



## **Rethinking economics part II**

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In my very first [blog entry](#), I discussed the need to rethink economics in order to be able to reshape the structure of the European Union. As the end of this blog approaches, I want to go back to this topic and highlight what has changed, at least at the academic level. The United Kingdom has recently become one of the most prolific laboratories of change in economics teaching. New curricula have been introduced, national student associations campaigning for reforms have emerged, and many public debates have been organised.

In London I met and interviewed Dr Ivano Cardinale, lecturer in economics at Goldsmiths, University of London, which is introducing a [pluralistic and interdisciplinary bachelor's degree in economics](#), and I asked him some questions about the current state and future changes in universities and society.

### **Dr Cardinale, what motivation has led to the formulation and introduction of a course of this type at Goldsmiths, University of London?**

Debates about economics teaching are not new. For example, John Maynard Keynes discussed why economists need to be at the same time mathematicians, historians, statespersons and philosophers.

But the recent crisis has extended the debate on economics teaching to society at large. For instance, in 2012 the Bank of England and the UK Government Economic Service organised a [conference](#) of top employers of economics graduates. What came out is interesting: employers think that economics graduates know little about the limitations of the models they use and the context in which they apply them. Employers believe that these skills would be crucial, and have called for a more pluralistic approach to economics. Similar concerns have been expressed by other parts of society, and are widely discussed in the press.

But despite these concerns in society and the economics profession, changing economics education has notoriously been something difficult to do. The reason why we have been able to start such a pluralist degree lies in Goldsmiths' renowned tradition in the social sciences and humanities. This has made it possible to introduce a new approach to economics teaching, which includes standard theories, different traditions in economics, and an understanding of the historical and political contexts through an interdisciplinary component. In fact, besides the core modules in economic theory and applications, the programme features several interdisciplinary streams in which students choose modules from other departments, thus gaining expertise in other social sciences.

### **Why have you decided to pursue pluralism in economics teaching through a bachelor's degree and not, for instance, a master's degree?**

It is crucial to start immediately with a pluralistic approach, because the bachelor's degree is the key moment in which students form their viewpoint. If students only get exposed to different theories during their master's degree, it is likely that they will understand those theories from an orthodox perspective, without developing the skill to address problems from a variety of viewpoints.

**Three different aspects should be taken into account when it comes to pluralism in economics: teaching, research and politics. We have talked about teaching, but how can we pursue pluralism in**

**research? How can we enable young researchers to study broader topics and use different theoretical frameworks?**

Pluralism in teaching is necessary for pluralistic research. In fact, unless students are exposed to a variety of economics traditions early on, they will not have the training to pursue research in different theoretical frameworks. And in turn, this is important for pluralism in teaching in the long run. In fact, when departments of economics across many universities were asked to develop more pluralistic programmes, they often responded that there were no economists around who could teach in such a programme, because that kind of research was not done. Whilst this may not quite be the case at the moment – there is much non-orthodox research being carried out – it will be the case within a generation or two, if we don't start teaching economics in a pluralist way.

However, whilst teaching is a necessary condition for pluralist research, it is not sufficient in itself. It is well known that systems of peer judgement, which are key to how research is organised nowadays, hinder the development of non-orthodox research programmes. And this is even more the case in countries, such as the UK, where state funding is based on such systems of peer judgement. However, there are reasons for optimism: there are well-recognised economics journals that publish research in a variety of traditions. Moreover – and this is important – such research is considered increasingly relevant by other social sciences, and often published in their journals.

**For what concerns politics, we know that economics is usually described as a neutral and objective science. As a result, policy choices are often justified in the light of this alleged neutrality, thus neglecting the social and political dimension of economics. What is, according to you, the nature of economics?**

It is difficult to give a concise answer to this question. I agree that economic theories are informed by specific political philosophies. But this does not mean that they cannot be analytically useful to understand societal problems. In other words, I think we must be careful not to dismiss economics as such, arguing that it adds little to our understanding of the world. On the contrary: over the centuries, economic thinking has developed a range of sophisticated lenses to understand reality. And it provides many crucial building blocks for making sense of current societies. Again, I think pluralism is key: we must not identify the whole of economic thinking with the current orthodoxy. We need to consider different approaches, be aware of the political philosophy underlying each of them, and compare them to obtain a more sophisticated understanding of society.

**Since the beginning of the eurozone crisis in 2010, we haven't seen much progress in the economic debate about European policies or any significant changes in the austerity imposed on southern countries. Is there a link between the lack of change in political economy choices and the existence of a mainstream paradigm in economics that has not yet been overcome? Do they both reflect unsolved conflicts and strong interdependencies among different social and political interests?**

This is an interesting question – indeed a research question. My impression is that most existing frameworks are not well suited to study the interests and conflicts you allude to. This is a problem I address in my research. Much of the debate relies on micro- or macro-economic models, and this makes it difficult to understand the interests of the different political and social groups. In my research I look at intermediate levels of aggregation, such as industrial sectors, and this reveals maps of cross-country conflicts and convergences of interests that are very different from the usual country-level ones. I think there may also be a theoretical deficit in the debate on 'austerity vs. expansion'. As long as the debate is in purely micro- or macro-economic terms, it may be difficult to go much beyond the 'Hayek vs. Keynes' controversy. Different levels of analysis will lead to different solutions, highlighting different schemes

and aspects, and proposing different policy options. This does not imply that actual policies will change, but surely it is an important condition for change.

**In recent years, the public has become increasingly interested in economic issues, with social movements directly addressing problems of inequality, labour precariousness and social justice. For instance, economics books such as Thomas Piketty's 'Capital in the Twenty-First Century' and Mariana Mazzucato's 'The Entrepreneurial State' have been influential beyond the economics profession. Jeremy Corbyn, the new leader of the UK Labour Party, has asked some economists to form an expert committee to develop a 'coherent alternative' to austerity. What is, in your view, the public and political role of economists today?**

To answer this question we need to go back to pluralism. Different theories let us see different problems: inequality is not a problem for some theories, but it is for others. And this is why we need many theories to inform the public debate. From a pluralistic perspective, economists are not supposed to dictate solutions. Yet they play a crucial role in providing rigorous but flexible lenses to understand reality and envision alternatives that go beyond the status quo, but are grounded in what can concretely be achieved in a given historical context.