

---

# REMAPPING DEBATE

---

Asking "Why" and "Why Not"

## Reform agenda: economics classes that make you think

**Original Reporting** | By Mike Alberti | Alternative models, Economy, Education

### WHY SO NARROW?

This article is part of Remapping Debate's six-part series on the consequences of how economics is and is not taught to undergraduates in the United States. We have already looked at the limitations of how economics is presented to undergraduates in [Part 1](#), [Part 2](#), and [Part 3](#) of the series.

Here, we look specifically at the kinds of changes that might be made to introductory and intermediate offerings so that those courses more effectively expose students to real-world economics and to a diversity of perspectives.

Later this week, we examine changes that some critics are seeking in advanced offerings and in pedagogical methods. The series then concludes in two weeks with a probing look at what those who support or administer the status quo have to say.

— *Editor*

Mar. 7, 2012 — Tens of thousands of undergraduate students will take an introductory course in economics — often called “principles” courses — during any given year. Few of the students in these courses will go on to major in economics, however, making the principles courses “the single most important point of contact between the economic discipline and the college student body,” according to Martha Starr, a professor of economics at American University.

Since the vast majority of principles students will not go on to major in economics, Starr said, it makes little sense to structure introductory classes around a series of basic neoclassical models and equations. “Not only is that method dry and uninteresting to students, it presents economics as though all of its problems have already been mastered,” she said. “If we really

want to get those students to engage with economics and find it relevant, we should be focusing on the big, front-burner issues: broader questions about how the economic system can best promote the well-being of the population. We should also give students a sense that there is considerable debate about those issues.” (See “What are the basic principles?” on next page.)

### Reforming existing principles courses

Frederic Lee, a professor of economics at the University of Missouri-Kansas City, advocates beginning the course by spending some time on economic history. “You want students to have an impression that the kind of capitalism that we live in now is a relatively recent development, historically,” he said. “They should get a broad context before we can look at any theories or issues more specifically.”

A potential next step, according to Julie Nelson, chair of the economics department at the University of Massachusetts Boston, is to give students an idea of what the economy actually looks like, not introduce them immediately to theoretical arguments about how a hypothetical economy might work. “There’s a huge amount of government data available and it’s important that students know where to find it and how to look at it,” she said.

Additionally, many economists argue that complex theoretical concepts are often explained best, and most interestingly, using historical case studies. For example, David Colander, a professor of economics at Middlebury College, has written about how theories and models of economic growth can be illustrated with case studies ranging from the development of the Industrial Revolution to the growth of the technology sector in Silicon Valley. Doing so Colander said, “is an exciting way to teach, which allows students to develop their own principles and insights. Because they have developed the principles themselves, those principles will fit into their mind-set, which is the world they are currently experiencing, better than principles developed from abstract models that have no meaning to them.”

When theoretical frameworks are introduced, many economists and educators said, it is essential to present various perspectives that have their roots in different schools of thought. [As Remapping Debate has previously reported](#), teaching economics as though neoclassical economics were the only perspective — as is currently the norm in most undergraduate programs — risks discouraging some students from critical thinking by presenting a narrow set of assumptions without allowing them the opportunity to question or test those assumptions, and risks alienating other students from the study of economics altogether.

According to Geoffrey Schneider, professor of economics and director of the Teaching and Learning Center at Bucknell University, there are a number of methods that professors can use to introduce students to different economic perspectives. One approach, he said, is simply to divide up course time toward describing the foundational assumptions and basic models of various approaches, including neoclassical economics but also incorporating other perspectives such as Marxian, Institutional, and Post-Keynesian economics. This approach is broadly known as a “contending perspectives” model of economics education.

## WHAT ARE THE BASIC PRINCIPLES?



Most students are introduced to economics with 10 principles that focus on scarcity, rationality, and efficiency. But many critics say that these principles ignore or conceal much of what economics is actually about. We show you two versions of “10 principles.”

[>SEE THE SIDE-BY-SIDE COMPARISON](#)

“It’s crucial that students explore different perspectives and that they understand the assumptions behind the models,” he said. “Often these perspectives are in contention with each other, and the places where they conflict [are] fertile ground to encourage students to think critically about all of the models and how applicable they might be to various situations.”

---

“These theories need to be taught as *theories*, not as facts,” said Julie Nelson of UMass Boston. “You don’t lose anything by telling students explicitly that the models are using assumptions that may not always hold.”

---

A different approach, advocated by Nelson, is to structure the rest of the introductory classes around specific economic issues in an effort to make the class more relevant. This approach, which Nelson has called the “big toolbox” method, utilizes different theoretical frameworks, or tools, to analyze those issues. At least in an introductory class, the approach outlines the broad contours of various theories while attempting to keep the theory in the background and emphasize the issue at hand.

“I think it can be difficult for students to engage with the material when it overemphasizes theoretical differences,” she said. “You need to make the theories touch down on something the students have experience with.”

“Students right now are living through one of the most interesting economic periods in history,” Schneider said. “They’re surrounded by questions about unemployment, inequality, debt, inflation. It’s actually quite shocking that we’re not giving the chance to discuss and debate these issues in what is probably the only economics class their going to take.”

Reforming the introductory courses to give students a richer, more interesting and more relevant introduction to economics, Schneider said, would “probably attract more majors, or at least encourage people to take more economics classes in the future,” and would set the stage for further reform at higher levels of the curriculum.

## Intermediate courses

In their second year, economics majors at most colleges and universities are required to take intermediate level courses in microeconomics and macroeconomics, in which the neoclassical models that were presented to them at the introductory level are elaborated further. For non-majors, the courses are nevertheless the gateway through which they must pass before being permitted to take courses on specific topics of interest to them.

“You start with the intro courses, where you’re taught a certain set of materials,” said Neva Goodwin, co-director of the Global Development and Environment Institute at Tufts University. “Then the intermediate courses cover precisely the same material with fewer real world examples and more math. That’s really bizarre.”

And because they are even more purely theoretical and rely more heavily on mathematical modeling — at many schools, the intermediate level economics courses also require calculus — many educators have argued that they serve as a barrier for students who wish to continue to study economics, but who may not want to major in it. Along with the intermediate “theory” courses, most majors are required to take another mathematically-based class — generally either statistics or econometrics — in their second year.

### INTERMEDIATE MACRO AS A HISTORY OF ECONOMIC THOUGHT

Nelson said that she has successfully taught intermediate macroeconomics as a history of economic thought. “You teach the different theories as they came about in response to historical events,” she said.

“So you start with the classical models in which all markets clear and there shouldn’t be any unemployment. Then you get to the great depression, which showed that that wasn’t very accurate, so you introduce Keynes. Then in the 1960s and 1970s you start to have issues with inflation, so you introduce some monetarism. Then there were some supply shocks so you introduce supply side models.”

“Then you look at globalization and finally you end up with the current financial crisis, and by that point it’s clear to students that we’re at another point where the models don’t work anymore.”

Some programs, such as those at Princeton University and the University of Rochester, however, offer at the intermediate level both a “high-math” track, which requires a strong foundation in calculus, and a “low-math” track, which does not. Students who take the low-math track are still able to take the majority of the advanced topical courses. While many economists and educators believe that this two-track system is an effective way to make the intermediate courses more accessible while still allowing students who want to take more mathematical versions to do so, not all departments will have the faculty resources to offer two sets of courses.

According to Nelson, while programs have significant flexibility in reforming the introductory courses, the vertical, “building-block” structure of the economics curriculum makes it more difficult to change the intermediate courses without additional reforms at higher levels. “When you’re talking about the intermediate courses, you’re really talking about the entire curriculum, because professors teaching the upper level courses now expect students to have covered this specific subject matter,” she said.

At a minimum, Nelson said, “These theories need to be taught as *theories*, not as facts. You don’t lose anything by telling students explicitly that the models are using assumptions that may not always hold.”

Others have argued that a contending perspectives model can be applied to the intermediate courses as well, without a significant sacrifice in depth. At Dickinson College, for example, professors are required to spend at least two weeks teaching heterodox material in *every course*, including the intermediate theory courses. “Of course there is a tradeoff,” said Chuck Barone, a professor of economics at Dickinson, “but we feel that the loss of depth is more than offset by the breadth that students get.”

## Adding and diversifying requirements

Potential curriculum reform at the intermediate level does not only or necessarily involve modifying the microeconomics and macroeconomics courses. Some programs that maintain the basic structure of the theory courses have nevertheless added additional requirements for students in their second year to ensure that their exposure to heterodox perspectives continues.

Bucknell University, for example, requires majors to take an intermediate course in political economy in addition to the traditional theory courses and statistics. That course covers several heterodox schools of thought in more depth than students get at the introductory level, Schneider said. At Dickinson College, majors are required to take an additional class called Contending Perspectives, which covers institutional economics, radical political economy, and feminist economics. Chuck Barone, a professor of economics at Dickinson who has taught the Contending Perspectives course for more than twenty years, said that the course does not include any neoclassical theory at all. “It’s important to have some space in the curriculum where the other perspectives get to stand alone so students can grapple with them on their own terms.”

### Contending perspectives on unemployment

In an illustration of how the big toolbox method might work in practice, Jack Reardon, a professor of economics at Hamline University, said that an instructor might spend one or two classes focusing on unemployment.

“Students would be aware of the basic assumptions of the neoclassical perspective, so they would know that it focuses on rational individuals who basically try to maximize their satisfaction, and outcomes that are determined by the intersection of supply and demand,” he said. “So, the way that the neoclassical perspective might describe unemployment is that workers are demanding a greater wage than the market is offering, and if they were to accept the market wage, there would be no unemployment.”

In contrast, Reardon described a Post-Keynesian perspective of unemployment, which emphasizes the concept of *aggregate* demand — the total amount of demand that exists in a market or an economy. If aggregate demand is too low, according to this theory, then consumers will be spending and borrowing less money, which will influence the number of people that can be employed. And a Marxian or Feminist perspective, he said, might emphasize how power dynamics play out in an economic context. “Students don’t find it much of a stretch when you tell them that unemployment might have something to do with power,” he said, “whether that’s the disparity of power between capital and labor, or men and women, or between individual firms, or even different types of workers.”

Other programs, such as the one at University of Missouri-Kansas City, require majors to take a class on the history of economic thought at the intermediate level, in which students read the writings of prominent economic thinkers from Adam Smith to Karl Marx to Thorstein Veblen to John Maynard Keynes. “Students need to get a sense that economics has always been a very contested discipline,” Lee said. “It’s important that they understand the historical context that gave rise to different ideas...and it’s important for them to be looking at primary texts, what these thinkers were actually saying, and not how it might be summarized in a textbook.”

Until relatively recently, history of economic thought was a requirement in most economics programs in the United States. According to Steve Zilliak, a professor of economics at Roosevelt University, “those

### An alternate vision

Nelson envisions the incremental reforms to the current intermediate theory courses as only the first step in a broader curricular reform. “In my ideal world, I would just throw those courses out,” she said.

Instead, her vision of the economic curriculum replaces the current vertical structure with a more horizontal structure common to the other social science disciplines. To ensure that students achieve a requisite level of depth, Nelson suggested that a department could create various “tracks” or concentrations within the major, allowing students at the intermediate level to choose between them.

“If we don’t have a hegemonic theory anymore then you wouldn’t need to give everybody the same traditional tools,” she said. As examples of possible tracks that departments could offer, Nelson proposed a quantitative track that is similar to the current major; a philosophical track that incorporates more ethical concerns and the history of economic thought; an economic history track; and a track that focuses on policy questions.

“None of the tracks would be isolated from the others,” she said. “Students might be required to take a basic tools class in each of the tracks, and from there the intermediate and advanced courses could be structured more finely” to the needs of different groups of students.

Reynold Nesiba of Augustana College agreed that introducing tracks was an approach that held potential. “Doing that would allow you to shift economics back toward the interdisciplinary field that it really is,” he said. Nesiba said that dividing the major into tracks would expose students to a greater diversity of methodologies and could be an opportunity to cross-list more courses between departments.

“I think it’s a problem that we’ve started telling students that they can understand economics without knowing some history and sociology and anthropology and psychology and political science and philosophy,” he said.

courses were almost entirely wiped out in the 1970s. I think it happened partly because of the rise of neoclassical economics and the sense that it wasn't important to study other ideas because we had found the 'right' one. It's an embarrassing tragedy."

Zilliak said that departments should think about requiring economics majors to take a course in moral philosophy, as well. "It would be so easy for students to go all the way through and not have a sense that economics is concerned with issues of justice and virtue," he said. "Students have no idea that Adam Smith was a moral philosopher, that what we now call economics comes out of a particular philosophical tradition."

## Enhancing offerings to non-majors

Another advantage of offering additional courses at the intermediate level is that non-majors who might be intimidated by or uninterested in the theory courses still have the option to continue to study economics. Currently, few departments offer a range of topical courses at the intermediate level, reserving them only for students who have reached an advanced level. The result of this structure is that those students not interested in intermediate theory courses are effectively shut out from all but an introductory level economics education.

---

According to Steve Zilliak of Roosevelt University, history of economic thought courses "were almost entirely wiped out in the 1970s. I think it happened partly because of the rise of neoclassical economics and the sense that it wasn't important to study other ideas because we had found the 'right' one. It's an embarrassing tragedy."

---

"All departments have a dual responsibility," Schneider said. "They have to cater broadly to the needs of their majors, but they also have a general education responsibility, to offer classes that are accessible and interesting to non-majors. Economics has been failing at both."

For example, Zilliak said that a course situating economics within a context of moral philosophy, including the writings of influential economists such as Adam Smith in a broader reading list alongside philosophers like David Hume and John Stuart Mill, could be open to non-majors and would not need to require the principles sequence.

John Harvey of Texas Christian University said that departments could offer intermediate courses in more policy-focused areas, such as health economics or environmental economics, instead of saving those courses until the advanced level. "There's a lot of opportunity to cross-list those courses with other departments," he said, which can make them even more accessible.

And several educators said that economics departments should be offering non-majors an opportunity to learn about the financial crisis. “You see a lot of places offering a financial crisis course at the advanced level now,” said Daniel Underwood, a professor of economics at Peninsula College. “I’m sure that’s very valuable for majors, but what about the rest of the student body? Other departments are looking to economics to educate students about the crisis, and I don’t think you can argue that you need to know calculus to gain some insight into it.”

*In the next part of the series, to be published Mar. 8, we explore options to reform the advanced portion of the economics curriculum and review potential pedagogical reforms.*

*This content originally appeared at <http://www.remappingdebate.org/node/1116>*