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## Foreword

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### Jack Reardon

School of Business,  
Hamline University,  
A1740, 1536 Hewitt Avenue,  
Saint Paul, MN 55104-1284, USA  
Email: jreardon02@hamline.edu

**Biographical notes:** Jack Reardon is a Professor in the School of Business at Hamline University. 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 2015.

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## 1 Introduction

This issue concludes our fifth volume. For me, as editor of the *IJPEE*, it has been a joy, honour and privilege. I look forward to continuing to work with you in making the *IJPEE* a respected global outlet for pluralist economics.

## 2 Contents of the current issue

### 2.1 Editorials

This issue begins with two editorials. The first is my tribute to Fred Lee, who passed away this past autumn. Not only do I owe Fred a significant intellectual debt, but he was instrumental in making me a more passionate teacher, a better political economist and a more compassionate human being.

The second editorial is written by the French student group PEPS (Pour un Enseignement Pluraliste dans le Supérieur en Economie; or translated into English: For a Pluralistic Teaching of Economics in Higher Education). The PEPS helped globalise the fight for pluralism and is a founding member of the International Student Initiative for Pluralism in Economics (ISIPE) and an initiator of the global open letter issued in May 2014 bringing to the fore economics education at a world scale (see <http://www.isipe.net/open-letter/>). As they write,

“Our most ambitious project within the ISIPE is a detailed study of economics curricula in most of the involved countries. Such a study will allow us to objectify our feelings about the lack of pluralism in teaching and provide evidence to support our claims; and we feel it has potential to be a game changer in the fight of pluralism.”

Their editorial is a preface to a longer article published later in this issue. While reform movements have long existed in economics, I have been pleased at the proliferation of student groups to reform economics and economics education in order to make economics useful once again in solving the world's problems. I am proud to lend my support to student groups, and very pleased to publish this editorial and PEPS' longer article.

## 2.2 *Articles on pluralism*

Marc Pilkington begins his article, 'Economic theorising, discursive analysis and pluralism in the classroom: evidence from postgraduate teaching in a French university', article asking two questions: 'Can students examine the discursive strategies employed by economists so that the former think critically about the underlying theoretical forces described by the latter?' And, 'are economic processes ontologically dependent on the narratives used by economists to account for real phenomena?' Wonderful questions to ask and necessary questions to answer. Since economists tell stories and our stories are heavily dependent on our constructed models and ideological outlook, how we tell our stories and what we say matters.

Pilkington builds on Wheat's (2009) earlier work on mapping economic arguments by stripping away overlying ideology, so students can see and understand the logical arguments; and Pilkington's (2012) own work on discursive analysis. The result is an interesting and cogent analysis which provides lots of insights on the meaning of pluralism and how we educate our students.

It is one thing to discuss the elements of pluralism, but as most of us know, it is difficult to implement a working pluralism into the classroom. Pilkington describes a real-world classroom application, conducted on a sample of postgraduate students in finance and economics, attending a content-based course taught in English in a French university. He is happy to report that "the statistical results constitute a firm vote of confidence given to pluralism."

## 2.3 *Articles on economics*

Arturo Hermann's interesting article 'Market, socialism and democracy in an interdisciplinary perspective' connects psychoanalysis and heterodox economics in order to gain a deeper insight into human behaviour and a more holistic understanding of how markets work and how crises can occur. This aptly illustrates the beneficial aspects of pluralism by reaching out to different disciplines and inquiring with an open mind how the juxtaposition of ostensibly two very different disciplines can elucidate human behaviour enough so that we can construct efficacious policies. Herman concludes,

"If we wish to further personal initiative at the economic and social level, a narrow conception of the *homo oeconomicus* will suggest policy measures centred only on pecuniary incentives. Conversely, a proper acknowledgement of the significance for the person of establishing sound interpersonal relations will help devise more effective and far reaching policies, since they would be more tailored to a person's real needs and orientations. Thus, the basis can be created — in particular, in the more disadvantaged countries which tend to be stuck on a vicious circle of insufficient level of economic, social, scientific and technological development and inadequate institutional structure and policy

action — for the definition of a policy strategy more able to comprehend and promote the experiences and capabilities of the persons involved.”

One of the basic objectives of the *IJPEE* is to dialogue and debate whether and how ports of entry can be established between the different schools within economics. In the article, ‘Ecumenical foundations? On the coexistence of Austrian and neoclassical views on utility’, Marcin Senderski admirably asks if neoclassical and Austrian economics can connect over the concept of utility, an important concept central to both schools. After a careful exposition, Senderski is pessimistic over a systematic and workable connection arguing that ‘both schools entrenched themselves in their views long ago’. But if ports of entry cannot be established over a common and fundamental topic like utility, what does this say about the likelihood of pluralist dialogue? Granted the outlook is not optimistic, but this is why a thorough reformation of education in economics is essential: how we educate our economists is the problem. By hermetically closing the debate over any pluralistic dialogue early in the curriculum, education degenerates into proselytisation.

Senderski’s article raises an important point about how heterodox and pluralist economics should proceed. Should we capitulate to the hegemony of neoclassical economics and focus on assimilation? Or should we forge ahead, continuing to practice heterodox and pluralist economics as if the mainstream did not exist? While cogent arguments can be made for both views, I feel the root problem is how the mainstream teaches economics: by insisting on only one worldview not only are students short-changed in their intellectual development, but their ability to debate and engage in dialogue is stunted.

Yinyin Cai in his article ‘Transaction costs and economic growth: evidence from spirits culture in China’ offers an interesting empirical investigation of transaction costs. Transaction costs are typically defined as the cost of consummating an economic transaction, specifically the costs of gathering information, policing and enforcing an agreement. Good enough in general terms, but what exactly is a transaction cost and how do we measure it? Despite its widespread use, “the transaction cost has received scant attention” [Komlos, (2014), p.143].

In the context of the Chinese economy, itself a booming transition to a market economy, Cai’s thesis is simple: economic growth should lead to more transactions and although it is difficult to measure transaction costs, proxies must be sought. He proffers wine as a proxy, since in the Chinese culture wine is a social lubricant, often used as a preliminary to begin economic transactions.

Thus, transaction costs are socially and culturally defined, underscoring that markets are socially and culturally defined. No surprise to readers of this journal! The use of wine as a proxy for transaction costs highlights the importance of social capital, trust (and power), since, “the extent to which and under what terms we are willing to trust our counterparty is a major determinant of transaction costs” [Komlos, (2014), p.70]. And indeed, Cai’s paper underscores that “intangibles also have an enormous effect on economic processes” [Komlos, (2014), p.112].

Since wine elicits trusts and encourages both mutual sympathy and social cohesion – at least as a prelude to economic transaction – is as good a proxy as any in empirically studying transaction costs. And, inspired by Cai’s paper, (himself a student) we should engage students in active learning in order to understand and empirically investigate transaction costs, and thus how markets are socially and historically constructed.

Rounding out the articles for this issue is ‘The case for pluralism: what French undergraduate economics teaching is all about and how it can be improved’, written by the PEPS. They begin their article,

“Let us recall that Peps-Economie stands for ‘For a Pluralistic Teaching of Economics in Higher Education’, and that our ideal curriculum has been designed to concretely articulate our commitment to a strong conception of pluralism, regardless of the official name such a bachelor’s degree would take, were our curriculum be implemented.”

Pertaining to neoclassical economics they do not want to jettison it completely, rather to put it in its proper place, “that is within a broader body of knowledge in economics, so that it could be taught in the same manner as any other school of thought.”

It is well-known that despite the recession impugning some of its basic assumptions and widely worshiped tenets, neoclassical economics has not significantly changed its pedagogical modus operandi (Fullbrook, 2010). To provide empirical evidence, the PEPS perused the French core undergraduate economics curricula (54 universities in total) and found that “the recession has not caused any changes to the teaching of economics, even though such a recession called into question some of the core results of the dominant approach”. Their results should not be surprising and underscores the continued stubbornness of neoclassical economics and its refusal to change.

The PEPS offers its own economics curriculum, emphasising interdisciplinary pluralism, methodological pluralism, and theoretical pluralism. In reforming the economics curriculum, it is important that we actively debate all aspects rather than capitulating to one superimposed model. Dialogue and debate is crucial – after all, is not this essence of pluralism? The PEPS’ proposal will significantly add to the curriculum debate.

### **3 New features of the *IJPEE* beginning with this Issue**

Of course any heterodox or pluralist economist owes a great intellectual debt to Fred. For me, in addition to his intellectual debt, his interest and enthusiasm helped launch the *IJPEE*. Like most of us, I was saddened by Fred’s death. Given his focus on education, I thought a good tribute to Fred would be to establish the Fred Lee Honorary Editorial Board Member. It was difficult to choose the first person to fill this position, but after careful consideration I chose Hoang Nguyen, an economics student at University College, London. He is a founding member of UCL’s Better Economics Society, Rethinking Economics and the International Student Initiative for Pluralism in Economics. In 2004, he was voted “One of The Ten Best Vietnamese People of the Year”. He was also the lead organiser of the recent Rethinking Economics Conference in London, which brought together more than 300 delegates to rethink the problems with the current paradigm and possible ways forward. Hoang hopes he will be able to contribute a critical student voice to the forthcoming issues of *IJPEE*. I welcome his energy, vision and dedication to reforming economics and look forward to working with Hoang.

Also, in Fred’s honour at the *IJPEE*, we are inaugurating the Pluralist Hall of Fame, in order to recognise individuals who have significantly contributed to pluralism and its development. I am honoured to induct Fred as the first member. If any of you have suggestions for future inductees please send them along.

With this issue, we are formally inaugurating The Teaching Commons to solicit teaching suggestions that readers can immediately use in their courses. The Teaching Commons also welcomes and publishes pluralist syllabuses as suggestions and guides for teachers interested in implementing pluralism in their courses. I am very pleased to welcome Deborah M. Figart as editor of The Teaching Commons. Many of you know Deb; she has been quite active in pluralist and heterodox economics and has an impressive resume. Deb is Professor of Education and Economics at the Richard Stockton College of New Jersey. She has written on the subjects of discrimination, working time, emotional labour at work, minimum and living wage issues, job evaluation, and economic and financial literacy. She teaches a range of courses and levels such as a first year (freshmen) seminar on financial literacy, an honours transfer seminar called economic well-being, an economics course for social workers titled 'Economics of social welfare' and labour economics.

She has extensive editorial experience as co-editor of the *Review of Social Economy* (2005 to 2013); she is a former president of the Association for Social Economics and this year she is President-Elect of the Association for Evolutionary Economics (AFEE). She is the author or editor of sixteen books or monographs. Her newest book, with Ellen Mutari, is *Just One More Hand: Life in the Casino Economy* (Rowman and Littlefield, 2015). She is also co-author of *Living Wages, Equal Wages: Gender and Labor Market Policies in the United States*, with Ellen Mutari and Marilyn Power (Routledge, 2002). Her edited volumes include *Handbook of Research on Gender and Economic Life* (Edward Elgar, 2013), *Living Standards and Social Well-Being* (Routledge, 2011), and *Working Time: International Trends, Theory, and Policy Perspectives* (Routledge, 2000). It is my pleasure to welcome Deb to the *IJPEE*.

In this issue, we are formally announcing a book review section to begin officially with the next volume. I am happy to report that our new book review editor is Dirk H. Ehnts, a lecturer in economics at Bard College, Berlin. Dirk has been quite active in publishing journal articles and presenting at international conferences. He has a wide knowledge of economics and current books. Impressively, he is fluent in German (native language) English and Spanish and has a basic knowledge of Swedish. We hope to generate a lot of timely and helpful reviews and also to publish book review symposiums. If you have any suggestions of books to be reviewed, and or symposiums that we can publish, please let Dirk know.

With these additions to this *IJPEE*, I am very pleased with our direction. Of course I actively solicit comments and suggestions from our readers as to how to make the *IJPEE* even better. We look forward to another great year.

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