
(Re)thinking like an economist: pluralism, critical thinking and economic pedagogy

David Kristjanson-Gural

Bucknell University,
Lewisburg, PA 17837, USA
Email: kristjan@bucknell.edu

Abstract: This paper describes the economic way of thinking and how adherence to the goal of encouraging students to think like an economist arose. The example of the theory of demand in institutional and Marxian economics is used to illustrate how the mainstream economics curriculum, by adhering to a singular way of thinking, deprives students of the opportunity to think critically about their role as producers and consumers in the economy and about how economic theories work. Only by adopting theoretical and pedagogical pluralism can the profession overcome these weaknesses. It concludes by assessing the prospects and strategies for promoting a pluralist approach within the profession and by outlining steps that faculty and students might take to ensure that education in economics is genuinely empowering.

Keywords: economics education; economics pedagogy; pluralism; critical thinking; institutional economics; marxian economics; contending theories; thinking like an economist; economic way of thinking.

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Biographical notes: David Kristjanson-Gural is a Professor of Economics and Senior Fellow of the Social Justice College at Bucknell University. His research explores the role of demand in Marxian theories of value and price, Marx's methodology and the ethical and practical dimensions of worker self-directed enterprises, particularly as a means of solving poverty. He is a member of the Association for Economic and Social Analysis, the Union of Radical Political Economics, and the Manitoba Research Alliance.

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1 Introduction

Twenty-five years ago, Siegfried et al. (1991) published a report on the status of the economics profession. One finding was the startling consensus among economists concerning the goal of economics education: Economists largely agreed that the purpose

of undergraduate economics education is to train students to ‘think like an economist’. This ‘economic way of thinking’ represents, for them, a higher order of reasoning allowing their students to use deductive logic and empirical research to distinguish appearance from reality. This way of thinking serves students on a personal level because it helps them learn to make rational choices that serve their own best interests; it helps on a societal level by training economists who will have the analytic skills necessary to develop policy recommendations to ensure the economy thrives. Instilling the ability to ‘think like an economist’ was and is, for many economists, a means of empowering students through nurturing their intellectual and moral development, and providing them with a valued professional training.

In the two and half decades since the release of the report, heterodox economists have responded by redoubling their efforts to insist that teaching ‘the economic way of thinking’, in fact undermines students’ ability to think critically about important economic questions. In this paper, I will contend that this effort to teach students to ‘think like an economist’ overlooks how the economics curriculum, while providing opportunities to develop analytic skills, inhibits the ability of economics students to develop critical thinking skills. Furthermore, it limits students’ knowledge of the economy by unnecessarily circumscribing the questions students are presented with, and it reinforces a set of values that does not serve them by defining morally questionable and arguably self-defeating behavior as rational. Thus, only by rejecting the notion that there is or can be a singular economic way of thinking can academic economists serve students in the manner to which they aspire.

I will start by describing more fully this economic way of thinking, and how adherence to the goal of encouraging students to think like an economist arose. I will then demonstrate, using the example of the theory of demand in institutional and Marxian economics, how mainstream economics curricula, by adhering to a singular ‘way of thinking’, unwittingly deprives students of the opportunity to think critically about their role in the economy and about how economic theories work. I will argue that only by adopting theoretical and pedagogical pluralism can the profession overcome these weaknesses. I will end by using institutional and Marxian approaches to assess the prospects and strategies for promoting a pluralist approach within the profession, and outline steps that faculty and students might take to ensure that education in economics is genuinely empowering.

2 The origin and implications of ‘the economic way of thinking’

What is the economic way of thinking? Siegfried et al. (1991, p.199), found a strong consensus among mainstream economists concerning the objectives of the economics curriculum: “A broad consensus exists among economics faculty that enabling students to ‘think like an economist’ is the overarching goal of economics education”.

Central to this way of thinking is the use of mathematical logic or deduction:

“Thinking like an economist involves using chains of deductive reasoning in conjunction with simplified models. Economists’ problem-solving skills have several distinguishing features. First, they emphasise deductive reasoning. What insights can be derived logically from a set of premises? Second, because most economics problems are complex and deductive reasoning is limited in its

capacity to examine many forces simultaneously, there is an emphasis on *parsimonious models* – models that focus on the more important behavioral relationships in our complex world” [Siegfried et al., (1991), pp199–201].

Fullbrook (2010) traces the origin of this consensus to an essay by Lionel Robbins in 1932:

“In 1932 the British economist Lionel Robbins in his *essay on the nature and significance of economic science*, in effect redefined economics for the English-speaking world as the ‘science’ of individual choice, the individual being conceived atomistically, i.e., as a determinant self-contained entity. Samuelson then adopted Robbins’ redefinition of economics in his textbook, using it as the reference point from which he constructed a new narrative for academic economics, and with the result that it became and remains the standard narrative approach to economics” [Fullbrook, (2010), p.102].

The centrality of the deductive method in teaching economics was given *de facto* codification by the Siegfried report in 1991 and remains a central aspect of economics education today.

Adherence to a singular approach to economics, characterised by positing atomistic individuals, instrumental rationality and the use of deductive/mathematical reasoning from axiomatic premises, serves to undermine students’ learning in a number of important ways. Here I will contrast neoclassical demand theory with institutional and Marxian theory to illustrate how ‘thinking like an economist’ limits students understanding of their role as producers and consumers in capitalist economies. I will then discuss some of the pedagogical weaknesses of the neoclassical approach – how it limits student enthusiasm, slows the adoption of innovative pedagogy, and discourages the development of critical thinking skills.

For neoclassical theorists, the use of deductive reasoning from given premises serves to enable rigorous mathematical formulation of theoretical arguments, which can then be tested against the data to determine whether they can be falsified (Olsen, 2011). The use of deductive reasoning has the further effect of ensuring scientific objectivity (resulting in the normative/positive distinction) by helping to weed out invalid arguments motivated by theorists’ biases. By only including in the curriculum theories that argue from axiomatic premises, however, neoclassical economists insulate their method from criticism from other theoretical approaches because the premises are by their nature, beyond the scope of the theory to explain.¹ The adherence to the principle of parsimony and commitment to an epistemology that posits a singular truth likewise renders consideration of contending theories, and their inclusion in the curriculum, unnecessary.

Finally, because neoclassical economists do not learn contending theories in graduate school, as academic economists they are largely ignorant of the contributions heterodox approaches make to economic theory. This ignorance encourages mainstream economists to think of contending theories as having no original concepts or insights to offer; instead they believe that they only provide (mostly misplaced) critiques of neoclassical theory that do not contribute to student learning (Lavoie, 2015).

The theory of demand illustrates how deductive logic makes the introduction of institutional and Marxian theory unnecessary, perhaps even unintelligible, within the discipline. I will demonstrate that demand theory represents an area where heterodox theory contributes important concepts that help students understand key elements of economic behavior, and to reflect on their own roles as producers and consumers in a

capitalist economy. Ignoring these contributions limits students' ability to learn to think critically by contrasting theoretical approaches.

Neoclassical economics, by placing the analysis of important economic behavior beyond the purview of the theory, also prevents students from understanding how theories work to define the questions, the concepts and the scope of a theory and how a theory in this way privileges certain ways of thinking over others. Mainstream pedagogy, by privileging neoclassical theory and excluding contending approaches to understanding economics, creates a form of intellectual indoctrination that is inimical to the goal of encouraging critical thinking.

2.1 Veblen's institutional approach to consumer demand

Original institutional economics, following the seminal contribution of Veblen (1899 [1994]) explains consumer behavior as individual choices structured by social norms.² Norms both simplify individual decisions and, because they imply costs to deviating from norms, change the nature of the individual calculus of self-interest. Institutional theorists contend that consumers are best understood to be motivated not solely by utility maximising individual behavior, but instead by a variety of motivations both conscious and unconscious. In addition to instrumental thinking, consumers are motivated by the pressure to conform by habits, customs, and, importantly, by pecuniary emulation motivated by an effort to establish worthiness.

Individuals act, consciously and subconsciously, through consumption to attempt to meet their perceived needs, to conform to social expectations, as well as to establish their relative worth in comparison to others. Understanding how social comparison affects consumer choices sheds considerable light on economic behavior. Conspicuous consumption, for example, generates wasted resources in an arms race of invidious and wasteful spending that operates at both a conscious and a subconscious level in most consumers through the adherence to social norms that signal what is tasteful or customary, beautiful or sacred (Veblen, 1899 [1994]; Schor, 1998, 2011). Ignoring the social context of individual choices, or declaring these questions exogenous to economic theory, takes questions off the table that students need to explore if they are to understand their own behavior and the behavior of consumers within the economy.

Similarly, work choices, and hence the labour/leisure decision, are also understood in institutional theory to be structured by social comparison and social norms rather than by individual preferences based upon work's intrinsic disutility. Certain jobs, vocations or careers may be deemed to be honorific, conveying status, particularly if they demonstrate command over others, and shameful if the job places the individual in a position of servitude or caretaking (Veblen, 1899 [1994]). Individual choices about what type of work to engage are therefore influenced by what types of work others believe worthy or honorable; and ignoring this influence on individual decision-making, overlooks important determinants of economic behavior.

If women are encouraged from an early age to conform to a caretaking ethic and men are encouraged to strive for breadwinning and leadership positions, gender norms cannot be considered to be exogenous to the discipline. Similarly, if manual labour is associated with working class status and is considered unworthy, and managerial positions are defined as middle class conferring status, individual choices concerning what type of work to pursue are also constrained by class considerations. Institutional theory concludes that individuals' choices can therefore best be understood as a result of next-

best or satisficing decisions based on multiple, sometimes contradictory, goals and objectives influenced by social norms, that are often not fully conscious (Simon, 1955). When the mainstream curriculum presents students only with neoclassical arguments, these important issues never arise.

Furthermore, students do not get the opportunity to understand and critically evaluate the strengths and weaknesses of neoclassical theory. For example, Keen (2011) argues that because consumer choices are interdependent, the *ceteris paribus* reasoning underlying the construction of the demand curve cannot logically be used to describe consumer choice. Neoclassical theory thus rests on an analytic framework that cannot recognise how individual choice is influenced by social interactions. On the other hand, institutional theory, by positing individual choices as subject to bounded rationality and interdependent preferences, rejects using indifference curves and a stable demand curve to analyse consumer behavior.

While some of these criticisms can be addressed within the neoclassical framework, some represent genuine shortcomings of the neoclassical paradigm (Katzner, 2015). Grappling with the different theories allows students to understand how theories help us construct how we view the world, bringing some aspects into sharp relief and obscuring others. The institutional critique need not necessarily imply the rejection of neoclassical demand theory; but it does mean that the current approach of ignoring or dismissing contending theories is not warranted (Resnick and Wolff, 2012).

Institutional theory allows students to explore the contradictory forces that shape their own consumption behavior and to ask, rather than to assume, how their behavior is best characterised. It argues that students may have uncritically adopted through school, church, family and the media, a set of criteria for their choices that undermines their wellbeing; and it allows them to seek to establish for themselves, through a process of critical examination, an approach to consumption that serves them better. It helps students to see how, by failing to examine how social norms structure their consumption choices, they may consume in ways that are harmful to their own integrity, that may undermine their ability to accrue genuine respect, or that may contravene their self-interest in other ways. I am not arguing the institutional theory is correct, or superior to neoclassical theory. It too has its shortcomings; rather, by excluding it from the curriculum, mainstream pedagogy limits students' ability to understand consumer behavior (their own and others') and limits students' ability to understand how economic theories work to shape our view of the economy.

Perhaps most importantly, neoclassical consumer theory builds into its explanation of consumer behavior a set of particular values that echo the conventional values students generally grow up internalising without making these values explicit. The assumption, for example, that more is better, which is used to construct the indifference curve, implies that people are better off consuming more. The assumption that basing one's actions on a calculation of whether it will bring the maximum personal benefit is rational implies that altruistic behavior is either irrational or is ultimately self-serving.

Neoclassical theory, like any social science, contains value judgments. When the mainstream discipline fails to acknowledge the normative nature of these assumptions and insists that their paradigm is objective, it hides the normative nature of its theory instead of confronting it. This provides students with a further example of obscuring inconvenient aspects of one's own perspective instead of confronting them honestly. It

also seriously misleads students about the nature of economic arguments, portraying them as objective and scientific, when in fact they are imbued with value judgments.

Not only does mainstream pedagogy provide students with a set of normative claims – utility maximisation is rational; more is better – claims taken as self-evident and beyond debate; its critics argue this normative stance can quite plausibly be deemed to be irrational. Beyond a basic level of immediate needs, acquiring more, for example, can be shown to have only a temporary effect on wellbeing, while developing satisfying personal relationships can lead to lasting improvements in reported wellbeing (Easterlin, 2003).

At the macro level, Easterlin and others also provide empirical evidence that above a minimal level of consumption, increasing consumption is not well correlated with increasing wellbeing. Easterlin argues that contrary to set-point theories in psychology that claim our level of happiness reverts to a pre-existing set point after significant life events occur, pursuing non-consumption values such as fulfilling interpersonal relationships provides lasting increases in well-being, whereas pursuing utility in consumption provides results expected by set-point theory. Utility increases in the short term only to return to pre-consumption levels, requiring yet more consumption. This evidence corroborates work by institutional economists including Galbraith (1958) and Schor (1998, 2011) along with others who argue that positional consumption is key to understanding consumer choices, and that it can often undermine well-being at both the individual and societal level by generating unnecessary and wasteful spending.

Not only do mainstream economists prevent students from seeing how theories shape understanding of the world, they also prevent students from grappling with contending normative approaches concerning how best to make choices. Economics students do not get the opportunity to critically assess which approach to vocation and consumption they should adopt and why; the evidence for or against these alternative explanations; whether or not that evidence is convincing; and the relative merit of the neoclassical framework *vis-a-vis* alternative theories. Instead they are taught to ‘think like an economist’ and are asked to take it on faith that no other framework for understanding the economy has merit.³

Not disputing that social norms, habits, customs and persuasion affect consumer behavior, mainstream economics dismiss their inclusion in the curriculum since they fall outside the purview of economics. Since neoclassical theory is considered superior to alternatives, and since it involves explaining behavior using deduction reasoning, consumer tastes and preferences must be taken as given. In deductive reasoning it is necessary to begin from assumptions that are not themselves open to question (Olsen, 2011).

The assumption of rational, individual utility maximising behavior, and behavior not influenced by the choices of others, however much belied by even a cursory examination of people’s behavior, is needed to establish mathematically the shape and the slope of the demand curve, upon which the edifice of neoclassical theory rests (Keen, 2011). Neoclassical economics rules out arguments that contest the premises and assumptions upon which their demand theory is constructed since they are exogenous to the theory, doing so out of logical necessity. By excluding contending theories from the curriculum, mainstream pedagogy demonstrates to students a type of intellectual engagement that is at best sloppy and at worst disingenuous; and by excluding institutional approaches to explaining consumer demand, mainstream economists demonstrate that avoiding or deflecting criticism of one’s theory is a suitable response to an intellectual challenge.

The mainstream discipline is placed in this position because it wants to quantify and mathematise complex behavior that institutional theory argues is, in principle, non-quantifiable. Institutional theories argue that by quantifying consumer behavior, neoclassical theory creates an incomplete explanation of consumer choice that simply places all non-quantifiable outcomes outside the discipline. It excludes what it is unable to explain and then calls what remains objective. A focus on utility maximisation produces important insights that students should learn. Instrumental reasoning is prevalent and it is sometimes warranted to abstract from social influences on individual choice. However, mainstream practitioners have an intellectual duty to explain the limitations of this type of reasoning and provide students with alternative approaches. By presenting neoclassical theory as '*the economic way of thinking*', it insists that this one way of viewing behavior is superior, that it identifies the real, essential core of rationality. By failing to acknowledge the contributions of institutional theory to the profession, mainstream theory does grave disservice to students.

2.2 *Marxian theory*

Marx (and later Marxists) have made important contributions to understanding how class conflict affects consumer and producer choices, contributions that help students understand their role as both producers and consumers, and to assess the relative merits of both neoclassical and institutional approaches.⁴ The neoclassical economics curriculum, however, excludes the study of Marxian economics partly because of perceived inconsistencies in his value theory – a charge that has since been refuted. Marxian economists continue to make intellectually important and highly relevant analysis and critiques of capitalism, including cogent explanations of the financial crisis; but these contributions are ignored and Marx's seminal work, *Capital* is reduced to a historical footnote or simply overlooked entirely.⁵

Marx does not undertake an analysis of individual choice per se, but Marx's class analysis directly addresses a number of structural constraints governing individual choices concerning work in the labour force and consumption. Regarding the former, Marx's analysis of class struggle in production identifies factors affecting the amount of value workers receive for the sale of their labour-power (the average consumption bundle); the intensity and duration of work (the labour/leisure trade-off); and the structure of work (the disutility of work). Regarding consumption, Marxian analyses helps students theorise the competitive pressure on firms to use appropriated surplus from workers to stimulate demand. Important elements of this competitive pressure include reinforcing a consumer ideology that celebrates individual consumption as the means to achieve happiness and status or respect (Resnick and Wolff, 2003). Furthermore, Marx's theory of commodity fetishism helps explain why consumers may lack the relevant information to make rational choices in consumption. I will first explain these three important Marxian insights and then explain why excluding them from the economics curriculum is unwarranted.

The aggregate consumption by the working class is conditioned by firms' efforts to enhance profitability by extending work hours (Marx's absolute surplus value), and by increasing productivity, thus lowering the value of labour-power which regulates wages (Marx's relative surplus value) (Marx, 1867 [1977]). The latter is achieved by reducing the time necessary to produce the workers' wage goods in order to maximise the

surplus-value appropriated and available for use by capitalist enterprises. Contemporary Marxian scholarship applies these concepts to explain, for example, off-shoring of manufacturing jobs as a means of achieving wage concessions; and the speed-up of production lines and automating production to replace workers with machines or robots. Workers can contest these strategies but only imperfectly (due to their structural dependence on capital) and only by acting collectively. Individual consumption decisions are thus theorised as being constrained by the time and wage pressure resulting from this class struggle.

Added to this analysis is Marx's theory of alienation. Labour, for Marx, is central to human self-development. He argues that creative work is how individuals come to know themselves and to realise their individual potential (Fischer, 1970 [1996]). Capitalist competition, by dividing work into distinct stages of conception and execution, deprives most work of its inherent creative elements and structures, rendering work onerous. Being unable to achieve satisfaction through work, workers instead accept it as intrinsically unpleasant, and enjoyment comes from consumption activities. In Marx's view, this conclusion is the result of how work is organised in response to the class struggle, not the natural outcome of a rational individual assessment of expected utility from work and leisure as neoclassical theory maintains.

In Marxian theory, consumers' ability to make rational choices is further interrupted by commodity fetishism – ascribing human characteristics to commodities, and treating people as things, as means to an end (Marx, 1977; Fischer, 1970 [1996]). One important aspect of fetishism is how the production of commodities – the social relation between the consumers and the producers of the commodities – is obscured; and that the needs of the commodities themselves are given precedence over the people who produce and consume them. The social relationships consumers enter into with producers are obscured through the development of production based on commodity exchange, and as a result people engage with only the commodities themselves, not the people who produce them. By obscuring our relationships with each other as producers, and reinforcing and celebrating our experiences as consumers, capitalist firms, through advertising and public relations, actively contribute to student ignorance about the who and what of production, and whether the production conditions are morally tolerable.

In positioning consumer behavior this way, in part as a response to producers' behavior, Marxian theory challenges the theory of consumer sovereignty embedded within the neoclassical economics curriculum. Further, Marxian theory locates the unsustainable growth imperative of capitalism not as a response to unlimited consumer desire as in neoclassical theory, nor as the result of pecuniary emulation as in institutional theory, but as the outcome of class struggle in a system in which producer/consumers do not have a say over the value they produce.

These influences on consumer choice are elements of a class struggle between capitalist owners and workers/consumers operating through the creation of ideological messages that prevent workers from acting collectively, by focusing on individual consumption choices, glorifying the accumulation of wealth, and by promoting and celebrating a cynical disengagement from social struggles. Class struggle over consumption is highly relevant to understanding both micro and macro pressures on individual consumption, and for understanding the corporate media ideology students confront daily (McChesney, 2004).

Marxian theory suggests, therefore, a different remedy than either neoclassical or institutional paradigms. It suggests that class transformation – replacing the capitalist

class process – is a necessary precondition for eliminating exploitative class relations and the arms race of conspicuous consumption that leads to wasteful consumption, alienation in the workplace and environmental destruction. These ideas are both helpful and crucial for students to engage, whether they ultimately accept them or not. By limiting their economics education to neoclassical theory, none of these questions arise; or, if they do, only to limit discussion of whether more or less government intervention is needed. Neoclassical economics thus deprives students of the opportunity to critically engage Marx's insightful critique to determine, for themselves, its intellectual merit.

On what basis, then, does neoclassical theory justify ignoring these salient arguments? Two reasons: First, neoclassical theory argues that Marx's concept of 'value' has been shown to be logically inconsistent. Marxian theory is therefore inferior to neoclassical theory, which is thought to be rigorously, logically consistent. Why, after all, teach students a flawed theory except to illustrate the development of the discipline and how it came to discover the correct theory – the economic way of thinking.

There are two problems with this response. In rejecting Marx's value theory, neoclassical theory relies on arguments that are a half century out of date (Seton, 1957; Steedman, 1977) that purport to show the logical inconsistency of Marxian theory, but which themselves been shown to misrepresent Marx's value theory (Wolff et al., 1984; Foley, 2000; Moseley, 2015). These neoclassical and neo-Ricardian critiques misrepresent Marx's value theory by interpreting value as comprised of concrete labour rather than abstract labour; they therefore construct a dual system interpretation of values (determined in production) and prices (determined in exchange) and ignore the role exchange plays in determining both value and prices (exchange-value) (Wolff et al., 1984).

At the same time neoclassical theorists do not seriously consider the corresponding critique of its own utility theory of value – e.g., from the Cambridge controversy that valuation of capital in neoclassical economics is circular because the price of capital cannot be determined prior to the profit rate but the profit rate itself depends on the price of capital (Moseley, 2012). Proponents of neoclassical economics sweep the question of value theory under the rug when it becomes inconvenient, but are comfortable using the same issue to unjustifiably marginalise Marxian economics from the undergraduate and graduate curricula.⁶ The theorists thus (wrongly) apply one set of criteria to one's opponent and use another criteria to judge the validity of their own theory.

Second, mainstream economics also excludes Marxian theory because they believe it is value-laden and therefore unscientific. The concepts of exploitation, fetishism, alienation and the moral condemnation of capitalism inherent in Marxian theory imply that it is not an objective attempt scientifically to explain economic phenomena. This argument assumes that it is possible to construct a social scientific theory that is not value-laden, and it further assumes that neoclassical theory is an example of how to do so. But neoclassical theory relies on premises that have significant normative implications (more is better, instrumental behavior is rational) while presenting itself as being objective. By excluding contending approaches from the curriculum, mainstream economics removes the basis students would otherwise have for revealing the normative claims of neoclassical theory and subjecting those claims to rational scrutiny. In doing so, the profession deceives students and provides a poor example of intellectual rigor and engagement.

2.3 *How pluralism benefits students*

By pluralism, I mean “an attitude of tolerance and an orientation of openness towards a diversity of approaches, methods and interpretations” [Negru, (2010), p.190].⁷ Critical thinking includes analytic thinking, complex, correct thinking and reflective judgment – providing reasoning in response to questions that do not have one correct response [Garnett, (2009), p.62]. The singularity of the mainstream approach to economics education rejects pluralism and therefore undermines critical thinking by failing to encourage students to develop reflective judgment.

When professors teach economics by contrasting alternative paradigms, on the other hand, they encourage critical thinking because this pluralist approach does not marginalise competing perspectives. While it offers value judgments for students to evaluate, it makes the value judgments of various approaches explicit, arguing that bias in terms of values is not a problem provided the biases are not hidden.⁸ Providing students the opportunity to critically engage a variety of viewpoints with contending value judgments offsets bias. Students get to confront and evaluate alternative methodologies, and this process reveals the strengths and blind spots of each approach. Students also get to view the object of theory, here consumer behavior, from different viewpoints – utility, emulation, class struggle – and thus have the opportunity to develop a more sophisticated multidimensional view of economic behavior, macroeconomic processes, and the role of economic theory in highlighting certain aspects of our experience and obscuring others.

Does this not imply that professors may consciously or unconsciously bias students towards the view they espouse? Further, does pluralism imply abandoning rigorous standards of truth to which the discipline is rightly committed? As Harvey (2011) documents, there is some evidence that the professor’s views affects students’ views, at least initially, but rather than supporting current curricular singularity, this finding paradoxically supports a pluralist approach. If students are swayed by professors’ biases, then a pluralist curriculum is necessary to overcome the potential for students to adopt the predominant view uncritically.

Pluralism also does not imply relaxing rigorous epistemological standards. In fact, many argue that it requires an even more rigorous engagement in the discipline since practitioners are required to master several contending schools of thought and apply evidence and argument towards a heterodox audience. As Freeman (2009) notes:

“Pluralism is not relativism. It does not give researchers or students license to assume whatever they feel happy with. To the contrary, it requires competent economists to be conversant with theories they may be singularly unhappy with” [Freeman, (2009), p.27].

Finally, evidence suggests that challenging students with contending paradigms encourages both higher levels of critical thinking by students, and as a result, greater interest and engagement in the subject matter [Harvey, (2011), p.277].

Pluralism supports critical thinking because students are required to engage contending views that cannot easily be reconciled; they must therefore grapple with problems that do not necessarily have a correct answer. Garnett (2009) argues, following Dewey, that while the current curriculum promotes analytic thinking and complex correct thinking, by its nature it cannot promote reflective judgment since the latter requires the ability to reach reasoned conclusions for which there is no definitive answer. If critical thinking includes analytic thinking, complex correct thinking and reflective judgment,

then encouraging the development of critical thinking requires that we present students with uncertainty of the truth value of statements, the ability to make judgments in the face of such uncertainty and encourage the commitment to continue to question their conclusions and the implications of their thinking [Dow, (2009), p.4].

The mainstream economics curriculum largely consists of increasingly complex versions of the same logical problems for which unique, correct answers exist. Students confront some ambiguity concerning contending neoclassical models that seek to explain and predict outcomes, and some uncertainty concerning the degree to which data confirm the validity of those contending models. But their success in economics courses largely depends on the degree to which they can reproduce mathematical proofs deriving from axiomatic premises, not whether they can advance reasons to support, for example, a claim that utility rather than emulation or class struggle, best explains consumer choices (Keen, 2011).

The assertion that the mainstream economics curriculum, because of its analytical content, teaches students to think critically is incorrect because it overlooks important dimensions of critical thinking – reflective judgment. Teaching competing paradigms counteracts the unreflective adoption of a set of values deemed by the profession to be ‘rational’ by scrutinising these values and requiring that the student find evidence or reasoning to support either adopting or rejecting those values. Students are thus less likely to adopt values unreflectively, and are given the opportunity to critically reflect on different normative prescriptions of economical behavior to determine for themselves what behavior is rational, what is desirable, and what is morally defensible.⁹

Finally, initial evidence suggests that adopting a pluralist approach to economics education, in addition to providing students with helpful concepts and the ability to enhance their critical thinking skills, also enhances students’ engagement in the discipline. When confronted by contending paradigms, survey evidence shows that even those students who are resistant to engaging alternative approaches are more engaged with the discipline (Harvey, 2011). Because contending approaches reject the idea that economic reasoning involves logical deduction from axiomatic premises, courses that engage contending theories are more amenable to learning that challenges students to make sense of their own economic experience (Resnick and Wolff, 2011). These courses, in addition to espousing pluralism in content, also exhibit pedagogic pluralism, which evidence indicates helps improve student engagement and learning by reducing reliance on passive lecture-based instruction that is encouraged by the helix approach that dominates mainstream economics curricula [Olsen, (2011), p.182].

3 Promoting new economic ways of thinking

Institutional structure and professional norms both within and outside the academy militates against mainstream academic economists adopting a pluralist approach (Van den Berg, 2011). Added to this, the profession plays a key role in securing both the legitimacy and accumulation functions of transnational capital.¹⁰ Here I will briefly consider insights from institutional and Marxian theory to explain the continued dominance and insularity of the mainstream, and identify the key obstacles to meaningful reform of the discipline. I will then outline steps for students and academic economists to support pluralism.

Professional norms and habits strongly reinforce maintaining the status quo in the economics curriculum. Having been inculcated into a singular view of the ‘economic way of thinking’, lacking exposure to heterodox viewpoints, and lacking a grounding in pedagogical practice, it would be unusual for economics professors to adopt pluralism. The professional commitment to a deductive and parsimonious methodology further reinforces the attractiveness of the status quo and, in fact, presents a major obstacle to adopting a pluralist methodology (Olsen, 2011). Why teach more than one theory when the neoclassical paradigm is clearly best?

The professional adherence to a deductive method and the helix approach to teaching economic theory, assumes that student experiences are not a reliable source of economic knowledge and that problem solving and lecture-based instruction is best suited to the discipline. Beyond this consideration, the axioms on which the deductive edifice is built cannot logically themselves be derived and therefore need to be asserted, rendered exogenous to the discipline itself. The examination into the realism and/or appropriateness of the axioms is, in this way, rendered inadmissible, and the assertion that their investigation is not the proper subject of economics becomes a further means to deflect criticism of the status quo.

Because institutional and Marxian theory is no longer taught in economics graduate programs, mainstream economists only encounter heterodox approaches, if they encounter them at all, when criticised by heterodox economists. Many mainstream economists thus believe that these approaches do not themselves offer conceptually rich and theoretically robust explanations of economic behavior (Lavoie, 2015). Little wonder then that they resist the notion that economics pedagogy would benefit from more pluralism.

Furthermore, criticisms offered by various alternative paradigms focus on the shortcomings of the neoclassical methodology and together provide a formidable critique that deductive reasoning from a set of given postulates provides consistent, valid, or useful theoretical insights. In fact, one can argue that the strength of these critiques explains in part, why the profession has marginalised them: There is little to gain for mainstream economists in engaging heterodox critiques of neoclassical orthodoxy and much to lose. Accepting the critique that arguing deductively from premises not subject to empirical testing would mean abandoning, or severely circumscribing the conditions under which the neoclassical *ceteris paribus* market analysis could be applied. Something else would have to be taught to students, using methods that take more time. Thus, the stakes of addressing the ideological, epistemological, or methodological criticisms are quite high and there is no cost to ignoring them.

So marginalisation of heterodox views by the mainstream of the profession is not surprising: having achieved hegemony, little pressure exists to relinquish the attendant privilege, and little stands to be gained from entering into battles that threaten to weaken the theory’s status to which economists have devoted their professional lives (Lavoie, 2015). The startling consensus of the Siegfried report on ‘the economic way of thinking’, ought then to be a red flag. For a profession so obviously important to the outcomes and prospects for so many people to declare itself a neutral arbiter of human affairs, and for that profession to speak with a unified voice concerning the approach it endorses, contravenes the entire liberal arts project and its place in informing citizens in a democratic system, a system designed to and committed to allowing a multitude of perspectives to engage in dialogue as a means of overcoming authoritarianism (Söderbaum and Brown, 2011).

Outside the classroom, the main obstacle to reform is that economists trained in the neoclassical paradigm lack the ability to subject their perspective to criticism. The peer-review system of publication does not require research to be evaluated from outside the existing paradigm so there is no corrective to blindness generated by the accepted assumptions and methodology (Freeman, 2009). Similarly, the hiring and promotion of economists within the academy is heavily biased toward economists with mainstream credentials since they are assumed to represent an objective standard of measurement of the quality of the research. The national assessment of teaching and research quality contributes to the bias toward the highly mathematical and methodologically singular approaches [Garnett and Mearman, (2011), p.14].

Fullbrook (2010, p.95) notes six categories of institutions that help secure the predominance of mainstream economics: “university departments, associations, journals, classification systems, economics introductory level textbooks, and the discipline’s basic narrative, which structures its introductory textbooks and is, unless stated otherwise, presumed in most of the conversations that economists conduct among themselves and initiate with the wider world”.

Lavoie (2015) adds three more:

- 1 using the quantity of citations to judge the merit of scholarship
- 2 testing students on a standardised set of concepts
- 3 the self-referential nature of mainstream economics.

To these, I would add:

- 1 economic journalism disseminated via the corporate media system that reinforces (often incorrectly) the concepts and assumptions of mainstream economic theory
- 2 economic policy think tanks, which reinforce the frame in which commercially funded journalism and economic policy operates (growth, jobs, government inefficiency, choice).

With significant institutional pressure to maintain the status quo and an absence of consistent, meaningful pressure to change, the institutional perspective provides little in the way of optimism about the prospects for a more pluralist curriculum.

From a Marxian perspective, efforts to maintain a favourable regulatory environment and to normalise and justify the capitalist class process are seen as a central concern of multinational capital. Ownership and control of media outlets, funding of university research, endowments of Ivy League universities and colleges, sponsorship of awards, these factors coalesce with the revolving door between industry and government to ensure economic policy favourable to capitalist accumulation. Since economic policy, informed by mainstream economic theory, affects significant capitalist interests, changes in the interlocking institutions that feed policy decisions undoubtedly meet resistance. Freeman (2009) terms this regulatory capture, since the individuals standing to benefit from the expertise of the economics profession are involved in providing funding for the individuals producing the research. Recent documentary journalism has illuminated the most egregious implications of this insularity and has led to a call for a code of ethics for the profession (DeMartino, 2011). The prospects for engendering reform from within the profession, either through appeals to the superiority of pluralist pedagogy, through a campaign for a professional code of ethics, or through efforts to provide an alternative

organisation to the American Economics Association currently appear quite limited, at least in the short term.

Watson et al. (2014), Argyrous and Thornton (2014) and Lavoie (2015) conclude that, due to the entrenched nature of mainstream economics paradigm, the only viable strategy to promote pluralism in economics is through the development of an alternative discipline. These authors do not recommend abandoning liberal arts programs that currently support a pluralist approach; rather they contend that promoting pluralism in colleges and graduate programs currently dominated by mainstream theorists is a non-starter for reasons outlined above. Joining forces with other disciplines to create a pluralist and interdisciplinary program is therefore the only viable way forward.¹¹

I agree with this assessment and further contend that successful efforts to pioneer a pluralist approach depends on sustained external pressure focused on the legitimacy of the profession's professional practices. Current circumstances are favourable. First, the profession has been unable to provide convincing explanations of ongoing economic crises generated by unregulated capitalism, or to offer plausible solutions to continuing economic malaise. Second, the public perceives that the economics profession is failing to avert these ongoing crises and does not have a set of recommendations that can restore economic prosperity. And three, the profession is failing to keep pace with innovations in teaching practices and creating dissatisfaction of students with the content of economics courses resulting in falling enrollment in the economics major.

What form could external pressure take? Student protest in France in 2001 resulted in the formation of the Post-Autistic movement and the subsequent development of the World Economics Association and its associated journals. This effort is intended to provide an alternative set of institutions to the American Economics Association, institutions that will promote and support heterodox and pluralist approaches to economic teaching and practice. In the US, the Occupy movement has spawned a number of efforts, including Occupy Colleges, which focus on issues of equity in access to higher education and the problem of predatory lending. Since a commitment to financial deregulation underlies the problems facing students, these efforts could and should be coupled with public pressure on economics departments to broaden their curricula. Finally, in the UK, student organising led to the development of CORE – curriculum in open-access resource in economics – intended to improve the relevance of the economics curriculum and to introduce innovative pedagogy to replace the text and lecture format favoured by profession. Ongoing student organising in the UK deserves further study and investigation.

Heterodox economists and advocates of pluralism ought to increase their support for these and other efforts to help further pluralism in economics education. Ongoing efforts should couple public pressure and organised protest to highlight the failings of the profession – college/university level, association level, economic summit level. These can either be autonomous or coordinated with student efforts, with the occupy movement and/or with the student debt movement. They can be supplemented with the formation by faculty of interdisciplinary programs that address economic issues of poverty, inequality, public policy and other programs that demonstrate the merits of pluralism. Without an organised campaign of public pressure on the profession, calls to create a new multidisciplinary alternative to the mainstream will have limited success.

From outside the profession, non-commercial economic journalism can engage public dialogue about the role of the economics profession. Heterodox economists work

collaboratively to contribute to alternative media outlets, write articles, hold public lectures, develop and support alternative think tanks and make appearances on radio and television. The Occupy movement, the recent presidential campaign of Bernie Sanders in the USA, and the ongoing and worsening effects of climate disruption have created new openings for heterodox economic perspectives to be injected into the alternative media. What is required is a sustained and organised media campaign drawing on the work of independent economic think tanks.

Given the degree to which the university as an institution has been influenced by corporations in the neoliberal era (Giroux, 2014), it may well be that the development of a thoroughly pluralist curriculum in economics needs to happen outside academia altogether. Several organisations are now devoted to creating opportunities for undergraduate education outside the traditional university or college classroom. Producing students qualified to teach at the graduate level is obviously an ongoing problem given the extent to which graduate programs have purged their heterodox economics faculty (Lavoie, 2015). The advantage of developing alternative institutions is to allow developing democratic classroom environments that empower students to take ownership of the curriculum in which they engage (Watson et al., 2014). Of course, considerable work needs to be done to make this alternative institutionally viable for more than a minority of students.

4 Conclusions

I have used the theory of consumer behavior and demand to argue that resistance to the teaching of alternative paradigms is not based on the intellectual merit of mainstream neoclassical paradigm. Both institutional and Marxian theories have important and interesting ideas to teach students about their role as consumers and producers. Instead, the resistance to pluralism is a means by which economists avoid addressing uncomfortable questions about the logical validity, pedagogical usefulness and political implications of their theories. Insulating themselves from criticism demonstrates to students the false virtue of ignoring inconvenient reasoning and evidence, and marginalising rather than engaging contending perspectives. It reinforces and celebrates implicit values of questionable moral merit (promoting self-interest over altruism, celebrating consumption as a means to achieving happiness, and demonising work). It represents, in short, an abdication of the intellectual responsibility of both those teaching in the academy and those practicing economics in the field.

Academic economists have the responsibility to our students to call out our colleagues on their lack of intellectual integrity in order to prevent further harm. In order to do this more effectively, I encourage greater engagement by proponents of pluralism in organised and coordinated efforts to discredit the insularity behind which the mainstream economics profession hides. I encourage students to join these efforts, by contributing to student campaigns for a pluralist approach to economics and by educating themselves in at least one other approach to economics, whether within the formal academic classroom or through the creation of alternative institutions of learning, in order to avoid indoctrination. Continuing with business as usual in the economy and in the economics profession is simply not a viable option.

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Notes

- 1 For facts or statements to act as premises, they must be taken as 'indisputable', if not, they must be established and therefore are logically, no longer premises. As Olsen (2011, p.194) notes, although Samuelson and Friedman insist on the criterion of falsifiability, this criterion is not applied to the premises on which the theory is based.
- 2 For an overview of key contributions to original institutional economics see Adkisson (2010).

- 3 Even when mainstream theorists teach the history of economic thought, which is increasingly missing from the curriculum, it is taught to privilege the neoclassical paradigm. “[T]he formalist mainstream approach has promoted the view that economic thought represents progress, so that everything we have in modern economics represents the best of what has been produced in the past” [Dow, (2009), p.49] Instead, a pluralist approach allows students the ability to critically assess contending approaches by understanding the history of contending approaches and assessing their ability to explain past and present economic events.
- 4 Olsen (2011) argues that heterodox theories including original institutional and Marxian “share an ontological conception of society as complex, structured, reciprocal (organic), and dynamic...[in which individuals]... both participate in constituting society and are constituted by it. They are socially embedded and conceived of as living in society, not existing separately from it and simply producing it through their choices” (p.187). I distinguish Marxian theories, some of which utilise an institutional methodology, from institutional theories per se by their inclusion of Marx’s concept of surplus value and the centrality of class struggle.
- 5 For recent examples of Marxian explanations of the financial crisis of 2008 see Yagi et al. (2013).
- 6 Katzner (2015) is a welcome outlier. He accepts that heterodox economists have made a number of telling criticisms of neoclassical microeconomics with which most neoclassical economists would be forced to agree. He contends, however, that it is possible to value capital using a utility theoretic approach without encountering the circularity that gave rise to the Cambridge controversy.
- 7 As Negru argues, it is possible to introduce alternative approaches in a way that discredits them, or that does not permit students to critically engage with contending theories. I contend that pluralism requires that each theory be presented in a way that respects the theorist’s attempts to explain or understand the objects of the theory.
- 8 I distinguish bias in terms reasoning or evidence (overlooking evidence or reasoning that contradicts one’s desired conclusion). The latter type of bias is not embraced by any theoretic approach in economics.
- 9 As Olsen notes, “The helix model of the economics major described by the Siegfried report is consistent with the recommendation for ‘sequential learning experiences’, but the ability of students to grasp the assumptions, arguments, approaches, and controversies that have shaped the discipline requires a pluralist approach. It is simply not possible for students to effectively grasp these things unless they are familiar with the range of competing approaches in the discipline and can contrast them. An education that presents one approach or school of thought in isolation, as most economics programs in the US and the UK currently do, cannot provide in-depth learning because the lack of contrast provides no basis to identify what is unique or distinctive about that approach” [Olsen, (2011), p.187].
- 10 Dowd (2004, p.13) superbly makes this argument, “the relationships between capitalism and economics...have rarely been at ‘scientific’ arm’s length; they have always been incestuous to some degree, and most shamelessly as we approach the present”.
- 11 Stilwell (2016, p.4) argues that ‘political economy’ is a more encompassing title for a pluralist discipline and that “establishing a foothold for political economy, whether as a university department separate from economics ... or in conjunction with other social science disciplines, is a precondition for heterodox economics having a sustainable place in university education and research”. Bowles et al. (2005, p.51) stated this earlier: “We prefer to use the older term ‘political economy’ rather than economics...because one cannot understand contemporary societies very well unless politics, economics, psychology, and the other social science disciplines are all brought together to study the complexities of modern life. Another way of describing the political economy approach, then, is to say that it is interdisciplinary”. I agree that this broader conception of economics has a place within it for neoclassical economics without defining other heterodox approaches only in opposition to neoclassical thought.