

# Introduction

*“I don’t care who writes a nation’s laws, if I can write its economics textbooks.”*

**Paul Samuelson** (1990, p. ix)

Economies can broadly be described as open systems of resource extraction, production, distribution, consumption and waste disposal through which societies provision themselves to sustain life and enhance its quality. Their functioning is fundamental for and intertwined with many other human endeavours. Whether it is putting food on the table, providing medical care, ensuring a roof over one’s head, fighting a war, running an education system, organising a social outing for a football club or simply getting a coffee, all these actions require interaction with these larger economic systems. Given this importance, good economists are vital for society, at every level. It is their job to investigate the inner workings of the larger systems, help society navigate them, assist in designing parts of them, and monitor their functioning to continuously improve them and avoid unintended consequences or breakdowns.

## 1 Why Redesign Economics Programmes?

Economists today are in positions of considerable power and influence. Primarily, as key policy experts and advisors in many different policy areas. Under a layer of political supervision, economists are at the head of many of the most powerful public-sector organisations in the world: central banks, ministries of finance, social and economic affairs, and international organisations such as the *International Monetary Foundation (IMF)* and the *World Bank*. Indeed, some argue that we live in an *econocracy*, a society in which improving the economy has become the main purpose of politics (Earle et al., 2016). In the private sector, economists co-direct and influence the behaviour of banks and other large corporations.

Additionally, the economic ideas that are dominant in society exert an influence far beyond the formal advisory of professional economists, guiding decision-making of citizens everywhere. After all, economic dynamics are at the core of many of the aforementioned societal

challenges. Anyone grappling with those problems may look towards economic ideas to understand and help solve them: informally, in day-to-day discussions and literature, but also formally through an economic education. In the United States alone, every year two million undergraduates take at least one economics course (Siegfried & Walstad, 2014).

Indeed, as Nobel laureate Friedrich Hayek (1974) noted, the influence of economists and their ideas can sometimes be intimidatingly large. In his acceptance speech, he remarked that *'the Nobel Prize confers on an individual an authority which in economics no man ought to possess'*, particularly because *'the influence of the economist that mainly matters is an influence over laymen: politicians, journalists, civil servants and the public generally.'* The professional authority of economists, often based upon its image of being both more policy-oriented and more *'scientific'* – in the sense of being more like the natural sciences such as physics – than other social sciences, is crucial in understanding the influence of economists in society (Akerlof, 2020; Fourcade et al., 2015).

Today, a clear and systemic understanding of the economy is more important than ever. The 2007-2008 financial crisis yielded widespread unemployment and bankruptcies, only to be worsened recently by the COVID-19 global pandemic. The world remains one of great inequality, where 1% of the world's population owns more wealth than the other 99% combined (Hardoon et al., 2016). The industrial system is simultaneously causing the world's 6th mass extinction (Ceballos et al., 2017), and destabilising the climate, something that has long received too little attention in economics (Butler-Sloss & Beckmann, 2021; Oswald & Stern, 2019). The uncertainty and insecurity resulting from this rapid and frequently threatening change is driving increasing numbers of citizens into the arms of autocratic populists, who promise strength, stability and simplicity (Mounk, 2018).

To face these and coming challenges, we need a comprehensive understanding of our economic system. The COVID-19 pandemic in particular has shown that if we are to effectively manage our economy, we need an all-round, real-world understanding of how economic sectors work, how they are intertwined with each other, what roles various forms of government play versus the market, how citizens economically depend on each other, and how the economy is embedded in our society at large. A single theoretical framework cannot be enough for this. A range of approaches which prioritise different methodologies, assumptions, units of analysis and outcomes will be necessary to gain a more complete understanding, as well as the critical thinking skills to be able to choose the

most appropriate approaches for the problem at hand. As well as debating alternative policies, we also need to be able to go deeper and debate the values which underpin our judgement of policies, as well as envisioning, designing and debating alternative policies. In short, economists of the future have a lot of work to do. They will need a thorough and diverse training to prepare them for this.

Fortunately, the discipline has many crucial insights to offer its students. Economists have demonstrated how the pursuit of self-interest may lead to benefits for society at large (Adam Smith), how the capitalist system forces not only workers but also employers to compete and fight for 'survival' (Karl Marx), that we pay not only in money but also in opportunity cost (David Green), how the sum of the actions of many sensible, reasonably-acting individuals may be chaotic and generate explosive irrationality (John Maynard Keynes), how developed countries can enrich themselves at the cost of developing countries even without directly plundering them or extracting resources through military power (Raúl Prebisch), how innovation and economic destruction are part of the same process of turbulent economic development (Joseph Schumpeter), how roughly half the work we do, such as care work, is never paid for (Betsy Warrior), that economic development is not (only) about growth but about capabilities and freedom (Amartya Sen), how communities can be able to sustainably manage vital resources without formal rules and property rights (Elinor Ostrom), and how well-intended actions of human provisioning may wreak havoc on the ecological systems that support all life on this planet (Herman Daly).

We, the authors of this book, chose to study economics because we wanted to understand the powerful dynamics within the economy that lie behind the world's challenges, and to learn ideas that might help to solve them. While we learned much of value in our programmes, we also found that they were not sufficiently broad, open-minded and realistic to help us really get a thorough grasp of how the economy actually works.

For one, the majority of the insights listed above were not part of our programmes. If we had not been informed by curious classmates that the field of economics was much wider than what we were being taught, we would never even have known about them. Neither did we learn to discuss the moral foundations of economic discussions. Why, for instance, are we striving for economic growth? Does this goal still make sense and how does it relate to other goals, such as ecological sustainability and social equity? What is a 'well-functioning market', and when and why do we want one? Nor did we learn much about the economy as it actually exists in the real world: few of us could have listed the main sectors in our home countries,

explained how the bargaining processes between workers and employers works in practice, or set out the connection between capitalism and global warming in any more detail than an informed newspaper reader.

Most current programmes are organised around ‘thinking like an economist’ (see Proctor, 2019, for an overview of curriculum analyses in different countries). That is, they focus on training students to think from the neoclassical perspective and to use econometrics, while disregarding other valuable theoretical approaches and research methods. Furthermore, the approaches that are taught are predominantly abstract, rather than based in real-world practice, and claim to be value-free.

## 2 Giants on Whose Shoulders We Stand

This movement has produced an extensive literature of proposals and discussions about economics curriculum reform, which we will briefly discuss before setting out the contribution of *Economy Studies* itself and the internal structure of this book. To go directly to the overview of this book’s parts and to see reading suggestions for faculty, students and other audiences, skip ahead to the next section of this chapter, *This Book: Structure and Reading Guide*. For more history and detail on the debate about economics education see Butler et al. (2009); Fullbrook (2003); Garnett Jr et al. (2009); Hodgson et al. (1992); Hoyt and McGoldrick (2012); Lee (2009); Reardon (2009); Spiegler and Milberg (2013); Thornton (2016); Tieleman et al. (2017).

For brevity, the literature review starts in 2007, the year the global financial crisis started and as a result the movement for economics curriculum reform received an enormous boost. In this year, *Teaching Pluralism in Economics* (2007) was published; a collection of essays edited by John Groenewegen, which discusses the desirability of pluralism and the different forms it can take, the importance and usefulness of interdisciplinarity, history, and problem-based learning, and differences between an economics education in the United States (US), Germany and the United Kingdom (UK).

Two years later the *Teagle Foundation* report was written by David Colander and KimMarie McGoldrick (2009) about how economics majors in US liberal education could be improved. The report argues programmes should focus more on “big think” questions about highly complex issues as well as the real-world contexts in which economic problems are situated. Colander and McGoldrick also suggest experimenting with new teaching strategies,

encouraging active classroom participation and open conversations, and developing teaching commons with openly shared materials and exercises. They also provide organisational suggestions for improvement, such as increasing attention to teaching skills as well as subjects such as economic history, history of economic thought and institutions in PhD programmes so that the next generation of teachers will be better equipped and prepared.

The Teagle report was also the starting point of *Educating Economists: The Teagle Discussion on Re-evaluating the Undergraduate Economics Major* (2010), a collection of essays from a wide variety of perspectives. Among other questions, it discusses whether to deepen and/or broaden the scope of the programmes, how best to teach students to think critically and independently, and the practicalities of organising economics education such as providing the right incentives to stimulate good teaching.

The year 2009, right after the start of the global financial crisis, saw two other important publications on economics education: Robert Garnett, Erik Olsen, and Martha Starr edited the volume *Economic Pluralism* (2009) of which the third part specifically focused on economics education. The volume gives a good overview of the debate surrounding economic pluralism with essays on, among other things, how to manage intellectual diversity to promote knowledge production, whether to base pluralism on Kuhn's concept of incommensurability or Mill's idea of fallibilism, the institutional heterogeneity in real-world economies, and how pluralist teaching can contribute to relevant skill formation among students desired by companies and governments.

Another book on the need for pluralism in economics is *The Handbook of Pluralist Economics Education*, a collection of essays edited by Jack Reardon (2009). It too contains detailed suggestions for teachers on how to reform principles, core theory and advanced economics courses. In this way, it provides fundamental critiques as well as concrete suggestions for how economics courses, from economics 101 and macroeconomics to labour and international economics, can be improved.

In 2011, INET's UK Curriculum Committee wrote a proposal for undergraduate programmes following these principles: a focus on the economy, rather than on a particular methodology of economics; a pluralist 'one-problem-several-solutions' approach; and a focus on the real world and on preparing students to work outside academia, rather than reproducing the skill-sets needed by academic professors.

2011 also saw one of the most extensive publications on economics education with the 850 pages long *International Handbook on Teaching and Learning Economics* edited by Gail M. Hoyt and KimMarie McGoldrick. The book starts out by describing the history of economics education, different teaching and assessment techniques, and research findings on economics education and student performance. Numerous contributors to the book, furthermore, give reflections and suggestions on existing courses, from health economics and game theory to sport and urban economics. It concludes by discussing institutional and administrative aspects of economics education, such as faculty development, student characteristics, teaching enhancement initiatives, and international differences between educational systems.

Two collections of essays followed. 2012 saw the publication of *What's the Use of Economics? Teaching the Dismal Science After the Crisis* edited by Diane Coyle. The book asks how new insights that have become prominent as a result of the financial crisis of 2008 and its aftermath, such as the importance of the financial sector for macroeconomic developments, could be incorporated in economics education. The various authors, including several employers of economists, argue that the following ingredients are too often missing in current curricula: history and real-world context, practical skills for empirical analysis and the importance of inductive reasoning, attention to the limitations of modelling and deductive reasoning, a pluralist approach with multiple perspectives, and communication skills, especially of technical results to non-economists. The book also discusses how UK undergraduate economics programmes, in particular, can be improved, by innovating teaching and testing, and rewarding good teaching rather than letting career success depend solely on publishing in US mainstream journals.

The second collection of essays, edited by Jack Reardon and Maria Alejandra Madi (2014), arrived at a slightly more radical conclusion. According to the various authors of *The Economics Curriculum: Towards a Radical Reformulation*, reforming economics education is not simply a matter of adding some topics to the curriculum, but fundamentally changing its core elements. The book starts out by analysing what is wrong with current programmes and what they are missing. It then moves towards suggestions for how the curriculum could be improved and what such an improved programme could look like. Core ideas are to centre a pluralist approach to theory, to actively discuss methodological issues, and to make real-world and historical knowledge key ingredients of any curriculum.

In that same year, the French student group *Pour un Enseignement Pluraliste dans le Supérieur en Économie* (PEPS, 2014) analysed existing French economic curricula and proposed an alternative curriculum. Rather than organising the programme around techniques, they put real-world problems and questions at the centre of the programme. Furthermore, the programme is characterised by interdisciplinarity, theoretical and methodological pluralism as well as a focus on independent critical thinking. Their research was followed up by a report by the French Ministry of Education (2014), which concluded that economics programmes were indeed insufficient in preparing students for their future societal roles. The report argued curricula should pay more attention to real-world knowledge and interdisciplinarity.

In 2016, the debate further progressed thanks to two books that each in their own way forcefully argued for fundamentally altering economics education. In *From Economics to Political Economy: The problems, promises and solutions of pluralist economics*, Thornton (2016) argues for disciplinary differentiation and institutional independence. Disciplinary differentiation involves reverting back to the original name of the discipline (political economy) and broadening the field by including economic history, history of economic thought, a diversity of theoretical perspectives, economic development, and comparative economic systems. Institutional independence involves operating outside economics departments (for example, in departments of political science or management). In his words, rather than trying to continue a “dialogue with the deaf” inside economics departments, reform-minded students and academics may benefit from more carefully contemplating the full range of available reform strategies. The analysis includes detailed case studies of successful and unsuccessful attempts at change within and outside economics departments.

The other book, called *Econocracy: The perils of leaving economics to the experts* (Earle et al., 2016), was written by three young economics graduates who had been instrumental in the formation of the international student movement *Rethinking Economics*, which we are a part of, in particular by co-founding the *Post-Crash Economics Society* in Manchester. As noted earlier, they argue that we live in an *econocracy*, a society in which improving the economy has become the main purpose of politics. In such a society, the way economists are educated is of paramount importance. Based on an analysis of 174 UK undergraduate economics courses and their course outlines and exam papers, they argue economics education is currently not fit for purpose. The excessive focus on neoclassical theory amounts to a monopoly of thinking that, they argue, can even be defined as indoctrination, as it discourages independent critical thinking and promotes unquestioningly accepting claims and reproducing earlier

beliefs. They make the case for economics in the form of a pluralist liberal education with attention to multiple theoretical perspectives, real-world issues, inductive approaches and empirical evidence. Furthermore, they argue for the democratisation of economic policy debates, in order to make sure everyone's interests, values and insights are considered rather than only those of a small group of economic experts.

The most recent contributions to the debate consist of two collections of essays edited by three German economists, Samuel Decker, Wolfram Elsner and Svenja Flechtner: *Advancing Pluralism in Teaching Economics* (2018) and *Principles and Pluralist Approaches in Teaching Economics* (2019). These two books further explore why and how to teach economics in a pluralist way. They discuss how this pluralist approach could be applied to different topics and countries, together with discussions of recent development in economics education in Brazil, India, China, Ghana, Germany and France.

While this book is about education, not about research, our suggestions seem to dovetail with a similar shift in the research arena. A recent survey among nearly 10,000 academic economists, weighted to be a representative sample of all 50,000 scholars who recently published, found that most academic economists want the discipline's research work to be more multidisciplinary, less specialized, riskier, more disruptive and focused on the question's importance rather than on causal identification (Andre & Falk, 2021).

The years since the 2007-2008 financial crisis have also produced a growing amount of new teaching material. This wealth of new (online) materials and textbooks is too extensive to do justice in a brief discussion here. Instead, we provide overviews and descriptions of them in the relevant chapters as well as more extensive online overviews of teaching materials and resources on [www.economystudies.com](http://www.economystudies.com).

Besides textbooks, there are websites such as *Exploring Economics*, an open-access and bottom-up e-learning platform for economic theory with introductions into different perspectives and overviews of online courses. *The School of Political Economy* has also been established to provide university-level courses in pluralist economics from outside of the university system. In addition, INET has created several excellent online courses, such as *How & How NOT to Do Economics* by Robert Skidelsky, *Inequality 101* by Branko Milanovic and Arjun Jayadev, *The Economics of Money & Banking* by Perry Mehrling, *What Money Can't Buy* by Michael Sandel, and *Economics for People* by Ha-Joon Chang, which are freely available on its website. Furthermore, the CORE team, coordinated by Wendy Carlin, Samuel Bowles and Margaret Stevens, has developed online



freely available textbooks, such as *The Economy: Economics for a Changing World* and *Economy, Society, and Public Policy*. The *Economics in Context Initiative* has developed a series of textbooks accompanied by online available education materials in which students not only learn about the economy itself but also how it is embedded in social, environmental, historical, institutional and political contexts.

Finally, new economic programmes are being introduced across the world. Over the past years, the initiative *Promoting Economic Pluralism* has developed a platform providing an overview of pluralist economics master programmes around the world. The selection looks, among other things, at whether students are taught a range of theoretical perspectives, taught to reflect on assumptions and values, ecological issues are discussed and real-world knowledge is taught. Since 2005 the online *HED database*, last updated in 2016, also provides a useful overview of (under)graduate programmes with a broader and different theoretical focus (<http://heterodoxnews.com/hed/study-programs.html>).

### 3 This Book: Structure and Reading Guide

This book, *Economy Studies*, is neither a textbook, a collection of essays, a course manual, nor a critique of existing programmes. Rather, it is an attempt to take the many specific ideas and materials of renewal and reform and bundle them together into a coherent and complete vision of what a contemporary economics degree could look like. It builds on the above calls for more attention to real-world knowledge, history, institutions, pluralist theory, critical thinking and ethical and methodological reflection in economics education. In doing so, it goes beyond principles and general recommendations. The first part of this book outlines the general vision, the second part provides the building blocks of teaching material and the third part offers a practical toolkit to form and adjust concrete courses and curricula.

Apart from being highly detailed and combining an integral vision with a practical how-to guide, our curriculum proposal differs from others in one important respect: it is open-ended. *Rethinking Economics* was founded to crack open the existing homogeneity in economics education, and we do not intend to replace it with another 'single answer'. We believe society would be best served with a diversity of economists, each having slightly different expertise. Hence, we reject the notion that there could be such a thing as the 'optimal' curriculum.

Instead, we build up the proposal in three steps. The first part of the book, *Foundations*, sets out the philosophy of *Economy Studies*: education organised around studying the subject matter of the economy, rather than learning to think in a certain way. Then, three organising principles: a *pluralism* of theoretical and methodological approaches, a foundational knowledge of the *real-world* economy and a clear understanding of the role of *values* in economics. We discuss the importance of *diversifying and decolonising economics* and changing not only what we teach, but also how we teach with the *didactics* of economics education.

In the second part, *Building Blocks*, the domains of knowledge and skills that economics students should learn about are described. Building blocks can be used as templates to create stand-alone courses, or they can be combined or shaped into different forms, to suit the specifics of each programme. Additional online resources are referred to in the larger building blocks, and can be found on our website: links are provided throughout the book.

While most of this book is a blue-sky proposal, the third part *Tools* takes implementing actual change as its point of departure. It proposes more incremental adjustments and provides ready-to-implement tools: a curriculum review tool, examples of curricula and individual courses designed using this method, as well as ready-to-use sets of material to ‘pluralise’ existing core courses, also those for secondary schools and academic minor programmes.

As these example curricula and courses show, *Economy Studies* is certainly not something that needs to be swallowed wholesale. It can also very well function as a menu of different options for broadening existing curricula. Readers are encouraged to skip around in the book whilst reading. To facilitate this, we have written the building blocks as independent units. While they form a coherent whole, each building block is also designed to stand alone.

If you are working with an economics curriculum, whether teaching it, learning it or trying to reform it, this book could be for you. The different sections have been designed to be read independently, as they may be of interest to different readers. We suggest all readers start with part one, *Foundations*. Then, if you are currently teaching a course, and would like to expand it with some fresh material, go to part two, *Building Blocks*, and simply dive into the building block that seems most relevant to your course or see the chapter *Adapting Existing Courses* in part three of the book (p. 329). If you are in a position to influence a programme as a whole, whether as a student, a programme coordinator, or in another role, take a

look at the *Part II: Building Blocks* (p. 141), *Tool 3: Curriculum Review* (p. 363) and *Tool 5: Example Curricula* (p. 387).

Using the structure of this book, we have also designed workshops that help both students and teachers understand and apply the ideas and tools provided in the book. Throughout the international *Rethinking Economics* network, there are people who have been trained to facilitate these workshops. If you are interested, please get in touch at our website: [www.economystudies.com](http://www.economystudies.com).

Online, we also work with the INET Education Program, a platform hosting free educational resources such as video lecture series, syllabi, teaching modules, lecture notes, readings, sample quizzes and exams. In addition to materials, the platform will host an online community of economics professors. The building blocks and other chapters of this book will be part of that platform.

We hope that the ideas and materials offered in this book will be of use to the students and academics of the worldwide economics community. While our subject often seems dry and intangible to outsiders, it is an absolutely critical field of knowledge for any society, as more and more people are coming to realise. We are thankful to the many passionate scholars, activists, sceptics, philosophers and empiricists who have generously taught us what they knew and reviewed our work. You helped make this book what it is. Any remaining mistakes, which a book of these ambitions is bound to contain, are our own.