
REMAPPING DEBATE

Asking "Why" and "Why Not"

Mainstream economists on the defensive

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Mar. 21, 2012 — Despite the economic meltdown of 2008, the pre-existing, one-sided model of economics education has remained almost entirely intact. Several factors explain the lack of change, but

WHY SO RESISTANT TO CHANGE?

This article concludes Remapping Debate's six-part series on the consequences of how economics is and is not taught to undergraduates in the United States. (See [Part 1](#), [Part 2](#), [Part 3](#), [Part 4](#), and [Part 5](#) of the series.)

We wanted to know what prominent mainstream economists made of the criticisms that have been leveled at the educational status quo. How do they justify the exclusion of all but one school of economic thought? Do they think that enough is being done to encourage critical thinking among their students? What is the purpose of an economics education?

The answers are quite revealing, and, to critics, explain why it has been so difficult to get alternative models to take root.

— *Editor*

according to many economists, all of those factors boil down to one primary obstacle: "At the most basic level, the reason that we have not seen any reform is that those who are empowered to do the reforming are actually the problem," said Neva Goodwin, the co-director of the Global Development and Environment Institute at Tufts University.

This article is based on more than a dozen interviews with prominent mainstream economists, many of whom chair top-ranking departments. I asked them to explain why their students would not benefit from a more open, pluralistic education in economics and, to the extent they believed students *would* benefit, why so little has changed.

Diversity within the mainstream?

The current model of economics education exposes students to only one school of economic thought, broadly known as neoclassical or mainstream economics. One of the central questions raised by critics is whether teaching one school of thought in isolation can effectively foster the critical thinking skills that are the centerpiece of the liberal philosophy of education.

Mainstream economists generally acknowledged that, by teaching only one perspective, there is a risk that students will not be encouraged to question and probe what they are being taught. But many said that they saw little need for improvement, mainly because they believe that students can be taught to think critically within the confines of neoclassical economics.

“I don’t see that we’re lacking on the critical thinking end,” said Michael Wolkoff, deputy chair of the economics department at the University of Rochester. “Within neoclassical economics there’s plenty of debate and we’re always focused on trying to understand how different assumptions have different outcomes.”

Heterodox economists generally resist the argument that exposure to the debates within neoclassical economics does enough to foster critical thinking in students.

“Especially within neoclassical macroeconomics, the pendulum does swing a bit between different perspectives,” said David Ruccio, a professor of economics at the University of Notre Dame. “But because it’s swinging within the limits of neoclassical economics, those limits are being solidified, which serves to exclude other perspectives. Students aren’t getting the understanding of how much contested terrain there is out there to be explored.”

But we don’t have time...

When presented with that perspective, Wolkoff and others who made similar arguments acknowledged that there were limits to the amount of analytical and evaluative skills that can be learned by studying only one perspective, but they emphasized that with limited time and resources, departments need to make choices about what to offer to students.

“The reality is that we aren’t going to be able to offer everything that everyone wants students to learn,” Wolkoff said. “Most of the people teaching our courses think that [neoclassical economists’] unique way of thinking can most successfully describe how things works. Where [neoclassical] economics has a comparative advantage, for example, is in addressing questions of efficiency, not the distributional consequences of those questions. So that’s where we’re going to concentrate our efforts.”

If students taking economics courses at the University of Rochester feel that they are missing out on other perspectives, Wolkoff suggested that the blame lies with them for choosing to study economics there in the first place. “We’re very forward about what we teach. We publicize what our courses are. I don’t blame the Chinese restaurant for serving me Chinese food instead of Italian food.”

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Others, such as John Karl Scholz, the chair of the economics department at the University of Wisconsin-Madison, took the position that it was acceptable for economics departments to present a single theory to students as long as critical thinking skills were being taught in other classes. “There are costs for what you spend your time on,” Scholz said. “It’s true that economics has a particular prism on the world. To spend a lot of time teaching other perspectives is to crowd other things out. Since presumably students are taking other classes in sociology and history and other disciplines, we don’t need to cover all the bases here.”

Astrology? Creationism?

Economists who argued that “crowding out” is the primary reason for not including alternative perspectives on economics agreed that, in making their decisions about staffing and curricular structure, they were inherently making decisions about what topics and perspectives to prioritize. When asked why incorporating other economic perspectives was not a high-enough priority to include in their course

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offerings, many of them responded by questioning the validity of those competing schools of thought, such as Marxian, Post-Keynesian, and institutional economics.

John Siegfried, an emeritus professor of economics at Vanderbilt University and the secretary-treasurer of the American Economics Association (AEA), who has written widely on economics education from a neoclassical perspective, emphasized that the difficulty facing economics departments was determining the basis on which to evaluate various perspectives for inclusion in the curriculum.

“The commentators on Fox News have an alternative,” he said. “Should we include that? If you’re going to present alternatives, who gets to decide which alternatives?”

Harald Uhlig, chair of the economics department at the University of Chicago, agreed that this is a problem. “As a teacher, you want to get your students to think critically, of course,” he said. “You want to expose them to ideas but also question these ideas to some extent. But to do that you have to make a choice of bringing what you think are the most relevant criticisms into the classroom.”

For Uhlig, the “most relevant” criticisms came from within the neoclassical school itself. Several mainstream economists implied that heterodox perspectives were akin to unscientific theories, like astrology, or to outdated theories in the natural sciences.

“If my son were taking a course on astrophysics, I would expect him to learn the modern astrophysicist’s perspective, not be taken through six centuries of theological doctrine,” Uhlig said. “The Mayans have thought about the origins of the universe, but I don’t think he needs to learn what they thought.”

“I wouldn’t think that science departments ought to give equal weight to flat-earth theories or creationist approaches,” said Gene Grossman, the chair of the economics department at Princeton University.

A methodological catch-22

The alignment of neoclassical economics with the natural sciences by many mainstream economists is not a coincidence. Methodologically, neoclassical economics has attempted to model itself as closely to the natural sciences as possible, leading heterodox economists to accuse mainstream economists of having “physics-envy.”

Mainstream economists usually see this as a strength. Indeed, when presented with the argument that the education a typical student receives in economics is likely to be narrower than in the other social sciences, several mainstream economists acknowledged as much, but viewed the methodological diversity of other departments as a weakness.

“I think we’re beginning to see a lot of the other social sciences growing more like economics in that regard,” Grossman said, “which proves there’s a value in trying to develop theories just like a science.”

But critics argue that teaching economics as if the foundational knowledge of the discipline was on ground as solid as in the natural sciences discourages students from thoughtfully examining their assumptions.

“The social realm is much more contested than the physical world, and students need to understand that,” said Frederic Lee, a professor of economics at the University of Missouri-Kansas City. “To say that there’s only one valid viewpoint on social issues is obviously problematical.”

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And, importantly, it is questionable whether the validity or relevance of alternative perspectives can be effectively judged using the neoclassical methodology, because many alternate perspectives do not employ the same methodology.

“Econometric modeling is just one of the techniques that we use,” Lee said. “Heterodox theories are much more grounded in empirical observations, so we’ll also use things like archival research, participant observation, and ethnographic studies. We want to find out not only how things might work logically, but also how they actually work, how organizations really function, how people actually make decisions.”

Observations and insights on the economy attained through these methods, Lee said, will obviously be at a clear disadvantage when judged using the neoclassical methods of deductive reasoning and mathematical modeling.

“This is another way of saying, ‘what you people are doing is not economics. To be an economist you have to be like me,’” Lee said. “It would be like a Baptist looking at a Catholic and saying, ‘what you’re doing is not religion.’”

An academic meritocracy?

But that was of little concern to most mainstream economists, who claimed that history has already performed the evaluation process for them.

Grossman, for example, said that one of the primary jobs of the academy has always been to foster the “competition of ideas.” The result of that competition, he said, was that some ideas achieve dominance while others are shifted to the side.

The appeal to a kind of academic meritocracy, in which the best ideas rise “naturally” to the top, was common among mainstream economists. John Campbell, the chair of the economics department at Harvard University, for example, said in an email message that he was “not particularly sympathetic” to the pluralist argument because genuine change in the field has historically come about when good new ideas replace the older ones. “There will always be fringe views that do not have such success,” he wrote. “I do not think it is productive to devote much time to such views in the early stages of economics education.”

The problem with that narrative, according to several historians of economic thought, is that it fails to take account of the ways that heterodox economic theories have been systematically expelled from the

NOTRE DAME: SEPARATE AND UNEQUAL

David Ruccio of University of Notre Dame, has personally experienced the exclusion of alternative perspectives from the economics curriculum. For many years, Notre Dame’s economics department prided itself on being diverse and inclusive of approaches to economics that fell outside of the mainstream.

Then, in 2003, the University decided to split the economics department into two. The mainstream economists were placed in a new department called Economics and Econometrics, while the more heterodox faculty, like Ruccio, were moved into the Department of Economics and Policy Studies.

“The idea was that it would allow both approaches to flourish,” Ruccio said. “The rationale was ‘separate but equal.’ But Economics and Econometrics got the PhD program, and we were prohibited from hiring any new faculty.”

Ultimately, in 2010, “the other shoe dropped” and Notre Dame [dissolved](#) the Department of Economics and Policy Studies entirely.

academy, not because they did not meet standards of rigor and coherence, but because they were associated with political and social orientations that were deemed “un-American.”

“The historical evidence is pretty clear on this point,” said David Colander, a professor of economics at Middlebury College. Colander is the author of a textbook on the history of economic thought and has written widely about economics education. The McCarthy era, according to Colander, was just one of a number of periods where those deviating from the economics mainstream were uprooted from the academy because they were seen as “radical.”

When asked in a follow-up email whether the historical context changed his view on academic meritocracy, Campbell acknowledged that there have been periods of academic repression in the United States, but said he didn’t believe that “the limited success of Marxian, institutionalist, or neo-Keynesian economics over the longer run (specifically, in the half century 1960-2010) has anything much to do with external threats or self-censorship by academia in response to such threats.”

While Colander and other historians acknowledged that the last fifty years have not seen the same kind of direct assault on alternative perspectives as in the McCarthy period, they emphasized the many ways that decisions from decades ago can have continue to have implications in the present, because those decisions have become “institutionalized.”

The most obvious example, according to Frederic Lee of the University of Missouri-Kansas City, is that because graduate programs stopped teaching the other schools of thought, a whole generation of economists did not learn them and could not, therefore, pass them on to their own students.

Another example is how the textbook market has evolved, Colander said. The textbooks that emerged in the 1940s and 1950s, he said, continue to be the basis on which today’s textbooks are written. “Something was set in motion,” Colander said. “The result has been that a one-dimensional working definition of what an economist is and does has become locked in and is continually reproduced through teaching.”

“We’re leaving out the essence, the big questions”

Not every mainstream economist interviewed for this article displayed the same level of resistance to incorporating alternative perspectives into the undergraduate curriculum.

Ben Polak, the chair of the economics department at Yale University, for example, agreed that there was inherent value in presenting contending viewpoints to students.

“You always want students to be aware of the assumptions that they’re making,” Polak said. “One of our goals needs to be to get students to think carefully about the limitations and the consequences of the assumptions they’re making.”

To that end, the Yale undergraduate program offers students the opportunity to take courses such as Debating Globalization, Debates within Macroeconomics, Economics of Natural Resources, and Poverty under Postindustrial Capitalism, which introduce students to a broader variety of perspectives and methodological techniques than standard “core” classes.

WHATEVER HAPPENED TO THE HISTORY OF ECONOMIC THOUGHT?

As Remapping Debate has previously reported, one of the primary criticisms leveled by advocates for pluralism is that the teaching of economics is becoming increasingly ahistorical as courses on economic history and the history of economic thought, once a standard part of most curricula, have disappeared.

Critics see this shift as worrisome, arguing that students frequently get the impression that the economy can be understood through set of principles that are applicable regardless of time and circumstance (in other words, principles that are objectively “true” independent of the social and historical context out of which they emerged).

Several mainstream economists agreed that the loss of those courses was unfortunate, with Ben Polak of Yale calling it “a tragedy.”

The primary reason for not offering those courses, they said, was a function of limitations in how most faculty members have been educated: because so few economists get a historical education in graduate school, there are few professors who are available to teach those courses.

Nevertheless, several department chairs said that they were currently making an effort to find faculty with historical training and bring those courses back.

Yale also offers several courses in American and international economic history, which Polak said serve the important function of giving students a sense of the social and historical context in which economic systems have changed over time (see sidebar).

Valerie Ramey, chair of the economics department at the University of California San Diego, also said that offering a diversity of perspectives was valuable.

“I think students would be better off if we talked more about those other viewpoints,” she said.

Ramey and Polak also agreed with critics that economics, both as a discipline and as it is taught to undergraduates, has become too focused on the methodology of mathematical modeling, at the expense of the kind of empirical observation that characterizes the approach of heterodox schools of thought.

“It’s enormously important that we teach students basic facts about the economy,” Polak said. “Students need to be given real empirical examples and be looking at data in addition to learning the models. I think we’ve got away from that a bit.”

Ramey agreed. “I like rigor, but I don’t like the fact that by focusing so much on the math, we’re leaving out a whole range of problems that can’t be solved using math.”

“We’re leaving out the essence, the big questions,” she continued.

“It’s like the drunk who is looking for his keys under the streetlight instead of where he lost them because ‘that’s where the light is.’”

“I guess I don’t know enough”

When asked why she does not teach alternative perspectives in her courses if she sees the value in doing so, Ramey said, “Because I was never taught them.”

That response was indicative of a broader trend in the interviews with mainstream economists. Even many of the economists who expressed a resistance to teaching the other schools of thought, or questioned their validity, admitted that they were personally unfamiliar with them.

Gene Grossman of Princeton, for example, said that while he believed that “an exposure to a range of views and subjects is obviously good for students,” when asked why he did not believe there was value in teaching the other schools of economic thought, he answered that “I’m not sure I understand what those approaches amount to. Maybe that’s a short-coming of myself.”

Similarly, John Siegfried of Vanderbilt and the AEA said that, to the best of his knowledge, the differences between the other perspectives amounted to little more than “political differences.” When pressed, he said, “I guess I don’t know enough about what the differences are.”

And Harald Uhlig of the University of Chicago said that he has not seen anything in the other schools of thought that “I think our models can’t handle.”

Ramey suggested that a lack of knowledge of the other perspectives among economists was one of the greatest barriers to reforming the curriculum. “If you weren’t taught that stuff in graduate school,” she said, “it takes a lot of time and work to figure out what they’re saying so that you can teach it to students. That’s probably part of the reason it falls to the bottom of the priority heap.”

When it was suggested to mainstream economists that their lack of knowledge of perspectives beyond neoclassical economics might itself be evidence that the economics curriculum had become too narrow, some conceded the point.

“I do think we need to be careful,” Siegfried said. “There’s certainly a danger of becoming isolated. It would probably be beneficial to students if we had a more diverse curriculum than we do now.”

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A different philosophy of education

Others, however, stressed a different point.

“I think there’s value to having a coherence in a discipline,” Grossman said. “I have no complaints or concerns if our philosophy department wants to teach a philosophical approach to economics using more descriptive methods. I don’t think that’s something we can do well.”

Michael Salemi, the chair of the economics department at the University of North Carolina at Chapel Hill, said, “Simply from the point of view of pedagogy, the most important thing is that you try to teach fewer topics that hang together and provide a cohesive whole” because “that’s the only way that students learn.”

The mainstream ‘proficiencies’ alone, without the critical skills, “just make people able to do stupid and perhaps harmful things more effectively and efficiently,” said Julie Nelson of UMASS Boston.

But critics of the status quo say that perspective reflects a very different philosophy of education than that being followed by advocates of pluralism.

“Memorizing something by rote is not the same type of learning as being forced to confront different ideas,” Lee said. “Students *do* have difficulty engaging with alternative perspectives and prefer to learn one view. They say, ‘just give us the truth.’ If you teach different approaches, they will struggle. But I think there’s value in that struggle. Students only learn to think if they’re getting confused sometimes.”

But Salemi and some other mainstream economists are more focused on a philosophy of education that emphasizes “proficiencies,” or practical skills.

“What’s the purpose of adopting a major in economics?” Salemi asked. “The goal is to achieve proficiencies, not familiarity with different bodies of thought. It’s not about sets of ideas, it’s about competencies.”

The emphasis on proficiencies, Salemi explained, is “to help them get ready to use economic tools in the workplace. A student who could walk into a job interview and talk very intelligently about Marx and Engels probably isn’t going to get the job, but a student who goes in and can do a basic cost-benefit analysis might.”

The proficiencies approach was developed in a [2001 article by W. Lee Hansen](#), an emeritus professor of economics at the University of Wisconsin-Madison. In an interview, Hansen also emphasized that the important question for educators to ask was “what do we want people to be able to do the day after they graduate?”

For example, Hansen said, students should be able to “write a coherent memo for their boss about some policy.”

Some critics of the current model of economics education also emphasize the need to impart competencies to students, but see the kind of competencies that mainstream economists advocate as being overly narrow.

Neva Goodwin of Tufts, for example, said that there are several proficiencies that are left out of the mainstream’s analysis, including the ability to place what is being learned within a social and historical context; the ability to think through the ethical implications of economics assumptions and decisions; and the ability to thoughtfully compare and contrasts various positions and arguments.

Julie Nelson, chair of the economics department at the University of Massachusetts Boston, characterized those kinds of competencies as “critical skills,” which she said need to be included in a broader understanding of what students should be able to do after graduating.

The mainstream ‘proficiencies’ alone, without the critical skills, “just make people able to do stupid and perhaps harmful things more effectively and efficiently,” she said.

Goodwin said that the difference between the two positions reflected a deeper difference in educational philosophy: “One is aiming at a narrow future employment trajectory,” she said. “It’s based on the workplace, and does not include the concept of a liberal education, which emphasizes citizen education, educating students to be able to engage usefully in society both within and beyond the workplace.”

An exclusive focus on workplace-based proficiencies, Nelson agreed, can detract from the broader, liberal philosophy of education that has always, at least nominally, been the hallmark of American higher education.

Salemi said that the proficiencies he was emphasizing would be useful to students going into a variety of fields. But when asked what students were going on to do with the proficiencies he taught them, Salemi — who sometimes referred to his students as “clients” — said, “Maybe not most, but certainly a lot of them are going into financial services.”

“There’s a tremendous amount at stake here. The way economics is taught has profound consequences for society in general because economics and policy are so intertwined.” — David Ruccio, Notre Dame

From where will change come?

“People who have spent so many years learning something and have so much human capital invested in it aren’t going to want to change because it will lower the value of their human capital,” said David Colander of Middlebury College.

David Ruccio of Notre Dame agreed. “Mainstream economists have an interest in reproducing themselves,” he said. “The whole structure of the economics department has been built around that desire, and I think that’s the single most important explanation for why there has been so little change.”

For that reason, many critics said that they were not hopeful that change was going to come from within the profession itself. “If change comes, it’s likely going to come from without,” Colander said.

“There’s a tremendous amount at stake here,” Ruccio said. “The way economics is taught has profound consequences for society in general because economics and policy are so intertwined.”

“More directly,” he went on, “it has profound consequences for students. And it probably won’t change until they really start to push back.”

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