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Editorial Introduction: Analysing the GFC

This issue of the *Journal of Australian Political Economy* examines the global financial crisis (GFC) that emerged in 2008-9 and considers the implications and lessons for Australia. This crisis has been widely interpreted as the most profound shock to the capitalist economy since the Great Depression that began in 1929. It has also been described as the first truly 'globalised' crisis.

By focussing on the GFC, this issue of the journal constitutes, in effect, a companion volume to the June 2008 issue that provided analysis of Australia's economic boom 1992-2008. At the time that 'long boom' issue was published, the first signs of the impending financial crisis were starting to emerge, although the impact had not yet been felt in Australia. A number of the featured articles in the journal emphasised structural problems that the boom had masked and the systemic contradictions that had not been resolved. As the boom gave way to crisis, so this journal now follows the 'rhythms of capital' by focussing on the GFC. Like the earlier issue on the boom, this issue on the crisis is also a 'bumper' double-sized edition.

The articles come from three sources. First is the edited transcript of a talk presented by Canadian economist Jim Stanford at the University of Sydney in August 2009. This was the second Ted Wheelwright Memorial Lecture, presented to a large audience and providing an interesting and entertaining analysis of the crisis and the importance of grass-roots education in political economy. Stanford emphasises the contrast between the 'real' economy of productive work in which value is created and the speculative realm of financial legerdemain that accentuates capitalism's tendencies to inequality and instability.

Second is a cluster of articles submitted in response to the general invitation that was published in the last issue of this journal. These are the articles by Thomas Bramble, Harry Perlich, Evan Jones, Therese Jefferson and Alison Preston, and Heribert Dieter. They are 'in-depth' assessments of various aspects of the crisis and the lessons learned (or, more typically, *not* learned by mainstream economists and conservative media commentators).

The third group of articles comprises papers originally presented at a one-day seminar on ‘the GFC and the Australian City’ at Griffith University in Brisbane in August 2009. These include the contributions by Brendan Gleeson, Stephen Horton, Jago Dodson and Neil Sipe, Kurt Iverson, Paul Burton, Ian Manning and Boris Frankel. They are characteristically shorter contributions, reflecting their origins as seminar presentations. They are focussed on issues such as housing, transport, spatial planning and local government, emphasising that the economic crisis is related to the patterns of production, consumption and transportation that structure our lives in an urban society. Steve Keen’s paper also originated from the Brisbane conference, but its macroeconomic focus makes it more akin to the second cluster of articles in its content and style, and it is located earlier in the journal for that reason.

Brendan Gleeson, Stephen Horton and Patrick Troy took responsibility for the primary editorial judgements on this third group of articles and the editors of *JAPE* thank them for this valuable contribution.

How profound has the GFC been? Has it been just a ‘blip’ in the inexorable growth of the economy, particularly here in Australia, where ‘technical’ recession (defined as two or more successive quarters in which GDP falls) has been avoided? The breakout box printed on the opposite page might seem to suggest so. It is an extract from the speech about the GFC given by the Governor of the Reserve Bank of Australia in November 2009. With its talk of ‘economic flexibility’, ‘the relative strength of the financial sector’, ‘sensible management’ and ‘prudent fiscal and monetary frameworks’, it conveys a general complacency about the national/local significance of the GFC. Certainly, the effect of the GFC in Australia has been more muted than in some other countries such as the USA, UK and much of Europe. However, Australia is not alone in this regard: for different reasons, other countries such as Switzerland, Norway, Brazil and Nigeria had relatively favourable experiences too. Crises always have uneven impacts.

> The issue before us is not how to get on to the road to recovery; we are already on it. The question, rather, is how to make sure that the road to recovery will connect to the road to prosperity.
>
> Unless we are prepared to accept it has all been an incredible coincidence, we have to ask why things turned out that way. It wasn't just that China returned quickly to growth. Equally important were other factors, including the relative strength of the financial sector, the economy's flexibility and the willingness and scope to change macro-economic policy.
>
> Those things were not accidents. Financial resilience resulted from sensible management by financial institutions and careful regulation on the part of the prudential supervisor. For the most part, the non-financial corporate sector was also fairly conservatively managed.
>
> Moreover, businesses took a far-sighted view about employment decisions. Given the preceding difficulties in securing labour, they found ways of keeping people on payrolls, even if on reduced hours. They clearly had not only the good sense but also the requisite institutional flexibility to do that, which must say something about the progress that has been made in labour market arrangements during the past couple of decades.
>
> And, finally, long-term investments in prudent fiscal and monetary frameworks paid off. A whole generation of policy-makers painstakingly worked to build credibility by making decisions with a long-run perspective.
>
> G. Stevens, *Prosperity Isn't Easy*, (extract) also reproduced in *The Australian*, 6.11.2009.

The authors in this issue of *JAPE* seek to tell a more profound story. While they present different views of the GFC, the common element is an emphasis on its deep-seated structural roots and implications. So there should be no complacency, even if the most recent macroeconomic indicators suggest only a mild downturn and that the worst has passed.

What are the structural problems? Steve Keen's article emphasises the cumulative problems of unsustainable household debt. Harry Perlich's piece examines problems of structural imbalance, particularly the 'dual economy' character that exists because Australian states have different economic characteristics. Moreover, as the article by Evan Jones documents, Australia's financial institutions have a lot to answer for – before the crisis, during it and into the future. There are significant international political economic imbalances and tensions too, as Thomas

Bramble's article argues. There has also been a lack of effectively coordinated governmental responses, as Heribert Dieter shows with particular reference to the European situation. Keynesian stimulus measures have been the limited focus of national governments, leaving many of the longer term structural problems unresolved.

The uneven impacts of economic crisis within Australia are also a major concern from a political economic perspective. Therese Jefferson and Alison Preston's article highlights the gender dimension, drawing on recent data on employment trends for men and women.

Understanding the *spatial* inequalities of the GFC is also necessary. The connection between urban problems, macroeconomic problems and balance of payments problems is emphasised in the article by Ian Manning. The articles by Brendan Gleeson and Stephen Horton discuss the importance of temporal and spatial dimensions in the functioning of modern capitalism. Paul Burton looks at the Gold Coast – built on the shifting sands of tourism and property development – to illustrate how economic crisis impacts at the local level. Kurt Iveson's contribution considers how crises fuel the processes of spatial competition but may also generate a cooperative urbanism. Jago Dodson and Neil Sipe highlight the unsustainability of the modern urban economy, a long-term problem that has to be faced irrespective of the resolution of short-term financial instability.

Reflecting on responses and prospects, Boris Frankel draws a distinction between the risk-taking character of governments and businesses and the risk aversion of the general public. Then, to conclude, we reprint an open letter about the GFC which emphasises the fundamental problems arising from orthodox economics education.

These various articles do not purport to cover all angles of the crisis. There is much more to be said about this complacency-shattering situation. Does the GFC signal the end of neoliberalism, as Prime Minister Rudd has implied, and what would that really mean? Does the crisis usher in a new stage of capitalism? Or are we simply to resume 'business as usual'? Future issues of this journal are open for further contributions on these and other themes. Political economic analysis can thereby help us understand and shape the forces influencing our futures.

Ted Wheelwright Memorial Lecture

UNDERSTANDING THE ECONOMIC CRISIS: THE IMPORTANCE OF TRAINING IN CRITICAL ECONOMICS

Jim Stanford

I am deeply honoured to deliver the second memorial lecture here at the University of Sydney in the name of Ted Wheelwright, one of the pioneers of the political economy movement.

The courageous struggles to preserve a space here for critical and progressive thought were reaching their crux just as I began my undergraduate studies in economics at the University of Calgary – one of the most conservative universities in Canada – in 1979. The fact that Ted Wheelwright and his colleagues dared to establish an economics school with radical foundations, and that subsequent leaders and students would fight so hard to defend and nurture it, opened doors for me as I struggled to find alternative visions, and mentors to teach those visions, in my own economics education. The Political Economy program here became one of the most important and inspirational centres of radical economic thought in the English-speaking world. While tonight is the first opportunity I've had to visit your campus, your example, reflected in like-minded initiatives on other continents, enhanced my own intellectual and political options by expanding the terrain of debate within our stunted and ideological profession.

Wheelwright's personal research agenda also had a direct relevance to the traditions of radical political economy in Canada. His focus on critically understanding the economic actions and effects of multinational corporations, and the dangers of the dependent mode of economic development characteristic of resource-abundant peripheral economies (like Australia and Canada), found immediate resonance in our own analyses of these problems. This included the thoroughly complementary work of scholars such as Mel Watkins (1963) and Kari Polanyi Levitt (1970), who wrote at about the same time as Ted of the economic and political dangers of a multinational-dominated, resource extraction-oriented mode of development. Wheelwright's *Australia: A Client State* (with Greg Crough) could virtually have been re-issued in Canada, simply by changing the name of the country, so similar have been the circumstances of our respective trajectories of dependence.

And so I would like to begin tonight by thanking all of you here in this program – professors, students and alumni – for your sustained effort, inspired by Wheelwright and the other giants who came together here to nurture and defend this space. Your efforts made a fundamental difference in my life and training. And they did likewise for many thousands of other progressive-minded economics students around the world, who know in their guts that there must be better ways to understand the economic world (and to change it), but need help finding the way. Your program remains one of the best initiatives for showing young progressive economists that way. A coherent, united and high-quality place to study radical economics is a precious, fragile asset. I am so impressed by the spirit of unity and celebration that clearly infuses this event tonight and I urge you all to continue investing the energy and care that this program needs and deserves. It is important not just for training the next generation of radical political economists, but for educating and strengthening our movements and struggles for social change.

The importance of a critical economics pedagogy to those social change movements is the central topic for my presentation this evening. I consider myself an economics teacher, not just a practicing economist. I would guess that about a quarter of my work time is spent 'teaching,' in the broad sense of the term – although, unlike most in this room, I do not teach in a formal academic environment. Rather, my efforts to 'spread the word' take place among the working people who constitute the membership of my union (the Canadian Auto Workers), and the activist base of the various grass-roots movements and campaigns in which I am also engaged (as both an economist and an instructor).

So tonight I would like to discuss the importance of critical economics training for these constituencies. For most of the engaged non-specialists whose knowledge and confidence in addressing economic issues and challenging conventional economic ideas will be essential to the success of social change struggles in the future, this will not be a matter of enrolling in a fine university program like Political Economy here at Sydney (although a few highly determined individuals might do that and, of course, I recommend it). Rather, we need to build a more inclusive, accessible and directly activist system for training our leaders and activists in the fundamentals of critical economics and political economy. And we need to do it systematically and energetically. This will strengthen our collective understanding of how the specific challenges we face stem from a common source: the structures and dynamics of a heavily financialized, globalized, aggressive capitalism. That understanding, in turn, will strengthen our collective ability to resist the regressive demands of employers and governments, and to fight for change – both incremental and far-reaching.

In my judgment, trade union members and other working people must have our own 'story line' about the economy and economics. Critical-thinking economists can help to build this story line by helping to translate their formal and technical understanding of the workings and failings of capitalism into more popular and accessible training initiatives, resources and materials. I wish that left academic economists generally invested more time and creativity into finding effective ways to share their knowledge with the movements that hunger for economic alternatives: see Stanford (2008). But the challenge of developing a mass critical consciousness about economics requires more than asking some progressive economics professors to come and teach occasional lectures at meetings of trade union activists. We need much more. We need a systematic and high-priority program to build awareness about economics and political economy among our leaders, activists and constituents, and to prepare them to intellectually fight back against the false models and false solutions propagated by mainstream economists and the other ideological servants of neoliberal capitalism.

The immediate circumstances of the global financial crisis, the resulting recession and the dramatic changes in economic policy that have occurred in the last two years in many countries, provide a good case study in the political importance of having our own story line. It seems that workers face a dual threat from this crisis. First, we are exposed to the immediate economic and social costs of the recession itself: lost jobs, lost incomes, lost homes and in many cases lost lives. Second, and more permanently, this crisis could actually and perversely lead to structural changes that further damage workers and their organizations. Far from conceding that there was anything wrong with the neoliberal recipe they forced down our throats, employers and pro-business governments will seize on the fear, confusion and divisions caused by the crisis to push for still more business-favourable measures.

Indeed, as the Canadian author and anti-globalization activist Naomi Klein explains in her latest book, *The Shock Doctrine* (2007), ruling elites regularly take advantage of moments of widespread fear and confusion, arising at moments of economic, social, or even natural disasters, to force through painful changes that they were preparing for years – but that the masses of people would not tolerate under 'normal' circumstances. The present global economic crisis will surely provide another test case for shock doctrine strategies. That is why we must be ready to push back with our own analysis of what happened, why it happened, what can be done to insulate working and poor people from its effects, and how to prevent it from happening again.

In my view, economic literacy and political economy training must be a core element of the organizing and movement-building efforts of trade unions and other progressive forces. We must equip our supporters to identify the true culprits, resist false solutions and fight confidently for better alternatives. Learning more about economics – from a workers' perspective – is a crucial part of those preparations. That motivates much of my personal work as a union economist: whether that's teaching, writing, interventions in public debates and support for the collective bargaining and other activities of my union.

I want to emphasize the importance of building the *confidence* of our activists in these economic literacy efforts. I do not believe we will ever teach large numbers of people the specific skills and techniques of economic analysis (although we certainly need to have our own 'experts'). In other words, our goal in this pedagogical work is not to train large numbers of 'activist economists.' Rather, what we must impart to masses of people within our constituencies is a different way of looking at the economic world, a different and more critical understanding of what the economy is, how it works (and doesn't work), and *who* works (and who doesn't work). We want our members and supporters to know, first of all, that they can discount the pompous and self-interested prognostications of professional economists – the overwhelming majority of whom (outside of academia) are employed by institutions (banks, corporations, business associations, and governments) with a vested interest in the *status quo*. We want our members and supporters to know that economics is a contested discipline; that there is nothing 'neutral' about economics; that one's view on economics depends on one's position in the economy. Finally, we want our movements to have an informed confidence in the viability and credibility of the alternative policies and structures we are fighting for. They need to have enough critical knowledge about real-world economics to know that conventional economists are lying when they claim 'there is no alternative' – whether that's to globalization, austerity or corporate domination. And they need enough confidence in the viability and legitimacy of the things we are fighting for to sustain and empower our activism.

After all, we don't actually win change on the basis of the credibility of our arguments. We win change thanks to the power of our movements and our fightbacks. It is not as if there is some high-level arbitration panel that decides our economic and social policies according to whose analysis and prescriptions are most compelling. Rather, it is the balance of power between conflicting and competing sectors and interests – economic, political, cultural power – that determines the direction of society. Of course, having credible arguments helps to build our power by motivating our supporters and enhancing their confidence to fight for change. But it is that fight, not the knowledge itself, which will win the day. I suppose that is a humbling realization for an economist. We must always be sensitive to the reality that our skills, our arguments and our pedagogy are only tools to be put at the disposal of our movements. It is those movements (not us) who are the main actors in the drama of social evolution. For that reason, in my view, our work as progressive, engaged intellectuals must always be oriented around the pre-eminent priority of movement-building, rather than indulging in a more arcane conception of the 'pursuit of knowledge.'

In terms of responding to the current moment of crisis in global, financialized capitalism, our story line about the crisis, its causes and consequences must similarly aim to enhance the confidence of our members and supporters to reject claims that workers, unions, and/or social programs were somehow responsible for the meltdown of private finance. For starters, the crisis has sparked intense interest in economics among many individuals; I've never encountered such widespread desire to learn more about the economy from rank-and-file members of our communities. Beyond that, of course, working and poor people need to be aware and ready to defend themselves in the wake of the crisis. After all, workers are the victims of this crisis, not its cause, and tightening our belts will do nothing to solve it. So we must explain exactly what *did* cause this crisis – and show how those same factors will cause the next one too if we don't change the rules of the game.

The financial pundits try to pin blame for the current meltdown on a few misguided practices or poorly designed incentive structures. Our alternative story line, on the other hand, would emphasize that this conflagration wasn't a random, isolated negative event. Rather, it was the predictable and preventable outcome of running the world economy in a particular way, according to a particular set of rules. Under the extreme financialization which is a defining characteristic of neoliberalism, economic resources of all kinds (credit, creative talent, and even government subsidies) are channeled into potentially lucrative but ephemeral paper schemes. Real accumulation and productivity play second fiddle to the hyperactive circuits of 'the paper economy' – which periodically erupt in enormous, credit-fuelled bubbles. These bubbles attract both profits and public infatuation while they are expanding, but inevitably they burst (and always in a disorderly manner, to paraphrase J.K. Galbraith). Unless and until the rules of this game are changed, we will continue to experience chaos like this every few years. In fact, thanks to globalization and the lightning-quick technology of the financial sector, the crises are coming faster than ever – and deeper, too.

Let's recount the key defining features of this particular crisis. It started with an enormous expansion of private credit. This credit surge was spurred partly by low interest rates – which in turn were a response to the collapse of the last financial bubble (the dot-com mania of the late 1990s) and to the short US recession that followed the events of 9-11 in 2001. But the deeper cause of this credit surge was the thorough deregulation of the private credit system in the 1990s, led by the US and other Anglo-Saxon countries. This deregulation allowed banks and other financiers to expand credit, whenever and for whatever purpose they desire, no matter how unproductive or poorly rooted in the economic realities of production and productivity. This credit did not, for the most part, finance real employment and production. Indeed, if it had, central banks would soon have stepped in to restrain looming inflation and maintain discipline in labour markets.

Instead, credit growth fuelled another asset bubble, the latest in a series that is as old as capitalism itself. This particular bubble was centred on US real estate – not so much in actual real estate properties, as in the new portfolio of financial derivatives that are linked to real estate (mortgage backed-securities, credit default swaps and other exotic instruments so complex that even their inventors didn't fully understand them). Fortunes were made for a while: by mortgage lenders offering mortgages to people who couldn't afford them, by speculators buying low and selling high and, most nefariously, by financial executives who personally pocketed billions of dollars in short-term largesse creamed from the froth of the unreal credit boom they were commanding. As with every speculative exercise, the rush to the party was inevitably followed by a panicked run for the exits on the first sign of trouble (which came, in this case, in the form of rising foreclosures in key US real estate markets in mid-decade). Highly leveraged speculators collapsed, followed closely by the lenders who gave them money to play with, leading to a worldwide financial panic. Indeed, perhaps the most memorable legacy of this epoch of globalization will be the unprecedented speed and synchronicity of this financial collapse. Driven by greed and pressured by competition, financiers around the world (even newly-privatized banks in Iceland) rushed to join the unsustainable party that was going on in US real estate. And they all paid the price.

The resulting financial collapse (which reached its worst moments in September 2008, when the failure of Lehman Brothers set the whole global financial system teetering) spilled into the real economy through various channels (falling construction, battered investor and consumer confidence and falling exports). The outcome was a painful recession (for the US the worst since the 1930s), and the first outright decline in the world's real GDP since the demobilization after World War II. This decline was another consequence of the unprecedented synchronization of this recession. An enormous and unprecedented government rescue effort (aimed first at saving banks and only later and grudgingly at helping the human victims of the meltdown) succeeded in stabilizing the downturn. But this rescue effort has yet to recreate the conditions for true economic recovery. If anything, the dominant outcome of the stimulus efforts (near-zero interest rates, combined with massive handouts to banks which are still free to do with that money whatever they please) seems to be a recreation of the necessary conditions for the *next* financial bubble. World stock markets have bounced back by 50 percent or more in the five months since March 2009. Banks and other sophisticated investors are borrowing funds at near-zero interest rates, and then investing into various forms of speculation: rebounding equity and bond markets, the carry trade in cross-border lending, intense speculation in increasingly volatile commodity and foreign exchange markets, and others. The global financial industry is in full-fledged recovery – and executives are once again reaping the fruits of that rebound in the form of enormous compensation gains.

Meanwhile, initial discussions (including among G-20 finance ministers) about the need for renewed financial regulation have fallen completely off the agenda. This reflects both the immense political power of the financial industry (which has vigorously resisted any hint of re-regulation), as well as the natural tendency of policy-makers to simply heave a sign of relief that things are getting back to 'normal.' In financialized, globalized capitalism, 'normal' simply means a world which rewards credit-fuelled speculation much more than real work and production.

That's my thumbnail summary of how this particular crisis unfolded and the damage it did. Understanding these details of the current crisis is one step in building a stronger political economy consciousness among labour movement activists and leaders (all the more so in light of the grass-roots interest in studying economics that the current crisis has sparked). But we also need to explain why this meltdown is merely the latest, especially painful manifestation of deeper problems in the functioning of capitalism. In other words, this crisis was produced by an underlying set of policies and relationships that will produce and reproduce similar cycles and crises, over and over again, unless and until we address and resolve those fundamental problems and practices. We need to identify and understand the key features behind the *pattern* of repeated financial crisis (which is so visible in the history of capitalism, and all the more so under neoliberalism):

- Speculative greed: the impulse of those with wealth, to accumulate even more wealth simply by buying low and selling high (rather than producing and selling a real good or service).
- The profit-seeking logic of the private credit system – without which the speculative bubble could never inflate too far.
- Lack of government oversight. Following deregulation, governments have permitted financiers to focus on unproductive and dangerous activities. Indeed, governments *subsidise* those activities through favourable tax treatment of speculative gains. This was a key pre-condition for the rise (and crash) of the bubble.

Those same three ingredients will cause the next conflagration, if our only response to the collapse of this bubble is to sit back and hope that it re-inflates – with the screws being tightened on working people all the while.

This is serious economics. But we need our partisans and supporters to understand these themes. This means finding better ways to teach and communicate economic concepts. For example, at the Canadian Auto Workers, as part of our own efforts to communicate economic ideas in more accessible and entertaining formats, we developed a four-page cartoon book which explains these 3 common ingredients of financial crisis, but in common-sense terms. The cartoon book concludes by stressing the need to re-regulate and socialize finance, and channel credit into production rather than speculation.[1]

However we impart the knowledge, we need our movements to understand these themes. Without understanding how this particular downturn emerged from features and forces that are 'hard-wired' into the DNA of deregulated, financialized capitalism, people will be tempted to see the crisis as a random, negative event – an unfortunate but unavoidable challenge that everyone in society must help to overcome. At best, this leads to the conclusion that we simply need to hunker down and wait out the crisis, hoping that the financial bubble eventually reinflates and things get better. At worst it underpins a willingness to accept the sacrifices and concessions that are being demanded by employers and governments – accepting the false logic that 'we're all in this together.'

In the coming tough years, therefore, the labour movement and other progressive forces will need to fight hard against efforts to shift the burden of adjustment from those who caused the crisis, onto the backs of those who are suffering from it. We will do our best to protect workers against lay-offs, cutbacks, concessions, and the many other consequences of the crisis. And with other progressive forces we will fight fiercely in the political arena against regressive shifts in social and economic policies, and cutbacks in public programs, that we know will be threatened in coming years by deficit-laden governments. A crucial part of arming ourselves for those battles is ensuring that our members and supporters understand why this crisis occurred, and why it will happen again, unless we change the whole set of neoliberal economic and social policies we've been living under for the last three decades. And this is just one example (an especially important and immediate example) of our ongoing need for an economically literate and confident membership base.

More specifically, how can we undertake that task of enhancing the collective economic literacy and confidence of our movements and our

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1 This cartoon book is available for free download and reproduction *http://www.caw.ca/en/7754.htm*.

supporters? Many avenues would seem to offer good prospects; there is no shortage of work for us to do.

- Systematic and comprehensive training programs (undertaken by unions, community organizations, or popular educators) to lift up the level of analysis and expertise among key grass-roots leaders and activists, covering all the ground of political economy. For example, in the Australian context, I am aware of one ongoing economics training initiative undertaken by the Australian Manufacturing Workers Union, to upgrade the all-round economic literacy of key officials. My union, the CAW, undertakes similar extensive efforts to train our own activists and leaders.

- Shorter-run initiatives such as one-time courses, lectures, and conferences, organized around more specific topics and themes. Saunders (2009) discusses one successful such initiative, undertaken by the city labour council in Vancouver, Canada.

- The development of progressive media, including print, electronic, and web-based, to disseminate critical coverage of economic events and debates, and to enhance the ability of our activists to engage in debates armed with analysis, facts, and above all confidence. Australia already enjoys several such outlets (one of my favourites is the magazine *Australian Options*, which is both readable and relevant), but we need more: alternative media outlets with more frequency, more reach, and more high-quality economic content. This will take a great deal of effort in all areas (organization, fund-raising, and content development), but it is essential for our partisans to be able to go toe-to-toe with the defenders of the *status quo*.

- Encouraging progressive economists (in academia or elsewhere) to develop and disseminate popularized, accessible, and immediately relevant materials addressing the needs of our movements for economic literacy and economic campaigning (like non-technical books, commentaries and op-eds, blogs, or easy-to-read annotated bibliographies). In this context I recommend the blog site of Canada's network of progressive economists, the Progressive Economics Forum (www.progressive-economics.ca). It is readable, timely, and searchable by topic (making it useful for popular economics training); similar no-frills initiatives could be undertaken in other countries.

- Enhancing the profile of progressive interventions in economic debates. Progressive political economic views should be projected directly into the mainstream of day-to-day economic coverage and discussions, using whatever platforms we can force ourselves onto. We can't afford to be marginalized from these debates. To do this, we can use our own 'experts' (to crack the neoclassical monopoly over the talking-head world of economic punditry). More important is to enhance the capacity of our leaders and activists at all levels to effectively challenge received economic wisdom and put our own world view out there.

All these efforts, and then some, will be required for us to build an economically literate and empowered constellation of progressive movements. By building a stronger understanding of how capitalism actually works, through more extensive economic literacy and political economy training initiatives within our own ranks, our movements can better resist the attacks that are coming. Better yet, we'll be ready to fight for the fundamental change that we all need, and are all hoping for.

Jim Stanford is economist with the Canadian Auto Workers union in Toronto, Canada, an economics columnist with the 'Globe and Mail' newspaper, and author of 'Economics for Everyone' (Pluto, 2008) – an alternative economics 'textbook' for trade unionists and other activists.

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