

Teach beyond economics

THE choices you make when designing an economics course or curriculum usually determine the outcomes. It seems almost straightforward: you know what you want to produce (economists), so you teach students economics based on the most dominant mainstream canon.

Economists loyal to this canon teach students, then, to be, well, economists – and so the discipline is preserved and orthodoxy is reproduced. For the most part course design draws on “tried and tested” concepts and methods, and students graduate on the basis of how they have performed in tests and examinations.

Rarely, at least in economics and business, are students encouraged to drift from the textbook orthodoxies to which they are bound. Very often, the greatest challenges students face is when they start their first jobs.

There’s a delightful headline atop an article written by Robert Coase, the Nobel laureate for economics, that appeals for economics to be saved from economists. Coase was hardly a radical.

Nonetheless, one of the arguments Coase made in the article, published in the *Harvard Business Review* in 2012, was that business and economics teaching has increasingly little to do with the real workings of the economy or of business. The following passage from the article stands out:

“Economics as currently presented in textbooks and taught in the classroom does not have much to do with business management and still less with entrepreneurship. The degree to which economics is isolated from the ordinary business of life is extraordinary and unfortunate.”

Coase was critical of what he described as “the separation of economics from the working economy”, which, he said, had “severely damaged both the business community and the academic discipline”. This has resulted in many economics graduates arriving at their first jobs, certificates in hand, with very few skills or insights in managing interpersonal relations, desperately lacking in written and verbal communication skills, insufficiently honed knowledge of politics, governance and organisational cultures, and with very limited entrepreneurial or innovative drive.

Coase explained that because economics “offers little in the way of practical insight” managers and entrepreneurs had to delve into “their own business acumen, personal judgment, and rules of thumb” when having to make decisions. It is fair to say that a young graduate rarely has these skills and abilities.

Economics and Reality



Ismail Lagardien

If Coase is to be believed, and there is little reason not to, it is fair to say that once they have graduated, students have greater insights into textbook theories and “models” – which are invariably simplifications of rather complex social and real world conditions – than they do of the actual workings of society. This disconnect has to do with the fixity of economics teaching, which is driven, at the outset,

by “formal” methods that are increasingly unreal, in the sense that these models are usually created so we can make sense of a highly complex, complicated and unpredictable world.

They are simplifications and are almost always wrong. This process of model-building is often out of step with real-world events or states of affairs.

They rely on “mathiness”, described as a blend of words, phrases and symbols that are sufficiently indistinct, malleable and presented as “scientific”. This aspiration to be “scientific” tends to discard, or render unusable, “non-economic” data, and the (continued) drive to expand Eurocentric theories, concepts and methods to all corners of the world.

Out of these stem beliefs that economics provides us with the way

to evaluate all human life, that it represents the “universal grammar” of what is taught across academic disciplines, and that its theories and methods have always been and will always be true across time and place. This suggests that what is good and true for a Wall Street banker, is good and true for someone who tends fields and lives from hand to mouth in rural Eastern Cape.

It suggests that the “logic” (and realities) that keep the Wall Street banker alive and able to feed her family are no different from those that keep the woman in the Eastern Cape on the margins of the formal economy.

We come then to our graduates and how we prepare them for that first job. There is a lifetime beyond the first job that a comprehensive education can and should address.

A good place to start would be to broaden the horizon of economics (it may be necessary to learn about some of the non-economic basis of the decisions we make), and deepen knowledge of the social world to provide students with greater clarity on the range of skills and knowledge that transcend narrow boundaries of learning.

It is worth remembering that eco-

nomics textbooks are not only written for students. Textbooks play significant roles in defining the field.

In the 1890s Alfred Marshall wrote his *Principles of Economics* and for the next three decades, the book became the touchstone of economics education and much of policy-making. Marshall’s *Principles* went through several editions, until 1920.

In most parts of the world, at least those parts that were influenced by European colonialism, Marshall’s textbook continued to define the field.

It was replaced in 1948 by Paul Samuelson’s *Economics*, which

set the standard for the next 60 years.

The world has changed significantly over the past 60 years.

It would be disingenuous of us to believe that the basis of all our teaching and learning, research and policy-making can, and should, continue to be drawn from single texts.

It should be possible for us to put mainstream economic texts under critical examination to understand why they remain as pervasive and dominant, and question them as concepts of the last resort.

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