Foreword

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Biographical notes: Jack Reardon is a Professor at the School of Business at Hamline University. He is an Adjunct Professor at the University of Science and Technology of China in Hefei, China and Visiting Professor at Dr. Gaur Hari Singhania Institute of Management and Research, Kanpur, India. His research interests include energy and the environment, economic education and labour economics. His most recent book, *The Handbook of Pluralist Economics Education*, was published by Routledge in 2009. He is currently writing a principles of economics textbook to be published by Pluto Press in 2013.

1 Contents of the current issue

1.1 Commentary on financial and economics education

This issue publishes the final of three commentaries on financial and economics education. It is hard to disagree that both subjects are necessary to understand the complexities of our modern world, but given the reality of constricted budgets and inadequate resources, choices must be made between the two courses. Gary Jaeckel in his ‘Commentary: personal financial education in the high school curriculum’ argues that given the deplorable financial illiteracy in the USA – due to either financial literacy courses not being taught, or such courses crammed into another course – the emphasis should be given to courses on financial education.

1.2 Articles on economics

The word metaphor is derived from the Greek words, ‘meta – beside, after’ and ‘pherin – carry’, and is commonly used to mean, “a figure of speech in which a word or phrase that ordinarily designates one thing is used to designate another, thus making an implicit comparison.” Metaphors are quite helpful in the social sciences as a way to conceptualise reality and facilitate the understanding of complex relations, and indeed, a “metaphor is not an ornament: it is an unavoidable means of constituting and ordering our thoughts” [Hodgson, (1999), p.67]. At the same time, it is imperative to constantly assess the underlying realism of the metaphors we use.

Asad Zaman in his article ‘Death of a metaphor: the ‘invisible hand’’ does so for one of the most widely used metaphors in economics – the invisible hand. Adam Smith wanted to accomplish for political economy and moral philosophy what Isaac Newton did for physics – "tell a story of the connecting principles of the human order with commanding and compelling persuasive power" [Evensky, (1998), p.8]. In so doing, Smith proffered the metaphor of the invisible hand. Although only infrequently mentioned in his works, the metaphor has been usurped as an inviolable precept of neoclassical economics. Unfortunately, the metaphor is based on an out-dated 18th century mechanistic conception of the universe; and thus it precludes accurate understanding of our current economic system, thus acting as a significant obstacle to adequate provisioning for all, which is what economics should be about. Zaman concludes,

> "Feeling compassion for others is an essential part of what it means to be a human being. The false idea that there are inexorable economic laws which govern our economic conditions, prevents us from feeling responsible for the economic misery surrounding us, and for taking action to reduce it. This article is a plea for action."

In the inaugural issue of the *IJPEE*, I invited "articles on any aspect of pluralism or economics education from the vantage of a specific region or country. Our objective is to raise pressing and provocative issues to foster a continuing global dialogue on reforming economics education" [Reardon, (2009b), p.9]. From Italy, Stefano Lucarelli relates the fascinating story of a working group on money from 1974–1978 under the aegis of the Italian journal *Primo Maggio* (*May Day*). The objective of his paper is two-fold: first, to provide Anglophone readers with an account of the Italian journal which proffered "an original critique of political economy and represented an important experience in the context of social and civic struggles in Italy during the 1970s." And second, discuss and critically assess the workgroup's reflection on the modern theory of the monetary circuit – a valuable discussion in and of itself. Lucarelli extols both the working group and the journal *Primo Maggio* as an exemplar of 'a pluralist critique of political economy'. His article provides important lessons for today's pluralists.

One of the more fascinating books I recently read is Barbara Freese's *Coal – A Human History*; perhaps because I wrote my doctoral dissertation on the coal industry, or because of the palpable effects of coal on climate change. I was struck by the avid enthusiasm of the early coal pioneers and entrepreneurs who knew something exciting was happening and channelled their enthusiasm towards building a new coal-fired world. Perhaps their enthusiasm can be used as a model as we build a new sustainable world,

> "in imagining possible futures, it's important to factor in one last critical energy source: excitement. There was a time when coal was actually fun – not the mining, which was never fun, but the building of a powerful new coal-fired world, which inspired distinct bursts of imagination, enthusiasm and daring at various historical moments." [Freese, (2003), p.246]

In addition, I believe, for better or worse, that entrepreneurship is the key to building a new sustainable world. Thus, we are pleased to publish 'Comparison of entrepreneurial intentions among college students in China and Pakistan', by Shujat Ali, Wei Lu and Wenjun Wang. While the authors find many similarities between the students of Pakistan and China, significant differences exist including limited access to funding among young Pakistani entrepreneurs. The authors recommend,

> "Based on our empirical results we must construct a holistic policy with active cooperation from the government, industry and educational institutions in order to increase student exposure to entrepreneurship, along with teaching students the requisite knowledge for starting a business and obtaining financial capital… [One] solution is for the government to work with universities to provide low interest loans, grants and awards. In addition, business and industries should sponsor competitions, grants, and tours, open houses and frequent lectures/talks/discussion between students and the business community. Training, mentoring and especially work experience are crucial."

1.3 Incorporating pluralism into the economics curriculum

Neoclassical economics is notorious for constructing (and teaching) models that are universally applicable regardless of culture. But the goal of economics education should be teach the actual world in which we live in, not some mythical ideal, which means differentiating economic models by culture and institutional context. In the spirit of pluralism, Gustavo Vargas in his article, 'Relevant macroeconomics for developing countries: a contribution to pluralist macroeconomics', argues that standard macro models are often less relevant for developing nations and proffers a more realistic model emphasising history, institutions and instability. The focus of the model is on the interrelationships between aggregate demand, money and prices, aggregate supply and income distribution. Vargas notes, "the tendencies in capitalism represented by this model is a process of capital accumulation in the long run, in which there are distributional conflicts, poverty and economic inequality."

An interesting debate within pluralism is the accepted boundaries of academic disciplines – just the myriad fields within economics, the social sciences, or all branches of learning? My position, albeit in the minority, is at one end of the spectrum, "I view disciplinary boundaries as fluid and amorphous rather than indelibly delineated. I see merit in combining disciplines to form new perspectives" [Reardon, (2009a), p.6]. Rod Raehsher in his article 'The use of popular music to teach introductory economics in a live and online environment' argues that using music can enhance the learning environment. His paper makes an important contribution to a gap in the literature by comparing examinations, student evaluations, and attendance results across live and online sections of the course. He finds that the use of music (and specifically linking musical lyrics to economic concepts) positively influences course attendance and student evaluations, although as Raehsher admits more sophisticated modelling and testing is needed.

Also, in the inaugural issue I invited papers on 'classical economists' and any other aspect of the history of economic thought, which can provide a fecund repository of innovative ideas for policy makers to either use directly or to develop new ways of thinking. Adrián de León Arias provides a good example in his article 'An alternative for analysing and teaching monetary policy based on interest rate rules: the institutional perspectives from Myrdal's *Monetary Equilibrium*'.

Professor de León discusses Gunnar Myrdal's extension of Wicksell's analytical framework for developing a monetary policy based on interest rates rules and proffers it as a 'better understanding of contemporary issues in monetary theory and policy', especially given its framing of the mechanics of current monetary policy rules in a wider institutional context than conventional monetary policy models. He also recommends that policy makers and the general public read Myrdal's *Monetary Equilibrium* to understand the 'the nuts and bolts of current monetary policy'.

References

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