

Political Economy: Past, Present, Prospects

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Abstract This concluding chapter seeks to do four things. First, there is some history, focusing particularly on the struggle to establish and develop political economy as an alternative to mainstream economics. Second, there are personal reflections on the six themes around which the earlier chapters in this book are structured. Third comes a stocktaking of the current state of political economy and assessment of the scope for further progress both within the *groves of academe* and in the broader society. Finally there are thanks and personal reflections on processes of challenge and change that should yield a cumulatively valuable legacy.

1 Then and Now...

I am deeply honoured by the very existence of this book. I am also delighted that the conference held at the University of Sydney to mark my official ‘retirement’ generated such fine papers, many of which have been developed into the preceding chapters. It is quite a compendium. And I get to have the last words... Challenging the orthodoxy is essential if we are to ‘illuminat[e] the world so that we may act in it intelligently and effectively’ (Baran and Sweezy 1966, pp. 27–8). Karl Marx made a landmark contribution, denouncing economists as ‘hired prize fighters’ and constructing an alternative view of capitalism as a class-based system of alienation, exploitation, inequality, crises and self-destruction. Many other political economists have followed, offering either similarly radical prognoses or milder, reformist suggestions. Thorstein Veblen, for example, was deeply skeptical of mainstream economists’ capacity to illuminate the distinctive features and problems of an evolving capitalist society. John Maynard Keynes railed against

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orthodox economic views that he saw as compounding the extreme economic difficulties of the period between the two world wars. J.K. Galbraith, reflecting on the assault on mainstream economics mounted by ‘new left’ radicals in the 1970s, opined that ‘I would judge as well as hope that the current attack [on neoclassical economics] will prove decisive’ (Galbraith 1973, p. 1).

Yet mainstream economics remains remarkably impervious to criticism from non-believers. As my colleague Evan Jones has often stated, the economics profession is in this respect rather like a priesthood, jealously guarding its orthodoxy from assaults by heretics. Even crises in the real world with which economists claim to be ultimately concerned seem to have little impact on the core principles to which their profession adheres. Diane Coyle, whose book *The Soulful Science* (2007) sought to defend the economics profession from its critics, has more recently been forced to concede that the global financial crash emerging in 2007–2008 has had remarkably little impact on how the subject is defined and presented. In her own words ‘it is only a slight exaggeration to say that students are taught as if nothing has changed in the past 5 years’ (Coyle 2013, p. 1). Of course, many economists claim to be concerned to engage with the changes occurring in the real world, particularly changes as cataclysmic as the ongoing economic and financial crisis, but they do so characteristically without changing their analytical tool-kit. A neoclassical economic perspective and a corresponding belief in self-equilibrating market mechanisms underpin that persistent worldview. To be sure, there are respectable dissenters, such as Joseph Stiglitz and Paul Krugman who challenge some of the more ineffective policy-oriented applications of the orthodoxy, but the very fact that these distinguished practitioners are regarded as dissidents is indicative of the resilience and continuing dominance of the mainstream.

Looked at from this perspective, the struggles to develop critique and alternatives have a clear rationale. The economics profession is manifestly failing in its social purpose of contributing to the welfare of humankind.

This problem was loudly voiced when I joined with the dissident students and supportive colleagues among the staff of the Faculty of Economics at the University of Sydney in the early 1970s. The criticisms then leveled against the mainstream focused on lack of real-world relevance, excessive emphasis on mathematical technique in the teaching of the subject, and political bias embedded in the underlying assumptions. Problems of internal inconsistency within the neoclassical theory also came to be emphasised, particularly following the Cambridge controversies over the nature and measurement of capital. Joan Robinson’s visit to Sydney in 1975 gave particular impetus to this latter theoretical concern. The political economy movement that was developing in Australia at that time, as it was in many other countries, also reflected the influence of an array of broader societal concerns. These included opposition to war and imperialism, the abuse of corporate power, and concern for the plight of people in subordinate classes or facing discrimination based on gender and race. There was optimism that we could ‘make a difference,’ and the challenge to orthodox economics in the universities was part of that broader movement for progressive social change.

The political economic changes that actually occurred in the decades since then have produced a more difficult context for sustaining a radical challenge. Corporate globalization, financialisation and neoliberalism have been a formidable

combination, fundamentally recasting the possibilities for economic reform. It has been increasingly difficult to go ‘against the stream’ when the current has been flowing so strongly in the interests of the dominant class interests in modern capitalist society, including those who have gained monopoly power over natural resources as well as the major global financial institutions. By the same token, however, the need for radical political economy—as a tool for analysis and critique of those processes, influences and interests—has become ever more evident.

Certainly, from a teaching perspective, there has been no shortage of topics deserving attention, and no shortage of young people expressing interest in critical inquiry. At the University of Sydney, student enrolments in the Political Economy courses have gone from strength to strength. Some 15,000 students have studied the introductory undergraduate unit of study that was introduced in 1975; and the number of new students has been around 600 annually in recent years. Other Australian universities have also developed fledgling programs in political economy or heterodox economics, commonly initiated by academics who are themselves graduates from the Sydney program.

Worldwide, other centres for the study of political economy and heterodox economics have been established, albeit commonly having to grapple with the problems of lack of critical mass and/or assaults from reactionary university administrators. Ongoing centres for serious engagement with education in political economy include the University of Massachusetts at Amherst and the New School for Social Research in New York—both of which have even longer pedigrees than Political Economy at the University of Sydney. The ‘heterodox economics portal’ lists institutions in many other countries where progressive alternatives exist (<http://www.hetecon.net/>), while the International Initiative for the Promotion of Political Economy also facilitates interaction between scholars and activists (<http://www.iippe.org/wp/>). The establishment of the World Economics Association (<http://www.worldeconomicsassociation.org/>), notwithstanding its somewhat innocuous name, also reflects a widespread disquiet with a conservative profession and its conventional channels of publication and discussion.

It is in the context of this ongoing struggle that the significance of this current volume can be appreciated—as a product of the struggle and as a pointer to where energies can usefully be focused for the future.

2 Six Political Economic Themes

The six themes around which this book is structured are central concerns for the political economy movement. On a personal level, they also reflect major professional concerns that I developed during my career. Starting in the UK with a conventional economics education, I became increasingly aware of the limitations of the core theory and the need for sustained critique. After relocating to Australia, I developed close relations with like-minded colleagues in Sydney, such as Ted Wheelwright, Gavan Butler, Evan Jones, Geelum Simpson-Lee, Margaret Power and Debesh Bhattacharya. We had a shared project: to challenge economic

orthodoxy and, in conjunction with our students, to develop alternative courses in political economy (Butler et al. 2009). When we were eventually successful in gaining approval for our alternative program, I became immersed in the challenges of teaching effectively so it would help young people to understand the world ‘as it really is’ rather than only through a neoclassical lens. We came to recognize that demonstrable capacity to address the key practical issues in the world around us would be the principal marker of relevance and effectiveness. In my own research and publications this was manifest in the concern to understand the factors shaping the distribution of income and wealth, the character of economic policies, the forms which cities and regional economies take, and the relationship between economy and environment. While far from exhaustive of the array of ‘real world’ concerns, these fields have seemed to me to be both intrinsically interesting and crucial for the wellbeing and future of humankind.

The collection of papers in this book confirms that judgment. Indeed, it is doubly satisfying to see that what I regarded as priority areas for research and teaching are also key areas to which leading scholars are continuing to apply insightful political economic analysis.

Contesting economic ideas is the obvious starting point. My own educational background was in orthodox economics, having studied it at the University of Southampton and taught it at the University of Reading in the UK. David Rowan—who taught me macroeconomics as an undergraduate—had imbued me with the belief that serious engagement with understanding the economy (and that meant Keynesian theory) could be coupled with sensible social goals like eradicating the ‘scourge of employment’. John Dunning—who taught me microeconomics, subsequently supervised my PhD thesis and arranged my first academic appointment—also instilled belief that standard microeconomic tools, blended with some descriptive statistics, could usefully be applied to practical concerns of industry and regional analysis. I also thought that micro theory, bridging through welfare economics into policy analysis, could yield useful guidelines for economic policy formation—a largely failed endeavour that later became the focus of one of my early books, called *Normative Economics: an Introduction to Microeconomic Theory and Radical Critiques*. Reading contemporary works by Galbraith, Mishan, Baran and Sweezy, Bowles and Gintis, Hunt and Sherman—and then older contributions by Veblen, Marx, Kalecki and Polanyi—started to open my eyes to a wider world of possibilities.

Articles that I wrote on an array of topics over the next two and a half decades formed the basis of *Changing Track: Towards a New Political Economic Direction for Australia*. This book was centrally concerned with contesting the dominant economic ideas, particularly those bearing on public policy, although it is probably the least ‘academic’ of my dozen sole-authored books. Writing it was an attempt to consider the challenges facing Australia as the twenty-first century dawned and to explore strategic responses, drawing on a somewhat eclectic political economic analysis. It is a personal pleasure (albeit somewhat of a surprise) that John King takes this book as the focal point for the opening chapter in this volume. The book was not a work of significant theoretical innovation, nor comprehensive

in its treatment of the challenges that need to be faced, as John points out. For all its limitations, however, I do not resile from the nature of the project: indeed, I think it is just the sort of thing in which political economists seeking to communicate with a broader audience should engage—developing critique of the existing economic arrangements, sketching visions of what a preferable society would look like, and discussing the strategies and actions that could take us ‘from here to there’. Therese Jefferson’s chapter, albeit in a context quite different from my own work, shows that political economic critiques can usefully contribute to alternative policy directions.

Teaching political economy, and thereby laying the foundation for continuing challenges to mainstream economics, follows on from these concerns to change the nature of economic inquiry. It ain’t easy. For introducing students to the subject, however, I remain a firm advocate of the pluralist approach. As I have argued in an array of articles, pluralism has numerous advantages, particularly for a subject like economics in which judgments and values influence different analytical approaches. It is also a great means of showing students that all aspects of economic inquiry are subject to debate: it invites them into controversy, rather than steering them into a narrow process of technical training. Moreover, approached from a historical perspective, it is also an effective means of showing how competing political economic ideas arise in particular contexts and relate to different sectional and class interests.

This is not to say that the embrace of pluralism in introducing the subject resolves all concerns about the effective teaching of political economy. There remain key questions about curriculum design, such as how many competing schools of thought to try to cover and how to relate study of the history of ideas to issues of current relevance to students in the twenty-first century. There are also questions of teaching methods, such as how to implement student-centred learning—in the classroom and beyond—as an active and critical process. Other personal and pedagogical concerns recur throughout all teaching, including how to ensure clarity, commitment, cooperation and trust, without which education has the characteristics of a chore rather than a pleasure, both for teachers and students.

These questions of curriculum and teaching practices intermingle. We also need to ask what are to be the key elements in building a more coherent analytical synthesis within modern political economy. Studying ‘why economists disagree’ cannot sensibly be the educational end-point, although it is surely a great start. We need our students to have an effective tool-kit for critically analysing contemporary economic problems and policy issues, together with an analytical framework from which to begin their own research activities. Of course, there will always be different emphases on ideas drawn from classical, Marxian, institutional and post-Keynesian traditions, among others. It is pleasing to see these issues being canvassed in the current volume in the chapters by Andrew Mearman and Rod O’Donnell. Other contributors at the conference from which these chapters originated also had insightful views about curriculum and teaching practices. We should not expect a clear consensus about how to teach political economy. Indeed, disquiet about the typically boring main stream economics education almost inevitably leads

to lively debates about how the alternative should be constructed and developed. The more students themselves are engaged in those debates, the more engaging the educational outcomes are likely to be.

Turning from the critique of mainstream economics and the challenges of teaching an effective alternative, we must also engage with how practical ‘real world’ concerns are addressed within modern political economy. This is the major theme within the next four sections of the current volume, dealing with issues of economic inequality, public policy, cities and regions, and a green economy. Here we see the value of political economy in illuminating issues of widespread public concern.

Analysis of economic inequality, its character, causes and consequences, runs through all political economic analysis. This is not surprising. The relative neglect of distributional issues in most mainstream economics cries out for a counter because the question of ‘who gets what?’ is so manifestly important in a world where differences of class, gender and race shape how the fruits of economic activity are distributed. These inequalities are also among the most potent drivers of political activity. Among my own publications, the two books *Economic Inequality* and *Who Gets What? Analysing Economic Inequality in Australia* (co-authored with my then research assistant Kirrily Jordan) are the most direct engagements with the topic, but inequality is a theme that has run through almost all of my research and writing. Confirming the importance of this theme, I have been recently impressed by the evidence on the links between economic inequality and the intensity of a wide array of social problems, as documented by Wilkinson and Pickett (2010). The frequently inverse correlation between inequality and measures of citizens’ happiness in different nations is also indicative of how economists need to reorient their thinking. It is little exaggeration to say that mainstream economists for more than two centuries have proceeded on a misleading assumption, or at least one that has long passed its use-by-date. More national income—beyond a certain point—does not produce happier citizens and more contented societies. Better outcomes would be more reliably achieved through having a more even distribution of the income. Size matters, but relativities ultimately matter more.

Generalising to the global scale, one may also infer that less international inequality would produce a more peaceful, safer and more sustainable planet. Further research and action that contributes to that worthy goal has potential huge pay-off. In this context, the fine chapters in this volume by Gabrielle Meagher, Gaynor McDonald, Georgina Murray and David Peetz point to some crucial areas for analysis and policy, exploring aspects of inequality that have not been adequately treated in my own previous research and publications. It would be great to see these deficiencies become focal points for further research. Even more so if that research would foster widespread attitudinal changes. Indeed, it is my fervent hope for the future of humankind that we can foster a broadly accepted egalitarian ethos and create political economic futures based on more cooperative and participatory democratic principles and practices. Without that values revolution the future for humankind will not only be increasingly conflictual, it may prove completely unsustainable.

So how are we to consider the nature and role of economic policies from a political economic perspective? This is the next major theme in this book. One rather conservative viewpoint sees the concern with public policy as a defining characteristic of political economy: from this perspective, economics as a discipline studies ‘what is’ in the economy while political economy studies how to change ‘what is’ to ‘what should be’. To my mind this is not a useful distinction, however, because political economy is much more than the study of public policy. ‘What is’ results from both market and state, mutually interacting in complex ways. So we should eschew the view of ‘government intervention’ as somehow external to the ‘natural’ working of the market economy. Indeed, that is the ontology of mainstream economics—and of neoliberal ideology—which political economy quite properly challenges. It would be more useful to regard ‘commodification’ and ‘marketisation’ as influences operating throughout all sectors of the modern economy, including the state. Jane Kelsey’s chapter in this volume, providing a trenchant critique of neoliberal policy practices, points the way to this broader political economic approach. The chapter by Elizabeth Humphrys, looking at the experience of public policy in Australia during the ‘Accord’ process—a key element during the Hawke-Keating period of government—provides an insightful case study of contradictions and limits in public policy. David Richardson’s contribution on company taxation shows how political economic analysis can be used as critique of policies that prioritise wealthy corporate interests over the broader social need to have an effective tax base for government spending.

My research on the state and public policies over many years has ranged from critical analysis of the effects of ‘economic rationalism’ and neoliberalism to the consideration of specific policy issues, covering topics such as industry policy, wages and welfare, tax policy, investment policy, environmental policy and regional and urban policies. Critique mingles with advocacy of more progressive alternatives, interspersed with consideration of the obstacles that stand in the way of the preferred changes. The books *The Accord and Beyond: The Political Economy of the Labor Government* and the more eclectic *Beyond the Market: Alternatives to Economic Rationalism* (co-edited with Stuart Rees and Gordon Rodley) are cases in point, while shorter articles have examined attempted policy interventions. I would readily admit to some lack of coherence in these efforts, arising not just from the wide array of policy issues considered but also from the mixture of analytical elements that recur in this sort of research and policy prescription. However, it seems to me to be ‘in the nature of the beast’. Neither abstract analysis of the state in general nor consideration of the potential impacts or transformative capacities of specific reforms are adequate. We need to combine the two. I therefore encourage fellow political economists to continue down-to-earth engagement with specific public policy issues, while always seeking to set these analyses in the context of a broader political economy of the state.

Urban and regional policy issues are a case in point. Cities and regions are the terrain in which actual economic lives are lived. They are shaped by economic interests, including property developers and finance companies, land-owners, building and construction firms, transport providers and businesses providing employment and

services. Problems recurrently arise from conflicts between these private interests and a broader public interest, including failures of market coordination (leading to congestion and pollution), inadequate provision of public goods and inequalities of access. As Harvey (2012) strongly argues, understanding the recent global financial crash cannot really be achieved without some analysis of urban property markets as drivers of speculative tendencies and systemic instability. Political economic analysis needs to be coupled with other disciplinary contributions in providing socially and politically useful insights. A ‘geographical imagination’ is particularly helpful. Personally, I’ve always had that interest in spatial forms (and can happily pore over maps for hours!). Urban and regional development was my PhD topic, focusing particularly on London and southeast England. *Regional Economic Policy* was the title of my first book, and subsequent ones have included *Australian Urban and Regional Development*; *Economic Crisis, Cities and Regions*; *Understanding Cities and Regions* and *Reshaping Australia: Urban Problems and Policies*. One impetus for these explorations in spatial political economy—also like the study of economic inequality in this respect—is the inadequacy of spatial analysis in mainstream economics. Neoclassical economic theory flounders in the presence of inherent spatial monopoly, spatial inertia and non-market interdependencies. For me, it was the engagement with the alternative spatial political economic perspectives developed from the 1970s onwards by David Harvey, and also to some extent Manuel Castells and Doreen Massey, that opened up more radical interpretations. The chapter in this volume by Brendan Gleeson builds on similar influences and some more recent contributions too. The need for political economy to have this well-theorised spatial character (as well as a temporal dimension, of course) should now be widely accepted.

Developing a green economy is a similarly pressing social need and analytical priority for modern political economy. The concept of ‘green economy’ itself requires further attention, as do strategic concerns about the transition necessary to achieve ecological sustainability in a modern economy. Mainstream economists, with some notable exceptions, have been slow to seriously engage with the challenge of dealing with the causes of environmental crises. It is not for lack of some relevant tools. At least since the writings of A.C. Pigou in the years between the two world wars, there should have been no excuse for neglect. His concept of ‘externalities’ offers a simple enough means of starting to understand why economic growth and environmental decay commonly go hand-in-hand. The problem is that this analytical framing inevitably leads to a focus on only market-based ‘solutions’, such as emissions trading schemes. As Panayotakis (2011) highlights, externalities are not really a ‘market failure’: they reflect the success of capitalists in ‘cost-shifting’ to raise their profits. Moreover, they are not a driver of remedial policy because the cost-shifting facilitates capital accumulation which then increases capitalist class power over the state. As in so many other political economic issues, processes of circular and cumulative causation dominate over equilibrium tendencies. Recognising that the roots of environmental crises are deeply rooted in structures of capitalist political economic power and the imperatives of capital accumulation provides the basis for a more radical ecological political economy.

Coming to terms with complex issues like these often requires taking a step at a time. The need for radical political economic formulation of the issues only

comes clear through previous engagement with liberal and reformist problematics. Looking back at the development of my own increasingly ‘green consciousness’, for example, I recognise its origin in engagement with the concept of ‘externalities’. The conservative welfare economic theoretician E.J. Mishan had a major influence on my early thinking because of his use of this concept to explain the social and environmental damages he described in his eye-opening book *The Costs of Economic Growth* (1967). Somewhere between there and reading Barry Weisberg (1971) on the critique of corporate power, the primer on environmental political economy by Matt Edell (1973) and the anarchist ideas of Murray Bookchin (1980), I started to see a way forward. James O’Connor’s pioneering work, illuminating ecological crises as a product of capitalism’s ‘second contradiction’, provided a link between analysis and political practice. But it was not until the next two decades, with the development of Green parties as a more significant social force, that the necessary breadth of a green alternative political economy has become clear. The challenge now is to blend further study of the ecological crisis as a manifestation of the contradictions of contemporary capitalism with the development of radical reforms. Specific issues of energy policy and the creation of ‘green jobs’ need to be considered in conjunction with the broader features of corporate power, consumerism and the wastes of competition that currently obstruct the movement towards ecological sustainability.

The chapters by Mark Diesendorf and Gareth Bryant signal the sort of considerations that need to be addressed if we are to effectively embrace this green challenge—creating a more sustainable economy and society, living more in harmony with nature. Again the interdisciplinary imperative is evident. Political economic analysis has to link with environmental science, but also with research on the determinants of human wellbeing beyond the economic dimension. I referred earlier to the evidence compiled by Wilkinson and Pickett (2010) on the inverse correlation between inequality and reported levels of happiness. In a similar vein, one may reasonably infer that a sustainable economy must necessarily be a more equal one. Here is an instance where ecological and social analyses work effectively in tandem, imparting a contemporary ‘green’ character to the longstanding political economic concern with redistribution of income and wealth. Yet capitalism continues to produce polarization of prosperity and poverty. It is as collision-course, requiring each of us to decide on which side of history we will stand! This is not just a dilemma for individuals though: it is also a reminder that the concerns of political economy need to be understood in a broader *ethical* context about the future for humankind and its relationship with the natural world.

3 Prospects

When reviewing the current state of the political economy challenge to orthodoxy, it is useful to focus on the beach-heads that have already been established. ‘Think global, act local’ is an adage that is particularly relevant in this context. Having been based for so long at the University of Sydney, for me and my immediate colleagues the most obvious beach-head is that university’s Department of Political

Economy. Maybe seed-bed rather than beach-head is the more appropriate metaphor here, because so many of our graduates have gone on to make significant contributions to progressive social change through their work in public service, education, media and non-governmental organizations (Stilwell 2012, pp. 158–160). However, the extent of success in developing political economy programs at other Australian universities has been quite mixed. The political economy major that was initiated at the University of New South Wales and ran for a few years has been discontinued. At the University of Western Sydney, the substantial array of heterodox economics electives that used to exist has been radically pruned as part of a general assault on the Department of Economics by unsympathetic university administrators (Lodejwics 2013). As Thornton (2013) argues, the prospects for heterodox economics education are now more buoyant in faculties of arts and social science disciplines beyond economics departments and business schools.

In other countries, the survival and prosperity rates for political economy programs are similarly uneven. In the United States, as noted earlier, the University of Massachusetts at Amherst and the New School for Social Research in New York continue as major centres; while there are many other campuses where political economy programs of some sort have flourished, such as the University of Kansas City–Missouri. The Union for Radical Political Economics (URPE) continues to have its journal and conferences, providing a network for contacts between radical political economists in an otherwise rather fragmentary academic environment. Sometimes the forces of reaction are hard to counter though. In the USA at the University of Notre Dame the briefly flourishing Department of Economic and Social Policy in which dissident views were temporarily institutionalized is no more. In the UK the situation is patchy too: few universities offer anything like a coherent political economy program, although individual heterodox economists teach electives on a number of campuses. Periodic interaction between them is facilitated by the Association for Heterodox Economists, which also has a worldwide reach.

What of the students? At the University of Sydney, concerned undergraduates played and continue to play a significant role in pressing for political economy as a critical and engaging educational program: while postgraduates have been attracted in growing numbers by the opportunity for non-neoclassical study and research. The dynamic of discontent among economics students has continued to be periodically evident in many other places too. The Post-Autistic Economics Movement that students initiated in France in 2000 has had an ongoing influence, albeit not achieving the curriculum reform for which its originators had hoped. In Britain and the USA, there have been petitions by students calling for substantial reforms to economics education. At Cambridge University, for example, the post-graduate students issued a substantial call for course reforms in 2001. At Harvard University, students walked out of Professor Mankiw's ECO10 large lecture class in 2011, stimulated by the Occupy Movement and expressing the need to challenge economic orthodoxy for its overtly theoretical nature and implicit political bias. Yet, for all of these pressures from below, little changes from above.

So what constructive steps can be taken to develop and extend the reach of political economy? Publications are important in this respect because they have

potential for stimulus and enduring influence. We sensed that back in the 1970s in Australia when we launched the *Journal of Australian Political Economy*. Our first issue proclaimed the editors' ambition of critically analysing and challenging the capitalist system and 'to represent and encourage a social movement 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; and for new theoretical perspectives on society and new forms of organization'. Notwithstanding the obstacles to attaining those ambitions (which seem somewhat grandiose in hindsight), the journal continues to be a vehicle for nurturing and showcasing political economic analysis. Other Australian journals such as *Labour and Industry* and *The Economic and Labour Relations Review* also provide good outlets for other work by heterodox economists and progressive social scientists. Most countries have their local journal equivalents, so there is no shortage of material to be used for teaching and in further research development.

Textbooks designed to facilitate the teaching of political economy have also become widely accessible. The two volumes of *Readings in Political Economy* that Ted Wheelwright and I put together in 1975 had this primary goal; and the goal has continued to be reflected in my subsequent publications, most obviously *Economics as a Social Science: Readings in Political Economy* (edited in conjunction with George Argyrous) and *Political Economy: The Contest of Economic Ideas*. Both of these volumes have a pluralist structure intended to make them appealing to teachers and students approaching economics as liberal education rather than professional socialization (read: indoctrination). Both of the books have gone through three editions, but their adoption as set-textbooks remains 'spotty' and exceptional rather than normal and widespread.

What of the impact of radical political economy beyond *the groves of academe*? Here too, claims must be modest. Neoliberalism has been the dominant political influence during the last three decades, creating a context in which progressive economic ideas have found no easy way of gaining traction. By the same token, however, perhaps the most obvious point at which political economy has been influential is in the critique of neoliberalism and its local forerunner 'economic rationalism' (Stilwell 1988; Pusey 1991). The book *Neoliberalism: Beyond the Free Market*, which I co-edited in 2012 with Damien Cahill and Lindy Edwards, is one among many such critiques, putting emphasis on the contradictory features of neoliberalism as a theory, a policy program and a social movement. The global financial crisis that emerged in 2007–2008 was seen by many—including the Australian Prime Minister at the time—as heralding the end of this neoliberal era. Yet just a few years on, we can see that such optimism was unfounded, and critical analysis of the new 'politics of austerity' is the latest phase in the political economic critique (see, for example, Varoufakis et al. 2011: Chaps. 11–13).

Political economy must go beyond critique, of course, if it is to contribute to progressive social change. As I argued in *Changing Track*, social change requires four elements: *critique* of what is, *vision* of what could be, *strategy* for driving change, and *organisation* to make it happen. An activist political economy contributes in at least two ways: first, through analysis of the processes whereby

political economic change can occur; and second, through development of alternative economic strategies and policies that can contribute to achieving more stable, equitable and sustainable outcomes. Some of my own work has focused on the latter interventions and policy analyses, as previously noted. Although little has been adopted directly in public policy, I remain of the view that prescription, as well as analysis, should be an important element in modern political economy. This expresses the renowned call for ‘pessimism of the intellect, optimism of the will’.

The potential drivers of fundamental change are also in the streets and workplaces, not only in the academic institutions, books and journals. Indeed, it is the relationship between these elements that is crucial for progress—creating *praxis* as the product of interacting theory and action. The contemporary activist scene presents an uneven picture though. On the one hand, substantial mobilizations have been evident in recent years through the Occupy Movement, the World Social Forum and other political expressions of fundamental disquiet and opposition to the forms that modern capitalism takes. Organized labour, however, is weaker than it has been for much of the last century and labour parties have tended to lose any sense of consistent direction. New political formations, including Green parties, have provided more positive initiatives, including focus on the ecological stresses and on egalitarian concerns with gender, race and migration issues, as well as class. An array of NGOs further broadens the concerns a possibilities. The future for political economy depends crucially upon linking with these movements for progressive change. That, in turn, requires political economic analysis of the oppositional movements themselves and their future potential. On a more directly political level, it requires personal and institutional connections between political economists and these broader social and political forces. Engagements with the media and popular publications must necessarily be among them.

4 Onward...

It has been a personal privilege to have been a participant in a community of political economy scholars and activists; and I hope to continue playing a significant part for the indefinite future. Becoming Professor Emeritus in Political Economy at the University of Sydney in 2013—the first such appointment—gives me the opportunity to continue working from that institutional base. Having been at the University of Sydney for 43 years (about a quarter of the time that this university, the oldest in Australia, has existed), I feel a deep and ongoing attachment to both place and people. The primary association is with colleagues and students within the Department of Political Economy, although colleagues in cognate disciplines have also been supportive and productive contributors to political economy as an interdisciplinary project. It would be invidious to single out individuals for special acknowledgment—they know who they are and who has done what—although I

must convey special thanks to Lynne Chester and Susan K. Schroeder for compiling and editing this volume and for organising the ‘retirement’ conference from which the various chapters emanated. David Primrose has also been a great help, both with the conference and this concluding chapter. Thanks too, of course, to all the authors of the previous chapters in this book.

Sitting and writing in my university office or at home in Sydney, I am conscious that an Australian-centric view might be regarded as somewhat marginal, if not almost invisible, when regarded from a global political economic perspective. But Australia is as good a place as any—and better than most—to monitor and analyze contemporary challenges, including the pervasive problems of economic insecurity that so many people now face, the glaring economic inequalities within and between nations, and the shadow of ecological catastrophe that hangs over us all. Mainstream economics is manifestly part of these global problems, not a solution. Challenging those mainstream views, developing radical political economic alternatives and pressing for change, both in the academy and in the public policy arena, is ever more necessary. I would like to think that my Sydney-based efforts—and this current volume—contribute, to those goals. It is the process of challenge that matters. Thanks for joining us on the journey.

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