Full employment abandoned: the triumph of ideology over evidence

Professor Bill Mitchell
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at Charles Darwin University

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Nitmiluk Lounge, Level 4, Parliament House

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Lecture abstract

After World War II, the advanced economies adopted the policy goal of full employment and actively used fiscal and monetary policy to ensure that goal was achieved. This policy framework supported sustained economic growth and also reduced income and wealth inequalities. Importantly, it also supported a reduction in world poverty and the economic transformation of the poorer nations. The corporate sector and its conservative allies in politics, however, did not support this policy framework. They preferred a larger pool of unemployed people to use as a threat against wage demands. Events in the 1970s (OPEC oil shocks) provided the circumstances where the conservative paradigm gained the policy ascendancy. Well-funded neo-liberal think tanks and right-wing multilateral agencies, such as the IMF and the World Bank, fed the media with the conservative narrative, which successfully dominated the values debate, stripped the government of its political capacity to pursue public purpose and demonised the most disadvantaged citizens. Significantly, the rise of neo-liberalism undermined economic development in the poorest nations. Poor countries such as Timor-Leste are now trapped in a vice of unjustifiable fiscal austerity. The reality is that the political transformation is not supported by evidence, but demonstrates the triumph of a power elite pursuing its narrow ideological interest at the expense of a shared economic prosperity.
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Professor Bill Mitchell holds the Chair in Economics at Charles Darwin University and is the Director for the Centre of Full Employment and Equity (CofFEE) at CDU. He holds conjoint professorial positions at the University of Newcastle and Monash University (attached to the European Centre). He also is a Visiting Professor at Maastricht University, The Netherlands, and is on the management board of CofFEE-Europe, a sister centre located at that university.

He has published widely in refereed academic journals and books and regularly is invited to give Keynote presentations at conferences in Australia and abroad. He has an established record in macroeconomics, labour market studies, econometric modelling, regional economics and economic development.

Professor Mitchell has extensive experience as a consultant to the Australian Government, trade unions and community organisations, and several international organisations (including the European Commission, the International Labour Organisation and the Asian Development Bank).