

# Changing Track: Frank Stilwell's 'Fourth Way' After Thirteen Years

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**Abstract** In this chapter I review the 'fourth way' proposed in 2000 by Frank Stilwell in his book *Changing Track*. I begin by summarising the main arguments, with particular reference to the three big problems that he identifies: insecurity, inequality and alienation. I discuss several, fairly minor, points of disagreement, including the precise nature of his proposed alternative political economic system (is it socialism, or reformed capitalism?), the role that he envisages for workers' cooperatives, and the case for an unconditional Citizens' Income or Basic Income. I then turn to four important questions that are not addressed in any detail in the book: the reform of monetary policy, the consequences of financialisation, the case for international economic reform, and the response to global warming. I conclude with some tentative reflections on the likelihood that Australia will indeed change track.

## 1 Introduction

Frank Stilwell's *Changing Track: A New Political Economic Direction for Australia* (2000) gave a comprehensive and provocative analysis of Australia's economic problems at the turn of the century and provided a systematic and detailed set of proposals for reform. It was well received at the time, confirming Stilwell's status as 'a fine public intellectual' (Hutchison 2001, p. 94). 'In *Changing Track*', another reviewer wrote, 'Stilwell sets an impeccable standard to which all social scientists can aspire. In his book there is much to be learned about the value of political economy done at its best—interdisciplinary, non-imperialist, with theory informed by empirical evidence' (Battin 2001, p. 182). A third

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reviewer concluded that the book ‘should be compulsory reading for politicians of all parties’ (Apps 2001, p. 405).

Now, on the occasion of his retirement, I thought that a critical review of the principal arguments of *Changing Track* might stimulate discussion on some of the important policy questions that we face, 13 years on. I begin by setting out those arguments, emphasising my agreement with Stilwell’s treatment of the three crucial problems that he identifies: insecurity, inequality and alienation. I then turn to three points on which we disagree: whether the alternative that he proposes really is ‘socialism’, the potential role of workers’ cooperatives, and the reform of the welfare system. Next I identify four important policy issues that are not discussed in any depth in the book: monetary policy, financialisation, the reform of the international economic system, and global warming. I conclude by urging Stilwell to consider a second edition of *Changing Track* as a small retirement project.

## 2 Frank Stilwell’s ‘Fourth Way’

I should probably begin by saying something about the ‘Third Way’ that Stilwell’s ‘Fourth Way’ was designed to supplant. Today the term may not mean very much to anyone under thirty, but at the start of the century, with Bill Clinton still in office and Tony Blair well into his first term, it was a very hot issue. In 2000, as Stilwell reminds us, ‘the dissident Australian Labor Party parliamentarian, Mark Latham, was advocating that the same approach be taken here (p. 121).

Stilwell quotes Boris Frankel’s definition of the Third Way as ‘economic rationalism with a human face’ (p. 121), though both of them would probably agree that the economic rationalism was considerably more evident than the human face. Three years after the publication of *Changing Track*, in what was very close to an obituary for ‘Thirdwayism’, Egon Matzner described it as being ‘characterized by three basic elements: (i) acceptance of monetary stabilization, deregulation and privatization as top priorities in economic and social policy; (ii) a changed role for the state, from caretaker to empowering agency; and (iii) acceptance of US dominance in technology and military fields’.

In consequence, Matzner continued, ‘the supply side receives top priority in programmes promoting technology, innovation and research, as well as education at all levels, including forms of lifelong learning. Full-employment Keynesianism has thus been replaced by labour market policy. The emphasis is now put on flexibility, which is promoted by deregulation and training in certain skills, as well as a reduction of unemployment benefits. Responsibility for finding a job is individualized. Everyone becomes a manager of his or her human resources’. As a result, he concluded, ‘[i]nequality in income and wealth, even if growing dramatically, is accepted as a way of promoting economic growth, following the assumption that such growth will eventually “trickle down” to benefit all’ (Matzner 2003, p. 338).

This is all reminiscent of the Gillard ‘Labor’ government in Australia between 2010 and 2013. No-one uses the term ‘Third Way’ any more, but the political

practice is just as Matzner, and Stilwell, described it. Against it, Stilwell asserts the virtues of his own 'Fourth Way', in which:

*Five elements are central. There is the appeal to equity—a classless society in place of a system based on unequal ownership of the means of production; the appeal to rationality—the planned use of economic resources to serve social objectives; the appeal to liberty—the extension of democratic principles from the political sphere into our day-to-day lives as workers, students, consumers and citizens; the appeal to solidarity—the recognition of common interests and the development of processes of mutual support and cooperation; and the appeal to harmony—living in balance with the natural environment. (p. 126)*

Equity, rationality, liberty, solidarity and harmony are the five virtues, Stilwell argues, that must be at the heart of any acceptable political economy for Australia.

### 3 Points of Agreement

Although I shall dissent on many important points of detail, I must begin by expressing my support for these, the core principles of *Changing Track*. I also concur with Stilwell's identification of insecurity, inequality and alienation as the three great defects of neoliberal capitalism, and with many of the specific policy measures that he proposes to remedy them. I shall consider them in turn.

First among the defects is insecurity, which is the subject of "[Persistent Inequalities: The Distribution of Money, Time and Care](#)". Here Stilwell notes, and regrets, the abandonment of full employment as a policy goal by all Australian governments in the neoliberal era. 'Unemployment', he writes, 'has not been below 5 % of workforce for over two and a half decades now' (p. 69). Except very briefly at the fragile peak of the great Australian boom in 2007 this has continued to be the case, so that 'two and a half decades' can now be replaced by the sad recognition that it is now *four* decades since Australia last enjoyed full employment.

Unlike the former federal Treasurer, Wayne Swan, and the head of the Reserve Bank of Australia, Glenn Stephens, Stilwell does not regard 5 % as the full employment rate of unemployment for Australia. He also points to the growth of under-employment as further evidence of the continuing weakness of the labour market, and notes the emergence of various forms of precarious employment, including the growth of casual and fixed-term jobs and the increasing use of bogus self-employment by employers keen to evade their obligations under what is left of labour market regulation in Australia.

Stilwell rightly attacks three widely-supported economic fallacies: 'wage flexibility creates more jobs'; 'balanced budgets are desirable: surpluses are better'; and 'increased savings are the key to improved economic outcomes' (pp. 74–7). Against these shibboleths he argues that investment drives savings; the government's fiscal stance should be dictated by the need to restore full employment without causing demand inflation; and the number of jobs is determined in the goods market rather than the labour market, and depends essentially on the level of effective demand. Stilwell's macroeconomics is thus avowedly Keynesian

(perhaps Post Keynesian would be a better term), and in all essentials he is absolutely right.

The second defect of neoliberal capitalism, which Stilwell dissects in “[Chap.7](#)”, is the very high and continually rising level of inequality. This can be seen in every indicator of the distribution of income and wealth, and reveals ‘the hollowness of claims about Australia being an egalitarian society’ (p. 84). I do not need to say very much about this, as it is not disputed even by supporters of neoliberalism, and in 2013 we no longer hear such hollow claims. There has recently been a spate of books on the economic, political and social costs of inequality in other English-speaking countries, echoing both Stilwell’s analysis and many of his policy proposals (Lansley 2012; Sachs 2012; Stiglitz 2012).

The third problem with neoliberal capitalism, discussed in the brief but incisive “[Plutonomy and the One Percent](#)” of *Changing Track*, is alienation. Here Stilwell identifies four dimensions, economic, social, environmental and political:

*Economic alienation arises from the character of working life, and increasingly from the failure of higher levels of consumption to provide adequate compensation. Social alienation, partly consequential on this hollowness of a materialistic culture, is manifest in diverse individualistic responses which are the antithesis of a cohesive society. Environmental alienation derives from the inherently doomed project of prioritising economy over ecology. Political alienation is evident in the widespread disillusionment about the capacity of existing political institutions to provide effective solutions to these problems.* (p. 92)

Once again Stilwell has anticipated much of the literature that has grown up since 2000 on such questions as whether rising levels of consumption lead to increased happiness and why hours of work no longer fall when real incomes grow, as they did for a century or more down to the mid-1970s. ‘How much is enough?’, to quote the title of a recent book by Robert Skidelsky and Edward Skidelsky (2012) that echoes Stilwell’s arguments at much greater length.

On the policy proposals that Stilwell advances, there is also much to agree with. With respect to insecurity, some of the issues that he deals with in *Changing Track* seem less relevant in 2013: the worries about the current account deficit and the inflation rate (“[Chap.14](#)”) and the supposed ‘fiscal crisis of the state’ (Chap. 16), for example. But his analysis of industrial policy in “[Chap.15](#)” still reads very well, and points to the continuing need for neo-Schumpeterians and Post Keynesians to keep talking to each other (pp. 198–203). Stilwell rightly insists on the need to encourage ‘industries geared towards environmental objectives’ and the creation of ‘a new institution for public control of the investment process to steer funds towards those developments’ (p. 204).

There is a macroeconomic dimension to this, which he might have paid a little more attention to. Already in 1936 Keynes was calling for ‘a somewhat comprehensive socialisation of investment’ (Keynes 1936, p. 378), on the grounds that cheap money, although both desirable and necessary, was unlikely to be sufficient to ensure the maintenance of full employment. Since 2000 a literature on environmental macroeconomics has begun to emerge. Though still in its infancy, this has involved writers like Peter Victor (2008), Peter Soderbaum (2008), Giuseppe Fontana and Malcolm Sawyer (2013), and the contributors to the volume

edited by Jonathan Harris and Neva Goodwin (2009) in attempts to model the transition from a high-growth to a low-or zero-growth economy and the ways in which both the process of transition and the end state might be made consistent with full employment. It is, I think, entirely consistent with the position that Stilwell takes in *Changing Track*.

His proposals for dealing with the growth of inequality would also command broad support. He begins with the case for tighter regulation of the labour market, noting in Chap. 16 that the introduction of enterprise bargaining in the 1990s had increased the dispersion of incomes from employment and created the danger of a dramatic growth in the ranks of the working poor. Stilwell maintains that 'the concept of a "living wage" should resume 'a central place in the overall system of wage determination' (p. 208). One way of achieving this might be for Fair Work Australia to tie the minimum wage to a creature called AWOTE (Average Weekly Ordinary Time Earnings), as I suggested a few years ago (King 2010b, p. 164).

In terms of welfare expenditure and taxation, Stilwell calls for the introduction of a guaranteed minimum income, in effect a negative income tax (pp. 211–212). He does not attempt to cost this proposal, but he does have some very sensible things to say in Chaps. 17–18 about the reform of the Australian taxation system. Here he calls for the elimination of some of the more blatant loopholes and exemptions that benefit the rich; for the introduction of taxes on wealth and inheritance; and (in the spirit of Henry George) for much greater taxation of land. Stilwell also endorses a Tobin tax on international financial transactions, in part because of its revenue-raising potential (pp. 225–228).

Of the three fundamental problems of neoliberal capitalism, alienation is the most elusive and the most difficult to attack. Stilwell has a great deal of sensible things to say about economic alienation, advocating industrial democracy to improve the possibilities of self-realisation at work (pp. 129–130) and urging the replacement of GDP by GPI (a Genuine Progress Indicator) as the accepted measure of aggregate output (Chap. 22). Together with restrictions on life-time hours of paid employment (pp. 186–187), these reforms would undermine the 'commodification of social life' (p. 97).

In Chap. 21 Stilwell considers the three essential aspects of environmental sustainability—biodiversity, ecological integrity and inter-generational equity—and makes a series of suggestions for improving energy use, public transport, land use planning, housing and infrastructure in order to achieve them. To my mind his analysis of these issues is as pertinent today as it was 13 years ago.

## 4 Points of Disagreement

So there is a great deal to agree with in *Changing Track*. Inevitably, I must also take issue with Stilwell on some important questions. My first criticism may be simply a matter of terminology, but I am inclined to think that it goes somewhat deeper. Figure 6 (p. 124) illustrates four 'Political Economic Systems', arranged in terms

of two antinomies: Authoritarian-Libertarian and Egalitarian-Inegalitarian. The four systems are State Communism (Authoritarian-Egalitarian), Corporate Capitalism (Authoritarian-Inegalitarian), Liberal Capitalism (Libertarian-Inegalitarian) and Liberal Socialism (Libertarian-Egalitarian).

But there is no room in this conceptual scheme for a reformed, social democratic capitalism in which the authoritarian and inegalitarian tendencies of the capitalist mode of production have been tamed, while the underlying ownership structures and market relationships largely remain. What Kalecki and Kowalik (1971) once described as ‘the crucial reform’ has no place in Stilwell’s diagram or in the accompanying exposition.

Now a society in which ‘the “commanding heights” of industry’ remain in private hands but are ‘regulated by “planning agreements” to ensure the commitment to community service obligations’, while ‘private enterprise operates in small businesses’, surely *is* a capitalist economy. This is so even if ‘the use of “planning agreements” can be an alternative’ to nationalisation as a ‘means of regulating private sector corporations; performance in accord with government industry policy objectives’ (p. 129). Later in the book Stilwell describes his overall approach as constituting ‘a radical reformist perspective’ (p. 203). This is reformed *capitalism*, not socialism. Why not come clean and say so?

This is linked to my second criticism, which concerns the role that Stilwell envisages for workers’ cooperatives. They are an essential part of his system, in which ‘medium-sized firms are typically organised’ in this way (p. 129). The implication is that they will replace capitalist enterprises as the typical form of enterprise in very large parts of the economy. But he does not go into the historical experience of workers’ cooperatives overseas, most notably in the former Yugoslavia and in the Mondragon complex in the Basque country. Neither does he consider the extensive theoretical literature on self-management from the 1960s and 1970s, or attempt to explain why there are so few workers’ cooperatives in Australia—or for that matter anywhere else in the world—today.

Like Stilwell, I belong to the generation of 1960s radicals who developed a deep distaste for both capitalism and Stalinism and were strongly attracted to what he describes as ‘liberal socialism’. Incidentally, we would not have taken kindly to the use of ‘liberal’ in this context: it is high time that the term ‘libertarian’ is reclaimed from the free-market right, as Stilwell attempts to do (p. 125). Our ‘Third Way’ was Yugoslavia, not the mildly reformed neo-Stalinism of Ota Šik and Alexander Dubček, precisely because it seemed to offer a genuinely liberal, democratic and unalienating alternative to both capitalism and Communism.

In the process we ducked some very awkward questions, including the role of markets, and hence of insecurity, inequality and alienation, under the Yugoslav system. We also ignored the macroeconomic problems of debt, dependency and default that later contributed significantly to the downfall of the system and the bloody implosion of the Yugoslav state. We further tended to neglect the theoretical literature that I have mentioned, including the work of the two Vaneks, Jan and Jaroslav, and the great neo-classical socialist James Meade, and the real problems of sectionalism, selfishness and inefficiency in an economy dominated by self-managed workers’ cooperatives that this literature pointed to (Vanek 1972, 1975; Meade 1989).

The brutal truth is that almost nothing of the Yugoslav system of workers' cooperatives survived the civil war of the early 1990s and the disintegration of the federal Yugoslav state. I do not know whether the Mondragon cooperatives are still operating, or whether (if so) they will be able to survive the current Spanish economic disaster. I do know that there are very few successful worker-managed enterprises of any size anywhere else in the world. The Twin Oaks community in Virginia is still thriving after almost half a century, but it has always been very small—'forty members or more' (Kinkade 2011, p. 176). The sad lesson seems to be that, in general, workers' cooperatives are unable to compete with any capitalist firms other than the very smallest.

Workers' ownership and self-management should certainly be encouraged by all means, including favourable tax treatment, but not too much should be expected of it—much less, I fear, than is proposed in *Changing Track*. This entails that pretty well all medium and large enterprises will continue to be privately-owned, for-profit, capitalist corporations. This reinforces my point about terminology. What I and (I think) Stilwell would both like to see is a reformed, social democratic *capitalism* as the closest that we are likely to get to the five goals of equity, rationality, liberty, solidarity and harmony.

This brings me to my third criticism: Stilwell does not go far enough in at least one of the reforms that he suggests. Specifically, the negative income tax that he proposes should be replaced by an unconditional Citizens' Income or Basic Income, which is not income- or asset-tested and would guarantee 'real freedom for all' (Van Parijs 1995). It would offer people who were prepared to live very modestly the opportunity to withdraw altogether from the capitalist labour market for as long as they chose, and to engage exclusively in non-market activities, whether noble (voluntary work; political activism; artistic creation) or banal ('wages for surfing'). There is an international Basic Income Earth Network (BIEN) that promotes this radical alternative to a negative income tax ([www.basicincome.org](http://www.basicincome.org)).

Stilwell's endorsement of André Gorz's '20,000 hours of work in a lifetime' (p. 212) is inconsistent with the idea of Basic Income and implicitly denies the old socialist assertion of 'the right to be lazy'. This probably *was* utopian when it was proclaimed by Marx's son-in-law Paul Lafargue in the late nineteenth century, but this is no longer the case, and by replacing consumption with added leisure it would also bring significant environmental benefits. In the same vein, I would complement Basic Income with much stricter regulation of the working hours of those who choose to remain in paid employment (Lajeunesse 2009), a topic that Stilwell briefly alludes to in his discussion of 'redistributing work' (pp. 186–187) but does not develop in any great detail.

## 5 What's Missing?

I want to turn now to four significant policy issues which are not extensively discussed in *Changing Track*. The first is monetary policy. Stilwell's treatment of fiscal policy is substantial and convincing (pp. 75–76). But he has little to say

about monetary policy, either in the narrow context of decision-making by the Reserve Bank of Australia or the much broader questions of financial stability and the regulation of the financial sector as a whole. Yet these issues are of fundamental importance if macroeconomic insecurity is to be overcome.

When the book was published the RBA had only recently been granted its ‘independence’ by the Howard government—independence from democratic accountability to the Parliament, that is, not from the influence of ‘the financial markets’, or rather from the wealthy individuals and powerful corporations that this cowardly euphemism conceals. Since then it has operated on the ‘one target, one instrument’ principle, with output price inflation as the only target and interest rates as the only policy instrument (even though the 1959 Reserve Bank Act requires it to pay attention also to employment and growth).

As the late Kurt Rothschild once reminded me, ‘if you only have one target, you can always meet it’ (Rothschild and King 2009, p. 145), and output price inflation has indeed been well under control since the turn of the century. This has not been the case with asset price inflation, or the exchange rate, or the unemployment rate, none of which is considered by the RBA to be an appropriate target of monetary policy (but see Rogers 2006 for an alternative, much less critical, interpretation).

Australia escaped from the Global Financial Crisis with its financial system largely unscathed, though it remains unclear whether this was the result of good governance, accomplished private sector management, the residual memories of the near-disasters of 1991–1992, or simply good luck. But the underlying issues remain: the restoration of democratic control over monetary policy; extending the target variables to include those previously mentioned; a broader concern with financial stability and the prevention of future asset price bubbles; and increasing the number of policy instruments by restoring at least some of the direct controls and regulations used by the RBA in its earlier incarnation.

This leads directly to the second important policy question that is not discussed in *Changing Track*: financialisation. This is an issue (or rather a set of issues) that is connected to all three of Stilwell’s fundamental defects of neoliberal capitalism: insecurity, inequality and alienation. There are a handful of references in the book to financial markets and (as already noted) a very welcome endorsement of the Tobin tax. Since 2000, however, a substantial and very impressive Post Keynesian literature has emerged on the broader issues raised by the growing power of finance (see Hein 2012 and, for an excellent brief summary, Hein 2013). The triumph of neoliberalism has been closely associated with financialisation, both as cause and as effect. This has been reflected in a very substantial increase in the financial sector’s share of GDP and (especially) of corporate profits, and a corresponding rise in its economic and political influence.

Even mainstream economists have begun to worry about these developments. Here, for example, is Robert Solow, speaking at a conference in 2010:

*In all of our discussions of the financial sector and the financial crisis, we tend to ignore—I won’t say necessarily lose sight of—the fact that God made a financial sector to improve the efficiency of the real economy, not for the enjoyment of hedge fund managers.*

*If you look at the evolution not only of compensation but of the use of resources, particularly human resources, in the financial sector, it is impossible to believe that it contributes anything to the efficiency of the real economy. It essentially promotes speculation and inflates compensation.* (Solow 2012, p. 222)

It also has serious implications for the non-financial sector—to the extent that there still is a recognisable, distinct non-financial sector—through imposing ‘shareholder value’ as the maximand for all public companies and thereby establishing short-term profitability as the only feasible objective, undermining the ability of managers to undertake long-term investment using internal finance.

As I have already noted, the adverse consequences extend to all three problems emphasised by Stilwell in *Changing Track*. First, as Solow notes, financialisation has contributed very substantially to the growth of inequality. Second, and partly as a result of the failure of low and medium incomes to keep pace with those of the rich, it has encouraged the expansion of debt-financed consumption, reinforcing the financial instability that culminated in the Global Financial Crisis of 2007–2008 and the Great Recession that has continued (in Europe and to a lesser extent in North America) ever since. Third, financialisation has led to what I have termed ‘a sort of second-order alienation and fetishism, which is difficult to recognize and even more difficult to overcome’, since people are now dominated not by their own products but rather by increasingly complex bundles of financial claims to those products (King 2010a, p. 155; cf. Li Puma and Lee 2004).

All this is, of course, closely related to a third policy issue that Stilwell neglects: the case for international financial reform. Financialisation has gone hand in hand with globalisation, in a seemingly irresistible process of mutually reinforcing cumulative causation that has greatly increased both insecurity and inequality (Glyn 2006). Even before the Global Financial Crisis, the age of neoliberalism had not been characterised by a particularly impressive record in terms of the economic performance of the advanced capitalist countries by comparison with the ‘Golden Age’ of social democracy that preceded it (Rothschild 2009). To some extent, at least, the relative successes of the 30 years after 1945 can be attributed to the Bretton Woods system, and the question then arises—or, rather, it definitely should arise—as to whether some of the features of that system need to be restored.

To take just one example: Paul Davidson has argued for many years that the introduction of the International Clearing Union that was proposed by Keynes in 1944 would reduce financial instability, both nationally and globally, and thereby greatly reduce the insecurity that he and Stilwell so rightly object to. This would entail a return to fixed (but adjustable) exchange rates and, more fundamentally, a massive contraction in the volume of international financial transactions, since clearing arrangements would be removed from the market and centralised in the hands of a newly-established international agency (see, for example, Davidson 2002). In the absence of such far-reaching reform, Davidson maintains, another Global Financial Crisis on at least the scale of that of 2007–2008 is inevitable. The details of the scheme that he advocates are contentious, but the case for putting international finance back in its box seems to me to be unanswerable. And it can only be achieved through international agreement.

Fourth, and in the very long run almost certainly the most important of all, is the question of global warming, which many would consider as constituting a major defect—possibly the major defect—of neoliberal capitalism. I was rather surprised not to find a single index reference to this topic (or to ‘climate change’) in *Changing Track*, a book that places such a strong and entirely welcome emphasis on environmental issues. Even the case for a carbon tax is made on rather different grounds (pp. 188, 225, 228–229). I suppose that in a way we can derive some comfort from the knowledge that, only 13 years ago, what now appears to be the potentially catastrophic warming of Planet Earth could be ignored, even by someone like Frank Stilwell. We have all woken up since then.

As I was writing this chapter I came across a newspaper interview given in January 2013 at the World Economic Forum in Davos by Nicholas Stern, author of the very influential Stern Report to the British government. It is highly self-critical: ‘Looking back, I underestimated the risks’ Stern acknowledged. ‘The planet and the atmosphere seem to be absorbing less carbon than we expected, and emissions are rising pretty strongly. Some of the effects are coming through more quickly than we thought then’. In 2006 he had estimated a 75 % probability that global temperatures would rise by 2–3 degrees; 7 years later, he reckons that we ‘are on track for something like four’ (Stewart and Elliott 2013).

This raises another big issue that Stilwell did touch on in *Changing Track*, which concerns the role (if any) of the market in combating environmental dangers. There is a case, with which I have some sympathy, that ‘commodifying nature’ is objectionable in principle and unlikely to work in practice. Certainly the intricate financial engineering represented by the EU’s carbon trading scheme, which the former Australian government committed itself to join, has proved to be a disaster.

Perhaps, ironically, then federal Opposition’s (now the Government) slogan of ‘direct intervention’ offers a preferable alternative. The massive public investment in wind and solar energy that has been proposed by the Beyond Zero Emissions collective might be Australia’s best bet ([www.beyondzeroemissions.org](http://www.beyondzeroemissions.org)). Again, though, this is very obviously a global problem; only so much can be expected from any ‘new political economic direction for Australia’. In an ideal world the Australian government would use its hard-won temporary membership of the United Nations Security Council to advocate fundamental international financial reform and serious action on global warming. Sadly, big finance and big coal are so powerful that this is a very remote possibility.

## 6 Conclusion

There is very much more that could be said about Stilwell’s absorbing and thought-provoking book. For reasons of space I have entirely neglected the political dimension, including the potential of the Australian Greens to constitute the agency that implements far-reaching social democratic reform, and the very

real danger that they will lurch to the Right and become a neoliberal party with a pale green tinge, as in Germany.

Personally, I cannot see any real grounds for optimism. Fundamental changes in both the forces and the social relations of production have been implicated in the triumph of neoliberalism, and it is difficult to see them being reversed in the near future (Howard and King 2008). To take just one example: there are now more self-employed people in Australia than there are private sector trade union members, something that would have been inconceivable when Bob Hawke became Prime Minister just 30 years ago. The social agent for radical political economic change is by no means as obvious in the 2010s as it was (or at least appeared to be) then.

But I should end on a positive note. I cannot imagine that Frank Stilwell is contemplating three decades of carpet bowls at his local senior citizens' club upon his retirement, and suspect that he already has a number of projects under way. However, I do hope that he will seriously consider a second edition of *Changing Track*, to deal with some of the questions that I have raised and many of those that I have not.

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