

**ASSOCIATION FOR HETERODOX  
ECONOMICS**

**Pluralism, Heterodoxy, and the Prospects for  
a new Economics Curriculum:**

**Assessing the potential of INET,  
*What's the Use of Economics*, and the CORE project**

Several members of AHE attended the launch of the new INET-sponsored CORE curriculum at HM Treasury last November 2013. It was felt that this curriculum, while admirable in stressing applications to real-world problems and bringing in recent theoretical developments, did little if anything to foster the critical thinking about economics and policy that AHE espouses. Inclusion of heterodox economics in the curriculum has been explicitly ruled out. Jamie Morgan, convenor of AHE, has written the attached critique, which the Committee of AHE endorses and which we wish to share with the economics community, especially the heterodox community.

**Pluralism, Heterodoxy, and the prospects for a new economics curriculum:  
Assessing the potential of INET,  
*What's the Use of Economics*, and the CORE project**

The Management Committee of the Association for Heterodox Economics\*

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'If economists could manage to get themselves thought of as humble, competent people on a level with dentists, that would be splendid.'  
(Keynes, 1932: p. 373)

The global financial crisis has provoked a variety of responses within economics with the professed aim of changing the nature of the discipline. One of the more high profile responses has been the Institute for New Economic Thinking (INET). INET has set itself the laudable task of transforming economics. As part of this task INET has initiated a project to develop a new curriculum for economics: the *Curriculum Open-Access Resources in Economics* (CORE) project. In what follows we assess the potential of INET and of CORE.<sup>1</sup> We do so by first developing a set of inferences for the constructive transformation of economics that seem to follow from INET's founding concerns. We then provide some context for how these might be pursued by considering the 2012 work *What's the Use of Economics?* edited by Diane Coyle from Enlightenment Economics. Finally we assess the potential of some of the early work of the CORE project, as presented at a Workshop at the UK Treasury, November 2013.

Our main concern is that the positive potential of INET is steadily being closed down. What began as recognition of fundamental problems that require fundamental change is becoming a more modest set of alterations. A sense of failure is, for all intents and purposes, being translated into a context of relative success requiring more limited changes – though these are still being seen as significant. Part of the reason that they are seen as significant is that changes from within mainstream economics do not have to be major in order to appear radical. It is our contention that heterodox economics is being marginalised in this process of 'change' and that this is to the detriment of the positive potential for transforming the discipline. The Association for Heterodox Economists (AHE) was founded in 1999 precisely to address the kind of issues that are now more widely recognized through such high profile organizations as INET.<sup>2</sup> Heterodox economics:

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<sup>1</sup> Note, in what follows we are distinguishing between INET as an organization committed to the transformation of economics and some of its components or supported projects. INET, for example, does support a great range of new research.

<sup>2</sup> A history of the AHE is available:

[http://www.hetecon.net/division.php?page=about&side=early\\_history\\_of\\_the\\_ahe](http://www.hetecon.net/division.php?page=about&side=early_history_of_the_ahe)

refers to specific economic theories and a community of economists that are in various ways an alternative to neoclassical economics. Consequently, it is a multi-level term that refers to a group of economic theories—specifically Post Keynesian-Sraffian, Marxist-radical, Institutional-evolutionary, social, feminist, Austrian, and ecological economics [and] to a community of *heterodox economists* who engage with and are associated with one or more of the heterodox approaches and embrace a pluralistic attitude towards them without rejecting contestability and incommensurability among the theories (Lee, 2009: pp. 6-7)

We argue that heterodox economics has much to offer any pluralistic approach to economics. Marginalising heterodoxy creates problems for teaching economics as a discipline in which economists constructively disagree and can be in error. This is important because it is through a conformity that suppresses a continual and diverse critical awareness that economics becomes a dangerous discourse prone to lack of realism, complacency, and dogmatism. Marginalising heterodoxy reduces the potential realisation of the different components of economics one might expect to be transformed as part of a project to transform the discipline. We begin first by setting out key areas of transformation one might infer from the originating acknowledgements and concerns of INET.

### **1. INET and inference regarding the transformation of economics**

The Institute for New Economic Thinking (INET) is an organization whose primary initial funding derives from George Soros. According to the INET podcast ‘the history behind the institute’, the Institute was founded as a direct response to issues arising from the Global Financial Crisis. Throughout 2009 Soros had been involved in informal discussion with various well-known economists (David Hendry, Anatole Kaletsky, John Kay...) regarding how and why the economics profession had ‘gotten so far off course’ and why the profession seemed so resistant to outside ideas from people (such as Soros himself) who manifestly had a sound grasp of how aspects of real economies work (INET, 2011a). A subsequent list of 25 people, drawn up by Robert Johnson and Joseph Stiglitz, were invited to meet at Soros’s home in Bedford, New York, September 2009. Robert Johnson notes that the meeting had an air of ‘confessional’ in which many well-known and ostensibly powerful economists expressed their dissatisfaction with the ‘dysfunctional’ state of the discipline, including the inability of even some leading economists to move the discipline forward.

As a result of the meeting it was decided that an alternative organization was required for new ideas to be promulgated ‘to change the profession’ and that Soros was in a position to fund this in a way that allowed the work to move beyond the constraints of already existing funding sources, since these tended to favour the status quo. INET’s inaugural annual report states:

Economic expertise has incurred severe damage to its credibility. One of the positive outcomes of this is that timeless and recurring debates about how to conceive of economic research and the economy are reopening. It is within this context of the

needed re-examination of the practices of the profession that INET was founded 18 months ago. The mission of INET is to create conditions for a younger generation of economists to step forward and examine the world freely.

INET encourages young economists to measure what hasn't been measured before, to say what they've been afraid to say for fear of not being published and promoted. We want to bring the efforts of the next generation into better alignment with the needs of mankind at this critical juncture. We need to open the dialog, enliven the debate. We need to have purposeful minds working together, starting from the understanding that we have failed as experts in the most recent episode.

We need to renew ourselves. (Johnson in INET, 2011b: p. 2)

Joseph Stiglitz provides further context in 'the history behind the institute' podcast: 'The dominant paradigm had not worked and had been excessively narrow; insufficiently open to considering alternatives.' And, because the problems of mindset are common across all branches of economics (not just the macro ones associated with the Global Financial Crisis) 'the agenda for rethinking economics is a very very broad agenda' (2011a). As Perry Mehrling also states in the podcast, 'This is a very unusual initiative from my point of view. It seems to be driven, actually, by wanting to make some intellectual change, and not knowing what kind of intellectual change we want to make' (2011a).

So, the first thing to note is that INET has many potentially positive features. It began as a recognition of a particular failure, i.e. the role of economics in the global financial crisis. However, that recognition is placed in a more general context. If one reads the above carefully and considers what that context indicates then there are several inferences one might make regarding what INET needs to do in terms of its own initiating concerns and acknowledgements of the issues. If we begin from what INET participants note:

1. The need to debate how to conceive economy is timeless – and thus perpetual. The necessary inference, as a matter of consistency, is thus that economics must *always* maintain a critique of its own foundations (and seemingly has not).
2. The specific failure in terms of the global financial crisis is also a failure repeated across the discipline. The inference is then that there are basic *common* problems (which Stiglitz phrases in terms of a paradigm) shared within economics.
3. One dynamic of the problem is a dysfunction of economics as a profession. The inference then is that there is an institutional problem with how economics is structured. The 'confessional' indicates that some leading economists are frustrated by their inability to effect change (even some of the leading cannot lead where they will). The statement from Robert Johnson regarding INET's desire to liberate young economists from fears of not being published or promoted indicates that one significant and recognized constraint that maintains the status quo (reproducing the common paradigm problems) and to the frustration of some leading economists is the need to publish in places that only accept certain kinds of economics (particular models and theory) and that a failure to do so

damages one's career and thus selects one out of a future capacity to influence the shape of the discipline.

4. A further inference is then that there is a need to transform the paradigm, and that to be genuinely effective this must occur across several aspects of economics, including its institutional and structural constraints. So, there is a need to teach a different kind of economics and teach it differently. This will begin to produce young economists able to question the paradigm. It will also break down the current barriers to change by offering a different kind of economics taught differently – meaning that current economists are acting differently and accepting different ways of doing things now. And there is a need to promote alternative research and publication, and to do so in a way that overcomes the problem that this has adverse consequences for one's career and influence within the field (and so INET has been created). This latter point then implies a need to transform the narrow publishing ethos of key journals, extend the number of recognized significant journals (to embrace ones that accept alternative research and contributions to economics) or to simply do away with formal recognitions of key and significant journals as a benchmark for career progression.

One might further note that in so far as there is an acknowledgement of a common paradigm and concomitantly of common problems across the sub-disciplines of economics then this cannot simply be about a set of simultaneous yet different errors of theory in different sub-disciplines. Commonality entails common underlying aspects that become problems in each field. So this immediately raises the issue of what the paradigm is that is broader than any sub-discipline and also how one identifies the commonalities.

Two things potentially link different sub-disciplines and those are methodology and the attitude of mainstream economists in each to contributions that do not conform. The latter reinforces the status quo in terms of the former.<sup>3</sup> Economics is curious in its relation between methodology and attitude because it is a resistance to continued critical analysis through methodology that is partly expressed in the attitude of mainstream economists that creates conformity. It has been widely recognized that mainstream economists do not consider methodology, including as philosophy or the history of ideas, to be an important area of discussion. This in turn is expressed as '*we know what good economics looks like*' the converse of which is '*this is not what we expect economics to look like (and therefore this is not economics)*'. It is this closed-mindedness that polices publication and career progression.

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<sup>3</sup> There is a long tradition of methodological critique deriving from heterodoxy. This includes a critique of aspects of the mainstream and also an attempt to express some of the ways in which the disparate elements within heterodoxy may share some underlying methodological commitments. For example, heterodoxy has provided over several decades critiques of scientism disguised as science and has identified various problems of modelling and formalism. Concomitantly heterodoxy has always incorporated commitments to open and complex systems under various descriptions. These two strands have common roots that can also be traced through the history of economic thought.

So, the acknowledged sense of a common paradigm expressed across economics and also of real institutional constraints within economics promotes the inference, as a matter of consistency, that methodology matters. It matters to create the critical reflexivity that connects problems across the sub-disciplines. It matters because that critical reflexivity is an expression of the perpetual need to debate how an economy is conceived. And it matters for the simple practical reason that a failure to consider methodology is a key constituent in how the problematic nature of economics is currently reproduced. A focus on methodology is then, one key antidote to the problem of mindset that Stiglitz states and the terms of the Bedford 'confessional' imply.

However, the problem of 'narrowness' and 'mindset' stated by Stiglitz does not just entail a focus on methodology. That focus on methodology has further implications for the diversity of economics at any given moment in time. Key insights that can emerge from a critical analysis in and through methodology are that:

1. It is possible to analyse any given problem from many different points of view, and each may have some particular insight. Knowledge is in this sense relative.
2. However, the relativity of knowledge is not simply a licence for each approach or perspective to become self-contained. Knowledge is fallible and positions evolve. One way in which they evolve is through critical dialogue with other positions that see the same issues in different ways.
3. The absence of other approaches and perspectives reduces the resources that any given approach or perspective can draw upon as it evolves. The absence also removes critical dialogue in the form of interlocutors that can place a brake on the pathological development of any other approach or perspective.
4. As such, diversity and hence pluralism, in so far as they are critically engaged, can be a key indication of the health of a discipline rather than a sign of fracture and confusion.

So, if there is a problem of mindset, of conformity, and a problem, as Stiglitz phrases it, of a failure 'to consider alternatives' and the reason to recognize this failure is that economics as knowledge was (is) in error, and, in turn, a significant contributor to this reason was the narrowness of economics, then the clear inference is that economics, as a matter of necessity needs to be diverse and thus plural. Moreover, it needs to be this as a general condition rather than at a single point in time. This is because positions evolve and complacency, error and pathology can at some future point become locked in. The Global Financial Crisis is a consequence of a general problem and so indicative of the worst of what can happen and may happen again (as it has before). The acknowledgement that there is a timeless and perpetual need to debate how to conceive an economy extends then to there are many ways to conceive of actual (and possible) economies. The health of the discipline requires that economists both learn that this is important and then put it into practice.

So, a significant contribution provided by methodology is not merely to seek the next single definitive position but rather to encourage economists to become critically engaged and more open-minded; to become constructively pluralist. To be constructive one must consider *alternatives*, and not just an alternative. One might argue that this is particularly so in the social sciences where laboratory conditions cannot be produced for some form of definitive investigation of law like states. The economy is a social domain where there seem to be no eternal significant law-like states to be investigated – only social phenomena of some (arguably in some cases very long) duration that can change. Those phenomena can be considered from different points of view in terms of different kinds of assumptions and consequences for different kinds of economy *that we wish then to create*.<sup>4</sup> This surely is the logical consequence of the statement from Mehrling quoted previously. The ‘not knowing what kind of intellectual change we want to make’ (2011a) statement has presumably been selected for the INET ‘history behind the institute’ because it was considered a significant comment. The connotation is not one of hapless ignorance but of a recognition that the problem being addressed is such that one cannot over-determine the outcome of an investigation. However, the investigation can always be facilitated by creatively considering alternatives.

So, INET as an organization began from an acknowledgement that economics needs some kind of transformation. Considering all the points above that flow from the founding concerns and acknowledgements of key INET participants/members then, as a matter of consistency, one would expect the transformation of economics to involve:

1. A change to the specific content of economics that has proved to be in error: some shift in theoretical form and emphasis...
2. A change to the common ‘paradigm’ within which specific branches of economics were in error...
3. A transmission of these changes through new content in the teaching of economics (a curriculum change)...
4. A change in the attitude of economists facilitated by a greater methodological awareness (extending to philosophy and the history of economic thought) of the limitations of economics... creating the grounds for a critical paradigm that is, ultimately, not a single closed paradigm....
5. A transmission of this change in attitude through the way the new curriculum is taught... creating a sense that economists can constructively disagree and that historically they have been and thus can always be in error...

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<sup>4</sup> Despite an increasing recognition of the role of institutions we often fail to recognize that an economy is something we construct. An economy is created, even the most liberal market economy is one that is created and supported by a whole range of institutions. Debates concerning the role of austerity are debates about what kind of economy we want to construct, as are debates concerning sustainable and greened economies. These are not mere academic issues but urgent social and political issues regarding the economy and its role. A lack of pluralism in economics often harms public understanding and debate. Matters of construction become simple issues of ‘there is no alternative’. Considering this provides an additional way to consider what it means to provide an economics curriculum that results in well-informed and critically aware citizens.

6. With reference to 3, a transmission of this change in attitude through the content of the new curriculum that is to be taught; reflecting critical disagreements about foundational issues and embracing diversity...
7. An active promotion of diversity expressed in new research, career progression, and publication, both in terms of inter-disciplinarity and a constructive pluralism...

To be clear, these all seem to be reasonable inferences from the founding concerns and acknowledgements of INET. If INET were to deliver all of these then that would be a significant achievement. Clearly, no single initiative within INET could deliver all of these, but one can assess aspects of INET's work to consider what progress is being made and under what conditions. INET appears well intentioned and has considerable resources, but intentions eventually translate into outcomes. One key area in which INET is involved is curriculum design. At the least, one would expect this to address the stated need to teach a different kind of economics and teach it differently. INET's significant project here is CORE 2013. This can usefully be placed in context by first considering the contributions to a 2012 conference concerning the teaching of economics.

## **2. *What's the use of economics?* February 2012: closure, pluralism and heterodoxy**

In February 2012 the UK Government Economic Service (GES) and the Bank of England hosted a conference to bring together academics and employers. The conference was intended to provide some indication of direction for economics education within the context of recognized problems of economics theory. However, what the published conference papers (Coyle ed., 2012) reveal is not a development of the recognitions and acknowledgments as we have set them out for INET. Rather they reveal how those recognitions can be closed down, reducing the potential for constructive transformation of the field. This then is also relevant to the CORE project that follows.

The first point to note is that the conference emerges out of a discussion with particular kinds of economics employers: the government, investment banks and consultancies. The point of reference for an economics education is then immediately instrumental. It is about employability. It is not, first and foremost, about knowledge as a social good but rather specific knowledge and skills as an economic good. Thereafter, every recognition by some participants that economists have had no sense of social responsibility or understanding that economics involves ethical aspects runs up against the primary context of the conference (see e.g. Wride in Coyle ed., 2012).<sup>5</sup> It seems extraordinary to criticise the current curriculum as one that teaches as though all students were on a track to do a PhD (and a PhD as some form of modelling automaton who can do little more than manipulate large data sets, see e.g. Anand and Leape in Coyle ed. 2012) only to then have as one's primary invited point of reference economic specialists of a particular kind.

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<sup>5</sup> It seems remarkable for example that since Enron business schools have emphasised the need to teach, particularly to MBAs, corporate social responsibility and such, and yet to judge by the media we are living in a period of frequent and widespread failures of ethical standards.



Surely the motivating question should be broader: something along the lines of what kind of economics education equips good citizens? Recall Johnson's statement in INET's inaugural report: 'We want to bring the efforts of the next generation into better alignment with the needs of mankind at this critical juncture.' It is debatable whether consultants and investment banks have a great deal to offer as insight here except in terms of the negative (we failed to inculcate x, there are concerns other than our y). The context of canvassed opinion then seems to be one that immediately closes down potentials. To be clear, this does not prevent various initiatives being developed that do have a broader focus. Leape, for example, sets out aspects of LSEs foundation economics course for students of the social sciences. The course requires students to address a number of interesting contemporary questions, such as 'How should we manage climate change?' (see Leape, p. 188 in Coyle ed. 2012). There is a great deal of scope here for critical thought and reflection from alternative points of view. However, this potential does not militate against the problem of the conference's context. Moreover, the course is a general foundation for the social sciences and not an illustration of what and how economics is taught thereafter (it shows some potential but also a potential disconnect).

Furthermore, any assessment of contemporary questions that have some economic relevance should also be about highlighting *the dangers of an economic argument* and the dangers of allowing a given economic frame of reference to become dominant (and acritical). It is one thing to suggest that a great deal of economic theory (and pedagogy that teaches such theory) lacks realism (e.g. King and also Rosewell in Coyle ed. 2012), but it is quite another to adequately express (and teach as a cautionary principle) the real world consequences of such irrationalism. Stern (2013), for example, makes this quite clear in his recent paper on climate change (the climate models have systematically underestimated environmental impacts and the economic models have systematically underestimated this underestimation). If one wants to teach the power of economics one must also teach how economics is powerful and what it is that can ameliorate the negative consequences of such power. This is an issue of understanding the nature of error and also the potentials of constructive and critical diversity *within* economics. This is about how economists disagree. It is here that a second point arises from the conference that we might interpret as closing down or reducing the potential for constructive transformation of the field.

The contributions to the conference lack consensus on just what it is that is 'broken' within economics, if anything at all. For example, Glaeser (in Coyle ed. 2012) claims that the core of economics is not 'broken'. This is a claim that sees the basic problem as one of the misrepresentation and misuse of economics theory and modelling, implying the problem is how economics should be qualified rather than a more fundamental problem of substance. One finds this echoed in Bernanke:

Some observers have suggested the need for an overhaul of economics as a discipline, arguing that much of the research in macroeconomics and finance in

recent decades has been of little value or even counterproductive. Although economists have much to learn from this crisis, as I will discuss, I think that calls for a radical reworking of the field go too far. In particular, it seems to me that current critiques of economics sometimes conflate three overlapping yet separate enterprises, which, for the purposes of my remarks today, I will call economic science, economic engineering, and economic management. *Economic science* concerns itself primarily with theoretical and empirical generalizations about the behavior of individuals, institutions, markets, and national economies. Most academic research falls in this category. *Economic engineering* is about the design and analysis of frameworks for achieving specific economic objectives... *Economic management* involves the operation of economic frameworks in real time... the recent financial crisis was more a failure of economic engineering and economic management than of what I have called economic science. (2010)

Others differentiate macro and micro. Some make the claim that problems of substance apply only or mainly to macroeconomics (e.g. Farmer and also Friedman in Coyle ed. 2012). Others soften even this claim by suggesting that the current approach to macroeconomic modelling needs augmenting rather than repudiating (e.g. Carlin and also Chadha in Coyle ed 2012, for disagreement see Haldane and also Ormerod and Helbing in Coyle ed. 2012).

A lack of consensus may seem in some sense a positive. Often it is. However, lack of consensus can actually be a resistance to the development of constructive diversity. Consider that in the context of the most widespread and damaging financial and economic crisis since the Great Depression, there were economists present at the conference unable to acknowledge that economics was in error at any fundamental level. Consider also that many of the contributions exhibit a degree of underlying commonality despite the apparent lack of consensus. The dominant position amongst participants seems to be that only some aspects of macro were in error, and specifically the error took the form of simplicity in some varieties of modelling and the overreliance on such modelling as an account of real economic processes. Both Coyle and Carlin, for example, contrast these problems with the current vibrancy of new approaches within microeconomics.

It would be churlish of course not to recognize that there has been some innovation within mainstream economics and notably microeconomics. But consider how that recognition is being used here. It is being used to construct an argument that translates the initial acknowledgments and recognitions of INET into a quite different context. INET began as a recognition of fundamental problems. This was expressed as a failure of the profession and as a common paradigmatic failure. The main impression provided by the 2012 conference papers is that this sense of professional crisis and profound common problems of economics has been translated from one of failure to relative success.<sup>6</sup> Thereafter, it is through placing past failures in an appropriate framework and through developing the successes that economics can develop. The more critical

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<sup>6</sup> We by no means wish to traduce Coyle here – the point is the emphasis and general weight of argument. There are various references to fundamental failure and still a range of voices. See also Coyle, 'Economics education after the crisis' *Royal Economic Society Newsletter* <http://www.res.org.uk/view/article5Apr12Correspondence.html>

claims regarding common problems and the calls for more fundamental changes to theory thus shift from the centre of the debate to the margins, becoming outliers. For example, the possibility that innovations within microeconomics may simply repeat or diverge only to some small degree from some of the underlying problems of prior mainstream theory begins to disappear as a possible focus (see e.g. Dow, 2008). Concomitantly, the possibility that critical reflexivity through methodology is significant in and of itself becomes a minority concern.

Stiglitz initial statement that ‘the agenda for rethinking economics is a very very broad agenda’ thus begins to look significantly narrower. The recognition that there is a problem of a narrow mindset begins to seem less an acknowledgement that has resulted in economists challenging their current preconceptions and more as an actual internal feature of the approach to developing economics, i.e. the narrow mindset continues to shape the approach to expanding the discipline. This becomes more apparent when one considers another aspect of underlying commonality. Coyle makes quite clear that, in the wake of the global financial crisis, ‘most economists reject’ ‘wholesale critique’ of mainstream economics, and she attributes such critique to non-economists and to heterodox economists. The immediate claim is that wholesale critique is not warranted. But what warrant is there for this statement other than simple rejection?

Furthermore, consider the underlying implications. The statement seeks to conjoin heterodoxy with wholesale critique. Ostensibly this is a reasonable act; heterodoxy does include wholesale critique of the mainstream, but only under some descriptions. Consider also that the relevant points from heterodox critique of the mainstream are that it excludes alternatives and that it has failed to be realistic and that it has failed to be consistently explanatorily successful.<sup>7</sup> These are all points made in the original INET acknowledgements. So what is being rejected? It is not the substance per se but the source i.e. heterodoxy; so, one might say the conjoining of heterodoxy with wholesale critique is one that is being *used* to situate and marginalise heterodoxy.<sup>8</sup> This is a discursive, and essentially contradictory, act.<sup>9</sup> It does not, of course, prevent some heterodox insights later being called upon in limited or partial ways. But it does so whilst marginalizing a major source of constructive critique from *within* economics. Given the nature of the Global Financial Crisis and the initial recognitions of the broader problems by INET a third party might reasonably have expected precisely the opposite to have occurred.<sup>10</sup>

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<sup>7</sup> But see also Dow, 1997, Lawson, 2006.

<sup>8</sup> The general trend seems to be to marginalise; however, Coyle in particular goes so far as to refer to the exclusion of heterodoxy.

<sup>9</sup> Contradictory in three senses 1) heterodoxy consistently articulates points of critique that are recognized inconsistently within the mainstream 2) heterodoxy is a valuable constituent in any transformation of the field based on pluralism 3) many of the more significant acknowledgements and insights that seem set to be incorporated into the CORE curriculum are heterodox in origin e.g. Minsky on financial instability.

<sup>10</sup> And particularly so if they paid attention to the slew of popular media interest and reference to Marx, Keynes, Hayek, and Minsky in the aftermath of 2008; for example, Stephanie Flanders BBC series.

Consider also that the statement places heterodox economists with non-economists; the implication is that both lack the necessary knowledge or appreciation on which a justified and relevant opinion can be based. It is the 'most economists' reject that then serves to provide authority for this. Consider what the subtext of this is:

- Mainstream economists, a group who have been the subject of criticism because of the manifest failure of theory, *reject* the legitimacy of any group beyond mainstream economics to provide a 'wholesale critique' of mainstream economics.
- Mainstream economists thus immediately situate non-economists and heterodox economists as not qualified to provide valid critique of mainstream economics.
- Mainstream economists equate 'the majority' opinion/belief within mainstream economics with sufficient grounds for the rejection of 'wholesale critique', despite that the critique is that mainstream economics and thus the majority of mainstream economists are in error and that this error is common and thus wholesale.

This subtext is yet another way in which the failure of the mainstream, which originally motivated INET is translated into relative success. For what else is it that gives the majority the credibility to simply reject 'wholesale critique' (or at least its source)?<sup>11</sup> Moreover, since the purpose seems to be to simply marginalise a significant constituency within economics, the act might also be considered a variation on '*we know what good economics looks like*' the converse of which is '*this is not what we expect economics to look like (this is not economics)*'? Surely this sits uneasily with Mehrling's original claim that 'This is a very unusual initiative from my point of view. It seems to be driven, actually, by wanting to make some intellectual change, and not knowing what kind of intellectual change we want to make'. It also seems at a curious tangent to the key statement by Robert Johnson in the introduction to INET's inaugural report, 'We need to renew ourselves' (Johnson in INET, 2011b: p. 2). The subtext seems to be that we first reaffirm ourselves, which surely places a sharp limit on what it means to both renew and transform.

The key point, then, is that it begins to appear that there is an underlying commonality of the form: we know what kind of economists *we do not want* as part of future diversity or pluralism. Again, what this seems to reveal is how initial recognitions can be closed down, reducing the potential for constructive transformation of the field.

Here one could point out that non-mainstream economists such as Thomas Palley and Steve Keen provided not only warnings that there could be a global financial crisis, but also powerful explanations that underpinned those

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<sup>11</sup> It is always a fallacy to conjoin consensus with adequacy of a claim and it is even more of a fallacy when the consensus is derived from a group whose credibility is what is in dispute in terms of the claim.

warnings.<sup>12</sup> The explanations were based on alternative theoretical approaches to the mainstream. Furthermore, the approaches proved explanatorily successful because they included a wholesale critique of the mainstream (as part of the reason the problems of the crisis could emerge in the first place). And yet, thereafter, the 2012 conference deems it reasonable to reject heterodox critique of fundamental and thus wholesale problems (despite the initial acknowledgement by Stiglitz of a paradigm problem).

With this in mind one might reasonably rephrase Coyle's reference to the rejection of wholesale critique as '*the majority of economists just don't get it and so reject wholesale critique from non-economists and heterodox economists,*' which is a decidedly less positive frame of reference.

Consider also that the rejection of heterodoxy then extends into the way suggestions for an economics curriculum are posed. Contributions to the conference claim that key ways to improve economics and the curricula for economics are to ensure economists learn in an inter-disciplinary context and do so with reference to history and to real institutions and actual practically referenced and understood data (e.g. Ramsden and also Kay and also Kirman in Coyle ed. 2012). These, for example, are all considered ways to place the findings from modelling in a more appropriate context. These are all potentially constructive suggestions. However, consider how they can also be limited based on the marginalisation of heterodox economics.

If one were to advocate an economics curriculum that was inter-disciplinary this does not in and of itself indicate a great deal about the nature of the economic constituent in that inter-disciplinary endeavour. A relatively narrow form of economics can still be central to the curriculum. If so that narrow form brings with it many of the initially identified problems recognized by INET, though perhaps in new guises. There is a basic tension here. The point of an inter-disciplinary approach is to look at a problem from multiple points of view and thus to appreciate that different frameworks have different and constructive contributions to make. However, if economics remains narrow in a preconceived way the difference may apply only to how the subject under scrutiny (some problem set) is looked at from a range of *fixed* points of view. The process then does not seem to extend to changing over time the substance of the individual, notably economic, approach (by responding to critical dialogue in terms of the real issues investigated that then bear on the substance of theory and method). There would not be anything genuinely inter-disciplinary about this – merely the juxtaposition of several disciplines. However, if the process does extend to the

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<sup>12</sup> See for later examples of analysis also Pasinetti 2012a and 2012b. Note, the list of critics who foresaw some aspect of the crisis is actually quite long. Nouriel Roubini, Wynne Godley, Ann Pettifor etc. This in itself is significant since the resistance within economics to critique helped to foster the crisis. The closed mindset has in some senses been a product of theory. This is quite clear from the IMF's Independent Evaluation Office (IEO) 2011 review of the IMF's role in the GFC: 'The prevailing view among IMF staff – a cohesive group of macroeconomists – was that market discipline and self-regulation would be sufficient to stave off serious problems in financial institutions. They also believed that crises were unlikely to happen in advanced economies, where sophisticated financial markets could thrive safely with minimal regulation of a large and growing portion of the financial system.' (IEO, 2011: p. 17)

possibility of changing the substance of the individual approach then the activity can be considered both genuinely inter-disciplinary and constructively pluralist through the interaction of disciplines. But if this is the case then it makes no sense to begin from a narrow preconceived and singular form of economics approach, since the potential for constructive pluralism extends also to critical alternatives from within economics. As such, there is something counterproductive about attempting to conceive of a new curriculum as one that is inter-disciplinary but non-plural, and by extension, there is something counterproductive in terms of marginalising a major source of both diversity and pluralism within economics i.e. heterodox economics. Any such marginalisation creates an issue over what the real lesson is students are being taught.

A similar problem arises in terms of introducing more history into the economics curriculum. One can, for example, teach an economic approach with reference to history. However, this can simply mean using historical data to construct or confirm a narrative and as a way to develop data analysis skills. This is no more than to teach historically, it is doubtful whether this could be described as teaching history in an economically significant way.<sup>13</sup> There is an idea or approach that is being confirmed. This can be done in a variety of more or less complex ways. Ultimately though it is about using and demonstrating existing concepts and methods in a historical context. Such an approach would not be about exploring how ideas, concepts and methods emerge historically.

If one wishes to teach economics through history then one is doing something rather different. One teaches how history creates contexts in which concepts emerge and schools of thought develop. One thus strays into the history of economic ideas within economic history. The two are not easily separated. As soon as one recognizes that the history of economic ideas and economic history are not easily separated then one faces another problem. It remains possible to teach the history of economic ideas with reference to economic history as though concepts or schools of thought were simply specific to the problems of a time, since times have changed the relevance of those concepts or schools is then superseded. The tacit (and counterproductive) lesson then is that the history of economic ideas is, for the modern economist, of historical (and thus marginal) interest only. It remains possible also to teach the history of economic ideas as though the history of economic ideas operated as a form of natural selection and where the relevance of schools in the past, and of concepts and methods, can be read in terms of their contribution to the current dominant economics framework. The history then becomes one in which concepts etc. are emphasised or explored in terms of their contribution to the present or where the concepts etc are translated into their current forms and then reinserted into the 'history'. This is Paul Samuelson's Whig history, where both procedures serve to create a neat narrative of simple progress in economics demonstrated through history (Samuelson, 1987). Again, this would create issues concerning what real lessons a student was being taught.

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<sup>13</sup> One is simply using the period rather than genuinely engaging with the period.

So, the teaching of history as part of the economics curriculum can easily become a way of reinforcing a narrow mindset and of undermining the critical potentials that seem to be the initial motivation for introducing more history in the first place (see some of Seabright's concerns in Coyle ed. 2012). The question that then arises is what kind of history provides a more adequate grounding for students? Well, one might point out that concepts or schools of thought are not just specific to problems of a time *and* it is not the case that the concepts and insights of different schools can simply be translated into the concerns of a current dominant framework without loss. Schools of thought have different points of entry into historically emergent contexts (e.g. Negru, 2013). The perspectives developed make a difference to how the contexts are viewed and then make a difference to the way economics is conceived and practised (e.g. Dow, 2000 & 2004). The perspectives and insights can remain significant or relevant thereafter. Furthermore, the very existence of disagreement and of difference within history is an important constituent in the study of economics as history.

If one wishes to provide students and the profession at large with critical skills and with a broader outlook then the purpose of history is not just to practise data analysis and to accumulate historical facts (including facts of current and former theory in some narrative sense). One is learning a lesson with significant contemporary relevance. *Economists disagree and can continue to do so*. Different positions may have a sense of their own general adequacy regarding which they are prepared to provide critically engaged argument. But the teaching point is that students are given something to think about rather than are told what to think. This can only be done by exposing students to the range of alternatives and by clarifying the significance of the way each plausibly conceives of an economic problem. However, from a mainstream point of view most heterodox positions are of (if any) historical interest only. As such there is a repetition of the tension we identified in regard of an inter-disciplinary approach. The more one marginalises heterodox economics, the more one invites the criticism that the teaching of economic history becomes some combination of teaching historically or of teaching some version of Whig history. However, heterodox approaches remain living bodies of theory in a contemporary context (see Lee, 2009).

So, in order to achieve the aims of teaching history as part of the economics curriculum (recognizing the significance of critical thinking, seeing problems from multiple points of view, understanding the limitations of any given point of view etc) it can only be considered counter-productive to marginalise heterodox economics. If heterodoxy is marginalised one is, again, simply closing down or reducing the potential for constructive transformation of the field. Unfortunately, this is the sense one gets from the conference contributions, despite various commitments or recognitions of the need for 'more history'. If one were feeling pessimistic regarding the endeavour one might ask what's the use of *What's the Use of Economics?* One might, however, hope that a subsequent commitment by INET to develop an actual open source economics curriculum for international dissemination will address the many concerns that the conference papers provoke but without following the same set of closures.

### 3. Limits of the Curriculum Open-Access Resources in Economics (CORE) project

In 2013 INET initiated an international project to produce a new core economics curriculum. Following planning workshops in January and June 2013 the *Curriculum Open-Access Resources in Economics* (CORE) project then convened a workshop at the UK Treasury in November 2013 to introduce pilot on-line open-access resource materials for a variety of courses, including an introduction to economics, and introductory and intermediate micro and macroeconomics. The CORE project is set to run for three years under the directorship of Professor Wendy Carlin, University College London. The intention is that the initial resource materials are used selectively based on local needs and as ‘faculty members, students and others construct their own learning paths’ (CORE, 2013: p. 2). However, as the materials provided at the November workshop make clear, the initial resources are deemed to be of common relevance because they address globally recognized problems with the economics curriculum:

The global adoption of very similar curricula and methods that can be taught anywhere by a ‘modern-trained PhD’ lacking knowledge of real world economies seems to have produced the same dissatisfactions, whether it’s among students at the university of Chile or UCL, faculty at Bogazici University, Turkey, or the British Treasury and Bank of England. Students are embarrassed by their inability to use economics when engaging in debates about current policy issues. Their teachers are dissatisfied too: a department chair at a top university recently lamented to one of the project members that, ‘The students can handle any problem set we throw at them, but if I ask about the economy, their reasoning is no different from the wisdom of taxi drivers, and sometimes a bit less well informed.’ The existing core curriculum is designed as if all students were to become graduate students in economics yet it teaches an outdated and sometimes even incorrect version of economics. (CORE, 2013: p. 1)

It is not clear thereafter quite what the scope for creative use, rather than adoption of, the materials is. Still, in terms of commonality the resource materials have been developed with the intention to reshape ‘what’ is taught and ‘how’. Specifically, as agreed by a steering committee and based on contributions by a wide range of participants from the first two workshops, the new CORE curriculum is intended to address 5 key questions (CORE, 2013: p. 3):

1. What is economics about?
2. What/who are the main economic actors?
3. What can markets do? (...and what can’t they do?)
4. How can public policies improve economic performance?
5. How do economists produce knowledge?

These general question headings echo some of the substance of the contributions to *What’s the Use of Economics?*, but do so in a more systematic way. Each is



addressed in terms of a series of bullet-pointed sub-categories. For example, question 1 is followed by (CORE, 2013: p. 3):

- How have capitalism and technological innovation changed the world and what is the connection between the two?
- What explains the wealth and poverty of nations and people?
- Are there environmental constraints on economic development?
- How, why, and when does increased income enhance the quality of life?

Question 5, meanwhile, is followed by (CORE, 2013: p. 3):

- Can economics be a science (and what would this mean)?
- How do economists resolve differences among themselves and scientists in other disciplines (and why are differences sometimes not resolved)?
- How has economic knowledge evolved over time in response to new data, new methods and problems?

Here it should be noted that Professor Carlin and other members of the team were quite clear at the November workshop that they see the project as one that delivers a 'paradigm change'. There is a context here, however, that is significant for one's expectations regarding what CORE might deliver.

We have already set out in the previous two sections that there seem to be clear limits and manifest tensions in what transforming the discipline seems to mean. One might also note that in *What's The Use of Economics* Professor Carlin was at the strong end of the spectrum in rejecting wholesale critique of the mainstream, suggesting rather that some kind of augmentation and contextualisation of current modelling approaches was an adequate way forward. This would seem to be grounds to temper one's expectations of how the CORE project will be driven forward. Note, this is by no means to question Professor Carlin's integrity or commitment. The point is sociological and thus more general to the discipline.

As INET acknowledges, a major problem within economics is that it has become narrow and encourages a closed mindset. This has and has had consequences. The narrower and more closed economics has become then the smaller the changes required in order for those changes to appear significant, alternative or transformational. Looking from the mainstream outwards, what seems to be highly conservative can seem quite radical. One, for example, can win a Nobel Prize in economics for suggesting economic agents are not perfectly rational, or for suggesting the nature of information and the formulation of institutions have substantive impacts on both behaviour and economic outcomes. So, one can win a Nobel Prize for suggesting people are not robots and activity has actual significant conditions. To a non-economist this would seem to be stating the obvious. Within mainstream economics it has been hailed as revolutionary. The point then, is that the understanding of significant change from within mainstream economics can be rather narrower than one might imagine. One should bear this in mind perhaps when considering Professor Carlin's sense that CORE provides 'paradigm change'.

The sociological point also potentially extends to any contributions from more alternative thinkers to CORE. If the general context is rejection of wholesale critique and a translation of failure into relative success then one might anticipate that the unspoken pressure is for the insights of more alternative thinking to conform to a central ground rather than the centre ground to be reconstructed around the more alternative thinking.<sup>14</sup> All of which is to say no more than that *What's the Use of Economics?* and the initial context for CORE serve to lower expectations regarding how transformative the new curriculum is liable to be.

To be clear, based on the November workshop there is currently not a great deal to go on. Some example resources for each of the courses were and have been made available. These are fragments of courses – individual online interactive chapters. Each is subject to a review process. CORE remains a work in progress. The best one can do at this stage is assess what is available and ask what progress has the work in progress made? One can do this in two ways. One can place the resources in the context of the key curriculum questions and one can place the resources in terms of the initial inferences regarding INET's commitments in section 1 and the problems of limits and tensions we set out in section 2.

Of the various resources perhaps the most appropriate to focus on is the Introduction to Economics course. It is this course that is intended to provide a gateway into economics. It sets the tone and, on a subconscious level for the student, defines the parameters for how an economist thinks, as well as providing some initial indication toward what economic thought is directed. We have already noted that contributors to *What's The Use of Economics* advocated teaching in an inter-disciplinary context with reference to history and to real institutions and actual practically referenced and understood data (e.g. Ramsden and also Kay and also Kirman in Coyle ed. 2012). And we have already noted some of the issues this might create. Inter-disciplinarity is not necessarily constructive unless there is diversity within the economics, and one can teach history in a variety of problematic ways – as simple confirmation of data and a narrative, or as some form of Samuelson's Whig history. Bearing in mind that the intent is not just to provide students with facts and mechanical skills, but also to equip them with the ability to analyse and think critically then there are certain expectations one might have regarding an Introduction to Economics course:

- It goes beyond a simple narrative form that endorses or serves to then introduce a particular theoretical framework.
- It balances content with contestation – introducing students to the different ways a period, situation, problem or issue can be looked at.
- It challenges students to think critically about different ways to look at a period, situation, problem or issue.

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<sup>14</sup> Juliet Schor's work, for example seemed to be in basic conflict with the overall implicit developments expressed at the November workshop.

One of course might argue that one does not want to overburden students in an introductory course. Complexity can be challenging but also confusing. So there is a balance to be struck. However, it is important that one does not opt for an approach that is close to a simple narrative form that endorses or serves to introduce a particular theoretical framework (whilst providing selected facts and mechanical skills). If one did so then one has not prepared students for what may follow. Any adequate approach thereafter would require one to begin a process of de-conditioning the student. The argument would have to be made that *it is not as simple as we first said*. This is counterproductive. Moreover, it is a misapprehension of simplicity. One has not simplified but rather misrepresented. So, what one tacitly means by *it is not as simple as we first said* is that *the situation is different than we indicated*. This is analogous to the recognized problem that unrealistic assumptions in some forms of mainstream theory and models are allowed to stand as simplifications or abstractions (when they are neither). In terms of course design the problem is pedagogical – the students have not been introduced from the first to the fallibility of economic theory and to the diversity of ways of looking at the situation. Introducing the student to fallibility and diversity is important because both bear on the problem of contestation of *how* an economy is conceived and to what end.

The resource from the Introduction to Economics course made available at the November workshop was Chapter 1, The Capitalist Revolution. This chapter does exactly what you wouldn't want an introduction to economics to do, but it does it in a disarmingly engaging way. Students are introduced in an anecdotal way to a core empirical claim. GDP per capita (average living standards) remained relatively stable until the industrial revolution. On this basis it 'mattered more for your future to whom you were born than in which region of the world you lived.' As nation's industrialised this changed, growth, population, real wages and carbon emissions all began to increase significantly in particular places – accumulating to create a graphical 'hockey stick of history'. The stick, and growth in particular, is explained by a capitalist revolution, 'a confluence of changes in technology with the emergence of a new social and economic system'. Here 'capitalism was about people with wealth or the ability to borrow taking the risk of introducing new technologies and entering new markets – for profit.' Most importantly 'Capitalism and rapid technological development went together because capitalism was the first social and economic system in human history in which membership in the club of its elite – the owners and managers of these firms – required them to produce goods that people wanted to buy at a price lower than one's competitors. Those who could not accomplish this were simply no longer members of the club.' We are also introduced to Adam Smith as the 'great prophet' of capitalism but at this stage only informed that he 'made the intellectual case for laissez-faire capitalism' and was 'not against government' since it serves some legitimate functions. The text also notes that capitalism would be impossible without appropriate economic institutions to support the economic system. The positives of the system are stated as (despite an initial lack of franchise or union representation) 'even the less well off did better over the long period' and 'The technological changes have been accompanied by significant increases in consumption standards. Where capitalist revolution happened, people's incomes and consumption levels began to rise in a sustained

way. Although the rises were sometimes followed by declines, over a long period there have been substantial improvements in living standards.' 'Real wages rose not as in earlier epochs because labour was in short supply due to an epidemic but because employers had to offer significantly higher wages to attract particular workers to their enterprises'.

Based on some of the issues we have previously raised there are a variety of points one might make here. The chapter introduces capitalism in terms of a simple narrative. There is an emergence of a combination of technological change and a social and economic system to encourage more technological change. So the emphasis is on technology as a primary component of capitalism. In so far as this is explained the emphasis is on the struggle between capitalists to provide consumers with goods at competitive prices. Smith is introduced as simply the prophet of capitalism based on *laissez-faire*. The overwhelming emphasis is that capitalism results in progress and this is experienced as rising standards of living, real wages and consumption; and that capitalists are forced by markets to offer higher wages to attract labour. We are informed that there can be periodic declines in growth and living standards and that labour has not always been enfranchised or represented, but no more than that.

Consider this from a student's point of view. The student is being given the impression that capitalism is explained by decentred market processes and by price competition, a competition spearheaded by risk taking visionary entrepreneurs. Furthermore, the juxtaposition of Smith and the limited statement gives a sense that this was from the outset recognized by Smith. The content is vague enough to not be false but it is also leading enough to provide false impressions.

Consider that the emphasis on the struggle between capitalists could easily be balanced by the struggle by labour to be recognized and represented. That struggle is part of the explanation of the emergence of particular institutions of real capitalism in particular periods. Representation and enfranchisement are not merely minor points to be acknowledged in a more significant tale of markets and technology. They are constitutive parts of progress. A more evocative history of the industrial revolution would give the student a sense of how labour came to be in the new towns and cities and the appalling conditions under which they lived and worked. It would then also give the student some context for what it was the economists (the classical political economists and particularly after Smith) were attempting to understand and explain.

Consider that the chapter contains no actual definition of economics or attempt to account for what it is economics focuses on. This is important because classical political economy was not focused in the same way as modern mainstream economics. It focused on how wealth is created. This has pedagogical significance – the definition of economics is not fixed. Moreover, the way we define economics has ramifications for how we conceive of and develop the study of economics. Classical political economy is not focused on scarcity in resource allocation nor is it split into positive and normative elements, nor does it have a separate sense of economic institutions that has to somehow be

reconciled with its other methods and insights. Classical political economy is focused around the distribution of economic goods (and thus was not a study of scarcity) and typically approached markets as rough and ready ways by which prices gravitated around a normal price – not a definite equilibrium between independent demand and supply functions that reconcile according to an inexorable process. Classical political economy was far more interested in the underlying factors, focusing particularly on the role of labour.<sup>15</sup>

So, the very first chapter of a course intended to introduce economics to the student does not define economics but seems to give the impression that it has created a context that has an explanation – institutions that support market processes focused around risk and profit for new technologies giving consumers what they want (who in turn receive real wage growth as firms compete for their labour, and where that real wage growth enables them to participate in consumption in an inexorable march of long term progress). Nothing is actually being explained here, but the impression is given that something is. There is no real history provided – merely some anecdotes and some basic data. There is, however, a narrative. As such, the chapter seems to conform to teaching historically and creates a form of Whig history – one is allowed to think of Smith as an early progenitor of modern economics. The chapter is not thought provoking for the student it is thought shaping. Moreover, the initial interactive elements simply invite the students to confirm they have understood the data. The final activities ask students to justify when and where they would prefer to live. Quite how this invites students to think critically about economics or the role of the economist is ambiguous at best.

One might say then that students are not being encouraged to move beyond a simple narrative that supports a particular theoretical framework. They are not being challenged by the content or by the ways in which it can be contested and they are not being invited to think critically. If we refer back to CORE's 5 key questions:

1. What is economics about?
2. What/who are the main economic actors?
3. What can markets do? (...and what can't they do?)
4. How can public policies improve economic performance?
5. How do economists produce knowledge?

It seems that question 1 is not being addressed (but in doing so a mainstream position is being endorsed); question 2 is already favouring a simplistic sense of entrepreneurial capital rather than a more complicated struggle over relative distributions based on real and contingent social relations and institutions that then come to shape such distributions; question 3 is being situated as the core source of progress and questions 4 and 5 seems to be nowhere in sight. There is

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<sup>15</sup> According to Marx, 'By classical Political Economy I understand that economy which, since the time of W. Petty, has investigated the real relations of production in bourgeois society, in contradistinction to vulgar economy, which deals with appearances only.... To them the best of all possible worlds.' (Marx, 1954 pp 80-81, fn2)

no sense that there can be alternative explanations of a period or problem. There is no sense that economics can be limited in its understanding of anything.

Question 1 and 5 in particular are a source of concern here. An adequate account of early capitalism could be used to make the important point that there are very different ways to look at an economy. One might, for example, focus on the instability of capitalism. One's position on the nature of the economic problem is quite different depending on whether the focus is on the potential for collapse or the possibilities expressed through recovery. A Marxist, for example would have quite a different position on this than an Austrian. For the student, the question isn't who is more or less correct, but rather that the problems look quite different based on different assumptions and foci. This includes also variations within the mainstream position. This should be emphasised from the very start. As such, the very first chapter ought also to introduce students to diverse and pluralistic ways of considering issues of economy for economists. This is surely a precursor of any effective critical thought. It can only be enhanced by also introducing students to heterodox economics.

To be clear, there are limits to how far one might want to push any criticism of the CORE materials. This is just one chapter and the work is provisional. But, if we return to our question, what progress has CORE's work in progress made, then one might suggest the outcome appears to be conservatively formulated. As such, following on from the way INET has been positioned and then *What's The Use of Economics* one can at least say the initial product has multiple defects. Chapter 1 does not seem an auspicious start in a program intended to change the paradigm.

### ***Conclusion***

We began by setting out INET's originating context and developed a number of inferences from this concerning what INET might do in order to transform economics. Those inferences included:

1. A change to the specific content of economics that has proved to be in error: some shift in theoretical form and emphasis...
2. A change to the common 'paradigm' within which specific branches of economics were in error...
3. A transmission of these changes through new content in the teaching of economics (a curriculum change)...
4. A change in the attitude of economists facilitated by a greater methodological awareness (extending to philosophy and the history of economic thought) of the limitations of economics... creating the grounds for a critical paradigm that is, ultimately, not a single closed paradigm....
5. A transmission of this change in attitude through the way the new curriculum is taught... creating a sense that economists can constructively disagree and that historically they have been and thus can always be in error...

6. With reference to 3, a transmission of this change in attitude through the content of the new curriculum that is to be taught; reflecting critical disagreements about foundational issues, and embracing diversity...
7. An active promotion of diversity expressed in new research, career progression, and publication, both in terms of inter-disciplinarity and a constructive pluralism...

We then set out how the 2012 conference contributions close down the context in which any transformation might be pursued.<sup>16</sup> A sense of fundamental failure is translated into one of relative success in which the mainstream is affirmed before it is renewed. Thereafter, pluralism seems to be undermined and heterodoxy as a valid contribution to economics is effectively marginalised. This closure then seems to be replicated in the CORE materials intended to transform the discipline.

Highlighting the points we have may seem like simple griping by a special interest. But there is far more involved than that. Remember we are talking about the failure of a discipline and how it is to be transformed. The marginalisation of heterodoxy has real consequences. In a general sense the marginalisation creates manifest problems that hamper teaching economics in a plural and critically aware way. For example, the marginalisation promotes a Whig history approach. It is also important to bear in mind that heterodoxy is a natural home of pluralism and of critical thinking in economics. Jack Reardon, for example, has founded the *International Journal of Pluralism and Economics Education*.<sup>17</sup> There are also many heterodox inspired initiatives to develop innovative economics and political economy courses (see for example Molly Scott Cato at Roehampton University). Unlike the mainstream, heterodoxy does not have to be made compatible with pluralism and with critical thinking; it is predisposed to these and is already a resource for their development. So, marginalising heterodoxy really does narrow the base by which the discipline seeks to be renewed. That narrowing contributes to restricting the potential for good teaching in economics (including the profoundly important matter of how economists disagree and how they can be in error). It also contributes to what Thomas Palley has called Gattopardo economics – change without change (2013).

There is currently a great deal of dissatisfaction with the way economics is taught and with the substance of mainstream economic theory. This has now become a media issue because of the way students are voicing their dissatisfaction (e.g. Post Crash Economics).<sup>18</sup> INET and CORE seek to make much of this by drawing links between their work and this dissatisfaction. However, it seems questionable that the CORE project as is will ultimately be able to meet

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<sup>16</sup> Though we acknowledge that some of the contributions were diverse and more critical.

<sup>17</sup> See <http://www.inderscience.com/jhome.php?jcode=ijpee>

<sup>18</sup> See <http://manchesterstudentsunion.com/groups/post-crash-economics> See also Chick et al, 'We need economics theories fit for the real world', <http://www.theguardian.com/education/2013/nov/21/need-economic-theories-fit-real-world?INTCMP=ILCNETTXT3487>

the expectations of students – despite the fact that CORE is committed to student participation in the process.

Consider also what the CORE project does not address. It does not address the issue of the institutional constraints on economics, which affect how it is taught and how careers are pursued. These constraints were specifically acknowledged as significant by INET, notably in the 2012 inaugural report. One might think that the issue is not directly relevant for the CORE project. However, as soon as one asks who is going to teach the new curriculum it becomes immediately relevant. The potential for the CORE project is not just closed down by the content but also by its uptake. Making the most of the materials and also going beyond them requires lecturers committed to innovative ways of doing things, and committed to inter-disciplinarity, pluralism and critical thinking. In the UK, for example, the institutional dynamics of the employment of economics lecturers is actively working against the retention, support and development of lecturers with these commitments. The longer career progression remains tied to specific research agendas and to publication of that research in a limited range of recognized journals then the greater the tendency for particular kinds of lecturers to be deselected from economics departments or feel compelled to move into other departments (see Denis ed., 2009; Freeman, 2009; Lee et al, 2013).<sup>19</sup> The institutional problems seem to be actively working to reduce any positive potential based on the CORE project. This is not just a problem in the UK.

There is, therefore, a basic tension in the CORE project. One might say that by marginalising heterodoxy CORE does more than simply narrow the nature of the development of economics in ways conducive to a mainstream position; it undermines even this narrowed potential for development. A brief perusal of the affiliations of the participants at the November Workshop reinforces this point. The majority of the participants were either from the project, from new organizations such as Post-crash Economics, or were potential critics hoping to be persuaded of the value of the project. The great majority of mainstream economists most in need of persuasion were simply not present or represented. What we would suggest is that CORE should do more to engage and include those who are genuinely committed to transforming the discipline.<sup>20</sup>

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<sup>19</sup> For the separation of the mainstream and heterodoxy see Cronin (2010).

<sup>20</sup> It would then have some prospect of making good on the characteristics that a new paradigm might include – see Fullbrook, 2013.



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