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# INTRODUCING THE JOHN KENNETH GALBRAITH PRIZE IN ECONOMICS

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*Marc Lee*

**T**HE PROGRESSIVE ECONOMICS FORUM IS privileged to be able to launch a new prize in economics in honour of one of the all-time great economists, John Kenneth Galbraith. Over the course of several decades, Galbraith's legacy as a public intellectual, advisor to the U.S. government, and pioneer in challenging the "conventional wisdom" (his term) of the economics profession is unparalleled.

The PEF is a network of over 125 Canadian economists, working in universities, the labour movement, and activist research organizations. It was founded at the 1998 Canadian Economics Association meetings, with the general goal of promoting the development of a progressive economics community in Canada. The PEF

organizes panels on economic policy issues at the annual Canadian Economics Association meetings, and holds an annual essay contest for undergraduate and graduate students. More recently, the PEF has hosted a blog on Canadian economics and public policy, *Relentlessly Progressive Economics*, at <http://progressive-economics.ca/relentless>.

At the 2006 annual general meeting of the Progressive Economics Forum, members decided to seek the development of a new prize in economics dedicated to the memory of John Kenneth Galbraith, who had just passed away. Mario Seccareccia, of the University of Ottawa, sought and received the approval of the Galbraith family for the new Prize from John Kenneth Galbraith's son, James Galbraith, a renowned economist in his own right, at the University of Texas Austin (his recent book, *The Predator State*, follows in his father's footsteps, offering an insightful analysis of wrong-headed economic ideas, in the academy and in the highest policy circles).

Several months later, James Galbraith joined the PEF at the 2007 Canadian Economics Association meetings in Halifax to inaugurate the new prize and deliver the first lecture. James' lecture reflects on his father's lifetime achievements and his many contributions to the economics profession and economic literacy among the general public. After drawing out lessons from his father's career, James Galbraith ends with his observations on what the economics profession needs to do to break free of the dominant neo-classical paradigm.

The first John Kenneth Galbraith Prize in Economics was awarded a year later at the 2008 CEA meetings in Vancouver, coinciding with the tenth anniversary of the PEF. The selection committee included Fletcher Barager, Andrew Jackson, Marc Lee, Mario Seccareccia and Brenda Spotton Visano. The 2008 co-winners of the first John Kenneth Galbraith Prize in Economics were Mel Watkins and

Kari Polanyi Levitt. The award was largely on the basis of their pioneering work in the 1960s and 1970s on Canada's economy, foreign (U.S.) investment and ownership, and multinational corporations.

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Mel Watkins' lecture focuses on the impact that the North American Free Trade Agreement has had on Canada. Watkins reviews the history of "free trade" as theory and in practice, and its power over the economics profession. He concludes that free trade has been a "bad religion" that, in the Canadian context, has made our economy grow, but not develop.

Kari Levitt (daughter of another famous economist, Karl Polanyi) focuses on the role of finance capital in modern economies. Levitt delivers an insightful and poignant lecture in the early days of the financial crisis that unfolded in 2008. Like Galbraith and Watkins, she calls for a rethink of economics that focuses on real goods and services rather than financial speculation.

The PEF has completed a campaign to endow the John Kenneth Galbraith Prize in Economics, ensuring that it will be awarded every two years in perpetuity. The Prize is to be awarded based on a demonstrated contribution combining economic analysis with a commitment to social justice. On behalf of the PEF Steering Committee, I would like to thank Jim Stanford for his leadership in organizing the endowment campaign. Jim recruited a list of eminent economists and others who agreed to lend their names publicly to our effort. That early support was very important in establishing visibility and credibility for the Prize. The public endowment campaign was launched in June 2008, with a goal of raising a total of \$50,000 — enough to endow the biennial prize in perpetuity. Within a few months that goal was reached. The PEF thanks the initial public supporters and other major donors (listed on page 91), as well as the dozens of committed individuals who gave smaller donations, for providing a strong financial base for our effort, and for

ensuring that the Galbraith Prize will now be a permanent feature of the CEA meetings. Thanks also the Tides Canada Foundation for hosting and administering the endowment for us, and the CCPA for publishing this volume. Finally, thanks again to James Galbraith and the Galbraith family for their support of this initiative.

We hope you enjoy these thought-provoking essays, which offer readers an accessible peek under the hood of today's "conventional wisdom" in economics. The authors tell us what went wrong, and how the profession can be made relevant again. It is a fitting tribute to the life of an intellectual giant.

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