

POLITICAL ECONOMY AT THE UNIVERSITY OF SYDNEY

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One of the most substantial and enduring academic conflicts within Australia in the last twenty years has been that within the Economics Department at the University of Sydney. It has generated extreme bitterness of feeling and has been tragically wasteful of energies that might otherwise have been productively engaged. The conflict is a product of a unique set of circumstances but it has wider implications. It raises issues which are fundamental to the role of any educational organisation. It also has implications that are significant for understanding the economic system and for the appropriate direction of economic policy. No more relevant occasion exists than the present: a Federal Labor government in office, committed to economic and social reform in a time of economic crisis, but constrained in its economic policies by a dominant economic orthodoxy.

In general, the "political economy dispute" is a classic manifestation of academic conflict. It has involved substantial differences of opinion on a range of key issues: the appropriate subject content in the syllabus and in research, appropriate methods of inquiry, ideological preferences, the administrative power structure, and attitudes towards teaching and students. Much of this will be considered in some detail below.

It should be stressed that what follows is a one-sided interpretation of the events and their significance by two members of the dissident political economy group. From our perspective, the core of the discipline is intellectually bankrupt, and this structure has been maintained and reproduced by substantially illiberal institutional practices. In an era of relative quiescence in student opinions, the persistence and intensity of widespread student dissent in the Department of Economics at the University of Sydney has been a striking indication of the depth of these problems.

The ongoing dispute is of remarkable duration. Its origins can be traced to the appointment of two new professors of economics in the late 1960s, Professors Warren Hogan and Colin Simkin. They set about restructuring the program of courses offered by the Department, comprising a particular theoretical framework (and its statistical applications) in a structure that had acquired increasing prestige overseas. The proponents of the new approach saw it as leading to a modernisation of the Department and as a foundation for a more "rigorous" training in the subject. However, the nature of the changes and the heavy-

handed manner of their introduction succeeded in antagonising most of the teaching staff. A number of staff left the Department at this time, concluding that other avenues provided greater possibilities for a career with some measure of dignity intact. Moreover, the new courses were generally seen by the students as overly theoretical, hopelessly unrealistic, poorly taught, and oriented towards one particular conservative set of economic doctrines.

An unofficial survey of student opinion was conducted in 1970, revealing a high degree of dissatisfaction with the courses, but the survey was impounded by one of the professors, and two tutors who had been associated with the survey were not re-employed at the end of the year. Protest meetings were held, but to no avail. Discontent simmered for the next couple of years and two more dissident tutors had their employment terminated. Tenured staff called for a Senate inquiry into the Department. The students staged a "day of protest" in 1973 and a "day of outrage" in 1974. Students and dissident staff prepared proposals for alternative curricula, which were rejected by the professors. Eventually an official enquiry was held by the Faculty of Economics in 1973, which recommended that the Department be partitioned by the creation of a separate Department of Political Economy, which would put on courses exposing students to more diverse currents of economic thought.

The then Vice-Chancellor, Bruce Williams (himself a conservative economist), refused to act as recommended but the University's Professorial Board did agree to the introduction of new courses in political economy, Economics I(P) and Economics II(P). Sympathetic staff formed themselves into a "political economy group" and mounted the new courses, starting in 1975. Continuing departmental impediments to the establishment of the new courses and discrimination against staff generated further student dissent which in turn led to the establishment of a *second* committee of inquiry in late 1975. The major recommendation of administrative autonomy for political economy staff was again shelved, which resulted in student protest on a massive scale. Reprisals against student leaders were instigated, which further inflamed the protests. The Vice-Chancellor's office was occupied, there was a partial strike of staff, and over 4000 students boycotted classes.

Dissent simmered for another five years, during which time the established bureaucratic procedures proved themselves generally effective in swallowing articulated grievances. In 1981, the rejection of a substantial student/staff proposal for course reform in third and fourth year engendered so much dissatisfaction that a *third* committee of inquiry into the Department was established. The 1982 report blamed the political economy staff for their isolationist mentality, but it legitimised studies in political economy, and recommended a pragmatic institutional change by which the political economy staff could administer their courses with some independence (in effect a *de facto* professor to operate in a bureaucratic structure centred on professorial power). The report was shelved by the Vice-Chancellor and its proposals decried as being impossible to implement. Shortly after the renewed legitimisation of political economy courses, the orthodox economists sought to have these courses disbanded and return to the status quo of a decade before. Enrolments in the political economy courses had always been high (over 500 students studying the two courses each year) and were gradually increasing to the point of threatening to absorb over 50 per cent of students entering the Department. The moves against the courses once again generated student protest, escalating into the occupation of buildings and disciplinary proceedings against student leaders.

Finally, in mid-1983, the Academic Board intervened, imposing a compromise on the Economics Department involving more courses in political economy at the third and fourth-year level and the abolition of separate first-year courses to be replaced by a single course in which the political economy staff would be granted one term out of three. These changes were instituted in 1984 but the existence in Economics I of an identifiable term for the teaching of a dissenting economics was wholly unacceptable to the professors and their supporters. Other means of emasculation having now failed, procedures were established to remove the political economy staff and their courses (and other "soft" subjects such as

government) to other faculties and to reconstitute a purified Faculty of Economics centred on the “professional” subjects of (orthodox) economics, accounting and econometrics. An Academic Board committee of inquiry was established by the University in 1984 to consider this and other proposals for the restructuring of faculties, and the resolution of the continuing “political economy dispute” was widely seen as the main objective of the exercise.

In what follows we examine (1) the principal *dimensions* of the conflict, (2) its *manifestations* in the form of discrimination against political economy staff and students, and opposition to political economy course developments and (3) the general *significance* of the issues.

1. DIMENSIONS OF THE DISPUTE

Three key dimensions of the dispute deserve elaboration: the nature of economics as a discipline, the teaching of economics and the administrative and decision-making structure.

(a) Economics as a Discipline

The fundamental element in the conflict is to be found in the nature of the economic discipline. The period since the Second World War has witnessed the development of a discipline increasingly monolithic in its attachment to a particular orthodoxy which can be labelled, at the risk of simplification, “neoclassical economics”.¹ This approach had its origins around the 1870s, when Marx and other critical thinkers had to be deflected, and when economics developed into a specialised academic discipline separate from the issues of politics, history and social structure which had been the interrelated concerns of the classical political economists.

The core of the neoclassical “paradigm” consists of a body of generally accepted axioms and a set of propositions which follow, in principle, as logical deductions from those axioms. Key axioms are:

a postulate of the primacy of the individual as the basic unit of analysis;

a psychological motivation postulate that the individual is a rational calculating machine in pursuit of maximum material gain;

a postulate delimiting the decision-making environment, namely an economic sphere comprising an all-pervasive competitive market mechanism (which eradicates individual discretion); and a political sphere containing a government structure whose role is to support the appropriate economic environment (but this sphere is shadowy and strictly *off stage*);

a postulate that there exists sufficient information to make (individual) rational calculation possible, namely *full* information or probabilistic uncertainty;

a systems postulate that various mechanisms exist which impart a stabilising tendency to the system following any alteration to the underlying parameters.

The vision appears to have been borrowed from classical mechanics. Social behaviour is constructed in such a way as to parallel this structure from the natural world. At the individual level, (economic) behaviour becomes a mechanical process — a matter of logic; at the aggregate level, social behaviour is structurally constrained by a market-dictated and static environment, and is systems-stabilising following disturbances. At the aggregate level, then, there exists a fundamental emphasis on a concept of “social order”. Represented under the label “general equilibrium”, it takes an essentially mechanical form because relevant behaviour is dictated by an omnipresent and ruthlessly efficient resource allocation mechanism embodied in the competitive price system. As such, a developed “theory” can take the form of analysis using mathematical techniques borrowed from other disciplines (in particular, the calculus and linear algebra).

A consequence is that conventional economic analysis has been developed, at its best, into an extraordinarily elegant edifice. This edifice serves two functions, in which form and content are brilliantly fused: an analytical one in which an elegance of form is pursued for its own sake; and an ideological one in which all the contradictions of liberalist social philosophy are resolved in the *deus ex machina* of an atomistic self-regulating market economy. Of course, much work of an empirical nature takes place within the economics discipline, but it is ultimately tied to the conceptual "home base" of the neoclassical axioms.² Moreover, the status hierarchy of the discipline is directly related to the proximity of an academic's research work to the neoclassical core.³

During the twentieth century there has been a persistent confrontation within the discipline between the rigidity of the neoclassical analytical structure and the analytical requirements of studying complex historical processes and institutional behaviour. This confrontation has produced not a modification of the neoclassical analysis, but a stronger commitment to an increasingly refined version. The only conceptual "breakaway" to have been institutionally successful (accepted in the compulsory syllabus and as a basis for respectable research) is Keynesian macroeconomics — an alternative vision of the economy at the aggregate level, and not integrally dependent upon individualist analysis. Keynesian macroeconomics has as its major intellectual (and ideological) contribution the view that "market mechanism" capitalism has an innate flaw: no automatic stabilisation mechanism exists which can guarantee the full employment of resources.

Keynesianism was introduced into the conventional syllabus, but only at substantial cost to its conceptual autonomy. Its role has been reduced to a subsidiary one of generating recommendations for appropriate government economy *policy* while the supposed theoretical integrity of the neoclassical system has remained intact. Even the remnants of Keynesianism (and its progressive ideological implications) have come under sustained attack in the last decade, with the ascendancy of a purist version of macroeconomics ("monetarism"). Monetarism places most of the blame for the problems that beset the economy (economic cycles, inflation) on the excessive variations in the money supply. In turn, monetarism removes the root cause of these problems from the private sector and the profit motive and places the blame on "external" factors such as government incompetence and irresponsibility.

The post-war running debate between Keynesians (liberals) and monetarists (libertarian conservatives) has created the impression of disciplinary diversity and tolerance, but in fact it has defined the limits of acceptable debate. While the exchange has been significant, both its ideological underpinnings and its relationship to the unquestioned core of the discipline has been rendered opaque. Early developments in dissident political economy were especially linked to attempts to discredit the preposterous notion that economic inquiry was essentially "value-free".

More fundamentally, the core of the economics discipline is substantially inadequate as an explanatory device. The commitment to a highly restrictive method (one of logical determinism, as outlined above) and a particular vision (a pervasive and all-powerful market mechanism) produces an analysis ill-suited to explaining the actual economic system, characterised by institutions with varying degrees of power interacting in a complex and discretionary manner, and subject to perennial crises, structural change and institutional reconstruction.

Thus the conventional paradigm serves to support the status quo of the contemporary politico-economic structure, yet it does so not by defending it explicitly but by obfuscation. The defence of the status quo involves an incoherent mixture of a reification of the ideal market economy with a pragmatic acknowledgement of certain contemporary institutional realities, overlaid with an unarticulated class prejudice.

Thus union power is an impediment to a mythical free labour market; whereas corporate market power is a fact of life (though the relation of corporate behaviour to the

ideal is obscured as the key concept of “competition” varies enormously to suit the occasion). Government involvement that has always been integral to the capitalist economy is labelled as “intervention” and its impact as “distorting”: thus governments, it is said, should get out of, say, the regulation of interest rates, yet the structural inequalities of the relationship between financial institutions and mortgagees is somehow deemed natural and not worthy of detailed scrutiny. At the macroeconomic level there is visceral support of wage reduction through political means in the interests of healthy profit levels and viable “economic growth” but this is disconnected from the respectable theory of national income distribution in which wage and profit shares are dictated by the *objective* contributions of labour and “capital” to aggregate production. The examples could be multiplied. In general, the *effect* of a convoluted combination of idealist vision plus pragmatism plus prejudice is to support the interests of capital against labour and consumers, and the interests of more powerful sections of business against smaller business, but the support is neither intellectually coherent nor morally explicit.

By contrast, the political economists have sought to examine and develop alternative explanations of contemporary capitalism, and to illuminate (especially as teachers) the character of socio-economic change and the forces generating such change. Their focus has been on the historical development and contemporary behaviour of key institutions and their structure: the business sector, the state apparatus, organised labour, the family, and so on. Their analysis has centred on how these institutions develop and use economic power and on the consequent conflicts and the manner of their resolution. This also involves the study of the way in which production and consumption are influenced by social and cultural norms. There is here also a concept of “social order”, but it is one structurally constrained by a historically specific, complex set of institutionalised social relationships, culture and productive technique; it is also an order subject to transformation through a dynamic generated by unstable “contradictions”, and moulded by conscious social action in a context of political struggle.

Within this vision, the method of the political economists has been historically based, drawing on the conceptual frameworks of Marxism, institutional economics, post-Keynesian economics, and feminist studies. However, the appropriate method remains an open question. This ambivalence is linked to an aversion to theoretical dogmatism (some Marxist scholarship, for example, is unacceptably dogmatic); but it is also linked to the recognition that substantial insight has been gained from works with quite different methodological commitments.⁴ Inevitably this involves a linkage with the concerns of scholars in other social sciences who have become dissatisfied with traditional preoccupations and who are working towards a research program which transcends traditional disciplinary boundaries.

This relative methodological openness has provided the basis for the most persistent and dominant form of criticism by orthodox economists. The political economists, it is said, lack *rigour* in their approach. Apart from the devotion to the *content* of the neoclassical paradigm, rigorous analysis is seen implicitly as being synonymous with the logico-deductive method, preferably in mathematical form.

Criticism of the political economy group along these lines has also come from individuals who would label themselves as “political economists”. This is the source of one of the more complex dimensions to the conflict. There has been an attempted appropriation of the term “political economy” by individuals of a generally orthodox persuasion.⁵ More importantly, criticism has come from individuals with some formal attachment to the school called “post-Keynesian” economics.⁶ A major critical contribution of one branch of this school has been a fundamental critique of the orthodox theory of income distribution between wages and profits. The positive contribution has centred on the attempt to provide an integrated theory of economic growth and income distribution, linked to the dissimilar savings propensities out of profits and wages. The contribution, however, has involved a marked disparity between promise and performance. The promise has involved an adequate

theory of the macro-economy, which is social and non-mechanical, to be based on an irreversible historical process and integrally determined by the impact of (non-probabilistic) uncertainty on economic decision-making.⁷ In practice, post-Keynesians have shown a predilection for models of economic growth which are logico-deductive, and consequently deterministic and ahistorical.⁸ Although the problems posed are significant, there has been a tendency to return to an analytical form which is *integrally* linked to the orthodox tradition; and because this mode of analysis becomes an end in itself rather than a heuristic device in a broader analysis, it is *structurally* unsuited to the differentiated tasks which the post-Keynesians have set themselves.

Some insight into the recent post-Keynesian tradition must come from its social placing in the discipline. Post-Keynesians interpret their approach not so much as dissent but as the recovery of a respectable past. In a selective reading of the classic texts, post-Keynesians claim a royal lineage with all the greats in English economics (David Ricardo, Alfred Marshall, Keynes), and that the neoclassical school has usurped this tradition. There is a manifest need for academic respectability which incorporates the paraphernalia of a weary scholasticism: reflected, at its worst, in turgid footnoting displays of intellectual artefacts gleaned from cultivated heroes both alive and dead. As one tangible product of being influenced by this tradition, the school has remained fairly elitist and generally inaccessible to the bulk of undergraduates. The dominant orthodoxy has shown its qualified deference by accepting token sessions on post-Keynesian economics at professional conferences but has shown its complacency by generally remaining impervious to the post-Keynesian contribution. In turn, the post-Keynesian school has shown itself inextricably placid in the face of the profession's blatant refusal to acknowledge a crucial flaw in its intellectual foundations and to change its vision accordingly. At the University of Sydney the presentation of this school as representing the "real" political economy has played a useful political role: opposition to the dissident political economy tradition can thus be defended as merely a stand against mediocrity and not a clear manifestation of intellectual bigotry. The post-Keynesian school thus has the seemingly paradoxical status of being anti-orthodox (because of its formal concerns and a major critical victory) yet marginally respectable (because of its reversion to a respectable method and because *institutionally* it has proved little threat to the status quo). Post-Keynesian economics, perhaps unwittingly, has become the ideal venue for those who want to be daringly different but in a manner which is not detrimental to one's career.

Consideration of these complex aspects of economics as a discipline are crucial in understanding the general character of the "political economy dispute". Of course, it is not unusual for academic disciplines to be characterised by sharp disagreement among their practitioners. However, the problematic character of the *economics* discipline is fuelled by additional factors. First, an appropriate interpretation of economic behaviour is central to the dominant ideologies of contemporary capitalism. Economic ideas matter in a very obvious way, in that the dominant vision of the discipline has a profound influence on community perceptions and on institutional behaviour (including government economic policy) and ultimately has a direct impact on material well being. Progressive economic ideas play a major role in providing a critical perspective on the existing social and political order. Second, contemporary capitalism has been in a state of crisis, with widespread and persistent unemployment and inflation, which conventional economic theory finds difficulty in explaining and resolving. Indeed, the principal prescriptions of conventional economic theory have proved to be not even satisfactory in serving the specific interests of business. The crisis in the discipline links directly with the crisis in the object of the study. It is pertinent to ask not why there has been a "problem" in the Economics Department at the University of Sydney, but why the problem has not been endemic.

(b) Teaching

Disagreement among the economists at the University of Sydney has not been limited to differing perceptions of the appropriate directions for development of the discipline. Equally important are differences in attitudes to teaching. In part this has been predictably manifest in conflicts over curriculum design. From the early 1970s onwards, the political economy group took the view that students should have the opportunity to explore the major competing paradigms in the discipline at the first-year level and specialise in political economy or orthodox economics thereafter, while other staff (some of whom claimed an interest in political economy) held that a conventional syllabus structure dominated by orthodox economics was appropriate for undergraduate students.

The different attitudes to teaching have involved more than matters of curriculum. Essentially, the political economy group reacted against what they interpreted as authoritarian attitudes and practices — the refusal to institutionalise student course questionnaires and learn from student feedback; a callous attitude towards failure rates; the over-reliance on conventional examinations in aggregate assessment; a reluctance to permit undergraduates to undertake independent self-generated projects and theses, and so on.

Of course, conflict on these issues is fairly standard fare in universities. What appears to be rather distinctive (albeit not unique) about economics is that, given the lack of an obvious association between the orthodox curriculum content and the observable character of the real world, *an authoritarian teaching practice becomes inevitable*. The continued dominance of orthodox economic theory in the compulsory syllabus generates persistent student dissatisfaction, which in turn leads to a situation where alternative or self-directed forms of study must be denied, where the right to define the discipline must be monopolised by the “authorities”, and where official student feedback must be either minimised or deflected. This tendency has been well developed at the University of Sydney. Indeed it was the standard of teaching of the compulsory courses in the late 1960s and early 1970s by those of professorial rank and the “denial” of student opinion which fuelled the widespread rebellion by students, overwhelmingly the products of “respectable” homes and of normally reticent dispositions.⁹

On the other hand, the Department of Economics possessed an atypically large number of staff members who rejected substantial parts of their formal education, who rebelled against an illiberal hierarchy and who have found more open methods of teaching to be more effective in developing student interest and a more enlightened education. Of course, teaching competence transcends affiliation to any faction. Yet the political economy group set out to make a systematic *collective* effort at a sympathetic teaching practice, and consistently favourable student feedback has validated such efforts. Although political economy courses have had their quota of weaker students, there has been an unusual amount of intellectual excitement and exchange, manifest partly in an assertiveness and intellectual independence both in and out of the classroom. By contrast, the conventional syllabus has consistently produced, apart from a handful of capable honours students, an ethos of intellectual lethargy and apathy. The perennial product of this conventional tradition has been a minuscule honours school drawn from the hundreds enrolled at the first-year level.

(c) The Administrative and Decision-making Structure

The University administrative structure is strongly hierarchical. Dominant power is vested in the Vice-Chancellor and academics of professorial rank. The by-laws grant those of professorial rank monopoly rights in the definition of the nature of the discipline and in the direction of teaching. In effect, the by-laws are an academic Masters and Servants Act. Heads of departments are chosen by the Vice-Chancellor rather than, as in many other tertiary educational institutions, being elected. Non-professorial staff have had no formal rights at the

department level, with the exception of one sub-section of the by-laws which compels a department head to convey to Faculty any proposal supported by a majority of staff who are also members of Faculty. (This singular recognition of the lecturing staff's intellectual capacity has made little difference in practice in the Department of Economics, as the majority of the orthodox staff have never seen fit to support any course proposal against the professorial will. One can only speculate about the reasons for this relative docility, but the evidence indicates that support for the professors' general intellectual position, personal antipathy to the political economists, respect for authority *per se*, fear and careerism have all played a role.)

A strong hierarchy in constitutional terms has been reinforced in the Economics Department by the views of the particular professors. Some departments at the University of Sydney work reasonably well because the professoriate does not attempt to appropriate all administrative and intellectual independence from the non-professorial staff. By contrast, the professors of economics have interpreted their powers in the strictest sense, ensuring that the by-laws are a living and active document. Student representation at the Department level has been persistently denied.

The one significant "imperfection" in this system of professorial power involves the role of Faculties. These sit in the hierarchy between departments and the Academic Board (broadened in membership from its predecessor, the Professorial Board, in 1974, but still dominated by the professoriate). Faculties are relatively democratic institutions, with elected deans, and a membership which includes all full-time lecturing staff and a small number of student representatives. Moreover, the Economics Faculty has represented a broader spectrum of opinion than is typical in Commerce Faculties, with the Department of Government being included, as well as the Departments of Economic History and Industrial Relations. Although access to Faculty procedure is predominantly through the professoriate, Faculty decisions have, in the past, leavened the conservatism of the Economics Department and the University establishment. It was through the intervention of the Faculty of Economics in the early 1970s that the political economy courses were established, and it was through the partial erosion of support at this level that the process of dismantling the political economy courses was pursued in the early 1980s.

During the years of the dispute there has been significant conflict between different elements within the university's decision-making structure. The most obvious illustration of this has been the failure of the University to act on the recommendation of its own committees of investigation into the dispute. In 1974 a committee of the Faculty of Economics recommended the creation of a separate Department of Political Economy: this became the official policy of the Faculty but Vice-Chancellor Williams refused to implement it. In 1976 a committee of the Academic Board recommended the creation of a Unit of Political Economy with a more limited and temporary degree of autonomy, but this was also vetoed by the Vice-Chancellor. In 1982 a further committee of the Academic Board noted that the political economy programme had "met a definite need, had been appreciated by students and has proved generally successful", but its balanced report was shelved by the new Vice-Chancellor, Professor John Ward (who had himself chaired the 1976 inquiry). In effect, the University authorities have shown a disregard not only for the interests of political economy staff and students, but also for the recommendations of its own properly constituted committees.

2. MANIFESTATIONS OF THE CONFLICT

The "political economy dispute" has involved a number of practices by those in authority which have not only impeded the teaching and study of political economy but which are incompatible with the tradition that a contemporary university provide a basis for free intellectual exchange and a liberal education.

(a) *Opposition to Course Development*

The political economists were successful in the 1970s in establishing first- and second-year courses. This success was attributable to the strong pressures for reform in the early 1970s. Conservative forces subsequently unified in opposition to further course developments which would have provided the basis for any integrated undergraduate program and the possibility of extensions into honours and postgraduate work.

Proposals for third-year political economy courses were systematically frustrated throughout the 1970s and early 1980s. One option proposed by Frank Stilwell was accepted as part of the package imposed on the Department between 1975 and 1977, but this reflected the fact that the subject (Regional and Urban Economics) represented no great threat to the key third-year courses containing the theoretical core of the orthodox discipline. In all other cases the political economy staff were prevented from teaching whole-year options which would provide for students proceeding from the second-year political economy course, right up to 1984.

The most persistent antagonism regarding course developments was towards a proposal titled *Capital, Labour and the State*. This course was designed to develop in greater depth the emphases of the second-year course, in particular the character of economic power. Despite frequent revision by its proponent, the proposal was rejected by a majority vote of the Economics Department staff, in an almost annual ritual over a six-year period. Not once in six years was there any suggestion as to the character of possible intellectual limitations of the course proposal, or as to ways in which the proposal might be improved for future presentation. Finally, in 1984, a variant of the course was introduced, following further intervention by the Academic Board.

The fate of another course proposal highlights the fundamentally political character of syllabus developments. In 1979, Associate Professor E. L. Wheelwright proposed another Economics III option on Transnational Corporations and the World Economy, supported by a 24-page outline and list of readings. In a rare display of equanimity, Wheelwright's proposal gained the support of some of the orthodox economists on the staff, tipping the balance in favour of a bare departmental majority. The Department Head subsequently gained the Registrar's support for a reinterpretation of the meaning of "majority", the base being redefined to include *all* Department members, whether present or not. By this definition, all staff absent or on leave were deemed to be automatically against any proposal before Department meetings. The upshot was that Wheelwright's proposal did not get the necessary "majority". By way of compensation for this sleight-of-hand, Wheelwright was offered a half of an existing option in a *different* subject (an advance on the original offer of a third) which had become vacant with its contemporary teacher absent on study leave. The result was better than nothing, but the process was classically obstructive and the end result a cynical muddling of the syllabus. Again, the intervention of the Academic Board in 1983 facilitated the introduction of a new option, *Australian and World Capitalism*, in which Wheelwright's material could be properly accommodated. The two third-year options were introduced, however, at the expense of the termination of Economics I(P).

The development of political economy courses for honours students has been another major problem. During the nine years since the introduction of political economy courses in 1975, the fourth-year honours program had not been revised. Various proposals for a course in *Advanced Political Economy* were advanced in the 1970s and early 1980s, but it became clear that no honours studies in political economy would be acceptable to the professoriate as a matter of principle. Some of the staff in the political economy group taught in the honours program in the early 1970s, but since the introduction of the new course in first and second year, only the most marginal involvement in honours courses was tolerated, including the supervision and examination of honours theses. The inequity of this situation led the Academic Board in 1983 to single out the development of honours courses in political

economy, involving teaching and supervision by the "P" teachers, as one of the matters needing to be remedied (in 1985).

In summary, the professors of economics have consistently opposed the introduction of all proposals for new courses put forward by the political economy group. New courses have only been implemented as the result of intervention by higher bodies such as the Faculty of Economics and the Academic Board. In turn, adequate institutional bases for these courses have been consistently denied by Vice-Chancellors unsympathetic to the institutionalisation of studies in political economy.

(b) Discrimination Against Staff

Discrimination against dissident staff has been persistent and systematic. Reference has already been made to some blatant examples regarding the re-employment of tutorial staff. But, in general, evidence for the claim of discrimination must necessarily be indirect since the information available to promotion and tenure committees is confidential. The inference of persistent discrimination is clearly supported by a letter to the Vice-Chancellor in September 1981, written by Geelum Simpson-Lee, Dean of the Faculty of Economics, and Associate-Professor Wheelwright, drawing on their experience as long-time members of tenure and promotion committees. They state clearly:

We have served on most of the tenure and promotions committees over the last ten years, and we are deeply concerned and much troubled by the way tenure/promotions procedures have been exploited by the Professors of Economics to block the progress of political economy staff, and the way tenure/promotions committees have allowed themselves to be used. The result has been unconscionable persecution of young academics at a time when they are highly vulnerable personally, in terms of their careers as academics, and their self-esteem as teachers and scholars.

Of the dissident lecturing staff, all except one were tenured by the time the "political economy dispute" erupted. The one without tenure achieved it after six years teaching (a record for the University) and four successive annual applications, while an orthodox economist appointed at the same time and possessing no obvious superior qualities obtained tenure in the normal three-year probationary period. Regarding promotions, the speed of promotion of lecturers within the Department has shown no obvious parallel with their achievements in terms of the formal criteria of research, teaching and administration. Regarding research, much is made of "quality", but quality appears to have been defined in terms of orthodox economics' method and vision. In other words, the work of the political economists as assessed from the orthodox viewpoint must, *in principle*, be of poor quality. Regarding teaching, there appears, if anything, to have been an inverse relation between the speed of promotion and teaching ability. One member of the political economy group, a hardworking and effective teacher, has been denied promotion to senior lecturer over a period of thirteen years while more recently appointed orthodox economists with less commitment to teaching have been promoted above him.

Hiring procedures have also left much to be desired. The Department has refused to allocate to the political economy group any of a substantial number of vacancies for lecturers to adequately staff their courses. The retirement of a member of this group in 1981 elicited no support from the rest of the Department for his replacement. Judgements of the orthodox economics lecturers ranged from the vapid "we want the best person for the job irrespective of field of interest", to the more honest "there is already an excess supply of political economists". At precisely the time that the University was in turmoil with protests by political economy students over the denial of their interests, a selection committee recommended the appointment of an orthodox mathematical economist to replace the retired member of the political economy group. The predictable result was a rise in student-staff

ratios in the "P" courses, to the extent that in 1983 the student load per member of "P" staff had increased to twice the level prevailing in the rest of the Department.

The process of appointment of individuals to Chairs has been another area of concern. In 1975 Associate Professor E. L. Wheelwright was passed over in consideration for a Chair (as he had been on previous occasions). The treatment of Wheelwright is perhaps the most observable and telling indication of unequal treatment. The Selection Committee was made up of conservatives (except for the Dean of the Faculty, an elected position) known for their antagonism to the character of Wheelwright's intellectual contribution. The successful applicant's record could not be compared with the record of Wheelwright, who was author (and co-author) of half a dozen books and a plethora of edited collections and essays, and who had had broad overseas experience. Wheelwright also had strong references from six economists of international stature, including Joan Robinson and J. K. Galbraith. The outcome appeared sufficiently inequitable for the University Staff Association to call for an investigation, as did a number of petitions, including one from 49 Members of Parliament.¹⁰ A long and emotional exchange in the press, including overseas coverage¹¹, was generated by this affair¹², but it was transformed into a debate on the freedom of universities from "outside interference". The University authorities successfully deflected the public outcry, but the decision had a long-term adverse impact on the workings of the Economics Department.

While the 1975 professorial appointment was decided in camera by the professoriate, the next Chair involved a more open process. The retirement of Professor Colin Simkin in 1980 came at a time when non-professorial staff as a whole had managed to secure more participation in departmental procedures. With the support of the Dean of the Faculty, Economics Department staff played a significant role in the consideration of major applicants, by examining curriculum vitae, conducting interviews, and so on. The procedure was careful and involved substantial compromise, given predictable intellectual differences. The official University selection committee, on first meeting, expressed support for hiring the candidate recommended by the non-professorial staff. But, the committee was later recalled by the Vice-Chancellor (after the one political economist on the committee had gone on study leave) and the decision was reversed, offering the post to an internal candidate who had gained no significant support from his colleagues. The administration did not see fit to enquire into the basis for the staff's considered judgement, but rather chose to rebuke the representatives of the staff for their "irresponsible" behaviour.

Thus, the professorial appointment process has been compromised by at least two undesirable practices: first, the flouting of appropriate conventions for appointment (research, teaching, public service, referees' reports) in the interests of denying a dissident the rank of full professor; and second, the making of an appointment in direct opposition to the staff's considered collective opinion. The professorial hierarchy, which is constitutionally unaccountable, has thereby reproduced itself by an objectionable procedure. A broader political economy vision and liberalised teaching practices have both been casualties of this process.

(c) Unfair Treatment of Students

The existence of first- and second-year courses in political economy at the University of Sydney has, to a large measure, sheltered the more questioning and assertive students from the problems of unfair assessment said to be experienced in economics departments elsewhere. Thus, in a general sense, it may well be that the problem of discrimination has been less prevalent than elsewhere. The main discrimination at the University of Sydney has been institutional rather than personal, namely the denial to political economy students of third-year and honours courses comparable to those available to students interested in taking orthodox economics courses at these levels.

This structural inequality has made for particular problems for political economy

students intent on doing honours, despite the lack of a suitable programme of studies. One brilliant student, who had been a prominent leader of the student protest movement in the early 1970s, was awarded a class of honours degree below that which he might reasonably have expected on the basis of his previous grades. His marks fell short of first-class standard in two subjects, and it was later revealed that these papers had both been assessed by a conservative professor in the Department, despite the fact that the professor in question had not been involved in teaching one of the courses. In 1978, two students emanating from the political economy courses chose to write honours theses. Political economy staff were denied access to these theses. After the assessment was determined one of the political economy staff obtained copies of the theses and concluded that there was evidence of discrimination in the marking, by contrast with the mark gained for a third thesis by a student from orthodox economics. One student was treated very shabbily and given third-class honours. No redress was available to the dissatisfied student; and requests for a procedure to process a staff member's complaint of a *prima facie* case of discrimination were refused. The appropriate Faculty body also declined to intervene, either on the specific case of alleged discrimination, or on the general principle of discriminatory exclusion of staff from examination procedures. The predictable outcome of such experiences has been that students from the political economy courses have typically chosen not to do honours in the Department of Economics but have done so in cognate departments such as Economic History, Industrial Relations and Government.

The denial of unfavourable student feedback has also been a persistent element in the political economy dispute. That a discipline of questionable intellectual merits should integrally require an authoritarian teaching practice has already been argued. The resulting student expressions of dissent have been widespread, strong in intensity, persistent, and the product of much disciplined labour; and the rejection of such feedback has been both aggressive and ultimately counterproductive. In 1981, for example, students devoted extraordinary energy to producing a large document comprising desired course developments in Economics III. The proposals were discussed at Department level, summarily rejected, and no acknowledgement made of the disciplined interest of students in their own education. The Vice-Chancellor eventually diverted rising dissent by establishing the third committee of inquiry into the "political economy dispute".

Two years later student opinion was again explicitly rejected in respect of a proposal to abolish the first-year political economy and orthodox economics courses in favour of a common compulsory course for first and second year centred on orthodox economic "principles". A student referendum, organised by the Students' Representative Council, was undertaken in 1983: approximately 40 per cent (an unusually large percentage for student ballots) of a possible 1900 students voted in the referendum, and of these, 80 per cent voted for the maintenance of separate streams. The response of the orthodox economists was to question the legitimacy of the procedure, and to speed up the process for the achievement of a common compulsory syllabus. Widespread student incredulity at the cynicism of this procedure provided part of the basis for the escalation of student dissent into the widely reported forms of demonstrations and occupations in June and July 1983.

3. THE GENERAL SIGNIFICANCE OF THE ISSUES

Which groups then have played a major role in inhibiting the development of studies in political economy? By contrast with other documented examples of academic suppression, corporate elites have played no major observable role (subject to a qualification to be considered shortly). It is possible that an undergraduate economics education is seen to be of less tangible significance to business than is research in the natural sciences, which directly impinges on corporate sector prestige and profitability. Certainly, political economy courses are potentially threatening at the ideological level. However, what evidence exists indicates that students from the political economy courses have been acceptable to employers in both

the private and public sectors. It is possible that the manifest narrowness and distorted vision of much of the conventional economics syllabus offers little basis for private employers to mount a campaign of active hostility.

This reticence of business is not universal. United States business has been prepared to intervene in disputes regarding the teaching of economics, the most celebrated example being the shameful harassment of the Marxist development economist, Paul Baran, at Stanford University in the 1950s and 1960s.¹³ This country-specific difference may be linked to cultural and institutional differences in education in the United States. In the cultural sphere, US business has placed much higher priority on the ideological component of education in social disciplines.¹⁴ Institutionally, the highest governing body in US universities (the Board of Trustees) is typically dominated by businessmen, who have exhibited a capacity for an intervention role in syllabus development and staffing appointments.¹⁵ These tendencies are not so pronounced in Australian universities.

At Sydney University, the major antagonistic group has been the academic elite, with support from the administrative hierarchy. For some of this group the opposition has been explicitly ideological. Professor Simkin was a founding member of the Sydney-based Centre for Independent Studies, a right-wing think tank. Professor Hogan has been a long-time adviser to the Liberal Party and consultant to the corporate sector. Ted Wheelwright's research programme on transnational corporations has been a focus of hostility for some academics dependent on corporate funding of research (such as in geology, pharmacology and engineering) and those who are uncritically sympathetic to such corporations' values. More generally, the antagonism has derived both from the desire to maintain a rigid institutional hierarchy and from the desire to maintain a monolithic conceptual approach within the academic profession, indeed to define the discipline as being *synonymous* with a particular analytical vision.

The desire of individuals to acquire power and to abuse power once in high office is a perennial curse on the efficient and humane operation of social organisations. This important element in the "political economy dispute" is little different in its significance from numerous other examples of the same ilk. The particular and perhaps most significant element is intellectual suppression. The behaviour of the academic elite can best be likened to a jealous priesthood attempting the dogmatic imposition of a (secular) theology on succeeding generations of novices, and engaging in a persistent inquisition of heretics whenever such dissidence gains sufficient prominence as to cause any trouble to entrenched holy writ.¹⁶ The size of the dissident group at Sydney University is linked to the fact that they were all hired on the basis of orthodox credentials. The processes of appointment and the granting of tenure are means for discrimination, but the key means to disciplinary purity in Australia, one suspects, is the allegiance required at the student level. Most critical students very early decide that a more adequate explanation of economic systems is to be gained from the other social sciences. Without the existence of sympathetic staff, persistent student attempts to have the syllabus modified (such as at Melbourne University and the A.N.U.) have usually failed.

The compulsory imposition of a predominantly orthodox syllabus on all economics students is defended by its academic proponents on various grounds, the essence of which is captured by the standard comments: "this is the body of analysis that we studied"; "this is what economics is"; "students have to study it regardless of the lack of interest it engenders and regardless of its relevance"; "students have to be able to talk the language of the profession". In this context, the best that one can hope for is a critical evaluation of orthodoxy, but *on its own terms*. Methodologically, this is a poor basis for the development of any critical perspective. Pedagogically, it is extremely unsatisfactory, because students complete their formal education with the knowledge that much of what they know is not very useful, and with exposure to only fragments of an alternative perspective.

The most fundamental incongruity is the absence of a clearly articulated philosophical

basis for this monolithic vision of the discipline. Exclusionary activities have rarely been attended by any epistemological and methodological defence. Indeed, the indifference and ignorance of methodological issues amongst many academic economists firmly committed to intellectual orthodoxy have been extraordinary. Much use has been made of terms such as "rigorous analysis", but no more detailed explication of the meaning of "rigour" is usually attempted. Those methodological criteria that have had the greatest currency are either philosophically questionable, or are not followed in academic practice.¹⁷ In the case of the Department of Economics at the University of Sydney, the professoriate has typically relied on the prerogative of authority *per se*. Thus intellectual defence is rendered unnecessary.

The most plausible explanation for the overwhelming dominance of the "neoclassical synthesis" in the economics profession at large is a sociological one. New generations of adherents to intellectual orthodoxy are reproduced by a socialisation process and enforced by lines of authority.¹⁸ The apparent cohesion of economics departments elsewhere is not a product of open compromise between a variety of intellectual perspectives but the product of an exclusionary and introverted narrowness. In the words of a dissident contemporary philosopher of science, "... the semblance of Absolute Truth is nothing but the result of an absolute conformism".¹⁹ The consequence of this process is that individuals who have mastered the discipline's own apprenticeship are not readily permitted to follow a line of reasoning wherever it leads. By analogy, those in authority stand firmly on the side of the Church and against Galileo. The implications of this are profound. Those with formal authority in the Department of Economics at the University of Sydney, and elsewhere in the discipline, have been engaged in an educational process which is fundamentally anti-intellectual. It is a classic example of academic suppression.

References

1. A good summary of the methodological basis of conventional economics and its limitations can be found in K. W. Rothschild (ed.), *Power in Economics* (Harmondsworth: Penguin, 1971), Introduction.
2. Much work in applied (orthodox) economics is incoherent because of the attempted grafting of detailed empirical work onto an idealist conceptual structure. For example, see F. Scherer, *Industrial Market Structure and Economic Performance* (Chicago: Rand McNally, 1970), probably the best work in the applied field known as "industry economics".
3. The 1983 Nobel prize for economics was awarded to Gerard Debreu, the Berkeley theorist, whose work encapsulates the core of the neoclassical conceptual focus.
4. Compare, for example, Michel Aglietta, *A Theory of Capitalist Regulation* (London: New Left Books, 1979), and E. P. Thompson, *The Making of the English Working Class* (Harmondsworth: Penguin, 1968). Both are masterly works on the "transformation of the conditions of existence of the working class", both claim a Marxist lineage, but the methodological premises underlying each work are substantially different.
5. Conservatives have labelled as "political economy" the application of the neoclassical method to the sphere of politics. There is certainly a "conservative" political economy, but this development is an example of intellectual imperialism, and constitutes false advertising at its best.
6. The most persistent criticism has come from Peter Groenewegen, elevated to a Chair in the Department in 1980. Groenewegen's attachment to post-Keynesian economics is to be distinguished from the varied character of his own published work, mainly in the history of economic thought and public finance. For Groenewegen's views on political economy and political economists, see "Radical Economics in Australia: A Survey of

- the 1970s", in F. H. Gruen (ed.), *Surveys of Australian Economics*, vol. 2 (Sydney: Allen & Unwin, 1979).
7. See, for example, Paul Davidson, "Post Keynesian Economics", in Daniel Bell and Irving Kristol (eds), *The Crisis in Economic Theory* (New York: Basic Books, 1981).
 8. See, for example, Luigi L. Pasinetti, *Growth and Income Distribution* (Cambridge: the University Press, 1974).
 9. Sydney University Economics Society Student Survey, 1973, archival collection of Frank Stilwell; also reported in *Honi Soit*, 18 October 1973.
 10. Graham Williams, "40 MPs demand inquiry into 'bias' against professor", the *Australian*, 5 May 1975.
 11. Alan Ashbolt, "Australian Political Chairs", *New Statesman*, 9 May 1975.
 12. The official position was stated by the Vice-Chancellor, Bruce Williams, in a letter to the *Australian Financial Review*, 6 May 1975.
 13. Lawrence S. Lifshultz, "Could Karl Marx Teach Economics in America?", *Ramparts*, vol. 12, April 1974, pp. 27–30, 52–9.
 14. See, for example, Alex Carey, "Social Science, Propaganda and Democracy", in Paul Boreham and Geoff Dow (eds), *Work and Inequality*, vol. 2 (South Melbourne: Macmillan, 1980).
 15. David N. Smith, *Who Rules the Universities?* (New York: Monthly Review Press, 1974).
 16. Such "disciplinary dogmatism" has a long history. See, for example, Bernard Barber, "Resistance by Scientists to Scientific Discovery", *Science*, vol. 134, Sept. 1961, pp. 596–602.
 17. Evan Jones, "Positive Economics or What?", *Economic Record*, vol. 53, no. 143, Sept. 1977, pp. 350–63.
 18. Evan Jones, "The Socialisation of the Economics Profession", mimeo, Department of Economics, University of Sydney, 1981.
 19. P. Feyerabend, *Against Method* (London: New Left Books, 1975).

Postscript by Brian Martin

On 2 June 1984 I sent a copy of an earlier version of this chapter to the Vice-Chancellor of the University of Sydney inviting a response from someone representing the University, or anyone else appropriate, to be included in this book. On 8 June the Vice-Chancellor replied with a brief comment which was not for publication.