

BUILDING A SUCCESSFUL HETERODOX GRADUATE PROGRAM IN ECONOMICS: AN IMPOSSIBLE TASK?

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I INTRODUCTION

The last few years have witnessed a welcome questioning of the way economics is taught at the undergraduate and graduate level. The publication of the French student manifest against economics as an “autistic science” in 2000 triggered subsequent calls for more realism in economic models, rejection of the use of math as an end in itself, and respect for a plurality of approaches to economic science¹.

The move against neoclassical ideas and methods in the teaching of economics has coincided, however, with increasing problems for heterodox economics departments in many parts of the world. The clearest example of the difficulty they have had surviving is the institutional reform that the University of Notre Dame undertook last year. Claiming that the economics department did not meet minimum standards of quality, administrators at Notre Dame divided the department into two separate departments, the Economics and Econometrics program and the Economic and Social Policy program. They also announced that most new hires will be for the Department of Economics and Econometrics, which will also be the sole organizer of the Ph.D. program in the future.

The Economics Department at New School University has not been exempted from difficulties in obtaining new professors. In the last decade, the size of the faculty has shrunk substantially. Various obstacles have made the hiring process particularly difficult, including a lack of financial resources and difficulties finding optimal candidates. The future is even darker, given the age of most of our professors and the uncertain institutional direction of the New School’s Graduate Faculty[†] (GF) as a whole.

The creation of the *New School Economic Review*, thanks to the tireless efforts of a small group of students, constitutes an excellent opportunity to open the debate over the direction of the GF Economics Department, and of heterodox graduate programs more generally. This short essay constitutes an attempt to trigger such debate among students, alumni and professors from the New School and beyond. Two central questions need to be answered: What should be the basic components of a successful heterodox graduate program? For what should we be preparing students?

In the next few pages I try to sketch some preliminary answers to these questions, using the current situation of heterodox departments in general and the GF Economics Department in particular as the starting point. I make three central arguments. First,

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[†] Now the *New School for Social Research* or *NSSR*, (ed. 2008).

building a heterodox graduate program in economics is particularly difficult because of the existence of a unique set of constraints. Second, getting beyond these constraints requires imagination and the willingness to build a coherent, focused program oriented toward political economy. Third, being heterodox requires a commitment to “positive social transformation”; finding the areas where young heterodox economists can contribute to such transformation is essential for improving our chances for long-term survival.

II CONSTRAINTS TO BUILDING A SUCCESSFUL HETERODOX ECONOMICS DEPARTMENT

The starting point when thinking about the optimum way to build (or rebuild) a heterodox graduate program is to acknowledge and understand the constraints that exist on the teaching of heterodox economics at this historical moment. There are constraints that are both internal and external to heterodox economics.

One challenge that exists within the discipline is the need to combine training in various heterodox schools of thought and still impart some knowledge of mainstream economics. While debates among different schools outside the mainstream can be intense, heterodox economists are usually defenders of plurality. Moreover, their deep knowledge of the history of economic thought makes them particularly aware of the advantages of reading the classic texts from all the different schools of economic thought.

Taking plurality seriously, however, makes building a curriculum particularly difficult because of the need to cover classical political economy, post-Keynesian economics, and institutionalism from their origins (Marx, Keynes, Veblen) to current debates. Moreover, heterodox students also require some knowledge of mathematics and neoclassical theories and tools. How all of this can be done successfully, while simultaneously maintaining a multidisciplinary approach, is a dilemma.

Determining the correct approach to the quantitative method sequence is a second challenge for heterodox curriculum-makers. At a time when many heterodox economists have criticized the excessive concentration by the mainstream on the development of mathematical sophistication, it is not easy to determine how much mathematics and econometrics students at heterodox departments should learn. Are basic calculus and differential and difference equations enough? Do we want to prepare students to do sophisticated modeling or just teach them enough to read economics journals? The problem is even harder to solve when we consider that many of our students have had little previous exposure to mathematics and statistics.

Another internal challenge is that of educating a population that is heterogeneous with respect to level of knowledge and long term goals. As Anwar Shaikh has pointed out on many occasions, heterodox economics departments such as the GF’s should provide a rigorous education for *all* the different types of MA and Ph.D. students: nonprofit organization and trade union activists, researchers from progressive think-tanks, United Nations bureaucrats and future academics. These are very different constituencies with very different goals and needs; preparing and providing for all of them at the same time is not always easy.

When it comes to challenges that are external to the heterodoxy, lack of academic recognition is the most problematic. Economists working outside of the mainstream are unavoidably caught in a vicious circle. While only articles published in major orthodox journals count for promotion and department rankings, these journals refuse to publish papers espousing heterodox ideas and methodologies. Publication of papers in major alternative journals such as the *Cambridge Journal of Economics* or the *Journal of Post-Keynesian Economics*, or even publication of books in major editing houses such as Stanford University Press are considered irrelevant².

Lack of financial resources is another external constraint. While financial constraints may be tighter at the New School than at other heterodox economics departments, it is generally true that opportunities for research and teaching are increasingly concentrated at mainstream institutions. This lack of resources manifests itself in two ways: weak financial support for students, and insufficient means with which to hire new faculty. Both problems are particularly troublesome for Ph.D. students, who find themselves having to work part-time while writing their dissertations, and who have advisors who can only offer limited support due to their many simultaneous commitments. Underfunding may also lead to students' mounting debts which limit their later professional decisions.

The small pool from which to hire junior candidates may be particularly problematic in the United States, but it is also becoming an issue in other countries. Given the decreasing number of heterodox departments, the number of high-quality graduates is very limited. Unlike graduates from political science and sociology departments, graduates from mainstream economics departments are simply unprepared for the task of teaching classical political economy and post-Keynesian economics.

The pressure of the job market is yet another constraint. Hardly any student that chooses to study their MA or Ph.D. at a heterodox economics department is doing so for professional considerations; most are willing to compromise financial returns in the future to study what they are interested in now. This, however, is another burden on the student of heterodox economics, especially if the chances of finding an interesting research position in a think-tank or university are very small.

III SOME PRELIMINARY PROPOSALS

Finding answers to these problems is not an easy task. Some are structural problems that can hardly be tackled by students and faculty alone. Lack of funding, for example, is not just a problem in heterodox economics departments, but is increasingly shared by progressive think-tanks and civil groups. In unequal societies, the elite is not usually willing to fund institutions that are likely to question the reasons for its existence

Moreover, it is easy to fall into institutional vicious circles that are difficult to break. In particular, a small number of professors is likely to result in low enrollment – a problem at the GF to a much larger extent than at other heterodox departments in the United States. Low enrollment, however, gives administrators the perfect excuse to reduce department size even further. Leadership is simply not sufficient to overcome some of these structural problems, as many at the New School and other institutions have realized over the years.

Nevertheless, there are things we can do to improve the quality of our institutions and build successful graduate programs in heterodox economics. Let me touch on some general principles that may be useful for further debate.

First, building some coherence into heterodox graduate programs is important. I am not defending a reductionist approach that ignores the plural tradition of our discipline; what I am proposing is a set of principles that can facilitate the process of knowledge-building. Students should be exposed to the conflicts that exist within various schools of thought, but should also learn innovative ways of building bridges between these schools.

While there are many ways of improving coherence, I believe that placing a two-semester History of Economic Thought course at the core of all heterodox economics degree programs would be particularly helpful. Its aim should not only be to discuss the ideas of the major thinkers of the discipline, but to present current ideas from different thinkers as a result of historical debate within the discipline. This sequence should be complemented by a broad core course in political economy that discusses the central notions of class and power (present in most heterodox schools), describes different approaches to political economy and different theories of institutions, and introduces students to the current major debates in Economics—debates which would then be discussed in detail in the rest of the curriculum.

Second, we should recognize the need for specialization; we cannot pretend to teach everything. The debate over specialization is very sensitive, full of theoretical, empirical and political complexities. It is, however, an unavoidable issue, particularly at a department like the GF's that has only six tenured professors. Core areas of study should be selected according to past and current strengths, the characteristics of the student population, and a careful interpretation of the direction of heterodox economics.

In the particular case of the GF Economics Department, specialized courses could be offered in Applied Macroeconomics, Political Economy (including policy analysis from a political economy perspective), and Development Economics. While there are many courses that are extremely important for progressive economics (labor, race, gender and US economic development), they have not been taught since David Gordon's tragic death. Neither are they of much interest to Ph.D. students at the moment, who have increasingly concentrated on economic development.

The strengthening of the proposed core would contribute to the establishment of linkages with other divisions within New School University, including the Robert J. Milano Graduate School of Management and Urban Policy, and the Graduate Program in International Affairs. Further concentration in Applied Macroeconomics, a broadly defined Political Economy course, or a Development course would also encourage empirical research that uses case studies and historical comparative perspectives instead of econometrics alone. In a department that teaches so little mathematics and that professes such reservations towards econometrics, it is surprising that regression analysis is still the dominant empirical methodology. Finally, concentration on political economy and development would also result in a real commitment to interdisciplinary research and could facilitate ties with the Sociology and Political Science departments at the GF.

Third, we should pay more attention to the areas where heterodox economists can have an impact in the future. Our focus should not just be on preparing new professionals for

the job market, but also on the more important task of teaching citizens how to transform their world—to make it more democratic and more equal in the distribution of resources. Discussion of theories and methods is important, but we should always have this final goal in mind.

This is one of the reasons why improving our placement record is important. Heterodox economics education will not be useful for transforming the world if students are forced to work for large transnational corporations after they graduate. Moreover, successful placement in interesting, sufficiently-paying jobs will make heterodox departments attractive for a larger pool of students.

There are three job markets in which institutions like the GF Economics Department have clear advantages when it comes to job placement: non-profit organizations, trade unions and progressive think-tanks, and liberal arts colleges and interdisciplinary degree programs (*e.g.* policy and area studies departments). While a look at alumni lists shows that the New School has been rather successful in the first area, our poor record in the other two is rather disappointing. The broad, multidisciplinary and historically-oriented education that our graduates receive makes them particularly well suited to teach exciting introductory economics courses, and courses in economic policy and area studies. At the same time, students and professors alike should look at academic jobs outside the largest research universities with a more positive attitude; professorships at strong liberal art colleges and at policy-oriented institutions can give young economists sufficient space to do interesting research and are also tremendously important for social transformation through education.

IV CONCLUSION

The New School Economics Review constitutes a long-awaited opportunity for students and faculty from the New School and other institutions to discuss and debate fundamental issues in economics. It is also an excellent venue to confront the future of heterodox teaching and research.

While the preceding remarks have mainly concentrated on problems that affect the Economics Department at the GF, they are also applicable, as are the proposed solutions, to other heterodox economics departments. The struggle at the University of Notre Dame is a reminder of the heterodoxy's weak position within academia at a time when the pedagogical shortcomings of neoclassical economics are becoming increasingly apparent.

We need to search for new ways to strengthen our institutions, broaden our financial base, increase our number of enrolled students, and improve our placement record. Building a coherent curriculum and increasing specialization are two ways to move forward, and it is quite urgent that we begin to discuss even more alternatives.

END NOTES

¹ See the web pages of the Post-Autistic Economics Network at <http://www.paecon.net> and of ICAPE at <http://www.econ.tcu.edu/econ/icare/main.html>.

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2 The recent debate at Notre Dame constitutes a fascinating illustration of the attitude of neoclassical economists and university administrators toward the heterodoxy. According to Richard Jensen, the chair of the new Department of Economics and Econometrics and a leading proponent of the split, the problem with the old Economics Department was “completely one of standards.” When evaluating the possibility of creating a new PhD in Economics and Social Policy (the new heterodox department), the Notre Dame provost went further, arguing “I don’t think there’s enough quality and reputation in the field to warrant a full doctoral program...” (Source: “Economics Split Divides Notre Dame,” *National Catholic Reporter*, April 9, 2004, <http://www.natcath.com>.)