The Theoretical Relevance of an Updated Marxian Theory of Commodity in Economics

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How does material production become socially recognised in Capitalist production? Capitalism breaks down the immediate unity of the material and social moments of production, characteristic of previous modes, into two interlocked yet autonomous spheres: material production and market exchange. Commodity, its basic unit, renders production global and atomistic for the first time in history, with material production taking place in social isolation; that is, privately and independently.

This paper analyses why the above fundamental question is unanswerable in Classical Political Economy and Neo-Classical Economics; the former being unilaterally focussed on material production and the latter on the market. It also assesses Marx’s attempted account of the differentiated unity characterising commodity production. That is, private work becomes objective social labour as the substance of the value of commodities, and social labour finds its necessary expression in the money-form of commodities. The paper concludes by highlighting the gaps in Marx’s economic argument.
Corporations/Large Businesses: Balancing the Costs and Benefits
John August

There is a great deal of criticism of corporations, and equally there is some celebration too, in different circles. The author finds it important to acknowledge that corporations can do good in certain instances, but that it important to make an effort to compare this to the bad they have done and are able to do in an even handed fashion. Corporations have an ability to call on resources which far exceed those of individuals in order to do things which, so long as they address a genuine need and do not generate negative externalities, will distribute some good to those who satisfy their needs through the corporation. Equity in the distribution of those goods is a separate issue, but nevertheless corporations can satisfy these needs effectively. But, equally corporations have an incentive to externalise costs, and shareholders have the privilege of limited liability. Limited liability is held to be a necessary incentive for people to invest, but it is also possible that corporations are taking advantage of their limited liability at the expense of the community at large. In making a rigorous criticism of corporations, it is necessary to engage with the good they are also able to do.

Labour Force Involvement of Women in Canada and Australia: Current and Historical Perspectives
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This paper examines an important category of decisions where the ‘independence’ assumption of standard micro economic theory fails to hold; that is, where the desirability and/or legitimacy of consumption or production choices is affected by the behaviour of others. The analysis of decisions of this type require attention to be paid to social dynamics, especially the sources of initial changes in behaviour; the transmission of changes in values and preferences; and the role of the formal institutional environment in either facilitating or limiting further change. The particular example of non-independent decisions addressed in the paper is women’s labour market participation. Comparative data from Canada and Australia over 1950-2000 is analyzed to contribute a new, dynamic perspective on the sources of the large differences in the participation behaviour of women in the two countries. The findings highlight the important role for education in determining long run outcomes for participation rates, especially for women with young children.

Re-examining the Trickle-Down Effect with Reference to Rural India
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A theoretical analysis and several econometric tests have been undertaken to examine whether the trickle down effect took place in rural India over a long time period. We found little evidence to suggest that the trickle down effect did occur; our analysis suggests that the emergence of capital-labour substitution was primarily responsible for preventing growth from reducing poverty. The decline in poverty and a higher growth rate that took place during the late 1970s and 1980s were largely a result of government anti-poverty measures and the more equitable distribution of credit and inputs to smaller and marginal farmers.
Before the storm: the making of Australian anti-inflation policy during the post-war boom

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The 1970s are often seen as the turning point for anti-inflation policy in Australia and elsewhere. But arguably the two decades after World War II were at least as important in shaping today’s inflation-fighting regime. The early Keynesian concept of the ‘inflationary gap’ informed optimistic hopes that fiscal and monetary policy could fine-tune the business cycle and allow the economy to walk the knife-edge between unemployment and inflation. This ran up against three problems:

1) A government commitment to rapid development meant investment could not easily be considered a swing variable;
2) Australia was subject to sudden large shifts in its external position; and
3) Policymakers did not have adequate control of the target variables.

Focusing especially on monetary policy, but also looking at fiscal policy, wages and the political context, this paper shows how these problems tended to undermine a commitment to full employment, well before the monetarist ascendancy.

Which Way Now for China's Development?

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University of Northern British Columbia Canada

China’s rapid growth and integration into the global economy over the past 5 years have profoundly changed China's political economy. But over the next 25 years, the challenges - and implications - of China's development are even more profound. China's future trajectory is still uncertain. It is possible, and probably likely, that China will become entrenched as a low cost, export platform for global capital, an outcome which will have negative effects for many Chinese and for workers in other countries. It is also possible, however, that China may emerge as a developmental state and follow the path of other East Asian developmental states. If this latter outcome is realised the prospects for many Chinese and workers in competing countries are more positive. This paper examines the current state of China's development and analyses the prospects for, and implications of, the two scenarios outlined above.

Rawlsian Justice and the 'Property-Owning Democracy': A Destructive Symbiosis?

Wylie Bradford Macquarie University

Meade’s concept of a “property-owning democracy” (PropDem) proved influential in the development of Rawls’s arguments for his theory of justice, eventually coming to represent the definitive non-socialist form of the Rawlsian just society. Despite this role in a seminal work of moral and political philosophy scant detail is provided by either author regarding the institutional characteristics of a PropDem. More importantly, it appears to have gone unnoticed by Rawls and those who have cited Meade approvingly that he proposed the PropDem as a response to imagined future circumstances (extensive automation of production) rather than the situation in any extant society. These imaginary characteristics of the PropDem play a crucial role in underpinning Rawls’s agnosticism on the relationship between justice and property rights over the means of production; the circumstances facing actual societies may compel consideration of the property rights question as part of the determination of the principles of justice.
Inside the Crystal Ball of Finance: Understanding financial economists’ attitudes to market and society

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Shaun Wilson Department of Sociology Macquarie University

This paper reports the results of a survey of leading financial market economists and strategists in Australia – the ones employed in the large banks and investment houses. The paper uses the survey data to do three things: (1) to find out how the opinions of economists on a range of economic and social issues differ from those of the Australian public at large; (2) to get some insight as to how these economists form their opinions about financial markets, and (3) to discover if economists in financial institutions hold different personal opinions about taxes, spending and economic policy than they advocate to the market as their professional opinions.

The Impact of Neoliberalism on The Australian Electricity Sector

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The 1990s delivered a decade of structural change, with astonishing rapidity, to electricity sectors around the world. Australia is no exception. Discussion about this restructuring is consistently framed within a context of sector regulatory change and the creation of the national electricity market being the driving forces. This focus produces an inaccurate conceptualisation of the restructuring and its outcomes. It is contended that three concurrent ‘layers’ of policies and actions, embodying the precepts of neoliberalism and implemented by the Australian nation-state and local-state, have driven the electricity sector’s restructuring. These policies transcend sector-specific changes. The analytical approach of french régulation theory was used to identify these policies and the most significant outcomes of the sector’s restructuring: global integration, debt and derivatives, an uncompetitive market, falling real wages, higher real prices for residential consumers and increased regulatory control by the state. The clear winners have been the prerogatives of capital.

A New Approach Needed For Australia’s Infrastructure

Lynne Chester and Michael Johnson School of Social Science and Policy, UNSW

There is not a generic infrastructure crisis per se in Australia but one of differing dimensions across a range of sectors although the exact extent is difficult to determine due to a lack of data. This paper shows that evidence of an infrastructure crisis has grown with the Howard government’s budgetary policies and broader policy approach of market reliance although some origins can be traced to the Hawke-Keating governments. The states have compounded the infrastructure crisis by adopting similar budgetary policies and a prolific use of public-private partnerships. The paper examines these aspects before proceeding to discuss the rapidly growing bank of issues Australia faces as a result of the actions of all governments and concludes with a suggested approach to overcome the infrastructure legacy of the past.
A Critique of the Orthodox Approach to Indonesia’s Growth & Employment Problems and Keynesian Alternatives

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Indonesia, once heralded as the ‘miracle’ economy of Asia, continues to bear the scars of the 1997 financial crisis. The Indonesian open unemployment rate is now one of the highest in Southeast Asia. The orthodox interpretation is that the post-crisis era in Indonesia is typified by overly generous labour legislation that has seen an aggressive pursuit of minimum wages and other provisions, such as severance pay, that raised real wages to unsustainable levels, impeded employment growth in the formal sector and has had an adverse impact on the investment climate. This paper takes a critical look at the ‘wage-push’ orthodoxy. Detailed sectoral analysis reveals that the share of labour costs in manufacturing is roughly constant at 7 per cent, while the operating surplus has increased at a moderate rate. Hence, there is little evidence of a wage-driven cost squeeze on profit margins in the manufacturing sector. Enterprise surveys also reveal that current labour legislation is not at the top of the list of concerns among investors relative to the macroeconomic and the political climate. Thus, this paper contends that Indonesia’s current labour woes are best understood as the reflection of a demand-constrained economy. All the key macroeconomic indicators – consumption, investment and exports – point in that direction. Capacity utilisation rates in important sectors of the economy in the third quarter of 2005 were still languishing at 71 per cent. This means that a simple Keynesian narrative in which weak aggregate demand is holding back rapid output and employment growth is analytically more persuasive than the account offered by the advocates of ‘wage-push’ orthodoxy. As long as aggregate demand is buoyant, minimum wage increases should not lead to net job losses.

From Galbraith To Krugman And Back: Galbraith, Krugman and ‘Good Economics’

L.A. Duhs University of Queensland

J.K. Galbraith's heyday was in the 1950s, 1960s and 1970s. He was one of the most cited economists of his time, and attracted much praise and blame. In 1994, Krugman castigated Galbraith as “a policy entrepreneur” i.e. as a rhetorician unworthy to be called an economist. He lampooned Galbraith's predictions as having widely missed their mark, and dismissed Galbraith's influence as a victory of style over substance. By 2004, Krugman appeared to have undergone a striking metamorphosis. In his New York Times columns (2000-2006), what is conspicuous is the extent to which Krugman's interpretation of economic affairs now echoes Galbraith. This newer Krugman questions consumer sovereignty, bemoans the power of producers, questions the uses to which State power is put, worries about an energy lobby (if not a Galbraithian military-industrial complex), and laments the hijacking of public policy by private interests. Apart from general interest, there is a question of scientific method here. Is the new Krugman merely a journalist, who has left model building and scientific economics behind? Or has he 'seen the light' as to what really constitutes scientific procedure in economics? The journey from Galbraith to Krugman and back serves as a useful vehicle for addressing the question of what constitutes 'good economics', what is 'economic science', and what should good economics teachers teach.
THREE MODELS OF WOMEN’S RETIREMENT

Christine Everingham  University of Newcastle

This paper is based on work developing three models of retirement. The models serve to focus attention on the growing significance of workplace flexibility as a class issue, dividing women and emphasizing the vulnerability of single mothers.

Technological change: two suggested ‘revised taxonomies’

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In introducing the concept of ‘exaptation’ Gould and Vrba (1982) argued that it can often be gainful to introduce new ways – ‘revised taxonomies’ – of ordering and describing phenomena. In this paper two such are suggested with respect to technological change. The first involves a clarification (with respect to technology) of the idea of complexity; specifically, with going beyond the argument of W. Brian Arthur (1993) in here making a distinction between what I identify as ‘inside’ and ‘outside’ complexity. The growth of the former is obvious, and could conceivably proceed without bound; the growth of the latter, however, is necessarily bounded. The relationship over time of the two is suggested. The second points to the need for recognition of the corollary to the well-known phenomenon of ‘locking-in’, that which is characterised here as ‘locking-out’. By the fact that one (usually) of a set of initially competing technologies comes to be locked in, others are necessarily locked out. But locking-out, no more than locking-in, is necessarily a permanent state of affairs, as we have seen and are seeing with respect to some technologies, for which examples are given. In both cases, I suggest, we can gain from the suggested ‘revised taxonomies’.

You Say Tomato, I Say Tomahto, Let’s Call the Whole Thing Off:
The Chicago School of Law and Economics Comes to Japan

Craig Freedman Director, Centre for Japanese Economic Studies; Associate Professor, Department of Economics, Macquarie University
Luke Nottage Co-Director, Australian Network for Japanese Law, Faculty of Law, University of Sydney

Mark Ramseyer has been a leading force in bring the methods of Law and Economics to a continuing analysis of the Japanese legal and economic system. He has deliberately assumed an iconoclastic position in debunking a number of widely held beliefs about Japan. In this paper we analyse Ramseyer’s contribution and conclude that he has too frequently let ideological objectives interfere with what should be cool headed analysis. While asking many of the right questions he unfortunately has let a priori assumptions determine his answers.
Economic Causes of Protest in Chile: 1983-85
Ulises Garcia School of Economics and Finance University of Western Sydney

Literature on the protest movement in Chile during the period 1983-1985 by sociologists such as Oxhorn (1995) and Schneider (1995) do not cover the economic causes of the protest in full, but rather focus upon the organisational and political structures at the time, when they explain the advent of protest. Writers such as Raczynski and Romaguera (1995) on the other hand focus on explaining the causes and the extent of poverty in Chile, while not connecting the increase in poverty to the protest movement.

Relative Deprivation is a theoretical framework for the creation of social movements driven by economic needs and inequality. This paper attempts to bring these two literatures, sociological and economic, together using Relative Deprivation to help give a clearer picture of the economic causes of the protests.

Accumulation and Effective Demand in East Asia since the 1990s
Joseph Halevi University of Sydney
Peter Kriesler UNSW

In order to understand current developments in Asia, particularly the pattern of growth and accumulation, it is necessary to consider the historical development of the region. In the paper we attempt to understand these recent developments from the stagnationist tradition in Marxist literature which is discussed in the next section. Using the stagnationist framework, three distinct phases of Asian capital are identified. The early phase was characterized by European interest in the region and with the start of Japanese industrialization, while the second phase is marked by the rise of Japan as the oligopolist power in the region. Finally, the rise of China as a significant economic force leading to structural change in the region is considered.

Dimensions of the ‘Skills Crisis’
Ian Hampson and Anne Junor School of Organisation and Management, University of New South Wales,

The most obvious ‘public face’ of the skills ‘crisis’ (or ‘challenge’, depending on your political affiliation) is the highly visible employer and government concerns about the constraints on economic growth, particularly in the minerals export sector, caused by skill shortages in a number of trades. But underlying this are certain other dimensions of a multifaceted skills crisis, which tell us quite a lot about Australia’s present institutions. This paper identifies these dimensions of the skills crisis, and traces them back to problems in the institutions which govern the recognition of skill in Australia. It illustrates how the meaning of ‘skill’ is shifting, taking as a case in point the recent concept of ‘employability skills’. It argues that Australian institutions and politics are inadequate to the task of producing a good training
Fiscal Policy and the European Union.

Neil Hart School of Economics and Finance University of Western Sydney

This paper examines critically the economic principles upon which the EU fiscal framework is claimed to be based. It outlines the nature of the ‘fiscal rules’, and then argues that the theoretical justification rests on a rather simplistic and naive interpretation of contemporary mainstream macroeconomic theory. Similarly, the association of fiscal deficits with fiscal irresponsibility is also shown to rest, in part, on an antiquated vision of public finance. Finally, questions are raised as to the nature and suitability of economic integration in the EU.

Australian Workplace Agreements and Gender Equity

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Rob Guthrie School of Business Law Curtin University of Technology

This paper explores the issue of gender equity and re-assesses the likely experience of women under the new Australian industrial relations regime. Proponents of the changes have consistently argued that women’s position (as measured by financial and non-financial (eg. flexibility) indicators) will improve under a system ‘more responsive to individual needs’. However, the data presented in this paper show that the biggest losers in the pre-WorkChoices system of individual bargaining have been women non-managerial employees on individual contracts. We extrapolate from this to suggest that this group is likely to see a further deterioration in their relative pay position over the next few years. We also highlight important changes required to data collection methods if we are to adequately monitor equity outcomes under this new regime.
Discussing retirement: Interviews with thirty Western Australian women

Therese Jefferson  Curtin University of Technology

This paper describes a qualitative research project of thirty interviews with women in Western Australia and summarises the outcomes generated from subsequent data analysis. Three key areas of interest are discussed that add to the existing body of economic research on women’s savings. Firstly, the project’s conclusions emphasise women’s own definitions of savings, their perceptions about their skill in making financial decisions and their ideas about risk and seeking financial advice. Secondly, the project contributes to a greater appreciation of the links between women’s decision-making contexts, processes and outcomes and the ways these affect their future access to economic resources. Thirdly, the research method played an important role in identifying potentially relevant literatures that had not yet been applied to studies of women’s savings. It is concluded that relatively small programs of qualitative research can generate valuable insights into economic research agendas.

Macroeconomic Policy and Industrial Structure: Contested Parameters of Economic Policy in Post-World War II Australia

Evan Jones Political Economy Discipline, Faculty of Economics & Business University of Sydney Sydney, NSW, 2006

The use of macroeconomic policy in Australia has generally been inconsiderate of the unequal sectoral impact of macroeconomic instruments. The period immediately following World War II provides an opportunity to confront the interaction and tension between the purely macroeconomic and structural perspectives on appropriate policy. The six-year period from 1945 to the high inflation of 1950/51 and the repressive macroeconomic measures in 1951/52 provide an excellent case study in the evolution of policy instruments for the control of the Australian economy during the long boom. The particularities of the policy-making environment in Australia, rather than any preconceived theoretical schema, played a large role in that evolution. The notion has seeped into the textbooks that macroeconomic policy, specifically in a Keynesian mould, was responsible for the boom. That interpretation neglects the myriad structural policies of the period, and the pragmatic evolution of both structural and macroeconomic instruments from experience of their use in practice.
Deleuze and the Calculus

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Abstract:
The paper investigates Deleuze’s philosophical interpretation of differential calculus, which draws upon the approaches of Maimon, Wronski, and Bordas-Demoulin. Deleuze argues that for each of these thinkers the differential is the Idea—respectively, Leibnizian, Kantian, or Platonic. He further argues that, within the differential, three principles are combined to form a sufficient reason: the principle of determinability, which corresponds to the undetermined \((dx, dy)\); the principle of reciprocal determination, which corresponds to the reciprocally determinable \((dx/dy)\); and the principle of complete determination, which corresponds to the effectively determined (the singular values of \(dx/dy\)). This Deleuzian conception of the calculus is discussed in relation to his Spinozian critique of the Leibnizian, Kantian, and Platonic Idea, his deployment of a virtual ontology, which has been strongly influenced by Bergson’s notion of the élan vital, and recent developments in stochastic calculus. It is argued that, while these latter developments are mostly congruent with Deleuze’s interpretation of the calculus, Robert Rosen’s critique of mechanism raises some doubts about the adequacy and completeness of Deleuze’s conception of the differential, especially in relation to Bergson’s élan vital.

Financial Applications of Non-Extensive Thermodynamics: Some Philosophical Considerations

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This focus of this paper is on financial applications of non-extensive thermodynamics. It begins by examining three common ways of generalizing the stochastic calculus to accommodate Tsallis distributions. The first of these is based on developing generalised information measures that extend principles of statistical inference to account for nonextensivity. This approach has the advantage of identifying the relationship between nonextensivity and uncertainty aversion. The second approach generalizes the logarithmic functions, which appear in the differential equation satisfied by the constrained entropic functional. In the third approach, based on an interpretation of generalized diffusion equations, emphasis is placed on the link between fractional and \(q\)-generalized diffusion processes and alternative forms of calculus including fractional derivatives and Jackson’s derivative. Next, the paper provides an overview of research accounting for the ubiquity of nonextensivity in stochastic processes. Included here, are recent \(q\)-generalizations of the standard central limit theorem and its Lévy-Gnedenko counterpart; the emergence of power law distributions in scenarios characterised by finite dimension or fluctuation effects; and research into the properties of the \(z\)-logistic equation. For this non-linear recursive difference equation, trajectories at the ‘edge of chaos’ are characterised \(q\)-generalized Liapunov functions and sensitivity measures. Finally, the paper returns to consider the issue of uncertainty aversion by reviewing the debate occasioned by Zanette and Montemurro’s paper, which criticizes non-thermodynamical applications of non-extensive statistics. While Constantino Tsallis has responded effectively to these and other criticisms, it is argued that the Zanette and Montemurro critique does serve to highlight an obvious gap in justifications made for financial applications of non-extensive statistics. In is argued that an alternative justificatory strategy would place renewed emphasis on the implications of the nonextensivity property for decision-making under uncertainty.
Explaining Profit in the Circuit Theory of Endogenous Money

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The theory of the monetary circuit—known as “Circuit Theory”—has made fundamental contributions to the understanding of endogenous money. However, it is also clearly beset by many serious conundrums, not the least of which is an inability to explain how borrowers can manage to service and repay debt, let alone make profits. In this paper, I argue that these conundrums are chimeras, derived by applying the wrong analytic tools to quite valid economic insights. A deliberately skeletal dynamic model of the monetary circuit shows that firms in a pure credit economy can easily service and repay debt, and make monetary profits—in contrast to assertions to the contrary in many Circuitist papers (Graziani 1989, Bellofiore et al. 2000, Nell 2002).

Entering Retirement: the Financial Aspects

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Compulsory saving for retirement has now been in place in Australia for around 15 years. With the majority of baby boomers just about to enter retirement, will superannuation and other savings make a significant difference to their financial wellbeing in retirement? This paper uses survey data collected by the ABS to provide insights into the financial situation of those approaching retirement. It compares the retirement savings of males with females; those still in the labour force with those that have already retired; and those with partners to those without. The paper paints a very bleak future for many groups, especially women, as they begin their retirement.

Kaldor’s War

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In the 1930s Nicholas Kaldor had established himself as one of the world’s most perceptive and versatile economic theorists. During the Second World War he largely abandoned theory and turned instead to questions of applied economics and macroeconomic policy. Kaldor’s work on war finance, fiscal policy and the principles of postwar reconstruction made an important contribution to contemporary political debates. On two questions – ‘functional finance’ versus ‘sound finance’, and the conditions for long-run fiscal sustainability – his war-time arguments have a surprisingly modern ring.
Power, Profits and the Planet – Fossil Fuel Businesses putting profits before planet - promoting burning as usual!

Ian McGregor School of Management, UTS, Sydney

In 1990, the Intergovernmental Panel on Climate Change concluded that the increasing concentrations of greenhouse gases are caused by human activities and will result in an additional warming of the Earth's surface. Earlier warnings on climate change had triggered, in 1999, the formation of the Global Climate Coalition (a US advocacy organisation - backed by the fossil fuel industry) in order to ensure that action would not taken in relation to climate change that would harm fossil fuel use.

This paper documents the continual undermining by the fossil fuel industry (particularly in the US and Australia) of the scientific and international consensus on the need for a range of coordinated international environmental policies to urgently address the serious problem of global warming. This has led to the US and Australia not ratifying the Kyoto Protocol (which they both signed). This has reduced the pressure, particularly on China and India to address the increasingly serious problem of their rapidly increasing levels of fossil fuel use contributing to continued burgeoning global greenhouse gas emissions.

Housing tenure does matter: Social exclusion of older private renters in Sydney

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Abstract

The Australian government, due to its virtual freeze on the expansion of social housing, has created a situation where more and more older Australians are dependent on the private rental market for their accommodation. This article reports on a study based on twenty in-depth interviews with older private renters in Sydney. Interviewees told of their social exclusion and lack of capability. Having to devote such a substantial part of their income to paying the rent and the persistent fear of a rent increase had a serious impact on their physical and mental health. The lack of finances encouraged isolation. There were two key factors which determined their degree of social exclusion and capability – the actual rent being paid and the degree of support from family members. The experiences of the interviewees suggest that in the context of an ageing population and declining housing affordability the expansion of affordable and appropriate social housing for older people is a necessity.
Decision Making Clusters and Gender Issues in Retirement Savings

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The aim of the present study is to explore gender differences in retirement savings decisions by considering the investment choice history of the members of an Australian retirement savings fund. HESTA is an industry superannuation fund for the health sector and has a high proportion of female members. We use a two-step cluster analysis to examine whether well-defined sub-groups exist in the health industry as identified by their investment choices and member demographics. Four distinct groups were found, varying mainly along gender and age lines, however there were also clear distinctions between the groups in terms of the risk of the investments they chose. Results are presented in the context of other work done by the authors with a similar sample.

The Institutional Economy of Growth & Reform

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Development research has transcended from simple policy advice of macro economic stability and from literature focusing on growth accounting, to finding deeper determinants of growth. Institutions have been presented as one of the deeper determinants creating the ambiance necessary for better economic performance. It is generally acknowledged that many countries have been unable to accomplish successful institutional outcomes. The quest today is how to learn from the past experience and how to turn the interpretation into concrete policy advice. This leads us to think beyond the formal institutional structures and the fact that institutions are themselves underpinned by the societal capability.

Is social exclusion a useful concept for policy-makers in Australia?

Ann Nevile Crawford School of Economics and Government The Australian National University

In Australia the concept of social exclusion has permeated government thinking about welfare reform with policy solutions centred on the idea that social exclusion can be prevented by integration into paid employment. However the term continues to attract criticism, in particular for the lack of emphasis on redistribution and on the ways in which social exclusion is generated through mainstream processes such as market competition. Any assessment of the usefulness of contested concepts such as social exclusion needs to focus on whether or not the concept assists policy-makers to tease out the complex, interconnected factors pertinent to particular experiences of poverty and deprivation. I argue that Amartya Sen’s way of thinking about poverty and social exclusion and the analytical distinction he draws between constitutive and instrumental forms of exclusion and active and passive forms of exclusion assists policy-makers to do just that.

John O’Brien and Anne Junor School of Organisation and Management The University of New South Wales

This paper traces the history of collective bargaining in Australia from its origins as ‘over award’ bargaining in an arbitral context to the most recent attempt to destroy it under the Work Choices legislation. The paper will argue that for 100 years there has been an element of collective bargaining in Australia, albeit within the context of compulsory conciliation and arbitration. It operated most freely during the great post-war boom. The period from 1975 until the mid to late 1980s was marked by a number of attempts to re-centralise the industrial relations system. The post-1987 regulated decentralisation of industrial relations and the decline of the consensus about the efficacy of conciliation and arbitration opened the door to a restricted form of collective bargaining under the Labor government that was supplanted by the Workplace Relations Act 1996, which made collective bargaining merely one option among a number of choices available for the regulation of employment relations. The 2005 Work Choices legislation has increased the power of the state in regulating industrial relations, but in a way that is inimical to the exercise of ‘free’ collective bargaining. The paper explores the options open for unions in the currently constrained collective bargaining environment.

Will you Still Need Me, Will You Still Feed Me, When I’m 64: Women’s Prospects for Retirement

Diana Olsberg University of New South Wales

Despite recent major legislative and regulatory changes to superannuation, gender-based disparities in adequacy of superannuation persist, and the prospects for retirement lifestyles for most older women continue to be dismal. The reasons are women’s continuing marginal attachment to the labour force and their attendant low levels of lifetime income in the paid workforce, which translate to low levels of accumulated occupation-linked superannuation savings. This paper reports upon recent research regarding women’s retirement prospects and expectations for retirement.
Young, creative & extremely rich – On what we might do to help them

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This paper examines the contribution of the ‘creative industries’ to the amassing of great wealth. Using a sample of Australian and global ‘rich list’ data, we shall profile the extent of wealth originating from the ‘creative industries’ (using the DCMS 2001 definition) during 2004–6. We find that among the biggest public and private companies the creative industries register about 3–4%, which is less than the estimated 4.5–6% contribution of CI to GDP. For the top personal fortunes, the creative industries are represented at about 9–12%. This means that most CI wealth is generated by many small companies and meager fortunes. This number rises to about 20% when the contribution to wealth from CI services embedded in other companies is included. This means that the CIs are widely embedded in the economy. Yet the most interesting observation is that among the young Australian rich approximately 30–37% of fortunes originate in the creative industries. And this, we think, offers a glimpse of future mass wealth. This paper presents this analysis of rich lists from the perspective of the creative industries and considers some policy implications that might reasonably follow.

Child Poverty and Child Rights: Edging Towards a Definition

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The purpose of this paper is to consider how one might develop a definition of child poverty that is based on the Convention on the Rights of the Child (and the human rights treaties with which it is associated), but also draws heavily on the development of poverty research in the social sciences. The paper focuses in particular on Article 27(1) of the Convention, with its dual emphasis on an adequate standard of living as an input, and a child’s development as an outcome. Three perspectives in the social sciences – economic welfare, capabilities and social exclusion, are compared in order to determine what they can contribute to this input and output based definition of child poverty. All are found to have advantages and disadvantages. The paper concludes with two proposals: first, further research on valuation of conversion factors used in the capability approach to link inputs to outcomes; and second, the adoption of universal but nationally based relative inequality based standards for assessing indicators of child poverty, thus placing the onus on states to reduce child poverty through redistribution.
Hugo Chávez’s Heterodox Development Strategy for Latin America and the Caribbean

Peter Ross Department of Spanish and Latin American Studies, UNSW

Hugo Chávez has articulated a radical plan for Latin American and Caribbean development. In a nutshell, he maintains that the people and the political leaders of the region can take control of the development process and avoid dependency on the multilateral agencies and the United States that have directed economic policy and the development agenda over the last few decades. His project integrates national and international interests, and combines top-down and bottom-up strategies. His ambitious international projects, which include the Gran Gasoducto del Sur, Petrocaribe, Telesur, the Bolivarian Alternative for the Americas, and Bancosur, are coherent within his overall objective. They have, however, aroused considerable antipathy in the US administration and amongst Latin American leaders who prefer to follow Washington. Within Venezuela, Chávez’s economic and social policies have had reasonable success, and won him considerable support from the marginalised. The elites provide a vigorous opposition. At the very least, the Chávez plan does represent a radical and fresh developmental direction for the region.

The Renaissance of China and India: Implications for the Advanced Economies

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A thousand years ago, China and the region that is now India were the richest and most populous areas of the world. In terms of per capita income they were overtaken at first by certain countries in Western Europe, then by some of their European offshoots, such as the United States of America, and finally by some East Asian economies such as Japan and South Korea (Fig. 1). This process has now gone into reverse and both China and India are catching up rapidly with the countries which had overtaken them. Barring some catastrophe, it seems inevitable that within the space of a few decades China and India will once again be the largest economies in the world and their per capita incomes will rise dramatically. This paper is concerned with the implications of this development for the existing advanced economies.
When in Rome, do as the Romans DO: The coevolution of altruistic punishment, conformist learning, and cooperation

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We model the coevolution of behavioural strategies and social learning rules in the context of a cooperative dilemma, a situation in which individuals must decide whether or not to subordinate their own interests to those of the group. There are two learning rules in our model, conformism and payoff-dependent imitation, which evolve by natural selection; and three behavioural strategies, cooperate, defect, and cooperate and punish defectors, which evolve under the influence of the prevailing learning rules. Group and individual level selective pressures drive evolution. We also simulate our model for conditions that approximate those in which early hominids lived. We find that conformism can evolve when the only problem that individuals face is a cooperative dilemma, in which pro-social behaviour is always costly to the individual. Furthermore, the presence of conformists dramatically increases the group size for which cooperation can be sustained. The results of our model are robust: they hold even when migration rates are high, and when conflict among groups is infrequent.

Economic Evaluation of Assistive Technology: Challenges for the Discipline, Resources from Feminist Economics

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Assistive technology (AT) is defined as ‘any item, piece of equipment, or product system that is used to increase, maintain, or improve functional capabilities of individuals with disabilities’. To overcome their particular lack of function, most people need a system of AT devices, combined with paid and unpaid care work. This AT system is specific to their individual case depending on who the person is, what activities they undertake, what technology supports them, and what their environment is.

An economic evaluation using concepts based on Robinson Crusoe and rational economic man in general is unable to encompass such a complex reality, let alone evaluate the benefits and costs of using a particular kind of solutions, namely those based on AT systems. This paper will look at some limitations of economics in general and health economics in particular, and will outline some contributions feminist economics can make to overcome these limitations.
“The Female-Friendliest Treasurer of them All???

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This paper assesses the ‘women friendliness’ of the Australian Treasurer’s 2006/07 budgetary changes by examining the implications of the use of superannuation tax concessions for gender equity in retirements incomes policy. It is argued that the new tax concessions will exacerbate existing class and gender-based inequalities in retirement incomes. The groups most able to take advantage of the Treasurer’s generosity will be income and flexible-asset rich Australians (which include relatively few women). The economic position of the 75% of ‘pensionable age’ Australians who, by the Treasurer’s own estimates, will not be self-funded retirees by 2050 will be jeopardised by the tax initiatives. The paper concludes by identifying the elements of a policy approach that would contribute to greater gender equality in retirement incomes.

Mid-Age Women’s Experiences Of Paid And Unpaid Work, And Their Intentions And Expectations For Retirement

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The Australian Longitudinal Study on Women’s Health (ALSWH – also known as Women’s Health Australia) is strategically placed to explore questions which will contribute to the unfolding debates around issues of employment and productivity in an ageing Australia. A range of data relevant to these questions has been collected since the first survey in 1996 of 40,000 Australian women in three age cohorts. Additionally, the fourth survey for mid-age women aged 53-58 in 2004 included questions on their retirement intentions and expectations. In this presentation we look broadly at women’s experiences of paid and unpaid work and their planning for retirement. Issues examined include:

- Women’s expectations about the age at which they will retire
- Those women who were not already retired in 2004 were asked to specify the age at which they wished to retire, and also the age at which they expected to retire. Mismatches between women’s preferences and their expectations for retirement are described.
- Women’s motivation for retirement
- A range of factors which potentially motivate women to retire include the ability to access superannuation or a pension, being retrenched or made redundant, needing to provide care, partner’s retirement, etc. The impact of these motivating factors is investigated.
- Sources of retirement income for women
- Sources of income are compared by retirement status (completely retired/partially retired/not retired), as well as a range of demographic and behavioural variables.
Striking the balance for women in retirement: Marrying gender equality and public policy

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Public discussions of Australia’s ageing population often paint a future in which the one in four over sixty fives struggle to maintain self-provisioned living standards, where a smaller pool of taxpayers feel put-upon by the costs of aged care service provision and where intergenerational jealousies run rife. Another strong narrative is that people will be working until they are seventy. These prospects are represented sometimes in terms of panic (the “ageing crisis”), sometimes as opportunity for positive change, and occasionally inflected with gender analysis.

The Human Rights and Equal Opportunity Commission, primarily through the work of the Sex Discrimination Commissioner (and Commissioner Responsible for Age Discrimination), has in recent years focused on the concerns on older women, particularly in their roles as workers and carers. In addition to its other awareness raising activities, the Commission’s current Striking the Balance: Women, men, work and family project examines paid work and family responsibilities across the life course. In Australia at present only 44 per cent of women between the ages of 55 and 64 are in any paid work at all, and by the time Australian women reach 60, the majority are already retired. Women’s continuing disproportionate responsibility for child care and elder care remains a considerable barrier to labour market participation and is thus a significant concern for governments, policy makers and of course women themselves.

This paper will outline some of the Commission’s contributions to public discussions and policy developments in the area of women’s retirement incomes, with particular reference to its Striking the Balance project. The paper will conclude by raising some of the key challenges for incorporating and translating the emerging evidence base into sound public policy.

Four Reasons For Pluralism In The Teaching Of Economics

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The article begins with a brief discussion of economic orthodoxy and its critics before turning to a consideration of four arguments for a pluralist alternative. These four arguments represent pluralism:

I) as a response to the underdeveloped state of economics knowledge;
II) as a recognition of the essentially political character of the discipline;
III) as a prerequisite for progress in economic analysis and research;
IV) as a pedagogy that fosters students’ capacities for critical and comparative judgements.

Potential problems to be encountered when teaching within a pluralist curriculum are then addressed, leading into discussion about whether the four arguments for pluralism are compatible, and whether they can be effectively synthesised in developing an introductory unit of study.
Grounding Economics In Commercial Reality: A Cash-Flow Paradigm

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Cash-flow rather than profit is presented as a basis for grounding the discipline of economics in commercial reality. It allows the traditional remit of economics to be expanded from the production and exchange of goods and services to also include the exchange and transformation of assets and liabilities. In the cash-flow paradigm wealth is not defined in terms of income, but according to the commercial definition which is the value of assets less liabilities. Traditional economic analysis cannot detect when investors get over-paid to create inefficiencies and inequalities and so identify either the need or means for reforming capitalism. Nor can orthodox economics based on the production and exchange of goods and services identify how individuals, corporations, governments and society increase or lose commercial wealth. The cash-flow paradigm introduces an inclusive methodology for understanding, evaluating and designing economic institutions and the process of economic development. It explains how development is achieved in commercial practice and shows why the World Bank, other international and domestic development agencies can change their operations from providing credits to providing the knowledge of how to make economic development self-financing – a condition for individuals, towns, regions and nations to achieve financial and so political independence.

Burma’s Economic Dystopia

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At the time of its independence in 1948, Burma was the richest country in Southeast Asia. Today it is the poorest. This dramatic turnaround in Burma’s fortunes is the product of forty years of economic mismanagement by a military regime that styles itself the ‘State Peace and Development Council’ (SPDC). Under the SPDC, basic market institutions have been undermined and dismantled, and policy-making misused. Despite this, in 2006 Burma’s economy will experience moderate growth. Such growth, however, will occur solely on the back of expanding exports of natural gas. The positive contribution to growth from net exports will mask an otherwise stagnating economy that delivers for the Burmese people little but abject poverty. The purpose of this paper is to provide a ‘snapshot’ of current economic conditions in Burma, examining in turn critical sectors and issues. The paper concludes that, in the absence of profound economic and political reform, Burma’s economic future will remain bleak.
Labour Market Indicators: From economic Darwinism to serious panel data

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There has been an increasing amount of research into labour market indicators and economic performance. The results are mixed. Freeman's point that the previous use of LMI's has several drawbacks, i.e. (1) excessively strong priors, (2) too numerous and complex configurations and (3) changes in institutional behaviour is discussed. This induces Freeman to conclude that research of the impact of institutions on labour market performance should focus more on the use of micro data and experimental economics. A drawback of that proposal is, however, the problem of fallacy of composition. Moreover, in his evaluation of the state of the art in past LMI-research Freeman ignores that during the last years the measurement of LMI's and the quality of the data has improved considerably. The aim of this paper is to give an overview of the recent state of affairs in collecting data on LMI's, emphasising how the data sets currently in use have developed from the earlier data base, and how these data sets are related to each other.

The Situation And Role Of Burmese ‘Migrant’ Workers In Mae Hong Son Province Thailand

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In Thailand there are approximately 2 million Burmese ‘migrant’ workers, many of whom have fled human rights abuses and civil war in their homeland. The flight of Burmese into Thailand has been occurring since the mid-1960s after the military took over the country. However, the flow of Burmese into Thailand has increased substantially since the early 1990s as the military regime increased its control over the areas of the country once controlled by armed groups opposed to military rule from the centre. The flow of people into Thailand has also coincided with the period of Thailand’s rapid economic growth, providing employment for the new arrivals.

In 2003/2004, 1,200 Burmese ‘migrant’ workers in 16 of Thailand’s provinces were surveyed regarding their economic situation in Thailand and the reasons they left Burma. This paper a result of this survey, which was coupled with intensive interviews, addresses the particular situation in Mae Hong Son Province – a low income province that borders Burma. In this province, the Burmese provide much of the low paid, ‘un-skilled’ labour for the local economy, based on agriculture, forestry and tourism; the labour, which young Thai citizens are unwilling to provide, rather leaving the province to pursue higher education and employment in the more prosperous regions of Thailand. Despite the importance of their labour in local economy, they face systemic discrimination arising from the formal and the informal sectors. This discrimination that centres on their residency status (and ethnicity), limiting their rights and access to services, such as education has entrenched the community and its descendants in poverty with all its attendant problems.

The paper examines their economic situation and their contribution to the local economy since the mid-1970s. It also outlines the formal and informal discrimination and its impact, entrenching poverty not only for the first generation of migrants, but for the second and third generations, who were born and raised in Thailand. The paper argues that the formal discrimination governing those originally from Burma, particularly for those, who were born and raised in Thailand, should be changed and citizenship granted.
Financial Literacy in the Context of Literacy in General

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To be literate in the 21st century individuals need a variety of skills, in order to meet the challenges of a seemingly endless amount of information and numerous new technologies not seen by previous generations.

The need to be literate is particularly relevant in the area of finance, however research casts doubt on how financially literate Australians are. Yet, Australians today have greater responsibility for their own financial well-being and their long term retirement planning than they ever had before.

This paper examines and compares the skills necessary to be literate, including financially literate, with the National Consumer and Financial Literacy Framework developed under the guidance of the Financial Literacy Foundation, whose aim it is to increase financial literacy through the Australian education system.

The Impact of the Incidence of Disability on Labour Force Participation Behaviour

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A growing percentage of the Australian population is classified as disabled. The Welfare to Work and Other Measures Bill 2005 which has operated since July 2006 places stricter criteria for the assessment of a person’s ‘continuing inability to work’ by reducing the work incapacity test from 30 hours to 15 hours a week. Thus fewer disabled persons will be able to access the Disability Support Pension (DSP), and most will have to rely on an ‘enhanced’ Newstart Allowance, even though the rate of labour underutilisation remains above 9%.

In this paper, we will explore the relationship between the incidence of disability and the rate of labour force participation, using the ABS CURF, Survey of Disability, Ageing and Carers, 2003. The results of the empirical work will be used to inform a critical assessment of the legislation.

Entrepreneurship as a potential point of departure for a course in pluralist economic principles

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Many commentators have pointed towards a downturn in the enrolment of students on economics degrees. Part of the explanation for this phenomenon is probably because business studies degrees meet students’ requirements for practical understanding more closely. We suggest here that one of the problems with economics is that introductory principles courses adopt a ‘theory-first’ pedagogy. This means that students are asked to abandon any pre-formed notions/understanding about the nature of competition and accept the equilibrium model of perfect competition as the foundation of their future understanding. The downside of this approach is that: ‘The everyday appearance of social life provides little in the way of verification for the student of basic economic ideas’ Bernstein (2004: 33). One potential way of circumventing this problem is to take entrepreneurship seriously. Our discussion here suggests how entrepreneurship could be introduced to students and how it can lead to a deeper understanding of the true nature of the competitive process. The approach we advocate is pluralist.
Imperfect Competition And Macroeconomics – A Sraffian Perspective

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An essential point to arise out of macroeconomic literature of the last twenty years – and one which has defined a key strand of so-called New Keynesian economics – is that imperfect competition in product markets, when combined with nominal rigidities, allows scope for aggregate demand to affect the level of output and employment; and to have positive impacts on “welfare”. The present paper considers the connection between “imperfect competition” and macroeconomic outcomes – most importantly, the role of aggregate demand – from a Sraffian perspective. In this case, the appropriate categorisation is one of restricted versus unrestricted competition; essentially the difference being whether or not there exists restrictions on the intersectoral mobility of capital; and thus restrictions on the ability of competition to enforce a uniform rate of profit. The paper also considers the significance of product differentiation, albeit, from a Sraffian perspective, since this is often assumed to be the defining characteristic of imperfectly competitive markets. Interestingly, a Sraffian model makes clear the inherent conflict between the concept of a basic commodity and the notion of product differentiation in a multi-commodity framework and in turn the difficulty of drawing hard and fast connections between product differentiation and macro outcomes. The investigation of connections between restricted competition and macro outcomes therefore turns largely on the significance of restrictions on mobility for output and employment multipliers.