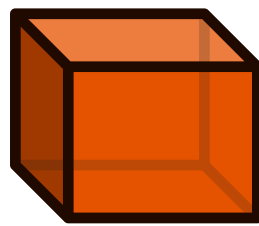


Economy Studies for International Economics

New Ideas & Materials for Educators & Students



**Economy
Studies**

Sam de Muijnck & Joris Tieleman

Rethinking
Economics

one
OUR NEW ECONOMY



Amsterdam
University
Press

The book Economy Studies

This booklet is part of a series based on Economy Studies, a project for re-envisioning and redesigning economics courses and programs. The project emerged from the worldwide movement to modernise economics education, spurred on by the global financial crisis of 2008, the climate crisis, and the COVID-19 pandemic. It envisions a wide variety of economics graduates and specialists, equipped with a broad toolkit, enabling them to collectively understand and help tackle the issues the world faces today.

This is a practical guide for (re-)designing economics courses and programs. Based on a clear conceptual framework and ten flexible building blocks, this handbook offers refreshing ideas and practical suggestions to stimulate student engagement and critical thinking across a wide range of courses.

Key features

- 1 Adapting Existing Courses: Plug-and-play suggestions to improve existing economics courses with attention to institutions, history, values and practical skills.
- 2 Teaching materials: A guide through the rapidly growing range of innovative textbooks and other teaching materials.
- 3 Example Courses and Curricula: How to design pluralist, real-world economics education within the practical limits of time and resources.

What others say about Economy Studies

“A tremendous resource for both teachers and students of economics.”

Prof. **Wendy Carlin** (UCL), director of the CORE Economics Education Project

“Based on a thorough analysis, the authors argue for a radical rethink of how economics is taught. Whether you agree or disagree with some of the specific suggestions, this book is definitely worth reading.”

Claudio Borio, Head of Monetary and Economic Department at the BIS.

“This book is a tour de force. The mastery of the subject that the authors and their team display is astonishing. It was a source of inspiration for the development of the new program at the Vrije Universiteit of Amsterdam.”

Prof. **Arjo Klamer** (EUR & VU)

Why this booklet

In this booklet, we provide suggestions, content and teaching material for how to modernise and enrich international economics courses. In doing so we hope to assist educators in improving and adapting the courses they teach, as well as helping students make suggestions for how this could be done. It is important to note that we pose all these suggestions as potential sources of inspiration, not a checklist of all the things that necessarily should be included. After all, there is a practical limit to what can be taught within a single course.

Other booklets in this series available via www.economystudies.com:

- 1 Economy Studies for Students
- 2 Economy Studies for Program Directors and Deans
- 3 Economy Studies for Secondary Education
- 4 Economy Studies for Business Schools
- 5 Economy Studies for Public Administration & Law Programs
- 6 Economy Studies for Economics 101
- 7 Economy Studies for Microeconomics
- 8 Economy Studies for Macroeconomics
- 9 Economy Studies for Econometrics
- 10 Economy Studies for Labour Economics
- 11 Economy Studies for Public Economics
- 12 Economy Studies for Environmental Economics
- 13 Economy Studies for Development Economics
- 14 Economy Studies for Industrial Organisation
- 15 Economy Studies for Finance
- 16 Economy Studies for Monetary Economics
- 17 Economy Studies for International Economics
- 18 Economy Studies for Game Theory
- 19 Economy Studies for Behavioural Economics

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Reading Guide

To get an overview of the Economy Studies project as a whole, start with the Summary.

For concrete suggestions on topics and material to enrich your own course, go directly to Adapting International Economics Courses.

For a sketch of how the theory part of a pluralist international economics course could like, see the Pragmatic Pluralism chapters.

For ideas and materials on teaching students about the economy around them, its structures, institutions, statistics, and sectors, take a look at the Building Block chapters.

To see what you can do to help modernize economics education at your own university, see the Conclusion.

Summary

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

Paul Samuelson

1 Rethinking Economics Education

Humanity is wealthier, more connected and more technologically advanced than ever. Access to healthcare is rapidly expanding and poverty levels keep dropping in most parts of the world. At the same time, societies around the globe are facing a multitude of challenges. To name a few: climate change, biodiversity loss and resource depletion, growing inequalities and power concentrations, economic instability and soaring levels of private and public debt, ageing and migration, social polarisation and rising authoritarian nationalist populism. And, back on the table since 2020: pandemics.

Tackling such challenges requires a deep comprehension of the economy, which the current system of economics education does not sufficiently provide. Economists need a real-world understanding of how various industries work, how they are intertwined with each other, how economic power works, what roles states play and how these are embedded in our society at large. It also requires open minds which can look at issues from a variety of perspectives. A single theoretical framework cannot provide the answers to every question. A range of approaches which prioritise different methodologies, assumptions, units of analysis and outcomes, is necessary for gaining a good understanding of the economy and its issues. Economists need to be able to think critically, select the tools which are most relevant for the context and problem at hand, and understand the limitations and uncertainties of the conclusions that they draw from them. Finally, it requires an awareness and an explicit discussion of the moral dilemmas and normative trade-offs involved in economic decisions. In short, economists have a lot on their plate.

Economists also have a lot of influence, for good and for bad. Firstly, as key policy experts and advisors, economists largely run many of the most powerful public-sector organisations in the world: central banks, ministries of finance, social and economic affairs, the IMF and the World Bank. In the private sector, economists co-direct the behaviour of banks and other large companies. Secondly, the economic ideas that float around most prominently in our society exert an influence far beyond the formal advisory reports of professional economists, guiding decision-making of citizens everywhere. Economic thinking influences even those who do not become economists, as economists have a central role in the public debate and many citizens are taught basic economics in secondary or tertiary education.

The growing societal importance of economists and economic ideas has sparked a lively debate around the content and structure of economics education. A worldwide movement of students and academics calls for more pluralist, real-world focused and socially relevant programmes that would enable economics graduates to better understand and tackle the economic issues that the world faces today. This movement has accelerated over the last decade, spurred on by the global financial crisis of 2008, the climate crisis and the COVID-19 pandemic.

Under names such as Rethinking Economics, Netzwerk für Plurale Ökonomik, Institute for New Economic Thinking (INET), International Student Initiative for Pluralist Economics (ISIPE), International Confederation of Associations for Pluralism in Economics (ICAPE), Diversifying and Decolonising Economics, Economists for Future, Reteaching Economics, and Oikos International, these groups come together for dissent, discussion, self-education, action, campaigning, disseminating ideas and engaging with wider audiences.

Research by these groups indicates that many current programmes are not sufficient to prepare students for their future roles in society. They are often organised around the notion of ‘thinking like an economist’: training students to think exclusively from the neoclassical perspective and having skills in econometrics, while neglecting other valuable theoretical approaches and research methods. Furthermore, these analytical tools are taught in an overly abstract way and are presented as being value-free.

These groups and others have also produced a growing amount of innovative teaching material, beyond how economics programmes are traditionally structured. From online educational resources such as the open access CORE project and the bottom-up e-learning platform Exploring Economics, to multiple new pluralist and real-world focused textbooks. Many departments have introduced a wealth of new courses, or even started entirely new programmes.

2 This Book: Purpose and Overview

What has been missing so far in this field is an integral approach for constructing economics curricula and courses. This book aims to fill that gap. We bundle the ideas and materials of renewal and reform into a coherent multi-level vision for economics education: its overarching structure, its goals and its principles. We also provide the concrete building blocks for this in terms of academic content, including detailed overviews of teaching materials and practical suggestions. Finally, we translate these to the level of actual programmes and courses, providing a wide range of practical tools for implementation.

This entire book carries a CC-BY Creative Commons licence, which means that any part of the book may be freely copied, redistributed, remixed, transformed or built upon, without restrictions. As such, our proposal for a new integral approach to economics education can also be adopted and used partially, rather than being accepted as a whole. Each idea and suggestion can be judged and incorporated independently. You can totally disagree with principle 1 yet support principle 3. Or you might find little value in building block 5 and yet fall in love with building block 9. That’s the idea: it’s modular. Thus, the book as a whole can be used as a source of inspiration and overview of options for improving and renewing economics education.

Part I: Foundations

The first part of the book, Foundations, sets out our philosophy and the three guiding principles that should underpin any economist’s education. In contrast to the currently common approach of teaching students to ‘think like an economist’, the Economy Studies approach is this: We envision an education where economics is not centred on a specific method of analysis or thought, but rather centred on a study matter, the economy. 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.

Based on this philosophy, we formulate three principles: Pluralism, Real-World and Values.

First, a discipline centred around a single subject matter requires a plurality of theoretical frameworks: one

single set of basic assumptions is not enough to understand such a multifaceted subject matter. Here it is important that students learn which ideas are compatible with each other and which are in conflict with each other. Some of these theories fall within the current economic mainstream, others exist on its fringes, and yet others are currently at home in other disciplines. It also implies a plurality of research methods, from basic statistics and regression analysis to interviews, network analysis and survey analysis. Such pluralism means that there is no single dominant framework, which might be more difficult for those receiving economic advice, but is ultimately beneficial for the quality of analysis and the resulting decisions.

Second, the notion of a programme centred on the subject matter of the economy implies a continuous and conscious orientation towards the economy as it exists in the real world. Students benefit from studying practical questions and gaining concrete knowledge, not just abstract analytical tools. For instance: How is the German car industry structured? What hurdles does the global energy transition face? What happens at a central bank? The Real-World principle ranges from studies of economic sectors and key institutions in the local or (inter-)national economy, to the histories of economies and case studies of specific economic challenges.

Third, we draw attention to the wide variety of normative principles and visions that can guide economic decisions and action, and which are often subtly embedded in economic theories. There is little sense in trying to 'solve economics problems' without considering what things exactly are worthwhile or problematic, and what values are at stake. Profits, sustainability, power, equal chances, equal outcomes, job creation, labour conditions, ownership, accountability, GDP growth, wellbeing – what should we focus on?

Economics has historically been, and is still, dominated by upper- and middle-class white men based in the Global North. This has consequences for each of the three principles. In terms of Real-World, it is important to pay attention to the lived economic realities of working-class citizens, women, minorities, and those living in the Global South. For Pluralism, we need to incorporate often ignored but valuable ideas and contributions of lower class, female, and non-western scholars. For Values, it is key to realise that people from different backgrounds have different priorities and values, and work to ensure that these are reflected in the questions we focus on and the theories and methods we use. In sum, we need to diversify and decolonise economics education.

The Foundations part ends with a chapter on didactics. Improving economics education is not simply a matter of changing what is taught, but also how it is taught. Various surveys among employers of economists show that more attention for communication and collaboration skills is needed. There are also worrying indications that economics classes often fail to facilitate open, critical, but also respectful, discussions. Finally, to make economics education more lively, interesting for students and connected to the real world, a greater variety of teaching and examination methods could be used. On all these fronts we provide practical suggestions.

The second part of the book is devoted to the Building Blocks. Where the Foundations part discusses the purpose and principles of economics education in general, the building blocks are more applied: ten thematic areas of knowledge and skills, which form the meat and bones of the Economy Studies course design method. Each of the ten building blocks covers an area of knowledge and set of skills that we see as essential for the education of future economists.

Part II: Building Blocks

The second part of the book is devoted to the *Building Blocks*. Where the *Foundations* part discusses the purpose and principles of economics education in general, the building blocks are more applied: ten thematic areas of

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We start out with two building blocks that focus on acquiring basic economic knowledge, one conceptual and one focused on the real world. Introducing the Economy is about getting a feeling for economic matters, discussing what the economy is in the first place, why it is relevant, how it is related to other aspects of the social and natural world, and what societal roles economists have. Know Your Own Economy, on the other hand, has a more concrete focus as it is about knowledge of the actual (national and local) economy and its structures, institutions, and sectors.

The third and fourth building blocks deal with history: History of the Economy and History of Economic Thought & Methods. The fifth and sixth building blocks are more conceptually oriented, dealing with how economies can and have been organised, at micro and meso levels – Economic Organisations & Mechanisms – and at the macro level – Political-Economic Systems.

The seventh and eighth building blocks provide a broad and diverse analytic toolkit: Research Methods & Philosophy of Science and Economic Theories. These two, especially the latter, are relatively large. In most programmes, they will require more space than the other building blocks. Finally, building blocks nine and ten deal with practically contributing as an economist: Problems & Proposals is about analysing concrete economic challenges and formulating or evaluating proposed policies and actions, and Economics for a Better World asks how normative principles and visions can guide action to address the major challenges of our times, and helps students to be reflective of their own role as an economist

These building blocks can be used as templates to create stand-alone courses or modules, or they can be combined in courses. They can be re-ordered, combined or integrated in many ways to suit the specific needs of each programme. For instance, Building Block 3: Economic History could be taught as a stand-alone subject, or integrated with the fourth building block into a course History of Economic Thought and Reality, or integrated as a minor component in an existing Labour Economics course. In our ideal world, these building blocks would be combined to form a wide range of economics programmes. Different contexts and challenges require differently trained economists.

Part III: Tools

The third part of the book, titled Tools, provides material that is directly actionable. It starts with Pragmatic Pluralism, a suggested format (including references) for teaching theory in a pluralist manner without drowning students in the enormous diversity of ideas out there. We list thirteen core economic topics and set out for each topic the two main opposing perspectives, a key complementary perspective and additional insights coming from other approaches.

Often there is no space in programmes for completely new courses but there is room for adjustment in some existing courses. In *Adapting Existing Courses*, we offer ready-to-use sets of suggestions and material to do so, for courses like Micro, Macro, Public Economics and Finance. The Curriculum Review Tool offers a clear starting point for applying our building blocks to an existing programme. This tool helps identify possible blind spots of a programme and suggests ways to strengthen it. The Example Courses that follow illustrate how the building blocks can be used to create completely new courses. The next chapter maps out several complete Example Curricula, demonstrating how the building blocks might be combined to form a complete bachelor or master programme in Economics.

While this book is primarily oriented towards full economics programmes in academic education, in the chapter Courses for Non-Economists we suggest limited packages of core economic ideas that may be useful for business schools, secondary school economics programmes, in an academic minor or for self-study. Finally, Learning Objectives offers tools for designing the learning objectives behind economics courses, starting not from the question ‘what does the teacher know best?’ but from ‘what do the students need to know, to be prepared for their future societal roles?’.

Part IV: Online Materials

Economy Studies is more than a book. On the website, we offer an extended version of the Pragmatic Pluralism chapter, a broader range of Adapting Existing Courses topics, additional Example Courses and Example Curricula. We also provide background material on each of the Economic Approaches described in this book, as well as neighbouring sub-disciplines such as economic sociology and economic geography. In addition, we provide a more complete overview and discussion of research methods, coordination and allocation mechanisms, and the history of economic thought and methods. Finally, we offer much more extensive lists of teaching materials for each of the building blocks.

Online, we also work together with the INET Education Program, at the Institute for New Economic Thinking. This platform will host free educational resources online, accessible to students, teachers and the general public. This includes video lecture series, syllabi, teaching modules, lecture notes, readings, sample quizzes and exams. The platform will also serve as a center to build up an online community of teachers and learners, working together to improve the way economics is taught and learned. Each of the chapters in this book has a discussion page on that platform.

What kind of graduates would a program based on these ideas and materials produce? It is important to acknowledge that they would not have all the skills that current-day graduates have. Less mathematical sophistication, less expertise in econometric analysis, less knowledge of neoclassical theory. In exchange for these losses, students gain: A deeper understanding and more concrete knowledge of the economy in which they live and will work. An awareness and understanding of the various ways in which economic processes can be organised at the micro, meso and macro levels. Practical skills for investigating and tackling questions of economic policy: understanding the context, choosing the right tools, from a variety of theoretical and methodological approaches. And the ability to argue morally as well as analytically, and to clearly distinguish the two.

With this *creative commons* work, we hope to inspire economists and all students of the economy to rethink how we learn economics. The economic challenges we face as societies are enormous, so we desperately need well-prepared economic experts and a citizenry able to participate in economic discussions. Economics education has the vital task of preparing these people as best as possible.

This booklet provides a preview of the *Economy Studies* project. The full book also includes the complete set of building blocks, additional teaching materials, a curriculum review tool, example courses and curricula and suggestions for learning objectives. If you are interested to learn more, visit our website and buy or download the whole book, open access, or contact us.

economy.st

Adapting International Economics Courses

General Approach to Adapting Existing Courses

Change often happens incrementally and slowly. In the economics textbook market, for example, there is an unwritten rule that new textbooks cannot differ more than roughly 15% from the standard textbook in order to be 'acceptable' (Colander, 2003).

While our book clearly breaks this rule and proposes more far-reaching and fundamental changes in most chapters, in this chapter we focus instead on how existing courses could be adjusted incrementally. By doing so, we hope to assist educators in improving and adapting the courses they teach without needing to rip them up and start again, as well as helping students make suggestions for how this could be done.

First, we set out the typical contents of current public economics courses. Second, we provide our suggested additions and changes. It is important to note that we pose all these suggestions as potential sources of inspiration, not a checklist of all the things that necessarily should be included. After all, there is a practical limit to what can be taught within a single course.

Typical contents of current courses

Courses on international economics are often divided into two parts: the more micro-oriented part on international trade and the more macro-focused parts on international monetary and financial matters. In the former part, the focus is generally on the theory of comparative advantage, the Heckscher-Ohlin model, and new trade theory, as well as on trade policies and agreements. In the latter part, attention is paid to the impossible trinity (often linked to some stylized international monetary history), the Mundell-Fleming model, optimal currency areas (often linked to discussions about the Eurozone), and currency and debt crises.

Frequently used textbooks::

- International Trade: Theory and Policy by Paul Krugman, Maurice Obstfeld, and Marc Melitz
- International Economics by Dennis Appleyard and Alfred Field
- International Economics by Robert C. Feenstra and Alan M. Taylor
- International Economics by Theo Eicher
- International Economics by Thomas Pugel
- International Economics: Trade and Finance by Robert Carbaugh
- Introduction to International Economics by Henk Jager
- International Economics by James Gerber

Suggested additions and changes

Practical skills and real-world knowledge

International economics can often be an abstract topic that is difficult for students to grasp. To make the material come alive, we advise to bring students as much as possible in contact with the real world, rather than (only) focusing on theories. This can be done by teaching them about real world institutions, such as the IMF and World Bank, and let them conduct case studies. Furthermore, it can be very helpful to make them

familiar with basic facts about world trade, and the roles of its own country and different economic sectors in it. But it can also be done outside of the classroom. To get a closer look and develop a feeling for international trade, students could get guest lectures or even visit a trading company and talk with their managers, workers, traders and logistics experts. Or to better understand international finance and monetary economics, they could visit a (public or private) financial institution that on a daily basis deals with such matters.

For more detail, see Building Block 2: Know Your Own Economy and Building Block 9: Problems & Proposals.

A range of analytical tools and approaches

International economics courses can be enriched by including ideas from post-Keynesian and structuralist economics, as these provide different explanations and insights into issues related to trade imbalances, international capital flows, terms of trade, globalisation, free trade and protectionist policies. Furthermore, courses could treat the international monetary, financial and political trilemmas. The argument in these trilemmas is that one can always only choose two of three policy options. In the international monetary trilemma, also known as the impossible trinity, that means it has to let go of one of these three policies: independent national monetary policy, free capital movement or fixed exchange rates. For the international financial trilemma, the options are independent national financial policy, international financial integration, and financial stability. And for the international political trilemma, the choice is between democracy, national sovereignty and global economic integration.

For more detail, see the section International Trade in the background material Pragmatic Pluralism.

Teaching Materials

- The Handbook of Pluralist Economics Education by Jack Reardon, from 2009, chapter 13. This useful book on how to diversify economics programs, includes a chapter full of ideas and suggestions for courses on international economics.
- Economics: The User's Guide by Ha-Joon Chang, from 2014, chapter 12. This brief and accessible pluralist book contains a useful introductory chapter on international economics.
- Economics After The Crisis by Irene van Staveren, from 2015, chapter 14. This well-written textbook which in one chapter sets out the neoclassical, post-Keynesian, social economic and institutional perspectives on international trade.
- The Economy by The CORE Team, from 2017, chapter 18. This successful textbook introduces students to the economics of globalization, trade and inequality.
- Introducing a New Economics by Jack Reardon, Maria A. Madi, and Molly S. Cato, from 2017, chapter 16. This ground-breaking textbook introduces trade, exchange rates and the balance of payments and weaves together pluralist theory and real-world knowledge.
- Capitalism: Competition, Conflict, Crises by Anwar Shaikh, from 2016, chapter 11. This impressive and extensive book compares multiple perspectives on many traditional economic topics and includes a chapter on international trade and exchange rates.
- The Routledge Handbook of Heterodox Economics: Theorizing, Analyzing, and Transforming Capitalism by Tae-Hee Jo, Lynne Chester, and Carlo D'Ippoliti, from 2017, chapters 23, 24 & 29. This broad and diverse book sets out a variety of theories on trade, global value chains and international development.
- The Handbook of Economic Sociology by Neil J. Smelser and Richard Swedberg, from 2005, chapters 8 & 9. This extensive and yet accessible book for non-sociologists, provides an impressive and useful overview of the field of economic sociology, including two chapters on international institutions, organizations and arrangements.
- Principles of Economics in Context by Jonathan Harris, Julie A. Nelson and Neva Goodwin, most recent

edition from 2020, chapters 7 & 29. This useful textbook, which pays particular attention to social and environmental challenges, contains two chapters on international trade, finance and policy.

- *International Political Economy: Interests and Institutions in the Global Economy* by Thomas H. Oatley, most recent edition from 2019. This book introduces students to the political economy of international trade and finance, with state- and society-centred approaches.
- *International Economics: A Heterodox Approach* by Hendrik van den Berg, most recent edition from 2017. This book introduces international economics from a heterodox perspective, covering trade theory, policy, international finance and monetary systems, and immigration.
- *The Globalization Paradox* by Dani Rodrik, from 2011. An insightful discussion of globalization and exposition of the international political trilemma, written by a highly influential economist.
- *Straight Talk on Trade: Ideas for a Sane World Economy* by Dani Rodrik, from 2017. This book discusses various issues related to trade and globalization and argues for a pluralist world in which countries can have their own social contracts.
- *Globalization and Its Discontents Revisited* by Joseph Stiglitz, from 2017. This update of an earlier bestseller discusses globalization, its mismanagement, and what policies to tackle today's problems.

Institutions and different ways of organising the economy

International economic systems and relations are always undergoing change, and as such it has been organized in many different ways. To help students navigate in this complex world, it is important that they learn about the various international arrangements that have existed, or have been proposed or theorized. International economic systems have many aspects from international law and organizations, to trade, agreements, relations and politics between countries. Acquiring some basic knowledge of these various aspects and the ways in which they can be organized, will help students make sense of the complex real world in which they will later work.

For more detail, see Building Block 5: Economic Organizations & Mechanisms and Building Block 6: Political-Economic Systems, as well as the sections International Trade in the background material Pragmatic Pluralism.

Teaching Materials

- *The Politics of International Economic Relations* by Jeffrey A. Hart and Joan Edelman Spero, most recent edition from 2009. An insightful introduction into the political dimension of the world economy, with chapters on North-South relations, international monetary decision making, and multinational corporations.
- *The Global Economic Order: The International Law and Politics of the Financial and Monetary System* by Elli Louka, from 2020. A highly informative book on the global economic system, with attention to its origins, major players, and structures.
- *International Economic Relations since 1945* by Catherine R. Schenk, most recent edition from 2021. An introduction into how the world economy has evolved, helping students better understand its current structures.
- *International Economic Law* by Andreas F. Lowenfeld, most recent edition from 2008. A book on the legal side of the international economy, with chapters on dispute resolution, trade rules, international investment and the monetary system.
- *International Economic Institutions* by Marcel van Meerhaeghe, most recent edition from 1998. An insightful introduction into various regional economic communities and key international organizations, such as the World Bank, IMF, OECD, UNCTAD and BIS.
- *International Organization and Global Governance* by Thomas G. Weiss and Rorden Wilkinson, from

2013. A thorough collection of essays on international organizations, with chapters devoted to global corporations, credit rating agencies, and development banks.

- The Oxford Handbook of International Organizations by Jacob Katz Cogan, Ian Hurd, and Ian Johnstone, from 2016, chapters 16-22. An impressive collection of essays on global governance, with a number of economic chapters devoted to trade, international finance, development, environment, and labour.
- International Organizations: A Companion by Michael Davies and Richard Woodward, from 2014, chapters 8-10. A useful introduction into international organizations, with chapters devoted to development banks, money managers and international trade.
- International Organizations: Politics, Law, Practice by Ian Hurd, from 2010, chapters 5-7. A helpful introduction into the main international organizations, with chapters devoted to the World Bank, WTO, IMF, and ILO.

Societal relevance and normative aspects

While international economic theory can be highly abstract and sometimes seem even dull for many students, these dynamics have caused wars and spectacular political movements throughout history, such as the Boston Tea Party which triggered the American Revolution. Exposing students to these political struggles, especially to the clashing normative ideas behind them, can make clear how relevant the material at hand is. Furthermore, it prepares them for their future work in which normative, analytical and practical questions will often be mixed. In this regard, it is also interesting to let students critically analyse the normative visions and proposals coming from networks such as the World Economic Forum as well as its rival the World Social Forum.

For more detail, see Building Block 1: Introducing the Economy and Building Block 10: Economics for a Better World.

Teaching Materials

- The Global Economic Order: The International Law and Politics of the Financial and Monetary System by Elli Louka, from 2020. A highly informative book on the global economic system, with attention to its origins, major players, and structures.
- The Oxford Handbook of Professional Economic Ethics by George F. DeMartino and Deirdre McCloskey, from 2016, chapter 25. This insightful collection of essays explores the different aspects of ethics in economics, with one chapter by Joseph Stiglitz on providing economic advice to policy makers in the context of international economics and development.
- The Politics of International Economic Relations by Jeffrey A. Hart and Joan Edelman Spero, most recent edition from 2009. An insightful introduction into the political dimension of the world economy, with chapters on North-South relations, international monetary decision making, and multinational corporations.
- One World: The Ethics of Globalization by Peter Singer, from 2004. This thoughtful book, written by a leading utilitarian philosopher, discusses various ethical issues related to globalization, from climate change and human rights to the WTO and foreign aid.
- Global Democracy and the World Social Forums by Jackie Smith, Marina Karides, Marc Becker, Dorval Brunelle, Christopher Chase-Dunn, and Donatella Della Porta, most recent edition from 2014. An informative book on the ideas and yearly gatherings of groups from around the world that advocate for alternatives to corporate globalization.

History

The history of trade and international economic systems is old and captivating. By acquiring knowledge about

the history of the international economy, students become familiar with how complex and changing the world of international trade and finance is. Good history debunks myths and stereotypes, and gives insight into how the world of today has emerged. Teaching about the history of the international economy can also be nicely combined with teaching about the differing ways in which the international economy has been and can be organized.

Besides the history of the international economy itself, courses on international economics can also be enriched by paying attention to the history of economic thinking on the matter. The debate about what the appropriate policies concerning international trade and finance has been ongoing since the beginning of the discipline and to this day is further developing. Knowledge of these historical debates will thus prepare students for the debates they will encounter in their careers and allow them to take part in them in a better informed manner.

For more detail, see Building Block 3: Economic History and Building Block 4: History of Economic Thought & Methods.

Teaching Materials

- *Global Capitalism: Its Fall and Rise in the Twentieth Century* by Jeffrey A. Frieden, from 2007. A thorough and well-written introduction into the history of the world economy during the 20th century.
- *Globalizing capital: A history of the international monetary system* by Barry Eichengreen, most recent edition from 2019. A well written history helping students understand how money and finance have changed overtime, from the gold standard system and interwar instability to the Bretton Woods system and the last decades.
- *A Concise History of International Finance: From Babylon to Bernanke* by Larry Neal, from 2015. A detailed history of how finance has evolved over time, with particular attention to financial innovations, crises, government regulation, and international dynamics.
- *Power and Plenty: Trade, War, and the World Economy in the Second Millennium* by Ronald Findlay and Kevin H. O'Rourke, from 2007. An impressive journey through the history of international trade over the last thousand years, discussing the various waves of (de)globalization and the interplay between trade and war.
- *A Splendid Exchange: How Trade Shaped The World* by William J. Bernstein, from 2008. An accessible book that takes students through the story of international trade.
- *The Silk Roads: A New History of the World* by Peter Frankopan, from 2015. This well-written bestseller explores how international flows and relations have developed throughout history.
- *International Economic Relations since 1945* by Catherine R. Schenk, most recent edition from 2021. An introduction into how the world economy has evolved, helping students better understand its current structures.
- *Against the Tide: An Intellectual History of Free Trade* by Douglas A. Irwin, from 1996. This accessible book describes the emergence of the idea of free trade and defends the idea in relation to various other prominent economic ideas, such as infant industry protection and Keynesian macroeconomics.
- *Free Trade versus Protectionism: A Source Book of Essays and Readings* by Johannes Overbeek, from 1999. This useful book collects original essays by key thinkers on international trade and provides students with contexts and explanations through a brief introduction and biography for each essay.
- *Kicking Away the Ladder: Development Strategy in Historical Perspective* by Ha-Joon Chang, from 2002. An influential and accessible book investigating how the developed countries became rich and how this differs from the stories we often tell about it.

What to take out

To create space for the above suggested additions, we advise to focus more on the key ideas and intuitions behind the taught models and devote less teaching time to their technicalities and mathematics. As teaching students to reproduce and work through mathematical models often takes up a large part of the teaching time, this would give the teachers the opportunity to devote more time to practical knowledge, the relevance, institutions, and history. Furthermore, a more even balance between neoclassical economics and other economic approaches could be achieved by decreasing the number of neoclassical ideas and models that are taught.

Pragmatic Pluralism: Overview

Key insights and ideas for thirteen core topics in economics, organised by selecting the most relevant theoretical approaches per topic and contrasting them with each other.

This chapter provides a map through the complex jungle of economic theories. There are many different theoretical approaches, and each aspect of the economy has been analysed by a number of different ones. However, it is neither feasible nor productive for students to engage with every possible angle for every topic. Hence, this chapter, together with *Building Block 8: Economic Theories*, sets out an alternative approach: pragmatic pluralism. That is, make a selection of the most relevant theoretical approaches for the topic that is taught.

The building block chapter sets out the general approach of *pragmatic pluralism* (see economy.st/bb8). This chapter instead focuses on the content, applying the pragmatic pluralism approach to several of the core topics in economics. The full chapter (see economy.st/pragmatic) covers the following thirteen topics:

- 1 Governments
- 2 Business Cycles
- 3 Consumption
- 4 Economic Development
- 5 Finance
- 6 Firms
- 7 Households
- 8 Inequality
- 9 International Trade
- 10 Labour
- 11 Markets
- 12 Money
- 13 Nature

To reiterate, the core logic of this approach to teaching economic theory is that whilst pluralism is an essential aspect of academia, we also need to be pragmatic to successfully apply it in practice. Rather than pursuing the extreme of either only focusing on one approach, or including every possible strand of thought for every topic, we propose a pragmatic middle ground: teaching a select number of approaches for each topic. In this way, it is possible to introduce students to the variety and diversity of economic thinking, whilst still having enough time and space to properly discuss each of the insights in detail with them.

“Reasonable people may have different theories of the way the economy works – different pictures in their heads of what connects one thing with another in the economic system.”

Solow (1983, p. 67)

Theory is the beating heart of all social sciences, including economics. It allows one to understand the components, processes and causal mechanisms characterising various social phenomena in a more structured and systematic manner. However, every topic can be understood from various theoretical perspectives, which can both complement and contradict each other.

Most contemporary economics programmes focus almost exclusively on neoclassical theory. In opposition, some other programs choose to focus entirely on another perspective. We believe, in contrast to both, that there is no single ‘correct’ or ‘best’ way to understand the economy as a whole. It is too large and complex to be captured by a single point of view.

Hence, we propose a fundamentally pluralist approach to teaching theory. It is essential to teach students a variety of approaches to give them a rich and broad understanding of the topic, the debate around it and learn to think critically and not to take things as absolute truths. Approaches should be judged on their merits, topic by topic: thinking critically and reflectively to decide which theoretical points of departure help us best to understand this particular corner of the economic system.

Including this pluralist discussion is crucial for the development of students’ vital critical thinking skills, through the investigation of links and contradictions between the insights learnt. For a pluralist economics education to be truly valuable, students must graduate not just with strong knowledge of a range of perspectives and methods, but also with a critical understanding of the limitations and blindspots of those tools. Without this, they will struggle to select the most relevant approaches to the task at hand, and to judge how much confidence to have in the conclusions that they reach. Active discussion also has the additional benefit of making sure that students are genuinely understanding the content taught to them, rather than just temporarily memorising it for an exam.

In Practice

So how does this approach work when applied to a topic?

Each topic is subject to debate between alternative views, and to make students familiar with these competing theories, for every topic the two main opposing perspectives are selected. But not all differing ideas and theories are necessarily in conflict with each other. There are also approaches which can supplement one, or both, of the main opposing perspectives, contributing to a richer understanding of the topic. Therefore, each topic also contains one main complementary perspective. On top of these three main theoretical approaches, there are many other useful ideas that students could benefit from by learning about. For this reason, we provide a short summary of other useful insights and ideas that could be included for each topic.

For each topic, we suggest a few particularly useful teaching materials. In the resource chapter *Teaching Materials*, we provide longer lists of suggestions.

The topics presented below could be, and often already are, taught in individual courses. They can also be combined, especially when there is significant overlap such as with Finance and Money for example, although this does of course shorten the teaching time that can be devoted to each topic and its insights. As to determining the relative teaching time to the various perspectives, the following rule of thumb could be useful: the first half of the course is devoted to the two main opposing approaches, the third quarter to the complementary perspective and the last quarter to the other useful insights. As with every rule of thumb, the specific case and context should be taken into account and we advise teachers to determine the relative teaching time devoted to each insight taking the local situation into account.

Cautionary Notes

Before we go into the specific ideas and insights, we want to provide a short recap of the cautionary notes, which are described in full in *Building Block 8: Economic Theories* (see economy.st/bb8).

Firstly, the following overview should be viewed as only one possible example of a pragmatic pluralist approach to teaching economic theory. An overview such as this one should never be set in stone, as the discipline itself is also constantly evolving. While some approaches, such as complexity economics, currently have relatively few insights listed in the overview, this might change over the coming years as more scholars will further develop this approach and apply it to different topics.

Secondly, the overview could easily be expanded to allow for more detail and nuance or a wider range of perspectives or topics. The examples have been written to suit the time constraints of an individual module. The framework could be adapted for a relatively brief programme, such as an economics major in a liberal arts programme, by selecting fewer perspectives for each topic and including fewer topics and possibly combining them into individual modules. Equally, if the available teaching time is greater, for example with a theory-oriented four year undergraduate economics programme, more topics, insights and a greater range of perspectives could be included.

Thirdly, our economics education and own reading has shaped the topics and perspectives that are presented below. This is greatly influenced by living and studying in the Netherlands, and Europe more broadly, and the strong bias in the discipline as a whole towards economic thinking from the Global North. We strongly believe that economics curricula need to be decolonised and with this book we try to contribute to this. To help us do so, we have asked students and professors from all over the world, as well as organizations active on this issue, such as *Diversifying and Decolonising Economics*, for advice. Nevertheless, it is important to say that this is not an area that we personally have particularly strong knowledge in and feel that more could, and should, be done in this regard. We therefore welcome all suggestions on how the content in this chapter, and the rest of the book, could be enriched and improved by including other topics, perspectives and insights.

Finally, this technique of putting approaches as well as topics in separate boxes is only a heuristic for identifying the most important ideas and insights to teach. Many of these approaches and topics are strongly interlinked and can be difficult, or even impossible, to truly separate from each other. As a result, individual thinkers and their ideas can be difficult to put into a single box. For instance, Joseph Schumpeter built on classical, historical, Marxian, Austrian and neoclassical ideas, and is often seen as a key inspiration for evolutionary economics, which is therefore also sometimes called Schumpeterian economics. It is important

that students learn about these links and become familiar with how both the ideas and the topics are connected.

With these cautionary notes in mind, we hope this overview can be of some help in putting the pragmatic pluralist approach in practice and adapting economic theory courses.

Core Theoretical Insights Organised by Topic

Below we have put the thirteen economic topics (along the top) and sixteen theoretical perspectives (down the side) in a table to give an overview of how our pragmatic pluralist approach works.

It would be possible to fill in every box (representing a combination between a topic and an approach) to create what could be described as ‘indiscriminate’ pluralism. We think that for research purposes, such an approach could be very useful as it could generate new insights by utilising approaches previously not applied to a topic. However, for education we would not advise such an approach, as it would be impossible to teach every possible perspective on a given topic in a meaningful way, given the limited teaching time available. Instead, we advise teachers to focus on the main insights into their chosen topic. In other words, when teaching an economics course, they should focus on the combinations of the topic and perspectives that are most important. For every topic, we have noted to the two main opposing perspectives with ■, the main complementary perspective with □, and the perspectives that can provide smaller but still valuable additional insights with +. In this way, many boxes stay empty. This does not mean that the perspective has nothing to say on the topic, as it often does. But economics education requires us to make choices as to what to teach and what not. In this overview, below we have presented an attempt at making such choices, asking which insights help us understand the world the most. Sometimes there are cases in which perspectives share a certain insight. This is discussed in the explanations of the insights, but for brevity each insight is attributed to a single perspective in the table.

	Governments	Business Cycles	Consumption	Economic Development	Finance	Firms	Households	Inequality	International Trade	Labour	Markets	Money	Nature
Austrian School	+	■						+			+	■	
Behavioural Economics	+			+	+			+			+		
Classical Political Economy	+			■		+					■		□
Complexity Economics	+				□			+					
Cultural Approach					+		□			□	□	□	
Ecological Economics			□	+									■
Evolutionary Economics	□			+		□							
Feminist Economics							■	□		+			
Field Theory						■					+		
Historical School	+			■								+	
Institutional Economics			■	□		■							+
Marxian Political Economy	+	+		+			+	■		■			
Neoclassical Economics	■	□	■	+	■	+	■	■	■	■	■		■
Post-Keynesian Economics	■	■			■			+	■			■	
Social Network Analysis						+				+			
Structuralist Economics				+					□				
Other	+		+			+		+	+				+

- Main opposing perspective
- Main complementary perspective
- +

Pragmatic Pluralism 9: International Trade

We live in a globalized world in which many products are produced in global value chains and shipped overseas to be sold to customers all around the world. What drives globalization, what forces counter it? And why are electronics produced in East Asia and many raw foodstuffs grown in Africa? Does everyone benefit from trade or does it systematically favour some at the cost of others?

Main opposing perspectives

- Post-Keynesian economics: Absolute advantage
- Neoclassical economics: Comparative advantage

Main complementary perspective

- Structuralist economics: Unequal terms of trade

Additional perspectives and insights

- + Other: International trilemmas (you can't have everything)

Main opposing perspectives: Post-Keynesian and neoclassical economics

The two main theories on international trade were developed within classical political economy, respectively by Smith and Ricardo. Ricardo argued that only comparative advantages matter when nations trade. He did so, because he believed that Hume's quantity theory of money showed how automatic exchange rate adjustments would arise in case of trade imbalances. Smith, argued, instead, that absolute advantages matter because international capital flows would prevent trade imbalances from being automatically corrected. Just like domestic competition and specialization happens on the basis of absolute advantages, Smith argued that international trade operates the same way because capital is both nationally and internationally mobile.

Most neoclassical economists, such as Eli Heckscher, Bertil Ohlin and Paul Krugman, followed Ricardo with comparative advantage, while other economists such as Karl Marx, John Maynard Keynes and Roy Harrod, followed Smith with absolute advantage. Based on these different conceptions of what drives international trade, extensive and complex frameworks and models continue to be built. Some models focus on technological differences, others on variations in the abundance of production factors, and yet others on return to scale.

The issue about whether comparative or absolute advantages are relevant might seem minor and abstract, but many ideas on international trade are based on one of these two ideas to come to conclusions about, for example, exchange rates, current accounts, free trade, and globalization. One recent example is whether one sees currency manipulation as crucial in explaining US-China's trade imbalance, as the comparative advantage approach suggests, or whether one sees unequal real competitiveness and productivity as crucial driver, as the absolute advantage approach argues (Weber & Shaikh, 2020).

Main complementary perspective: Evolutionary economics

Contrary to the widely held view in rich countries, that they are already giving poor countries more than enough money through developmental aid, structuralist economists pointed out that the aggregate money flows are mainly the other way around. The terms of trade are systematically in favour of the rich countries because their export exists mainly of high value manufactured products, while those of poor countries are mainly low value agricultural products and raw materials. Instead of being simply the result of the economic

efficiency and hardworking population of an individual country, the wealth of a country is largely a reflection of its power in respect to other countries. Poor countries, however, try to develop, industrialize and diversify their economies by pursuing protectionist policies, which help move from low-skill labour-intensive to high-skill capital-intensive sectors.

Additional perspectives and insights

Other: Within international economics a few trilemmas, in which only two of three things can successfully go together, are debated. The first and most well-known, is generally referred to as the impossible trinity and describes the impossibility to have independent national monetary policy, free capital movement and fixed exchange rates all at the same time. Countries are thus forced to choose two of the three as their monetary policy will otherwise fail. Besides this international monetary trilemma, recently it has been argued that there is also an international financial trilemma. It is argued that it is impossible to have independent national financial policy, international financial integration, and financial stability simultaneously (Obstfeld, 2015). Finally, Dani Rodrik has argued that there is also an international political trilemma arising from the impossibility to have democracy, national sovereignty and global economic integration all at the same time.

Teaching Materials

- Chapters & Papers:
 - Economics: The User's Guide by Ha-Joon Chang, from 2014, chapter 12. This brief and accessible pluralist book contains a useful introductory chapter on international economics.
 - Economics After The Crisis by Irene van Staveren, from 2015, chapter 14. This well-written textbook which in one chapter sets out the neoclassical, post-Keynesian, social economic and institutional perspectives on international trade.
 - The Economy by The CORE Team, from 2017, chapter 18. This successful textbook introduces students to the economics of globalization, trade and inequality.
 - Introducing a New Economics by Jack Reardon, Maria A. Madi, and Molly S. Cato, from 2017, chapter 16. This ground-breaking textbook introduces trade, exchange rates and the balance of payments and weaves together pluralist theory and real-world knowledge.
 - Capitalism: Competition, Conflict, Crises by Anwar Shaikh, from 2016, chapter 11. This impressive and extensive book compares multiple perspectives on many traditional economic topics and includes a chapter on international trade and exchange rates.
 - The Routledge Handbook of Heterodox Economics: Theorizing, Analyzing, and Transforming Capitalism by Tae-Hee Jo, Lynne Chester, and Carlo D'Ippoliti, from 2017, chapters 23, 24 & 29. This broad and diverse book sets out a variety of theories on trade, global value chains and international development.
 - The Handbook of Economic Sociology by Neil J. Smelser and Richard Swedberg, from 2005, chapters 8 & 9. This extensive and yet accessible book for non-sociologists, provides an impressive and useful overview of the field of economic sociology, including two chapters on international institutions, organizations and arrangements.
 - Principles of Economics in Context by Jonathan Harris, Julie A. Nelson and Neva Goodwin, most recent edition from 2020, chapters 7 & 29. This useful textbook, which pays particular attention to social and environmental challenges, contains two chapters on international trade, finance and policy.
 - Macroeconomics by William Mitchell, L. Randall Wray, Martin Watts, from 2019, chapter 24. This ground-breaking and much-discussed textbook written by three leaders of Modern Monetary Theory (MMT), contains a useful chapter setting out the economics of exchange rates, balance of payments and international competitiveness.

- Foundations of Real-World Economics by John Komlos, from 2019, chapter 13. This critical introduction to economics contains one chapter on international trade and infant industries.
- Absolute advantage and international trade: Evidence from four Euro-zone economies by Stergios A. Seretis and Persefoni V. Tsaliki, from 2016. This paper investigates international trade in the eurozone and concludes it is persistent productivity differences and not comparative advantages that can explain observed patterns.
- The US-China trade balance and the theory of free trade: Debunking the currency manipulation argument by Isabella Weber and Anwar Shaikh, from 2020. This article describes the debates in empirical literature on the exchange rate of China and argues the findings can be explained by applying the absolute cost theory.
- Books:
 - International Political Economy: Interests and Institutions in the Global Economy by Thomas H. Oatley, most recent edition from 2019. This book introduces students to the political economy of international trade and finance, with state- and society-centred approaches.
 - International Economics: A Heterodox Approach by Hendrik van den Berg, most recent edition from 2017. This book introduces international economics from a heterodox perspective, covering trade theory, policy, international finance and monetary systems, and immigration.
 - The Globalization Paradox by Dani Rodrik, from 2011. An insightful discussion of globalization and exposition of the international political trilemma, written by a highly influential economist.
 - Straight Talk on Trade: Ideas for a Sane World Economy by Dani Rodrik, from 2017. This book discusses various issues related to trade and globalization and argues for a pluralist world in which countries can have their own social contracts.
 - Globalization and Its Discontents Revisited by Joseph Stiglitz, from 2017. This update of an earlier bestseller discusses globalization, its mismanagement, and what policies to tackle today's problems.

Building Blocks: Overview

The meat and bones of the Economy Studies course design method are the ten building blocks. Each of these building blocks covers an area of knowledge or a skill that we see as essential for the education of future economists. They can be used as templates to create courses, of generally six to ten weeks each. One can also pick and choose elements of the different building blocks to combine them into a broader course, or split up a building block into several courses.

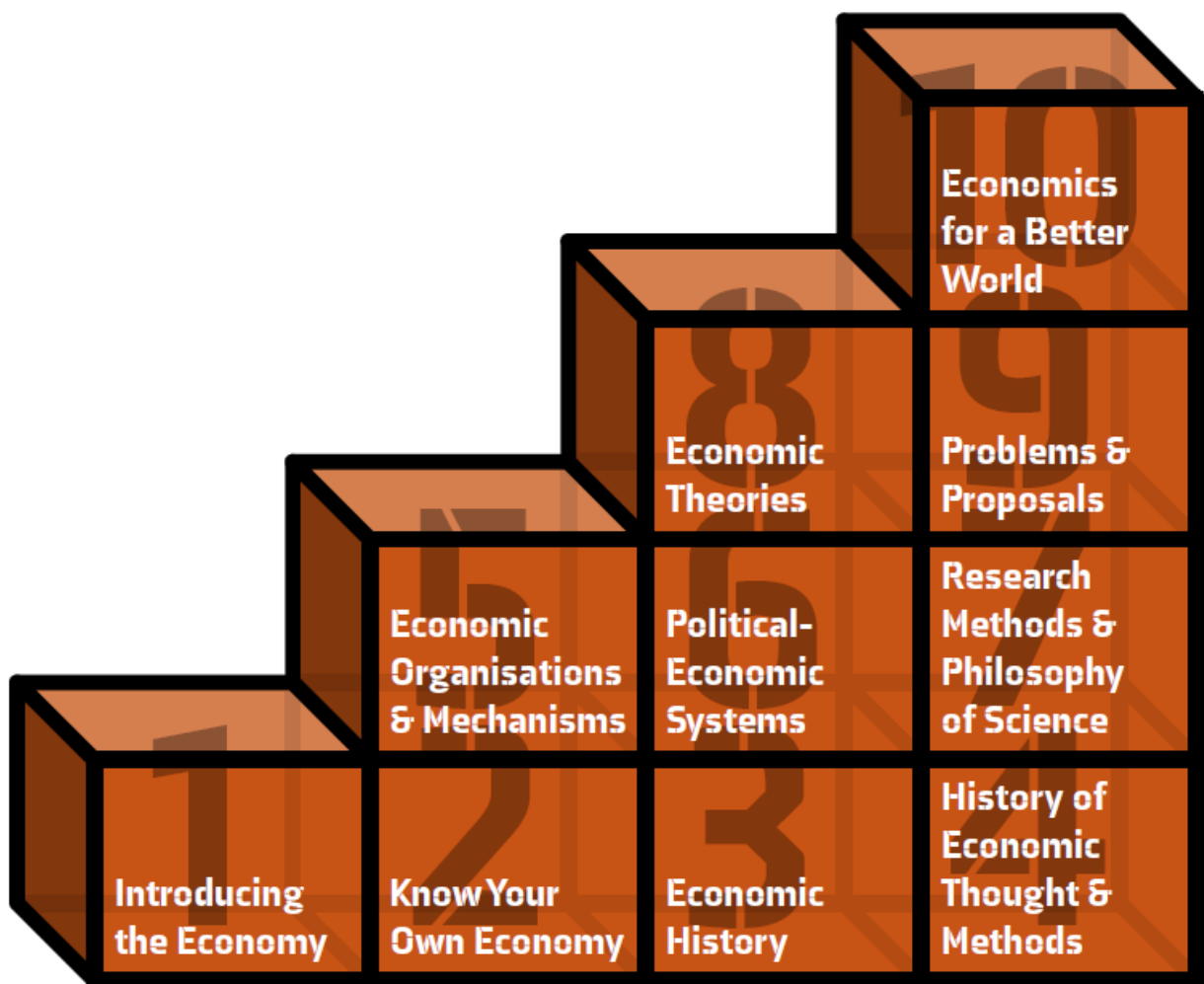


Figure 1: The ten building blocks that form the core of this book. The order of the numbers is not necessarily the order in which they should be taught. Their relative size varies, with building blocks 7 and 8 generally taking up much more space than the others.

The first two building blocks focus on helping students to develop a feeling for economic matters and teaching them basic conceptual and real-world economic knowledge. *Building Block 1: Introducing the Economy* discusses the definition and relevance of ‘the economy’ and how it is related to other aspects of the social and physical world. *Building Block 2: Know Your Own Economy*, explores actual national and local economies and their structures, institutions and sectors.

With this basic knowledge in hand, we explore the history of economic thought and of the real-world economy. *Building Block 3: Economic History* explores the fascinating and diverse history of economic events

and developments. *Building Block 4: History of Economic Thought & Methods*, in contrast, is about the remarkable and complex history of ideas about the economy. Together, these chapters provide a crucial foundation for students' further education.

Besides knowing basic economic concepts, facts and history, it is key that economics students learn how economies can and have been organised, at micro-, meso- and macro-levels. *Building Block 5: Economic Organisations & Mechanisms* investigates the different forms of economic interaction and organisation that operate at each level and together make up an economy. *Building Block 6: Political-Economic Systems* reviews the complex structures, institutions and power relations that form the overarching structure of an economy.

Another core element of a good economics education is a broad and diverse analytic toolkit, filled with relevant methods and theories. *Building Block 7: Research Methods & Philosophy of Science* is about both quantitative and qualitative data collection and analysis methods. In *Building Block 8: Economic Theories* we propose a 'pragmatic pluralist' approach to teaching theories by focusing on only the most important insights for every topic. These two building blocks will likely take more space in most programmes than the others, as the centre of gravity of an academic education lies in methods and theories.

The last two building blocks are largely concerned with the productive application of economic ideas in the real world. Economics education should be preparing the economic experts of tomorrow for their future roles in society. *Building Block 9: Problems & Proposals* deals with the practical skills necessary for the work of almost all economists: analysing real-world problems and working on proposals to address them, whether in a company, government agency, think tank or academic department. *Building Block 10: Economics for a Better World* deals with the values involved in decision making, asking what normative principles and visions can guide actions to address the major challenges of our times.

Building Block 2: Know Your Own Economy

The basic structure of the national economy, its most important institutions, its basic statistics, its economic class composition, its dominant economic sectors, and students' own economic position in the world.

What: This second building block, Know Your Own Economy, introduces the structure and state of the economy today. Students should become familiar, even if only at a basic level, with the economy in which they live. The building block focuses on three fields of concrete knowledge: key indicators, institutions and sectors. For each of these, it suggests a more detailed overview of how to structure this knowledge in a manageable form.

Why: An economist who does not have basic knowledge of her own economy is an armchair academic. Given that more than 97% of all economics students do not continue into a PhD trajectory but rather work as professional economists, this is impractical. Gaining real-world knowledge is also highly motivating for students. This concrete knowledge allows them to see how the more abstract economic ideas they are learning can be appropriately applied to help them understand and solve these real-world problems. Finally, comparing abstract theory to an existing economy will also help students to be more reflective of the theory they are taught and become conscious of their position within the economy.

Contrast with current programmes: Current programmes focus on theoretical models and quantitative research methods, which allows students to develop certain analytical skills. We argue that, whilst very useful, this is not enough. An economics education should also teach students concrete knowledge and give them a practical understanding of existing economic institutions and sectors.

Sections:

- 1** Key Indicators
- 2** Institutions
- 3** Sectors
- 4** Practical Suggestions

“If economists wished to study the horse, they wouldn’t go and look at horses. They’d sit in their studies and say to themselves, ‘What would I do if I were a horse?’”

Ronald Coase (1999, p. 1)

Most economics programmes contain at least some information about the real economy. This generally appears in the form of an example, illustrating a certain theory. For example, ‘duopolies work so and so, here is an example about Boeing and Airbus’. This building block goes beyond that approach. We suggest making a factual overview of an actual economic system the core aim of at least one course. There are three main reasons why this is important.

The first reason is that focusing on a real-world case study motivates students. An excessive focus on mathematical models and other abstractions can demotivate students who came to learn about how the economy works. It may also discourage them from pursuing further studies or a career in economics, despite their curiosity and initial motivation to do so, because their education failed to demonstrate its value.

The second reason is that students need a mental image of the general structure and components and dynamics of the real economy in order to properly understand the urgency and application of the theoretical and methodological tools learned throughout the programme. While the type of knowledge we describe below might be assumed to be common knowledge, or easily gained from reading newspapers, this is often not the case. Media provide, as it were, the derivative of the economy. They tell us what changes, not what the whole system looks like. Students need a basic systemic overview first. If a small investment is made early on in the programme, it will create a positive feedback loop, making it increasingly easy and enjoyable for students to learn more on their own.

Third and finally, this type of concrete knowledge helps to guide students’ critical thinking. A central skill for economists is to judge which theoretical ideas fit and can help us understand a specific case, ‘choosing the right model’. Whether it is theory on inflation, competition, or international trade, students should have a basic factual overview of the world these models help to explain, in order for them to be able to judge the usefulness of a certain theory. This building block provides students with basic knowledge of this kind, as well as the tools, familiarity, and confidence necessary to go out and acquire more of it.

It might seem that this eats into the time available for teaching theories and methods, and in the short run, this is true. However, the teaching of theories and methods is also greatly helped by connecting them to the actual economy and basic facts. An example is when we teach the IS-LM model in a macroeconomics 101 course. It is much more interesting for students to discuss how recent developments can be understood through this model, rather than just discussing it in abstract and applying it to imaginary textbook examples. This will activate the theories in their minds, helping them understand and retain the knowledge, rather than just pushing through the exam and forgetting it all again.

After this introduction, we discuss several categories of basic facts that any expert of an economy should be acquainted with. Secondly, we suggest various economic institutions that seem worthwhile spending some time on. Thirdly, we present sectors as a useful object of study, in order to get a better understanding of an

economy. Finally, we explore how these various elements could be taught within a limited timeframe and in a sensible combination, offering some practical teaching tools as well.

Scope: Time & Geographical Scale

What are the temporal and geographic limits of ‘your own economy’? Any answer to this question will be somewhat arbitrary. Still, this building block requires at least a working delineation, which this box provides.

In terms of a geographic scope, we generally suggest taking the national level as a point of departure for most of this material. Many – perhaps even most – key economic institutions are organised at that level. However, where aspects of economic systems are primarily organised at a local or a global level, that should be the point of departure.

It is also valuable to help students understand how the various geographical scales interact with each other through complex networks. In order to understand how the food provisioning of a small town works, one will likely end up analysing several global value chains that stretch far beyond the national borders. Hence, our proposal is, in sum: start at the national level, and make excursions to smaller and larger scales where this seems fitting.

In terms of the temporal scope, this building block focuses explicitly on the current state of the economy. The next building block, Economic History, looks into the past, whereas the final two building blocks of this book, Problems & Proposals and Economics for a Better World, are more future-oriented. As noted in the introduction, each of these building blocks is not necessarily a separate course: they can be fruitfully woven together, as the needs and circumstances of the programme require.

1 Key Indicators

Any expert should be familiar with the basic facts of their field. This also applies to economists: basic facts should be part of their training. When discussing such facts, it is important to help students understand how they are measured and constructed, and what applications and limitations they thus have. As different measurements are insightful for different problems, providing students information on various forms of basic economic data can help them interpret the presented ‘facts’ in any given discussion. Besides learning about key indicators, students should also develop a basic understanding of what things statistics generally leave out (for example by using material from the book *The Uncounted* by Cobham). This will allow them to develop a better understanding of the meaning and relevance of the indicators discussed below. It will also show students something of the power structures that are implicit in the type of statistics that we collectively choose to gather and the importance we assign to each of them.

So, what basic facts should be taught? We suggest six categories: Production, Finance, Wellbeing, Inequality, Nature & Resources, and Demography.

Production

This category covers the most typical economic statistics and national accounts, such as GDP, inflation, unemployment, exports and imports, and government income and expenditure. But there are many more statistics of interest, including levels of productivity, consumption, investment, profits and wages. To get

a better understanding of how the labour market is organised, one could also take a look at the amounts of full-time versus part-time workers, permanent versus temporary contracts, and self-employed workers. Another interesting aspect to look at is the size of the informal economy and the amount of unpaid labour in an economy. In many countries, data on this can be fairly easily found in concise reports and datasets of national or international bureaux of statistics.

Finance

Since the global financial crisis of 2007-2008, it has become increasingly clear that financial metrics are not only interesting in themselves, but also crucial for the larger economy. Along with the aforementioned traditional statistics, it can thus be helpful to look at key financial data, such as household, corporate and public debt levels, gold, land and housing prices, sectoral financial balances, the money supply, and net and gross capital flows.

Wellbeing

While the aforementioned economic and financial statistics are important, there are increasingly strong arguments that we should pay more attention to the broader wellbeing of people, rather than solely their position in relation to the market. Most notably, GDP is often criticised for not being a satisfactory measure or proxy for economic success. As a result, new measurements have been developed to better capture this. One approach is to ask people how happy they are in order to capture their subjective well-being, or life-satisfaction (see for example the United Nations' World Happiness Reports). Another increasingly prominent approach is to create a broad dashboard of indicators capturing different aspects of human wellbeing, from the prevalence of crime and life expectancy, to leisure time, educational attainment and the level of social support (see for example the OECD Better Life Index).

Inequality

While all of the above statistics deal with aggregates, differences are just as important. Economic inequality, in income as well as in wealth, significantly shapes economic dynamics in a society. Inequality also materialises based on gender, ethnicity, education, age and in many countries, location. What different socio-economic classes could be distinguished, and what are the proportional sizes of the upper, middle and working classes? How many (children) live in poverty? In the UK, the Great British Class Survey provides a good starting point for such questions.

Information on financial inequality becomes increasingly relevant when coupled with information on its real world impacts. Discuss with students: in your society, what is for sale, besides the usual consumer goods? Quality education? Healthcare? Political influence? Physical safety? To what degree does economic purchasing power equal social or political power? In some countries, millionaires can buy all the goods they want, while quality of life and effective civil rights are still fairly equally distributed. In other countries, personal wealth can make the difference between life or death, between standing above the law or being crushed by the system.

Nature & Resources

This category is relevant for understanding both the physical requirements and the ecological implications of economic growth. Core data include levels of biodiversity, nitrogen and phosphorus loading, and water quality. Carbon footprint statistics provide a useful proxy for economic impacts on the environment. Furthermore, there is an increasing set of indicators which used to be mainly of environmental interest, but which are now gaining increasing economic relevance. For instance, the rapid degradation of the fertile soil layer on farmland worldwide is acutely relevant for the production of basic goods such as paper, clothing and

nearly every type of food. Likewise, information on veins of mineable metals and other minerals, including their locations and remaining stocks, is becoming more and more important. Industrial Ecology programmes and journals provide useful data and analytical tools to engage with such questions. The Planetary Boundaries reports of the Stockholm Resilience Center form another good teaching tool, as do materials from the national ministry of the environment.

Demography

Finally, demography is a well-developed field that deals with statistics on the core of any society and economy: populations of human beings. Knowledge about this is foundational for understanding how groups of people organise economic life. Giving students a basic understanding of the following aspects can be particularly informative: population size, degree of urbanisation, migration, household structures, and the age structure of the population.

A more general point: all the aforementioned statistics only become meaningful when they are placed in context and compared. They may be compared across geographies: for example, between countries or regions, between sectors, or over time so that developments, changes and trends can be identified. They can be placed in context by comparing them to targets, such as the international climate goals. In addition, it is particularly useful to expose students to the different metrics and measurements used for these topics. For example, comparing wellbeing indicators and GDP or the different ways to measure inequality. Finally, these topics are also very well-suited to introducing different theoretical perspectives and the debates amongst them. See for example the topic Money in the chapter Tool 1: Pragmatic Pluralism for different perspectives on the role of debt and money in the economy.

We are well aware that this is a long list of basic knowledge. Please keep in mind that it is provided as inspiration, not as something that needs to be taught in full, nor as a comprehensive list. We suggest selecting from this list only those statistics that seem most relevant to the particular focus of your programme. Another way to save time is the pars pro toto approach. That is: introduce a certain field of knowledge – say, nature – and then zoom in on only one or two datasets from that field. Students are then aware of the existence of the wider field, and know their way to factual overviews when they need them.

One may question, to conclude this section, is all this not common knowledge? While we might expect economics students (or professors) to know most of these things, we encourage you to hold a brief quiz in class or among colleagues to clear any doubt. The results may be quite surprising.

2 Institutions

Understanding how an actual economy functions, requires a basic overview of its most important institutions: public and private. In the below overview, we focus on the legal and official frameworks, main roles and activities of key organisations, how they work internally, how they interact with other organisations and how influential they are. In this section, it is worthwhile to also spend some time on the question of economic power structures: which groups within society are relatively powerful, and what mechanisms or structures form the basis of their power?

The public sector will have different forms in different countries, and materials from politics courses may be helpful to give a brief overview of how the various forms of government function in your own economy. Generally, important roles are played at the national level by ministries such as the Treasury/Finance, Economy/Commerce, Social Affairs, Infrastructure, Agriculture and Foreign Affairs. Subsequently there are

different ways in which the country is divided and governed, for example at the state, province or city level. At all these levels there will be various public institutions such as the central bank and executive institutions such as the tax authorities.

Another important set of organisations are national policy institutes that influence and shape public policies and the discussions surrounding them. Every country has different policy institutions, ranging from governmental policy bureaux, such as the Bureau for Economic Policy Analysis in the Netherlands and the Council of Economic Advisors in the US, to private think tanks, such as the New Economics Foundation in the UK and the Brookings Institute in the US.

Other key non-state institutions are the so-called ‘corporatist’ institutions, such as labour unions and employers associations. Around them we find various bodies which help these parties come to agreements, local, national and international such as the Social Economic Council in the Netherlands and the European Economic and Social Committee in the European Union. At the global level, the World Trade Organisation, International Monetary Fund, Bank for International Settlements, and World Bank, for example, play an important role.

Another important set of institutions close to, but separate from the state is the civil society, which includes consumer organisations and professional associations. In many countries of the global south, the (foreign) NGO sector similarly plays a key role.

The structure of the private sector is fundamentally influenced by the state through the legal frameworks it sets. Details of the tax system and corporate law are arguably too vast to be taught in economics courses; however, a basic overview of the various forms that private entities can take, such as the corporation, general partnerships and self-employment, and their legal rights and obligations, can help students to better understand the economic playing field. Besides these foundational legal aspects, it can be helpful to give a basic overview of how the state structures the economy through its social security system, regulatory system, research and innovation policy, the provisioning of healthcare and education, and the monetary policy by central banks.

We suggest keeping this overview rather basic and factual, leaving much of the deeper theoretical insights and implications to Building Block 5: Economic Organisations & Mechanisms, Building Block 6: Political-Economic Systems and Building Block 8: Economic Theories. Alternatively, those two building blocks can be integrated with this one in a longer or more advanced course. Nevertheless, the basics of such an overview are part of this early building block, as a minimal overview of at least (supra-) government agencies and legal and corporatist frameworks helps students to gain a fuller picture of what an actual economy looks like.

3 Sectors

Before embarking on a wide range of theoretical and methodological abstraction, as set out in the following building blocks, students might start with gaining a concrete image of at least one economic sector, as a tangible point of reference. This could be coupled with a broad grasp of the other sectors making up the economy as a whole. In this section, we take the energy sector as an example and provide several perspectives from which to analyse sectors: physical, institutional, technological, and (geo-)political and ethical.

The physical structure of a sector can provide a practical and tangible first analysis. For example, in the energy sector households and firms are connected to large networks of electricity and gas lines, which are fed by

major power plants and mining sites inside and outside the country.

Subsequently, the institutional arrangement may be considered: both locally and internationally. For example, in the Netherlands, the network is state-run, and the supply companies are a few large private firms, albeit heavily regulated. There is also a growing sector of smaller non-profit, self-sufficient producers, such as local energy cooperatives. At the same time, the sector is embedded in global value chains. For energy, we find this in mining, extraction and refinement, which is mostly done by globally operating firms. This takes physical shape in drilling sites, connected by giant gas and oil sea vessels and a global network of large pipelines to refineries.

In turn, we can analyse the sector from a technological perspective: what are the main technologies used, and how (un-)evenly is this technological know-how distributed across the globe?

This naturally yields a final discussion of (geo-)political and ethical issues at play in the sector. For example, if gas is found in, say, Ivory Coast, it is likely that French, American, Dutch and British companies compete to dig it up, since these are at the technological forefront in that sector. Is that fair? For energy, other critical points are climate change and geopolitical conflicts, such as the tug-of-war between Russia and the EU around the supply of Russian gas.

With such concrete knowledge of various economic sectors, the more abstract theoretical models taught in the economics programme will both be much more interesting and useful to students. After all, it is the central mechanisms and structures of such economic sectors that these models are designed to capture and to summarise.

For inspiration on other sectors that could be covered, a useful overview is the International Standard Industrial Classification. One interesting exercise might be to divide students in groups among several of these sectors, let each group investigate its own sector, and then present their findings in class to each other.

4 Practical Suggestions

A well-known teaching technique that can be applied is to bring the material closer to the everyday experiences of students. This is especially useful for our discipline, as it is often deemed a very abstract field – unjustly so, in our eyes. For example, what does it mean to earn \$20 a month compared to say \$20.000? This is not merely a matter of learning some statistics, it is about developing an appropriate perception and sense of economic concepts (in this case a low versus high income) and how they impact people's lives.

An excellent tool for this is the Dollar Street: a highly graphical, beautifully designed comparison between levels of material welfare in countries worldwide, developed by the Gapminder Foundation. On this website, you can digitally visit the homes of families in sixty countries around the world with monthly incomes between \$20 and \$20.000 per month, to experience their standard of living and the astounding reality of contemporary globalisation. We would very much recommend having a look at this as it is one of the most tangible visualisations of economics out there.

A more straightforward statistical approach, but nevertheless also highly informative, would be to let students check where they, or their parents, fall within the national and global income and wealth distributions. As human beings, we all have the tendency to think of our own situation as normal and average. For most economics students, especially in the Western world, this will, however, not be the case. Doing such an

exercise can thus give students a better understanding of their own position in the world and of how their economic experiences relate to those of others.

The same can be done for a personal ecological footprint, using an online footprint calculator. For a more involved exercise, students could be asked to map and compare their opportunities for future life and career, access to education, personal network, cultural and social capital, and so forth.

Besides reading and number-crunching, students could get in contact with actual people in the economy. This can be done by sending students to firms and organisations to talk to the people who work there, or asking non-academic experts or practitioners to give a guest lecture. Such interactions give students a much richer picture of the economy, as it allows for a transfer of practical, tacit and insider knowledge, which statistics are unable to capture.

In general, we suggest varying between focusing on in-depth knowledge about a particular institution or sector, and focusing on developing a rough understanding and overview. The former allows for detailed knowledge on how actual processes work, while the latter gives one an understanding of how the bigger picture looks. Which sectors or institutions will be analysed is not of major importance. The main thing is that students learn how to analyse a metric, an institution or a sector, and acquire some points of entry.

To recap, this building block should be seen as a general invitation to pay considerable attention to how actual economic systems look in their concrete forms. We have suggested a couple of specific ways to go about it, just to make our suggestions more tangible and concrete. But we are under no illusions that these would be the only or even the best ways to teach such material. Our suggestions should rather function as inspiration to develop a program and a locally grounded approach to teaching economics students about the real world.

Teaching Materials

It is hard to suggest specific teaching material for this building block, as its contents will vary so much between different regions and countries. To give some idea of what kind of materials could be used to teach students about their own economy, we provide some example materials on the Dutch economy.

The following three books seem to be most useful when teaching students about the Dutch economy:

- *De Economie in Nederland: Theorie en Werkelijkheid* [The Economy in the Netherlands: Theory and Reality] by Hans Buunk, most recent edition from 2011. A highly informative and accessible introduction into the Dutch economy as well as basic economic concepts, covering topics such as Dutch capitalist history, market competition, finance, industrial and social policy, and labour relations.
- *Sociale Kaart van Nederland: Over Instituties en Organisaties* [The Social Map of the Netherlands: About Institutions and Organizations] by Jan W. Duyvendak, Carolien Bouw, Klarita Gërkhani, and Olav Velthuis, most recent edition from 2013. An unique and accessible overview of Dutch society that introduces students to its many different domains and how they are structured, from education, healthcare, and housing, to business, labour and social security.
- *Varieties of Capitalism and Business History: The Dutch Case* by Keetie E. Sluyterman, from 2015. This collection of essays explores the Dutch variety of capitalism and institutions, with special attention to its labour relations, corporate governance, inter-firm relations, knowledge infrastructure, and its famous corporatist consultative 'polder model'.

Besides books, it can be useful for students to look up statistics and read reports on economic sectors and issues. Naturally, national statistical authorities are a good place to look for these, but economic ministries, central banks, and policy research institutions, can also be helpful for finding useful material. For the Netherlands, one could have a look at the websites of Centraal Bureau voor de Statistiek [Central Agency for Statistics], De Nederlandsche Bank [Dutch Central Bank], Centraal Planbureau [Bureau for Economic Policy Analysis], Planbureau voor de Leefomgeving [Netherlands Environmental Assessment Agency], Sociaal en Cultureel Planbureau [Netherlands Institute for Social Research], and Wetenschappelijke Raad voor het Regeringsbeleid [Scientific Council for Government Policy].

Furthermore, domestic journals can often be useful as they frequently do not only publish general academic work but also research describing particularities of the national economy and its issues. For the Netherlands, the following three journals have plenty of interesting and helpful material: Economisch Statistische Berichten [Economic Statistical Messages], MeJudice, and Tijdschrift voor Politieke Economie [Journal for Political Economy].

Depending on the program, one could also look for more specialised material that does not cover the economy in general, but focuses on a specific element or aspect of it. In a master programme on public economics in the Netherlands, the following two books could, for example, be of use:

- Overheidsfinanciën [Public finance] by Flip de Kam, Wimar Bolhuis en Jasper Lukkezen, from 2021.
- De rekenmeesters van de politiek [The math masters of politics] by Wimar Bolhuis, from 2017.

Finally, one could also use more opinionated but still informative materials on the economy or an economic issue. For the Netherlands, the following recent books, and chapters from it, could, for example, serve this purpose:

- Over de dijken [Over the dikes] by Coen Teulings, from 2018.
- Een land van kleine buffers [A country of small reserves] by Dirk Bezemer, from 2020.
- Fantoomgroei [Phantom growth] by Sander Heijne en Hendrik Noten, from 2020.
- Met ons gaat het nog altijd goed [We are still doing well] by Peter Hein van Mulligen, 2020.
- Ontspoord Kapitalisme [Derailed Capitalism] by Bert de Vries, from 2020.

Conclusion

In this concluding chapter, we briefly review what this book has offered and then look ahead, offering practical suggestions and ideas for economics teachers and professors, programme directors and students.

1 A New Vision for Economics Education

Our rapidly changing world is faced with many economic challenges, such as increasing debt levels, staggering inequalities and serious forms of ecological breakdown. These challenges are complex and cross multiple dimensions of our social and natural systems. To face these troubles, therefore, it is not nearly enough for economists to hold knowledge in formal, theoretical abstractions. Whilst these may be sophisticated, they only reflect a fraction of what is actually going on in the real world. We need broadly-trained economists with an understanding of the real-world economy. We need economists who know for example how the main industries work, who can grasp the interfaces between state and corporate systems and who see how economies are embedded in the society and ecology at large.

This requires open minds which can look at issues from a variety of perspectives. Given the multifaceted nature of economic systems, no single theoretical framework or methodology can answer all questions, or capture all of its dimensions and mechanisms. Instead, economists need the ability to think critically and evaluate the appropriateness of a range of fundamentally different approaches. In doing so, they also need to be able to clearly distinguish and explicitly discuss the moral dilemmas and normative trade-offs involved in economic decisions.

This book sets out a concrete path towards building such a pluralist and real-world based economics curriculum. While we envision a large diversity of possible economics programs, we suggest that all programs would be improved by following these three organising principles: a pluralist toolkit of theories and methods, sufficient real-world economic knowledge and practical skills, and active training in the consideration of moral and social questions. To flesh out these principles, we propose ten concrete Building Blocks: practical material for the creation of courses. These Building Blocks include introductory material, history of economic thought and reality, forms of economic organisation, research methods, theoretical approaches, normative ideas, practical skills and knowledge of the real economy.

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What kind of graduates would a program based on these ideas and materials produce? It is important to acknowledge that they would not have all the skills that current-day graduates have. They would have less mathematical sophistication, less expertise in econometric analysis, and less knowledge of neoclassical theory. In exchange for this, students would gain a deeper understanding and more concrete knowledge of the economy they will live and work in. This includes:

- An understanding of the linkages between the economy, the environment and society.
- The ability to analyse different types of economic topics and problems, by using a variety of theoretical and methodological approaches.
- An integral understanding of how various smaller mechanisms make up larger economic systems.

- Practical skills for investigating and resolving questions of economic policy: both understanding the context and choosing the right tool.
- The ability to argue morally as well as analytically, and to clearly distinguish the two.

In short, such programmes would produce academically-trained professional economists: broad thinkers and practical scholars, rather than students who are trained to write academic research papers.

2 Change Is Necessary and Possible

It will not be easy to build such programmes. We fully realise that these changes cannot be introduced overnight. Surprisingly rare is the academic economist who can teach even a basic introductory course on their national economic sectors and institutions. The structure of the discipline - highly internationalised, methods-centred and organised around a single pyramid structure of journals - does not facilitate the creation of such knowledge. The same applies to pluralism in economic theory: the decades-long marginalization of valuable schools of thought has left us with a dearth of suitably trained academics.

In addition, academic programmes tend to have a strong path-dependency. Most are only updated infrequently and changed piecemeal. Long-running courses have to be adjusted, the order of courses stacking on top of each other has to be reconsidered, new courses have to be developed and new expertise has to come into the economics departments. In many countries, national or international frameworks regulate academic programme content. In short, this is a long road, but one that we believe is both necessary and possible.

The changes we propose are necessary. The devastating impact of our economy on the life-sustaining ecological systems of this planet is increasingly visible, making the realistic study of that economy all the more urgent. The unprecedented centrality of the economy in our society and the big role of economic ideas in political decision-making make it all the more vital for economists to be firmly rooted in the real world, to have a pluralist perspective and to be trained in distinguishing the moral tangles inherent to economic questions. We need to prepare a new generation of economists, and we should start this work now.

And the changes we propose are possible. Indeed, they are happening, thanks to the energy of a growing worldwide network of students and academics. More and more pluralist and real-world textbooks, course formats, readers, best practices and other materials are becoming available (see the online *Teaching Materials* resource chapter for many examples). Increasingly, faculties are teaching economics primarily as a subject-based pluralist discipline, rather than a method-centred monist approach. Economic faculties are hiring academics from other theoretical schools and other disciplines, thus reversing the narrowing of the past decades and enriching both students and colleagues with fresh insights. Various universities are starting to experiment with teaching-based career tracks, enabling staff to focus on developing better teaching materials rather than spending every free minute on trying to get published in mainstream academic journals. Pluralist programs are springing up inside and outside of traditional economics departments, throughout the academic world. Perhaps most importantly, more and more faculties are opening up to the idea of widening their student's view beyond the traditional theories and methods.

3 Calls to Action

But while there are hopeful signs of change, this is only the start. We need more students, teachers, programme directors and deans to make a difference and help ensure that the economists of the future are prepared for their roles in society. So what can each of us do to bring economics education to a higher plane?

Students, be critical of what you are learning. Do not just ask: “*Is this part of the exam?*”. Instead, ask: “*Does this reflect the real world?*”, “*In what other way could one also look at this issue?*”, and “*What are the moral dilemmas surrounding this case?*”. Look up the course you are following in chapter *Tool 2: Adapting Existing Courses* and discuss the suggested additions and changes with your teacher. Design your own ideal course with the tool of chapter *Tool 4: Example Courses* and campaign to make your dream into a reality. Talk to your lecturers and find out who is interested in your ideas. Build public support by publishing an open letter or petition that advocates for the creation of this new course.

Get in contact with the programme committee and apply the *Tool 3: Curriculum Review* to your programme to see what could be improved. Build, or join, a local team of critical students. Organise a reading group or an event. If you want, you can get affiliated with the international Rethinking Economics network and benefit from the experience, contacts and resources of a large worldwide network of student groups. Doing it together will not only help you last longer and achieve more impact, it will also be more fun.

Teachers, think about what you are preparing your students for. Less than 3% of them will become academic economists, the rest will work inside government agencies, policy institutes and think-tanks, (central) banks and other financial corporations, private sector and not-for-profit companies, NGOs and campaign groups, and journalistic entities. As such, they will work on tackling practical and real-world problems, rather than publishing academic articles. So, confront your students with the messy and complex real world, let them practice tackling actual cases, start lectures with today’s newspaper, ask guest speakers from the relevant field, and let students go out of the classroom and see it with their own eyes.

Stimulate open discussions and active participation from students, bring in literature from other disciplines, actively expose the weaknesses of the theories you are teaching. Make normative assumptions explicit and let students struggle with the resulting moral dilemmas. Make sure that you are not just pushing through a textbook; be proud of your role as a teacher and use it. Make use of the suggestions provided throughout this book, and in particular in *Tool 2: Adapting Existing Courses*. Kick-start discussions, play devil’s advocate. Trigger students to start thinking, critically and independently.

Most academics reach many more people through their teaching than through their academic papers. Yet today, teaching is underappreciated and under-rewarded. Often, the time allocated for teaching is not nearly enough. Please speak out about this. Challenge that status quo, with the students as your allies.

Deans and programme directors, support and facilitate good teaching. Make sure that your faculty have enough resources and time available for teaching. Enable them to constantly improve their teaching and update the taught material. Give students a voice and role in designing and adapting the courses. And ask yourself: how is our program built? Was it created through a departmental power struggle about which professors’ specialisation is more important and deserves most space in the programme? Or is it carefully designed based on a clear idea of the societal roles students are being prepared for?

Do not be afraid to deviate from the standard programme at other universities. Variety in programs makes economics education stronger, not weaker. Take a look at the chapter *Tool 5: Example Curricula* and draw

inspiration from other innovative programmes. And try your hand at the Curriculum Review Tool, to see where in your programme there might be gaps in terms of relevant knowledge or skills. You could also ask teachers or students to run this analysis, and set up a series of meetings to discuss the outcomes. Or you could ask members of the international Rethinking Economics movement to organise a workshop or conference to further explore how the programme could be improved. Attention and open discussion about how to better economics education can only be positive, contributing to better prepared future economists.

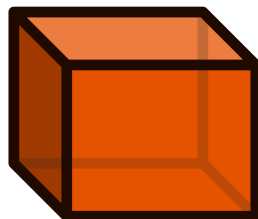
Governments, create the right conditions for good economics education. Look at how resources for teaching and research are distributed. Does this encourage relevant, open-minded and interdisciplinary research and teaching, or does it encourage scoring on the intellectual square millimetre through a competitive ‘publish or perish’ system? Are universities stimulated to offer their faculty career options focused on education and reward good teaching? Governments could also follow the French example (2014) and initiate an independent and in-depth investigation of the state of the economics education in the country.

Climate change, inequality, economic instability, ageing, power concentration, pandemics, biodiversity loss, social polarisation, resource depletion, migration, poverty; these are core challenges for the world of today and tomorrow. Economists have a central role in society and need to tackle these challenges head-on. Reforming and modernising economics education is therefore of great importance not only to the students and teachers directly involved in it, but also to society as a whole. Let’s build better courses and programmes, together.

Ready to get started?

This book is free and open access. We hope it serves you. Here are three things you can do to help this movement for renewing economics education:

- 1. Send this or another booklet to three colleagues/students: economy.st/short**
- 2. Contact us to organize a workshop at your faculty: economy.st/workshops**
- 3. Subscribe to the newsletter: economy.st/news**



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