the author of the next chapter which appraises Stilwell's work in relation to the Accord, an agreement between the peak organisation of Australian trade unions and the national government which effectively determined the trajectory for industrial relations over two decades. In particular, Humphrys questions Stilwell's argument for the state to lead the struggle for transforming society and contends that the state needs to be understood as the expression of a set of capitalist social relations. A different aspect of the state's role is considered by Richardson in his

chapter which completes this part. This chapter systematically unfolds the empirical evidence to demolish the theoretical arguments and claims by capital for a lower company tax rate.

‘Cities and regions’, in Part VI, presents a powerful argument by Gleeson for political economic interrogation to challenge neo-liberal urbanism which, like the political philosophy of neo-liberalism, has survived despite continued censure and evidence of contradiction. Gleeson carefully establishes the commentaries of the new urbanism which seek to legitimise neoliberalism and the use of managerialism and technocratic governance to reinforce its hegemony. From this point, he then launches a masterful discussion of the imperatives for political economic inquiry ‘in an urban age’.

This leads to the book’s final substantive Part VII ‘A Green Economy’. Diesendorf’s chapter introduces a broad framework to analyse the economic-environment relation and the privileging of the economic over ecological sustainability before positing a set of policies and strategies to shift the current power structures of the global economic system to effect a transition to a more ecologically sustainable and socially equitable society. Bryant, another current Department of Political Economy PhD candidate, suggests a different approach in this part’s final chapter. Drawing from the approach exemplified by the two textbooks Stilwell wrote and edited for the introductory Political Economy Unit of Study, Bryant’s chapter examines the ecological, economic and political dimensions of the European Union’s Emissions Trading Scheme to argue that ‘social green perspective’ shows this market-based prescription for a green economy has failed to address climate change and will continue to be undermined without addressing the outcomes of the ‘neoliberalised green economy’.

Stilwell has graciously provided a “last word” which forms the concluding part of this book. Ever the optimist, Stilwell foreshadows the scope for further progress for political economic analysis.

This collection of papers provides both an account of how Stilwell’s work relates to Australia’s economic and social development and how it stands in relation to different phenomena as they emerge elsewhere. The authors have identified how their research relates to Stilwell’s efforts and then provided their own account of how to promote progressive policies and strategies in today’s political economic climate. The lessons learned here in Australia can be of interest and of use for those within the global community because this unique publication is more than an historical record. It provides an insight into the contribution of a leading figure to contemporary Australian political economy. It should, we hope, also foster a greater understanding of these themes which remain of crucial contemporary relevance.

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## **Reference**

Butler, G., Jones, E., & Stilwell, F. (2009). *Political economy now!: The struggle for alternative economics at the University of Sydney*. Sydney: Darlington Press.