



## Global Development And Environment Institute At Tufts University

44 Teele Ave, Somerville, MA 02144

E-Mail: [gdae@tufts.edu](mailto:gdae@tufts.edu)

Web: [www.gdae.org](http://www.gdae.org)

# Report on the Panel “How to Change the Teaching of Economics”

Presented at the CommonBound conference

Organized by the New Economy Coalition

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## Panelists

### Helen Scharber

Dr. Scharber is an Assistant Professor of Economics at Hampshire College, and holds a B.A. in economics from Knox College, an M.A. in environmental politics from Keele University, and an M.A. and Ph.D. in economics from the University of Massachusetts. Her research and teaching interests lie at the intersection of political economy, environmental justice and health. She is also a staff economist for the Center for Popular Economics, where she teaches workshops designed to demystify the economy for activists.

### Keith Harrington

Mr. Harrington is a recent graduate of the economics masters degree program at the New School for Social Research. He is a co-founder of the International Student Initiative for Pluralist Economics, and a former grassroots-organizing director for the Chesapeake Climate Action Network. He is also the founder of the social business Shoestring Videos for Nonprofits and a contributing writer on sustainability, democracy and economics at Grist, Truthout, Alternet and the Huffington Post

### Jigar Bhatt

Mr. Bhatt started out studying economics, earning a Bachelor in economics from Northeastern University over a decade ago. While never a fully practicing economist, he has worked alongside economists for nearly a decade, first on US social welfare policy and then on infrastructure development in Sub-Saharan Africa. He now studies economists – their ideas and methods – and how they influence our social and built environment as a PhD student at Columbia University’s Program in Urban Planning

### Moderator: Neva Goodwin

Dr Goodwin earned a PhD in Economics from Boston University, and is co-director of the Global Development And Environment Institute at Tufts University. She is the author of editor of numerous books, including three introductory level economics textbooks; see

<http://www.ase.tufts.edu/gdae/publications/textbooks/index.html>

Please [share your ideas about How to Change the Teaching of Economics](http://www.ase.tufts.edu/gdae/publications/textbooks/index.html)

## Introduction

This panel did not directly address the issue of what’s wrong with what is now taught in economics courses; it started from the assumption that quite a lot is wrong. Nor did it prescribe exactly what should be done to improve the curriculum. Instead it asked: “*Suppose we agree on what should be taught in economics curricula, how can such change be brought about?*” The session addressed this question, focusing on the forces that now act as barriers against incorporating different content in economics courses, as well as strategic approaches for overcoming these barriers.

The presenters on the panel were Helen Scharber, Jigar Bhatt and Keith Harrington. Neva Goodwin moderated the panel and prepared this report, based on written notes from the panelists, as well as the discussion at the session.

## Problem Overview

There are barriers to creating alternatives to the straight neoclassical curriculum even in liberal-minded economics department such as UMass Amherst, the New School, and Hampshire College. In other economics departments it is even harder for a willing instructor to move an undergraduate Introduction to Economics course far from the standard fare. Why?

1. Departments that are strongly identified as “alternative” may be committed to one or another traditional (i.e. Marxian, Keynesian, Post-Keynesian) leftist course framework, not necessarily open to “newer” schools such as ecological economics, feminist economics etc.
2. Such departments also tend to be severely underfunded, and face the retirement of older, more progressive or radical professors, without clearly strong replacements in the wings.
3. Economics departments are generally oriented to preparing students for upper level courses.
4. There is insufficient awareness of the variety of options in textbooks and other available teaching materials.
5. Existing theories are elegant, tell uncomplicated stories, appear internally consistent, are comforting in their appearance of certainty, and are abstract enough to go unquestioned.
6. Young teachers are warned not to teach anything too ‘radical’ for fear of getting bad evaluations, and with an eye to the broader job market for economic teachers.
7. Efforts to bring in a broader perspective while using standard materials requires the teacher to “fight the text,” confusing students who don’t yet know what it is that is being criticized.
8. It takes so long to teach the internal logic and graphical representation of the standard concepts that there is little time for more substantial discussion of them or of other concepts.
9. Time and imagination are great constraints – it is hard to do something new and different, and relatively easy to go along with what everyone else is doing.
10. Students are generally taught that economics is about mathematical modeling; thus, in classes offering more qualitative approaches students say, “ok, but where is the economics (math)?” They find other theories not serious or comprehensive enough. Economics is considered useful for future job prospects, raising the question: how can the discipline change as needed while retaining at least some of this cachet? A key issue (one of discourse and power) is the need to reframe and redefine what it means to be ‘rigorous’. For instance such reframing might emphasize that without ‘rigorous’ training on qualitative questions, such as how to conduct surveys and gather data, mathematical analysis can’t be truly rigorous.

11. There is a long history of neoclassical economists saying they accept some popular new theory or approach and then marginalizing it or changing it so that it does not obviously conflict with the mainstream core. (The outstanding example is the Samuelson’s “neoclassical synthesis” in which Keynes’ message was drastically altered, but there have been many others, such as what was done with Leibenstein’s X-efficiency, and many, many others). It will be interesting to see whether it is possible to do this with the challenges from behavioral economics.

## Strategies for Change

### 1. Addressing deep issues of content and methods:

This could be done for a single school (see Willamette example, below), but could also be undertaken for the profession as a whole (this would need to be an extensive project, with funding). The basic question is: what elements of the standard content and methods are actually useful – and to which students? E.g., what should be taught to students who are majoring in economics, and what is the most useful set of ideas and methods for the much larger group of students who just take one or a few econ courses? What is especially needed for students who will go on to business majors? (For many other majors, such as Planning, a specialized intro to econ is tailored especially for those students.)

Such analysis can address the question of how to add new elements into a curriculum, such as an understanding of economic history, or the interactions between economic activity and the natural world, etc. Many teachers worry about adding *anything* when it is already hard to get through the whole syllabus planned for a course. The result of a deep analysis of the standard content of economics curricula should encourage pruning out elements that are not going to be useful or relevant to students, now or in the future, as well as elements that are increasingly revealed to be contrary to fact. (The latter category includes some of the standard assumptions about human nature, and the manifold consequences of these assumptions; doubt is increasingly cast on these by experimental work in the psychology of economic behavior.) Without such legitimization, faculty feel insecure about removing any of the expected, standard elements.

Such a project could also seek good data on the percentage of students taking the introductory “principles” courses who will become economics majors. This could be followed with a targeted analysis of what econ major, and non-major, students need in the way of mathematical preparation, including suggestions on how that could be provided without weighing down the intro courses. More generally, it would be useful to review the mathematical and statistical techniques now being taught and produce recommendations on which methods are most valuable for students at different levels, and in different areas of economics.

The analysis should be informed by interaction with other disciplines. Not only would economics education benefit greatly from inclusion of content from some other fields; there are also lessons to be learned from e.g. planning departments, as to what economics content those faculty find relevant and useful for their students. In connection with the analysis and pruning of standard content as discussed above, courses from other disciplines might be offered as part of economics degree programs that allow students to pursue different curricular tracks - (e.g. Political Economy, Financial Economics, etc.).

## 2. Addressing problems of information, time and capacity:

Faculty who would like to introduce new concepts may simply not know about how to go about it. Much resistance to change comes from simple reasons, such as not having the time to research alternatives, or the fear that change will require a time commitment that will overwhelm an already heavy teaching burden. Solutions could include:

**ONLINE RESOURCES** to aid teachers who may want to introduce new economic thinking into existing mainstream courses or teach an entire course on a particular school of thought. Existing examples include the following:

- The Union for Radical Political Economics (URPE) has a repository of syllabi with ~150 submissions across micro, macro, political economy, labor, int'l econ, econ history, history of thought, health, development. (<http://www.urpe.org/res/syl/syllabihome.html>)
- The Institute for New Economic Thinking offers a number of on-line courses and other materials (finding them on the website requires a patient search of <http://ineteconomics.org/>).
- The Global Development And Environment Institute offers 16 free teaching modules on economic theory in social and environmental context ([http://www.ase.tufts.edu/gdae/education\\_materials/modules.html](http://www.ase.tufts.edu/gdae/education_materials/modules.html) )

**OUTREACH:** A program of extensive outreach is needed to let faculty know what resources are available. Such a program could include distributing information on the following topics:

- Information about online resources, such as those just described.
- Alternative texts: there have been several surveys by list-serves, such as FemEcon and URPE, as well as studies such as that by Tom Webb, which list good texts.<sup>1</sup>
- Information on the probability that students in intro courses will go on to become econ majors.
- Efforts to understand how students feel about their education, using various quantitative and qualitative research techniques such as surveys (as has been done successfully in France) and focus groups.
- Recommendations from a study such as described in strategy #1, above, regarding the usefulness to students of a range of topics, approaches, and methods.

Obviously, it is important that the outreach represent a number of perspectives; it would probably be helpful to have a number of distinguished names attached to the outreach.

**SUPPORT FOR GRAD STUDENTS** interested in new ideas about content and pedagogy. This could include:

- At individual universities, or city-wide, interdisciplinary lunchtime talks or informal conversations to introduce other faculty to economics teaching content and culture, and to learn how economic questions are being asked and answered in other disciplines/courses.
- Network hubs in cities – Create mentor network from progressive/heterodox departments to support like-minded students and faculty in more orthodox departments or institutions. Most cities

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<sup>1</sup> Another example is “Appropriate Economics for the 21<sup>st</sup> Century **A 2010-1957 Guide to Relevant Books, Reports, and Articles** Compiled by **Michael Marien**, director, [www.globalforesightbooks.org](http://www.globalforesightbooks.org). The “Economics in Context” texts, by Goodwin et al, tend to come to the top of the lists, even where the survey has a focus on one particular alternative.

have a department that leans away from the status quo. Boston has several, New York has New School, DC has American University, etc.<sup>2</sup>

- Training in pedagogical methods for grad students who will go on to be teachers: for the last two years Geoff Schneider has run an excellent ‘Workshop on Advanced Pedagogy and Course Design’ for heterodox economists at the ASSA meetings. On the model of what has been achieved by the Public Administration Theory Network, teaching seminars at heterodox grad schools would both look good to prospective employers and strengthen the ability of new economic thinkers to change the shape of the discipline. Videos and documents could be shared online.

### 3. Conducting departmental and institutional analyses:

A department that seriously wants to improve what it delivers to its students can take the example of Willamette University in 2013 (see <http://www.willamette.edu/cla/economics/pdf/selfstudy2013.pdf>) to examine the structure and content of its curriculum. Graduate students could be mobilized (if the department as a whole doesn’t want to take it on) to ask questions such as, What are departmental gaps and capabilities? What are potential bottlenecks to desired reform? Who are allies and detractors? What is the institution’s self-image – how does this map onto what is being taught in the econ department?

Willamette’s results: Among other interesting innovations, they acknowledged that few students taking intro courses went on in economics, and decided to replace Intro Micro and Intro Macro with one course called ‘Introduction to Economic Inquiry in Historical Context’. They also decided to increase emphasis on the history of economic thought, and to adopt a pluralist approach in line with E.K.Hunt’s *History of Economic Thought: A Critical Perspective*. The Report says: “In this text, Hunt identifies two grand traditions both of which have their roots in the writings of Adam Smith. One tradition views analysis of production, labor, and class conflict to be fundamental concepts in understanding capitalism while the other tradition places exchange, utility, and social harmony at the center of its analysis. Taking this approach should not preclude discussion of particular schools of thought. Rather it provides a framework within which students may better understand the relationship between different schools.” Thus, this department does not attempt to present all possible views, but “bundles” them into Hunt’s two categories.<sup>3</sup>

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<sup>2</sup> Other places where pluralist economics may be found include Bucknell University, Dickinson College, Franklin & Marshall College, Hobart & William Smith Colleges, and Rollins College.

<sup>3</sup> A few interesting observations from the Willamette report:

Our overarching goal is to prepare students for independent, critical inquiry into economic issues. Inquiry begins with a question or puzzle, and then produces an answer supported by an analysis/argument.

A weakness of our current approach (which predominates in economics education more broadly) is that in most classes we reverse this process. That is, we begin with the exposition of theory by developing frameworks and models, and then proceed to applications that demonstrate the value of these tools. For example, in Principles of Microeconomics we might introduce the rational maximizer model of consumer behavior and develop the concept of net utility or consumer surplus, then apply this model to explain why pizza companies charge lower prices for a second pizza or why a cell phone company might charge both monthly fee and usage fee. While the use of relatable examples undoubtedly brings these abstract concepts alive, this approach does not serve our goals well in at least two ways.

First, it prepares students poorly to formulate a question to research in their senior thesis because it creates the impression that to perform economics is to pick up a hammer and search for a nail. That is, it creates the impression that economic inquiry is not about seeking answers to particular questions but about finding the right examples to which to apply a given set of tools. Second, it may discourage students from believing that critical analysis of theory is an important part of economic analysis. Criticism of this sort is not necessarily rejected as inappropriate, but is relegated to other disciplines. Students come to understand the assumptions underlying a model as defining the necessary conditions for its application. If these assumptions are not (at least approximately) satisfied in a given scenario, then it is not amenable to economic analysis. The economist does not search for an alternative understanding but searches for something else to analyze.

#### 4. Engaging activists, especially students:

Consider a traditional campus organizing model to mobilize student groups on individual campuses, and connect them with others across the country – e.g. along the lines of Energy Action Coalition, or Sierra Student Coalition’s organizing models. As opposed to a theory of change that assumes that better ideas will automatically edge out worse ones, activism needs to be brought in to the battle of ideas. This model is campaign oriented, organizing students to achieve discrete goals. Identify a list of schools to prioritize based on power-mapping of the departments and broader university community, identifying places where initial victories are achievable, and will resonate. Define what constitutes a “victory”. Build a national network of allies – e.g. sympathetic professors and economists who will serve in an advisory capacity to the students and lend professional credibility to their demands. This could be supported by surveys of what students are learning, and how satisfied they are with existing and “new economics” courses.

Useful links to some student activist groups are <https://www.facebook.com/ISIPE.NET> and <https://www.facebook.com/rethinkecon>. Given the evanescence of student groups, it is important to develop a leadership structure that can last beyond the initial cohort. It is probably necessary to hire paid national organizers to support the student network. Resources will be needed for individual student groups, such as reading lists, meeting and event guides, and talking points. Students should be made aware that sympathetic faculty will usually respond positively to a student group’s invitation to come and speak. Communications support for campaigns would include press release templates and media advice as well as posters, brochures, and event flyer templates. National actions should be organized to get national media attention

New Economy Coalition’s “New Economy Week” can be used for movement building on campuses (this already started in fall, 2013). It could be accompanied by a “national walk-out day” – but that would need to include some sort of teach-in so that students are not penalized for missing a class. E.g., students could collect in groups to discuss the material they had been expected to cover that day, according to the syllabus – help each other become proficient in it (providing a model of collaborative vs. competitive learning), and then add another topic for discussion that is not on the syllabus. (They could invite their teacher to sit in.) Alternatively the walk out could be saved as a tactic that students on certain campuses use to escalate their campaign if their calls for change go unheeded. New Economy Week might simply involve a national “new economy teach-in” where heterodox professors are invited to give guest lectures by students in mainstream departments.

Encourage a broader national awareness of the ways that economic problems relate to the economic theory that helped cause them. Students and faculty who are dedicated to economics curricular change can join forces with activists concerned with local economic conditions, and reach out to marginalized communities. Internship programs might be developed to encourage students to go out and do research or provide economic literacy courses for such activist groups and communities. Coinciding with major elections, activists could sponsor town halls where economic issues important to the public are openly debated from both orthodox and non-orthodox perspectives. Politicians’ and policy positions can become starting points. Major schools of economic thought could be connected with current economic conditions, indicating how alternative economic theories can provide alternative principles for organizing the economy.

**Please [share your ideas about How to Change the Teaching of Economics](#)**