
Foreword

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1 Contents of the current issue

1.1 Teaching economics

Neoclassical economics has long been quiescent on the issue of human rights – a clear value judgement that the topic is off-limits and even alien to the discipline. Perhaps this is due to the subject matter and modus operandi of neoclassical economics, which as Keynes (1936 [2011], p.33) eloquently wrote, “That it could explain much social injustice and apparent cruelty as an inevitable incident in the scheme of progress and the attempt to change such things as likely on the whole to do more harm than good, commended it to authority.”¹

The stubborn reticence of neoclassical economics on human rights, writes Manuel Branco in his wonderfully relevant paper, ‘Teaching political economy for human rights’ means that “students not only may not have the skills to deal with them [but] may even conclude that they are both useless and counterproductive.”

Enough is enough argues Branco. Economics must concern itself with human rights. His paper focuses on the crucial issue of *how* to include human rights within its pedagogy, since,

“How economics is taught and researched could influence the current state of human rights compliance, most especially of economic and social rights, and could influence how economics students and practitioners themselves portray human rights in relation to their discipline.”

But merely including human rights as an appendage is alienating and counterproductive. Therefore, “in order for economics to be concerned with human rights it must find a teaching process within which human rights and other social and environmental preoccupations become *intrinsic bodies of economics*” (emphasis added). Branco’s article provides many insights on how to do so and hopefully will be the first of many such articles in the *IJPEE*. Needless to say, climate change is already exacerbating inequality, poverty, regional disparity and migration, forcing human rights centre stage. Economics must become well-equipped to deal with human rights; Branco’s article is a helpful first step.

In 2015, Canada's Truth and Reconciliation Commission (TRC) released a report offering 94 calls to action to heal the relationship between Indigenous and non-Indigenous peoples in Canada. The report endorsed and highly recommended educating for reconciliation. Gerda J. Kits in her paper 'Educating for reconciliation in the economics classroom' discusses the many nuanced connotations for teaching for reconciliation and the responsibilities of the economics profession. She writes, "the choice to teach our students – or not – about indigenous rights, history, culture and perspectives is not a neutral decision; our actions shape the ways in which our students will interact with these issues in the future." Yes, very true, but unfortunately, as Kits notes,

"Economics and especially neoclassical economics, is one of the most closed disciplines to [non]Euro-Western perspectives [which] impoverishes the discipline and reinforces false assumptions of racial and cultural superiority among students; it also stands in the way of achieving the economic and political changes that are necessary for the respectful co-existence of Indigenous and non-Indigenous people."

Given this formidable obstacle, Kits argues that,

"Economics educators have two responsibilities with respect to educating for reconciliation: to teach students about the economic history of colonialism in a way that equips them to participate in the necessary economic changes, and to make room for indigenous perspectives in the curriculum in a way that fosters genuine respect and understanding."

While written in the specific context of Canada, Kits' insights and suggestions are equally valuable wherever indigenous peoples have long struggled; and her paper is timely since this issue will become more paramount as global warming intensifies. Her compassionate paper can attenuate the insularity of economics by recognising and dialoguing with non-Western thought.

The *IJPEE* has long advocated the importance of financial literacy². Moritz Hütten, Daniel Maman, Zeev Rosenhek and Matthias Thiemann, in their paper, 'Critical financial literacy: an agenda' continues the *IJPEE* tradition. Hütten et al. note that concerns of consumer misconduct and malfeasance during the most recent crisis resulted in consumer financial literacy programs designed to foster better-educated decisions. While it is hard to disagree with its per se objectives, Hütten et al. find much of the content of these programs deeply problematic,

"Financial literacy predominantly pursues a neoliberal project that attempts to prepare individuals to deal with the great shift of risk that characterizes 21st century capitalism in the Western world where welfare states are persistently cut back and replaced with private insurance mechanisms in financial markets... as such this education initiative suffers from a deeply depoliticized understanding of finance."

Instead of merely 'educating' citizens to financially make better and more sound decisions within today's risk shifting to the consumer, Hütten et al. offer practical suggestions to expand financial literacy programs to include consumer activism counterposing widespread and pervasive corporate governance. Their beginning quote from Finance-watch encapsulates the essence of their paper: "If finance is allowed to define its own purpose, it is unlikely to put 'serving society' at the top of the list. Citizens must get involved if they want finance to serve society."

1.2 Economics

While a central objective of the *IJPEE* is to offer a global dialogue on pluralism, we also publish articles on traditional and non-traditional topics in economics that clarify and extend our thinking. Such is the purpose of Fritz Helmedag's paper 'Barter, efficiency, and money prices: dissecting Nash's bargaining example'.

Nash's 'bargaining example' is from his seminal 1950 article – a major contribution to game theory – in which he proposed an agreement that maximises the mathematical product of both participants' advantages. Nash's solution remains popular since it [quoting Mas-Colell et al., (1995), p.843] "is the only bargaining solution that is independent of utility origins and units, Paretian, symmetric and independent of irrelevant alternatives."

But Nash had augmented his 1950 article with an interesting numerical example, which unfortunately has been ignored in the literature. Helmedag resuscitates and expands on this example, demonstrating that "money as a social tool accomplishes far more than merely lubricating barter;" it can also ensure fairness and social progress. Thus, his paper is important not just in extending our analysis and providing a better understanding of a seminal paper, but in hammering home a point that should be clear to all students of economics: money matters. Helmedag's short but provocative article deserves to be read and incorporated into the reading lists of both intermediate and advanced micro theory courses.

A frequently asked question today is will the increased tariffs between China and the USA precipitate a trade war. Irrespective of who started this tit-for-tat and whether trade wars are winnable (they never are) we can safely say that free trade, protectionism, nationalism and globalisation have oscillated in history, with the current tide against globalisation stemming from the recent financial crisis. The *IJPEE* has impugned the theoretical underpinnings of neoclassical free trade as outdated, misused and irrelevant³. In their paper 'Economic nationalism in the history of international economics', Sanja Grubacic and Julian Schuster clarify a much used (and abused), yet not well-understood concept, which has resonated with many people across the globe and will continue to do so: nationalism. Specifically, they explore the genesis of economic nationalism, its many nuanced variations, its re-emergence in the 21st century and its causal connections to increasing inequality. Grubacic and Schuster reach deep into the history of economic thought, explaining the contemporary (and helpful) relevance of Ricardo, Malthus, List and Keynes, thus buttressing the oft-made claim for the usefulness of economic thought,

"When viewed in the context of their time, past ideas are neither wrong nor right, but testify that economics is a social science, with its scope and methods evolving and changing in different environments and specifically within the context of nationalism. The study of the past provides us a framework to analyze when and why we may expect economic nationalism to reemerge... The study of the history of economics gives us conceptual foundations of modern economic theories and it improves our understanding of contemporary economics by highlighting how economic theories and policies evolve over time... and our students gain a valuable exposure to alternative and non-mainstream methods and approaches."

In 2009, I wrote that "education is our most important function as human beings: it is an investment in ourselves, future generations and the planet" (p.267). This is

even more true now, given the urgency of climate change: we need education that is democratic, pluralist and broad-based if we are to effectively forge workable solutions. And we need a pluralist and open debate on the nature of education and how we educate. Scott L.B. McConnell, Anthony Eisenbarth and Brian Eisenbarth in their paper ‘Critical pedagogy and Veblen’s pecuniary interests of higher education’ address these important issues. More specifically, drawing on the insights of Paulo Frier, Thorstein Veblen and many others, the authors discuss: the goals of higher education and if they are democratic in nature; how the underlying forces in a contemporary capitalist system promotes the institution of education and to what ends; and the introduction of online learning for the future of critical thought in general and the teaching of heterodox economics in particular. Hopefully, their discussion will provide much-needed guidance in this very important debate.

1.3 Book reviews

This issue concludes with two book reviews, both by Dirk Ehnts and both related to the financial crisis. For anyone (especially economics students) looking for a short, readable introduction to the state of the economy and macroeconomics, Ehnts highly recommends Steve Keen’s *Can We Avoid Another Financial Crisis?* And although he finds Sara Hsu’s historical discussion interesting (at times), Ehnts cannot recommend her *Financial Crises, 1929 to the Present*, given its flawed theoretical foundations and at times slavish devotion to discredited neoclassical theories.

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Notes

- 1 While Keynes explicitly referred 'it' to the completeness of the 'Ricardian victory' (p.32), 'it' is just as apropos for neoclassical economics.
- 2 See Figart (2012) and Jaeckel (2013).
- 3 See Yu (2009) and Fletcher (2011).