

CHAPTER ELEVEN

Does This Have to Be Our Future?

Arjo Klamer

IN HINDSIGHT, the paper that Dave Colander and I wrote on graduate students back in the 1980s was polemical. We were looking for confirmation of our dissatisfaction with the state of economics. Could we be right in fearing that the practice of economics was becoming more and more abstract, and less empirical? Might the elite schools indeed be training idiots savants, knowing a great deal of technique but little about the actual economy or, for that matter, the history of their own discipline? And was the training of economics making Ph.D. students more conservative? We had spent many hours speculating and swapping anecdotes—as economists are wont to do when discussing their own discipline—and then decided to gather some evidence to wake up the profession and bring about a change. At least that was our intention as I recall it.

Our findings were good for a wake up call all right. As Colander tells in the introduction to this book, the media picked up on our finding that students found problem solving very important and a thorough knowledge of the economy unimportant for success in the field. How could economists train their people ignoring the economy? It did not make sense to journalists; these findings confirmed the reputation of economists as being out of touch. Within the profession the leadership took notice of the frustrations that these very best students showed with their education and ordered a more thorough investigation and evaluation of graduate training. The American Economic Association appointed the so-called COGEE committee that went to work with significant financial support. Colander reports here what happened in the wake of its final report. Nothing much, so it seemed, at least if you trust the usual anecdotal evidence. The report disappeared in the drawers of directors of graduate studies and it was business as usual. But was it?

It is good that Colander redid the survey and went back to speak with the new cohorts of graduate students to find out what actually changed.¹ Of course, his research cannot determine what the impact has been from our book and the subsequent investigation by the American Economic Association. It does convey, however, a sense of how the current cohort of graduate students compares with the cohort in the mid-eighties.

The findings do not appear to be remarkable. Most of our earlier findings stand. For many questions, the answers deviate by only a few percentage points. Given the limited and nonrandom nature of the sample, these differences do not allow the drawing of firm conclusions. In interviews, the teaching of core courses continues to be a cause of concern. Colander does not see an improvement here. Despite the recommendations of the COGEE committee that the content of the core courses should be the concern of the entire department, no change was made, and the structure of the core remains unchanged; it is technical, mathematical, and untied to reality. He also does not see greater attention to writing and communication skills, nor a smoother transition from coursework to the dissertation. Noteworthy, however, is the reappreciation of empirical research. This does accord with the recommendations of the COGEE committee (as well as those made by Colander and myself).

Instead of a further differentiation of departments, as recommended by the COGEE committee (and applauded by Colander), we see actually a fading of the differences between the various schools. In the earlier study, Harvard students expressed an outspoken bias against neo-classical economics, but after the outspoken neo-classical Bob Barro joined the Harvard faculty, Harvard students have moved into the direction of the Chicago position (with 41 percent finding rational expectations very important versus a mere 14 percent fifteen years ago.) These findings suggest that the divide between fresh and saltwater departments has all but disappeared. The ideological battle is over. These graduate students are more or less in step with each other. The question is whether this is a good development or not.

The same question concerns the level of frustration of the students. Colander and I were surprised to find such strong frustrations with graduate training and the state of the discipline among our interviews

at the time. We saw in those frustrations a sign that graduate training was going in the wrong direction, that graduate students were molded in a way they did not care for. Maybe they would change things for the better, so we hoped. Maybe they would help open the profession up for alternative approaches, diminish the emphasis upon mathematical dexterity and problem solving. Maybe. In this new round of interviews Colander encountered more contentment and hence fewer frustrations. Students were experiencing fewer difficulties with the math and appeared better prepared and equipped for graduate training. Colander contributes this current contentment to a change in the screening of potential candidates. Graduate directors apparently have gotten better in finding students who are willing to go along with the training. (How Steve Levitt passed the selection at MIT is a riddle, given that he had no background in mathematics whatsoever, as he mentioned during the session on Colander's findings at the meetings in Boston. He said that he might have reconsidered his choice for a Ph.D. in economics if he had read our book before coming to MIT. Then again, he did not find the math overwhelming. So maybe something has changed in this regard.)

So what to make of these findings? Is all well in the profession? Or are the results reasons for concern about the future of the profession. Surely, the reading depends on what you want to read in the numbers.

Colander Has Mellowed Somewhat

Let us begin with Colander's reading. He appears to have changed somewhat along with the graduate students. He has grown more positive about the state of economics in general and graduate training in particular. He appreciates new developments such as behavioral approaches and the study of complex systems. He also approves of the increased emphasis on empirical research. All the changes that he registers in this study are positive, according to his reading. He appears to have mellowed: this book is not meant to be polemical. The profession can rest assured.

The Tea Leaves Could Just as Well Be Read the Other Way

There is another, more critical reading. Granted, the survey remains flawed and the selection of the interviewees is even more arbitrary than it was the first time. Even so, the results may be considered more damning than they were before. If anything, the discipline has become more homogeneous, more single-minded, more hard-nosed about the science of economics and hence less heterogeneous and arguably less intellectually exciting. Problem solving continues to be the key to success, and so is mathematical dexterity. Intellectuals with a wide range of interest will not survive in the conversations that economists are trained to conduct. They do not even make the cut for graduate school. The fields of history of economic thought and economic history have all but vanished from the programs. Macro is on the way out. It's all micro now (to the chagrin of Robert Solow). Controversies are gone and with them the liveliness of the discussion. Nothing much seems to be at stake, except prestige, one's ranking, and the number of citations that an article generates.

Particularly worrisome is the perception of this cohort of graduate students concerning the science of economics. They have become more hard-nosed about their discipline compared to their counterparts in the eighties (see Klamer, 2006 for more on the hard-nosed position). They have become more arrogant about their discipline vis-à-vis the other social sciences. To these hard-nosed graduate students, economics is the superior scientific discipline. In contrast to their counterparts in the eighties, they do not question the scientific approach that they are learning and do not wonder about alternatives. Modeling continues to be the way to go.

They have even less consideration for alternative approaches than their counterparts fifteen years ago. Austrian, feminist, Marxist, post-Keynesian, social and cultural economists, to name a few "heterodox" economists, do not exist as far as these students are concerned. Their silence could be symptomatic of a further marginalization of alternative approaches during the preceding decade. Colander finds comfort with the new interest in behavioral economics and the increasing appreciation for sociology and psychology, but I doubt that the so-called hetero-

dox economists share his comfort. I am actually certain they do not—as further marginalization translates in fewer jobs and fewer slots for heterodox sessions at the annual meetings of the American Economic Association.

These students furthermore do not show a great deal of ability to reflect on their discipline. They are satisfied with the commonplace, the things that economists conventionally say about their discipline. This cohort appears to be mindless, or at least resourceless, when it comes to reflections on the nature of their science. They have no literature to fall back on. Even the text of Milton Friedman appears to have dropped from their reading lists. (Needless to say, economic methodology has no place in the curriculum.) Apparently they are taught to do what they are doing without giving much thought to the “how so” and “why” questions.

To anyone who cares about the intellectual quality of the discipline, about the ability of economists to reflect on what they do, or who is working on alternative economic perspectives and approaches, the findings of this study are rather depressing. If these very best students are really so unaware about the meta levels of their discipline and are so unconscious of what is going on in the academy at large, what does that mean for the future of our discipline?

No Matter How Interesting or Depressing Their Findings Are, Studies Like These Will Have Little to No Effect on the Practice of Economics

When the students and their faculty show such little interest in serious reflection on their discipline, studies like this one stand no chance in influencing the practice of economics. Those who work in the margins of the profession may take notice and may find confirmation of their worst nightmares, but those who work in the core of the discipline have no reason to take these findings seriously. Nothing is at stake. The discipline is doing fine, thank you. More undergraduate students register for a major in economics than departments can handle. Even if American students do not apply for graduate school, more than enough foreign students are eager to fill the open slots. There is no crisis and

therefore no need to start rethinking current practices. There is no need to read in the history of thought or the methodology and philosophy of their science. There is no need for self-reflexivity.

Shouldn't Intellectuals Want to Be Knowledgeable about What They Do?

A student of the methodology and philosophy of science myself I am somewhat taken aback by the lack of philosophical sophistication of graduate students and their teachers nowadays. Maybe Duke University during my graduate training there was an exception in this regard, but my fellow students and I made a point of reading Kuhn, Lakatos, Popper, and other philosophers who could help making sense of the science of our discipline. Encouraged by faculty members like Craufurd Goodwin, Martin Bronfenbrenner, E. Roy Weintraub, and Neil de Marchi, we read in the history of thought to gain some understanding of how the discipline had changed over time. All this knowledge made us certainly less sure of the science and more open to the possibility that methods and insights once beyond dispute are likely to be reevaluated and possibly discarded. We believed that true scholarship asks for self-consciousness on the part of the researcher and of a keen awareness of what one is doing.

Current graduate training stresses the techniques and takes the students through the compulsory notions without asking the important questions: "why?" and "what for?" As a consequence, these students are quite unscientific when it comes to answering questions about their discipline. We are left wondering whether they are prepared for crises in the discipline that are inevitable from time to time. How will these students fare when they are in the company of other scholars who are so much more aware of new developments in thinking about science? One thing is sure, this cohort is even further removed from the ideal that Deirdre McCloskey displays when she pleads that economists rejoin the human conversation (McCloskey 1983; see also her contribution to Klamer, McCloskey, and Solow, 1988).

The Relevance of Economics

A lack of reflexivity does not serve these students well when they have to elaborate on their claim that the science of economics is relevant for society. Although they appear to be firm on that claim, they have no evidence. They have even no theoretical framework that would allow them to investigate such a claim. Apart from the usual anecdotes they have no well-supported arguments to show that the science of economics has an impact on policymaking, the running of business, or the behavior of individuals. It remains interesting to note that even though economists are willing to study any phenomenon that strikes their fancy (and fanciful the phenomena that Levitt studies surely are), their own behavior and the impact of their science are not among them (with a few not widely noted exceptions).

Surely, with the rational expectations hypothesis economists implied to say that their knowledge was too important to be left out in the model. A claim, however, is no evidence. Even when politicians appear to apply insights of the science of economics, as in the case of NAFTA, they actually follow other, political, interests and keep economists at bay (for the evidence see Klammer 2006). Even though the relevance of economics is beyond doubt—why else would economics continue to be a popular study and why else would economic concepts pop up left and right in everyday conversations?—these students do not seem to have a clue why that is. It is even doubtful that their faculty has a clue.

By continuing to pursue the discipline of economics mindlessly, without capacity for serious reflection on the nature and history of the discipline, the economic profession is at risk. Apart from that, the lack of reflexivity renders the current practice in the discipline so much less intellectually open-minded and challenging than it could be. Colander is well advised to do another round of interviews in ten years to see whether the discipline has learned to take itself more seriously.