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## Foreword

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## 1 Introduction

In the foreword to the inaugural issue of the *IJPEE*, I wrote that “launching a new journal is exciting because its exact direction cannot be predicted in advance, but only gradually takes shape with impetus and interaction from our readers” [Reardon, (2009), p.6]. This is especially true during the current economic crisis when many educators and policy officials are questioning not only how we teach economics but its very foundations.

While a preponderant objective of the *IJPEE* is to “foster a continuing global dialogue on reforming economics education” [Reardon, (2009), p.3], the specifics of doing so have not been delineated. This issue begins this journey with a series on economics education in the BRIC nations (Brazil, Russia, India and China).

Coined in 2001 by Jim O’Neil, a Goldman Sachs investment banker, it unites four countries with little in common except for their phenomenal growth rates.<sup>1</sup> Regardless of one’s opinion of Goldman Sachs in the recent financial crises, the term BRIC “is near ubiquitous” (Beattie, 2010) and is now part of our intellectual discourse. Indeed, it is interesting and ironic “that these four countries would choose a term created by a US bank to define themselves [which] reflects the fact that in the modern world it is people like Goldman Sachs ...who have the resources and minds to develop ideas” (Tett, 2010).

It is predicted that by 2030 the combined economies of the BRIC nations – Brazil, Russia, India and China will overtake the G-7; and that China will become the world’s largest economy (Bettie, 2010). China’s scale of growth is unprecedented, “compare a ten-fold growth in GDP in the space of 26 years with a four-fold increase in the space of 70 years. The former has been China’s achievement between 1978 and 2004; the latter was Great Britain’s between 1830–1900” (Ferguson, 2009). If these predictions reach fruition the consequences for global consumption, investment, resource allocation, and the environment will be profound. Is economics and economics education able to meet the challenge?

It is impossible in these pages to offer a definitive account of economics education in any one nation; rather our objective in running this series is to discuss key cultural and historical institutions and how they affect economic development and economics education. We hope to initiate a global dialogue on how pluralism can reform economics education.

A second feature launched in this issue is an attempt at dialogue between the many schools within economics. Our objective in this series is to explain the major tenets of each school and highlight, within the context of pluralism, any potential for interconnections. If economics is once again to become useful in solving our problems, it is essential that all voices within economics be heard. Constructing such a dialogue is difficult and perhaps quixotic, since “disciplines are like tribes, they have a specific culture and specific habits, norms and rules, and they do not easily accept outsiders” [Weehuizen, (2007), p.165]. But not to do so is unacceptable and forfeits a wonderful opportunity for economics to strengthen itself. Our series begins with institutional economics.

## 2 Contents of the current issue

### 2.1 *Special series on economics education in the BRIC nations: economics education in the People’s Republic of China*

With due apologies to our Brazilian colleagues<sup>2</sup>, our series begins with China, with each subsequent issue of the *IJPEE* introducing another BRIC nation. We will then offer a special symposium in late fall 2011 synthesising our findings. This will be followed by a series on the N-11, the next 11 nations to emerge, including Pakistan, Mexico, the Philippines, Turkey and Vietnam. At the *IJPEE*, we have representatives from most of these nations on our Editorial Board now and all will be represented before the series is complete.

This series on BRIC economics education originated while queuing at a bank in Beijing with one of my Chinese students. My student, noticing Andrew Jackson’s portrait on a 20 dollar bill, engaged me in an interesting dialogue. I was amazed at his knowledge not only of the Jackson presidency, but US history in general. I am fortunate to lecture often in China and I found this student by no means atypical: most students are eager to learn – not just to pass the exam – but to understand, in order to intellectually enrich themselves and to better their society.

Part of this is due to the Confucian culture which “stresses the value of self-study, not just for the simple accumulation of knowledge but as way of enhancing one’s self-cultivation and better enabling one to make contributions to social life” [Bo, (2007), p.75]. But part of this zeal is also due to the palpable realisation by almost everyone in China that “we are living through the end of 500 years of western ascendancy”<sup>3</sup> (Ferguson, 2009).

This zeal is powerfully nurtured by China’s technological and cultural achievements. China has given the world the compass, gunpowder, paper, printing, the periscope, porcelain and tea; while making significant contributions in optics, mechanics, bridge building, forensics medicine, metallurgy and other sciences (Yisheng, 2009). Thus, by “turning past achievement into a new motive force, Chinese scientists and technologists

believe that China now can and will reach or even surpass certain advanced world levels in the not-too distant future” [Yisheng, (2009), p.4].

The paper by Tonia Warnecke and Alain Blanchard of Rollins College (USA) provides a good introduction to China. They discuss the collision of values in China between past and present, urban and rural, industry and agriculture, growth versus environment, Confucianism and neoliberalism, and between men and women. They write, “while traditionally the focus has been on a collective society, founded on loyalty, filial piety, and obligation to the family and state; market liberalisation, however, has shifted citizens’ focus towards individual responsibilities, including a separation from state and society through increased private entrepreneurship”. Their focus on how clashing values are affecting women is especially pertinent given that “traditional Chinese culture ennobled men while treating women as inferior and undermining their role in society” [Bo, (2007), p.71].

Traditional Chinese culture is encapsulated by the three main-stays: “the king (main-stay of officials), the father (main-stay of sons) and the husband (main-stay of wives)” [Bo, (2007), p.69]. As industrial capitalism developed in the west, it “disadvantaged women in relation to men. But [it] also provided critical new resources that allowed women to question gender inequality” [Freedman, (1995), p.46]. How will this play out in China? And of what significance will be this for economics education?

Haiyun Zhao, a finance professor at Minzu University in Beijing, argues that wholesale incorporation of western mainstream economics ignores the significant and palpable differences between China and the west. Indeed “traditional Chinese ideology and culture are the foundations of the spirit and character of the Chinese nation and lie behind all the achievements of China’s historical development” [Bo, (2007), p.52].

Understanding the role of culture in economic development is a key objective of this special series on the BRIC nations. For as Landes (1999, p.516) notes, “if we learn anything from the history of economic development it is that culture makes all the difference”. Haiyun discusses the key cultural, historical and institutional attributes of China. While much attention has focused on the macro imbalances between China and the USA, the two nations share the experience of the hegemony of mainstream economics, along with increased questioning of its limits and a growing awareness and acceptance of pluralism.

Kai Du and Yinyin Cai of Southeast University in Nanjing, expand on one Chinese cultural tradition – Zhuangbility, defined as deliberate misleading actions during communication. Specifically, individuals exaggerate their own merits, while diminishing their own shortcomings, the combined effects of which render impossible a true evaluation. Although present in most cultures, it plays a preponderant role in China and is centrally linked to economics education. Du and Cai examine the role of Zhuangbility in ordinary Chinese culture, then use it to examine the inefficiencies of Chinese higher education. The authors conclude that Zhuangbility must be modified and controlled if economics education is to be improved.

The next two articles are written by students – an important perspective in any journal on economics education. Jia Liang, a statistics student at Central University of Finance and Economics in Beijing, writes about one of his influential professors who, unlike most, challenged his intellect and fostered his growth potential. Such professors, fortunately, are increasing in China. If the goal of education is to create “people who have the intellectual breadth and critical thinking skills to solve problems, to innovate,

and to learn” [Levin, (2010), p.65] it is incumbent to develop an educational system that questions dogma and challenges assumptions. Until very recently this “cultivation of critical thinking” [Levin, (2010), p.70] was missing from Chinese education. If China is to emerge as a superpower, critical thinking and stimulating teachers are a necessity.

The second student paper is authored by Prestin Lewis, an American student studying for his doctorate in economics at the University of Science and Technology of China (USTC). His school is a member of the prestigious C-9 League<sup>4</sup> of China, formed in October 2009. According to Xu Mei, spokeswoman for China’s Ministry of Education, the establishment of the League is “conducive to the country’s construction of high-quality colleges, cultivation of top-notch innovative talents and enhanced cooperation and exchanges between Chinese universities and their foreign counterparts” (*People’s Daily*, 2009).

In a speech, celebrating the 100th anniversary of Peking University, President Jiang Zemin vowed to make Chinese universities ‘world class’ (Ngok and Guo, 2008). In terms of sheer numbers, this effort so far has been quite successful, “in ten years the number of higher education [institutions] more than doubled from 1022 to 2263 while the number of Chinese enrolled increased from 1 million in 1997 to 5.5 million in 2007. This expansion is without precedent and university enrollment in China is now the largest in the world” [Levin, (2010), p.65].

Prestin’s decision to enrol in USTC underscores China’s success to date. I met Prestin while lecturing at USTC in Hefei. We shared an office, became good friends and I am now serving on his dissertation committee. In addition to the immeasurable value of studying for a degree in another nation, Prestin writes about the willingness of Chinese students to question western models and assumptions – a key ingredient for intellectual growth. Such questioning is absolutely essential if China is to surmount a bevy of obstacles including environmental deterioration and a rapidly aging population. Based on my experience, Chinese university students are world-class. Their eagerness to learn and desire to question existing models are key to moving their nation forward.

Completing this section on Chinese economics education is a paper written jointly by Lu Wei and Wenjun Wang, Assistant Dean and PhD candidate in financial engineering, respectively at USTC; and J. Kent Millington, professor of entrepreneurship at USTC and Entrepreneur in residence at the University of Utah. They compare entrepreneurship education between the USA and China. The USA, long a magnet for attracting entrepreneurs is contrasted with China, a nation where entrepreneurs must play a crucial role. The authors also highlight key strategic variables necessary to promote and develop entrepreneur education.

Hopefully, this brief synopsis on Chinese economics education will elucidate some of the key issues. Chinese economics education is at a crossroads: no longer content with imitating Western mainstream economics, with its arrogant insistence on universal applicability, Chinese students and educators are developing their own models. It is quite likely that the most significant developments in economic theory in the next generation will come from China. We in the pluralist community can use our expertise about the limits of orthodoxy and the strengths of heterodoxy to help the Chinese develop better economic models and better economic education, while also striving “to develop an economics and economics education that is open, tolerant, inquisitive, less arrogant and eager to learn from other disciplines” (Reardon, 2010).

## 2.2 *Incorporating pluralism into the classroom*

The old adage that a picture paints a thousand words is palpably true in economics: every economics text is adorned with copious 2D graphs to illustrate underlying concepts. Most of us assume that the graphs help rather than hinder the learning process. An experiment conducted a decade ago, however, provided surprising evidence to the contrary. Professor I. David Wheat of the University of Bergen, Norway, extends this experiment by testing whether an alternative pedagogical device to graphs – the feedback diagram – is more efficacious than verbal instruction alone. The feedback model – a fundamental building block of system dynamics – enables a dynamic, rather than a static conception of the economy and focuses on the process of change rather than equilibrium. Wheat’s carefully constructed experiment supports his hypothesis, “the results here suggest that feedback diagramming adds value to mere narrative instruction by facilitating perception of systemic structure and its attendant behaviour”. A nice by-product of Wheat’s paper is that it provides a helpful guide in carefully designing and conducting experiments in order to move economics pedagogy forward.

## 2.3 *Special series on pluralism within economics: institutionalism*

Our series on pluralism within economics begins with institutionalism. Originating in the US, its influence is now global and offers a fruitful way to conceptualise the economy. Institutional economics founded by Thorstein Veblen and John Commons (referred to here as old institutionalism) is starkly different from the new institutional economics, which is merely an appendage of neoclassical economics. Whereas old institutionalism takes as given “that the social capabilities of individuals and the ways they see the world are socially constructed” [Vant, (2005), p.11] new institutionalism “views institutions as only constraints on human choices, the rules they must follow” [Vant, (2005), pp.11–12].

Richard Adkisson, of New Mexico State University, and Editor of the *Journal of Economic Issues* offers a primer on old institutionalism. Starting with the contributions of Veblen and Commons he discusses the building blocks of institutionalism: the natural environment, technology, culture and institutions. Pertaining to the amenability of old institutionalism to pluralism, Adkisson writes:

“original institutionalism is by its very nature pluralist ...institutionalists rely on ideas that cross ideological and disciplinary boundaries. Economic problem solving, from the original institutionalist perspective involves experts in fields as diverse as biology, engineering, anthropology, political science, and almost any other academic or professional field.”

A perfect example of the fecundity of the pluralist approach is Arturo Herman’s article which highlights the interconnections between psychoanalysis and old institutionalism. Herman, a senior researcher at the Institute for Studies and Economic Analyses in Rome, writes:

“we believe the issues of social sciences so complex and intertwined that co-operation between many disciplines becomes paramount for understanding their dynamics. In this respect, the fact that institutional economics shares important elements with historical analysis and with pragmatist and cognitive psychology constitutes an enriching element that can contribute to a more fruitful collaboration between these theories and psychoanalysis.”

### 3 Conclusions

Richard Levin argues that “given the world’s most pressing problems – the persistence of poverty, the prevalence of disease, the proliferation of nuclear weapons, the shortage of fresh water, and the dangers of global warming, having better educated citizens and leaders can only help” [Levin, (2010), p.75]. And, having students educated from a pluralist perspective is a must. We hope this issue nudges economics in this direction.

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### Notes

- 1 For an interesting discussion of Jim O’Neil, see (Tett, 2010).
- 2 Maria Madi, professor of economics at the State University of Campinas in Brazil and her colleague Jose Gonclaves is editing the Brazilian section on economics education which will appear in the next issue of the *IJPEE*.
- 3 For an interesting discussion of the rise and fall of global empires see Chua (2007).

- 4 The Chinese Government actively sponsors these universities while encouraging integration and intra-cooperation. The C-9 members are: Fudan University (Shanghai); Harbin Institute of Technology (Heilongjiang); Nanjing University (Jiangsu); Peking University (Beijing); Shanghai Jiao Tong University (Shanghai); Tsinghua University (Beijing); USTC (Hefei); Xian Jiao Tong University (Shaanzi); Zhejiang University (Zhejiang).