

'By the end of the book I was none the wiser'

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In reading this account of the fight to establish courses in 'political economy' (PE) at the University of Sydney I was put in mind of the old adage 'Academic politics are so vicious precisely because the stakes are so small', variously attributed to Henry Kissinger, Wallace Sayre and Woodrow Wilson. However, this would be flippant. The authors state that over 12,000 students have taken the PE courses offered at the University of Sydney since the mid-1970s. They cite Greg Combet as a prominent PE graduate. So PE may have had a significant impact on a number of people now playing an important role in policy-making in Australia. *Political Economy Now!* is written by three of the leading academic champions of PE, and represents an expansion and update of Jones and Stilwell's 1986 essay. As well as their own account, the book is augmented with the recollections of a number of former PE students, mostly now working as academics. These are interesting but uncritical. (Were there any students who regretted taking the PE options?) Overall the book is an interesting read,² and the authors make no attempt to disguise that they are giving their side of the story.³

As an Economics graduate (in the orthodox rather than PE stream) from the University of Sydney the book holds nostalgic appeal for me. By my time there tempers had cooled from the tumult of the mid-1970s, as the end of the full-employment era had focused students' minds more on getting a useful qualification than changing the world. There were no student occupations, but the dispute between the two factions was still continuing.

Early in the book a good question about the PE dispute is posed by John Burgess: 'Why did it happen only at Sydney?' (p.xviii). By the end of the book I was none the wiser.

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2 The book has some interesting vignettes, such as the attempt by Malcolm Turnbull, then law student and student representative, to mediate between the PE and orthodox groups (p.40).

3 There are elements of self-criticism in the book. 'No doubt there were regrettable behaviours by people from all camps during the confrontations that occurred, particularly in the 1970s and 1980s' (p.134); 'We are sorry now that we did not handle ourselves better on some occasions' (p.183). But overall there seems pride in incidents such as the occupation of the Vice-Chancellor's office. Such behaviour seemed embarrassingly juvenile to many at the time, and probably even more so now. It probably confirmed the prejudices of those like Kerry Packer who thought that a university education for his son would 'just teach him to smoke dope and give him left-wing ideas'.

Was the teaching in economics at Sydney more mathematical, more politically biased, or narrower than at other universities? My own recollections are that the courses offered were not unusually theoretical. There was one course, 'The Australian Economy', taught by Sir Hermann Black, the chancellor no less. It was largely descriptive, could not have been more 'real world', and provided a good grounding for a working economist.

Or was it that there was bunched at Sydney (by chance?) a critical mass of like-thinking economists, while elsewhere they were isolated? Or were the professors more intolerant and less consultative than elsewhere?

Professor Warren Hogan is cast as the villain in this story. To my knowledge he has not written on what he regards as a 'wasteful and difficult' dispute, but the matter is raised in his interview by John Lodewijks (2007). In Hogan's interpretation 'the turbulence which lasted for so many years had its origins ostensibly in issues related to quantitative work, though the inspiration lay with other matters related to ideology and aspirations as well as personal ambitions of some involved.' Hogan recalls after his arrival at the University of Sydney in 1968 moving to increase the quantitative work within the BEc degree, which he felt was much less than in comparable universities. In a possible dig at the PE movement, he said 'if undergraduates cannot understand basic aspects of quantitative work, testing the applicability of theoretical constructs becomes very hard to resolve. A state of indeterminacy may well have been comfortable for some not wishing to seek preferences of one claim to validity over another in order to sustain unsubstantiated claims.'

My recollection of 'freshers fair' was that the PE options were marketed to newly enrolling students as much for being easier — since they had no maths — as for claims of greater 'relevance'. The authors cite Geoff Harcourt as arguing 'radical critics of economics need a thorough knowledge of the orthodoxy first' (p.49). This is precisely the concern I had about the PE courses. I recall in the honours seminars one of the students who had come up through the PE stream had never encountered the expression 'real interest rate'.

Cast as Hogan's accomplice is Peter Groenewegen. He all but ignored the PE group in his history of Australian economics (1990). In his 1979 essay on radical economics, he opposed what he saw as a goal of 'intellectual apartheid', advocating that 'radical economists should interact with their more orthodox colleagues (and vice versa)'. In his just-published history of the Economics Faculty at Sydney, Groenewegen naturally includes a discussion of the PE dispute. He concludes that 'both faculty and department suffered enormously from it' and remarks 'nor can it be said that the involvement of non-faculty

persons in generating solutions for an academic dispute on how best to teach economics to tertiary students was a satisfactory means to produce academically acceptable course outcomes' (p.159).⁴

Unmentioned by the authors is the man who could be seen as their precursor, the first Professor of Economics at Sydney (indeed the first in Australia), William Irvine. One of the most prominent radical economists of the first half of the twentieth century, he epitomised many of the virtues to which the PE movement aspired, not just in being a radical but being described as an inspirational 'magnificent instructor'. But he remained more truly relevant than PE ever has — prominent in public debate, author of numerous books and state government reports, a bank director, a witness at the basic wage hearing and an adviser to Depression treasurer Theodore. He represented a road not taken by the PE group, staying more engaged while still arguing for radical change.

Recent events may allow us to call the dispute closed. From 2008, the PE staff became a department in the Faculty of Arts, rather than the faculty of Economics and Business, and from 2009 were contributing to a degree in 'international and global studies'. The authors regard this as a 'win'. To me it is more an 'own goal' for them. It has ensured that students studying economics within the Economics faculty at Sydney will be exposed to a much less critical treatment of Neoclassical economics than before the separatist movement started. This is a shame. During my time there, an honours seminar was held which brought together the PE and mainstream students. I enjoyed the seminars chaired by Frank Stilwell. His approach was inclusive and friendly and it was stimulating being exposed to alternative views. While I certainly would not have wanted that to be the only style of economics I learned, it is a pity that it is now exiled to another faculty. The timing of the flight to the Arts faculty seems particularly unfortunate. Recent events should have increased interest in views about causes of instability in global capitalism and the Economics faculty is where such matters should be debated from a range of perspectives. The authors acknowledge that 'hiving off political economy to a separate degree had, in effect, diminished the pressure for reform within the mainstream economics courses' (p.82) but they do not seem to regret this.

In the end, the question is: how effective have the PE activists been in creating a better world and training better economists? Would they have been more effective trying to change the system from within? We await a more dispassionate outsiders' account to assess this.

⁴ Professor Groenewegen's views are similar to those expressed by the then vice-chancellor Bruce Williams, who recalls in his memoirs 'decisions by exhaustion are seldom satisfactory and the political economy decision in July 1983 was not' and feels the protests around the issue 'may even have affected ... the public reputation of the university' (p.119). More hostile accounts of the PE movement are given in articles by Tony Abbott and David Clark.

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