"The openness to new policy ideas in the wake of the crisis needs a different theoretical understanding of the economy from the prevailing mainstream. That such an alternative is available in post-Keynesian economics is evident from this impressive collection of essays from four leading Australian political economists. Joseph Halevi, Geoff Harcourt, Peter Kriesler and John Nevile bring together a selection of their contributions to post-Keynesian theory, built on the work of theoretical pioneers. While each of the four brings their own perspective, the collection displays an unusual degree of cohesion resulting from their shared influences and collaborations."

—**Sheila Dow**, *Emeritus Professor of Economics,
University of Stirling, UK*

"The essays in this volume exude the importance of economic theory and, in particular, the importance of a truly *alternative* theory that transcends patched-up amendments of orthodoxy. Uncoupling the theories of value and distribution from the straitjacket of marginal productivity theory, and recognising the limits of equilibrium theorising (and the importance of path dependency) are two important items on the agenda. The book could well be subtitled 'Theory Done Right.' Its contents demonstrate that as regards economic theory, there is much to be admired about, and much to be learned from, the view from Down Under."

—**Mark Setterfield**, *Professor of Economics, New School for
Social Research, USA*

"A valuable collection to inspire some and remind others how little they know."

—**James Forder**, *Balliol College Oxford, UK*

Post-Keynesian Essays from Down Under Volume IV: Essays on Theory

Theory and Policy in an Historical Context

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Preface

Geoff Harcourt intended to put together one more volume of selected essays in order to reach double figures. But then Peter Kriesler reminded him that since he joined the School of Economics at the University of New South Wales in August 2010 as a Visiting Professorial Fellow, they, sometimes with John Nevile, had published several joint papers. Moreover, Peter and John, and Peter and Joseph Halevi, had also been publishing joint articles for many years. All their works, whether as sole author or jointly, had important common themes. The underlying theoretical framework was essentially post-Keynesian.¹ They all stressed the importance of the underlying institutional framework, of the economy as an historical process and, therefore, of path determinacy. Money and finance were an integral part of the economy, with monetary variables affecting real variables and vice versa at all stages of analysis. In addition, all the works saw the ultimate goal of economics as being a tool to suggest policy – even the theoretical works were motivated by the desire to make the world a better place, with better being defined by an overriding concern with social justice.

So arose the proposal we made to Taiba Batool that we put together four volumes of selected essays by “Post-Keynesian Essays from Down Under,” subtitled “Theory and Policy in an Historical Context.” She enthusiastically accepted the offer, ably assisted by Ania Wronski. We therefore set about putting the selections together. When Taiba left Palgrave Macmillan for pastures new, she passed the project onto Laura Pacey and Rachel Sangster who, just as enthusiastically, oversaw the bringing together and publication of the four volumes. Laura, in particular, has been extremely helpful and patient in our journey from idea to manuscript.

Our grateful thanks go to Joan Harcourt for forgiving Geoff for breaking the promise never again to undertake a major research project, witnessing yet again her love and support of over 60 years; to Teresa, Peter’s wife, for her continual love and support; and to Fay, John’s wife, who, in the absence of a secretary, typed much of his introductions to chapters (and commented that the names had not changed much since the last time she did this when, as a young wife, she typed drafts of John’s PhD thesis).

We would also like to thank Roni Demirbag for his help in getting Joseph’s papers in order, and Jason Antony for his gracious and good-natured multi-dimensional expert help in assembling the volumes.

Note

1. For an overview of what we consider to be post-Keynesian economics see Harcourt, G. C. and Kriesler, P. 2015 "Post-Keynesian Theory and Policy for Modern Capitalism," *Journal of Australian Political Economy*, No. 75, Winter 2015, 27–41.

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Joseph Halevi, alma mater University of Rome La Sapienza, began teaching economics at the New School of Social Research in New York and later at Rutgers University. He has a permanent appointment at the University of Sydney. He was Visiting Professor at the University of Connecticut and regularly in France at the Universities of Grenoble, Nice and Amiens. He has authored many books and contributed to the first edition of *The New Palgrave Dictionary of Economics* in 1987 and co-edited *Beyond the Steady State* with Macmillan in 1992, among others.

G. C. Harcourt is a graduate of the Universities of Melbourne and Cambridge. He has worked mainly at Adelaide (1958 to 1985) and Cambridge (1964 to 1966; 1972 to 1973; 1980; 1982 to 2010). He is now Visiting Professorial Fellow at UNSW Australia. He is Emeritus Reader in the History of Economic Theory at Cambridge University; Emeritus Fellow of Jesus College at Cambridge; and Professor Emeritus at the University of Adelaide. He has authored or edited 29 books and over 380 articles, notes, chapters in books and reviews. His books include *Some Cambridge Controversies in the Theory of Capital* (1972), *The Structure of Post-Keynesian Economics* (2006), (with Prue Kerr) *Joan Robinson* (2009) and (jointly edited with Peter Kriesler) *The Oxford Handbook of Post-Keynesian Economics*, 2 vols (2013).

Peter Kriesler currently teaches in the School of Economics at the University of New South Wales. He organises the Annual Australian Society of Heterodox Economists Conference, which is now in its fourteenth year. Peter's main publications are in the areas of history of economic thought, heterodox economics, the Australian economy, labour economics, and economic perspectives on human rights.

J. W. Neville is Emeritus Professor at the University of New South Wales in Sydney, Australia. He has published extensively on fiscal policy, macro-economic policy in general, economics and ethics, and the history of economic thought. He has served on a number of statutory authorities and government enquiries. He was the Recipient of the Economic Society of Australia Distinguished Fellow Award for the year 2000.