
Foreword

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1 Contents of the issue

1.1 Articles

A major objective of the *IJPEE* is to offer suggestions on how to implement pluralism in the classroom. Pim de Ridder tells us in ‘Learning by comparison: the benefits and challenges of applying pluralism to a lesson series in the IB Diploma Programme Economics course’, that “the aggregate demand-aggregate supply (AD/AS) model lends itself well to the incorporation of pluralistic elements such as alternative economic theories, interdisciplinarity, and using real-world examples of marginalised communities.” Having taught macroeconomics myself and compelled to teach AD/AS for assessment purposes, I agree that the AD/AS can offer a good primer on the shortcomings of neoclassical macroeconomics and, as well, a nice segue into heterodox economics. In his article, de Ridder uses the standard AD/AS model to introduce pluralism into a 14-hour-long series of lessons (aligned with the secondary-school International Baccalaureate standard economics syllabus) at the International School of Riga in Latvia. The inclusion of pluralism was well-received by his students, with the cautious proviso that the stronger students benefited while the weaker students became confused and performed worse.

This supports my own research that at any one point in time, not everyone is capable of understanding and implementing pluralism; rather such a capability becomes a function of their stage of adult psychological development (Boyd and Reardon, 2020). This does not mean that one’s acceptance/rejection of pluralism is pre-ordained or forever written in stone, (on the contrary, no!) only that one’s psychological development sets the stage for the efficacy of pluralism. Just like before planting crops, we must ensure that the ground can absorb the seeds and the fertiliser. Stay tuned!

How we define an intellectual discipline is crucial: it determines its intellectual parameters, demarcates its boundaries with other disciplines, determines what is acceptable, and gives its practitioners a sense of normalcy. Given the myriad tribes within the discipline of economics, it should be no surprise that the definition of economics is contested. While there is lots of blame to go around, start with Adam Smith, who did not bother to define the subject until well into *The Wealth of Nations*. First writing, “political economy is tantamount to the nature and causes of the wealth of nations” [Smith, (1776 [1996]), Vol. 2, Bk. 4, Ch. 9, p.200], then, 200 pages later, he expands,

“Political economy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign.” [Smith, (1776 [1976]), Vol. 2, Bk. 4, p.449]

Subsequent economists criticised Smith for proffering a definition that was too muddled, straying too far from what should be the preponderant purview of political economy: wealth. Senior (1836 [1938], p.3), for example, tried to refine and clarify Smith’s definition: “we believe that by confining our own and the reader’s attention to the nature, production, and distribution of wealth, we shall produce a more clear and complete, and instructive work.” Despite Senior’s good intentions, two generations later, Walras (1874 [1954], p.3) wrote:

“The first thing to be done at the beginning of a course or treatise on economics is to define the science, its object, divisions, nature, and limits. I have no thought of evading this obligation; but I must warn that is longer and more difficult to fulfil than perhaps is supposed. We lack a definition of economics. Of all the definitions that have been proposed, not one has met with the general definitive acceptance that is the sign of truths acquired by science.”

Walras criticising Smith’s definition:

“It fails to mention the aim of economics considered as a science strictly speaking. To say, in effect, that the objective of economics is to provide a plentiful income for the people and to furnish the State with an adequate income is like saying that the object of geometry is to build solid houses, and that the aim of astronomy is to navigate the seas safely. It is, in a word, to define a science in terms of its applications” [Walras, (1874 [1954]), pp.5–6].

And Walras again: “The theory of exchange that recognizes the proportionality of prices to the intensities of the last wants satisfied, to the Final Degrees of Utility...a theory conceived almost simulataneoulsy by Jevons¹, Mr. Menger and myself, and which furnishes the foundation of the whole edifice, has become an accepted part of economics” [Walras, (1874[1954]), Preface to the 2nd ed., p.xiii; original emphasis excised].

From Walras, it was not too illogical to claim that that economics is “the science which studies human behavior as a relationship between ends and scarce means which have alternative uses” [Robbins, (1932), p.16]. This means/end definition has since become a favourite of neoclassical economists, but heterodox economists have never accepted this definition, preferring the much broader and more functional definition that economics is all about provisioning, a line of thought that traces back to the classical economists and then more recently to Marshall (1890 [1946], p.1) who wrote, “Political Economy or Economics is a study of mankind [sic] in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of wellbeing.”

Nelson (2009, p.61), for example, in advocating the provisioning definition writes that:

“Because the [political economy] definition does not focus on individual rational choice, [it] can encompass social and economic institutions, real human psychology, and the actual unfolding of historical events. Because it is broader than a concern just with markets, it is inclusive of government and community activities, as well as the economic contribution of unpaid labor. Because it

points directly to questions of survival and the quality of life, it invites questions about whether current patterns of wealth and income distribution, consumerist attitudes, and the use and abuse of the natural environment serve valuable ends.”

Enter Khandakar Elahi who contributes to this long-standing debate on the definition of economics with his self-explanatory paper ‘Backhouse and Medema on the definition of economics: some critical observations’. He argues that the points made in Backhouse and Medema’s widely read and highly influential paper are not strongly argued and not strongly backed up, while offering an alternative conceptualisation. Perhaps ideally, or even as I suspect, somewhat quixotically, Elahi’s critique can be used to re-align the two wildly different conceptions of what economics is all about, so it can be once again based on real-world empirical verities.

In addition to the devastating human toll, the COVID pandemic forced educators to teach online via Zoom or some other construct. For those of us not initially up-to-speed, we quickly learned the basics and we realised that we can do this, although whether we want to continue teaching online is another issue altogether. Anyway, COVID has set in motion increased demand for everything online including separate online courses.² Neha Anand, Kavita Indapurkar, and Anuradha Jain, in their article, ‘Analysis of consumer behaviour in e-purchasing online courses post COVID-19’, discuss the factors influencing the demand for online courses. While not specifically focused on the discipline of economics, their paper’s generalisations are widely applicable and should become familiar to teachers of economics. No discipline is immune from this trend. While the results of the paper are interesting, they are just a tantalising drop in the bucket. I heartily support the authors’ call for additional research, and specifically, “in the four-year college setting, [we need] to learn more about how individual traits and course subject areas affect interest in online courses.” Although a lot more research is needed, this article presents a good start in the right direction.

2 The teaching commons

Modern monetary theory (MMT) has received a lot of attention³, and for good reason, as Will Fisher explains in his article, ‘Teaching modern monetary theory: a classroom exercise’,

“It provides students with an understanding of how federal spending and the banking sector *actually* operates, and it highlights the deficiencies in conventional economic theory and popular discourse around government spending. MMT grounds these ideas in reality and fundamentally reorients the policy discussion around the affordability of federal programs.”

At least from my experience in the classroom, after an initial period of student confusion – a natural reaction since MMT’s precepts contravene everything in conventional textbooks – students latch on because it really makes logical sense. In his article, Fisher provides a very helpful in-class exercise to help students learn the concepts, which,

“is a great way to introduce students to some of MMT’s core concepts, especially the principles of chartalism, recognizing money as a creature of the state, and that the state cannot run out of the very thing it creates. The sectoral balances help students recognize that public debt is private sector savings. The Minsky money classroom exercise solidified these concepts while providing

my students with an active learning activity that is relevant to how one element of the economy actually works.”

3 Replies/communications

The *IJPEE* actively encourages critiques of published articles. In addition to the overall refereeing process, such critiques present an effective way to move the discipline forward. Alexandru Pătruți offers one such critique in ‘Reconstructing Keynes’ position in the economic calculation debate: a reply to Lopes and Almeida’. The original Lopes and Almeida (2019) article had John Maynard Keynes leaning toward socialism in the famous economic calculation debate during the 1920s and 1930s between the Austrians and the Socialists. Not so, says Pătruți, “Keynes’ technical economics, which suggests that the state should support aggregate monetary demand in order for it to equalize supply, does not imply that the responsibility of economic planning is transferred from the individual to the state.”

4 Book review

Our reviewer, Dirk Ehnts reviews *Heterodox Challenges in Economics: Theoretical Issues and the Crisis of the Eurozone*, authored by Sergio Cesaratto, Professor of European Monetary and Fiscal Policy at the University of Siena, Italy. According to Ehnts, Cesaratto is well versed in heterodox economics and asks the right economic (and political) questions (the only way to even come close to the right answers.) Cesaratto skilfully makes the point that there is no economic policy mechanism in place that can ensure full employment. Even though the book was published just before the full onslaught of the virus, the book is by no means dated and provides a fruitful foundation for understanding how (and why) the EU responded to the virus. The history and analysis are still valid and would interest anyone wanting to understand the economic problems of the Eurozone.

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Notes

- 1 Jevons (1879 [1931], pp.14–15) wrote.... “I cannot help thinking that it would be well to discard, as quickly as possible, the old troublesome double-worded name of our Science [i.e., political economy] ... why do we need anything better than Economics? This term, besides being more familiar and closely related to the old [Greek] term is perfectly analogous in form to Mathematics, Ethics, Aesthetics, and the names of various other branches of knowledge, and it has the authority of usage from the time of Aristotle.”
- 2 See our special issue ‘Teaching after COVID’, *IJPEE*, Vol. 11, No. 3 and Vol. 12, No. 1.
- 3 See our book review symposium, Nesiba (2021).