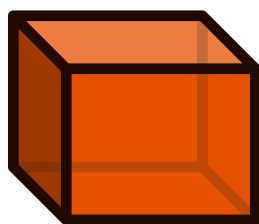


Economy Studies for Public Economics

New Ideas & Materials for Educators & Students



**Economy
Studies**

Sam de Muijnck & Joris Tieleman

Rethinking
Economics


OUR NEW ECONOMY



Amsterdam
University
Press

The book Economy Studies

This booklet is part of a series based on Economy Studies, a project for re-envisioning and redesigning economics courses and programs. The project emerged from the worldwide movement to modernise economics education, spurred on by the global financial crisis of 2008, the climate crisis, and the COVID-19 pandemic. It envisions a wide variety of economics graduates and specialists, equipped with a broad toolkit, enabling them to collectively understand and help tackle the issues the world faces today.

This is a practical guide for (re-)designing economics courses and programs. Based on a clear conceptual framework and ten flexible building blocks, this handbook offers refreshing ideas and practical suggestions to stimulate student engagement and critical thinking across a wide range of courses.

Key features

- 1 Adapting Existing Courses: Plug-and-play suggestions to improve existing economics courses with attention to institutions, history, values and practical skills.
- 2 Teaching materials: A guide through the rapidly growing range of innovative textbooks and other teaching materials.
- 3 Example Courses and Curricula: How to design pluralist, real-world economics education within the practical limits of time and resources.

What others say about Economy Studies

“A tremendous resource for both teachers and students of economics.”

Prof. **Wendy Carlin** (UCL), director of the CORE Economics Education Project

“Based on a thorough analysis, the authors argue for a radical rethink of how economics is taught. Whether you agree or disagree with some of the specific suggestions, this book is definitely worth reading.”

Claudio Borio, Head of Monetary and Economic Department at the BIS.

“This book is a tour de force. The mastery of the subject that the authors and their team display is astonishing. It was a source of inspiration for the development of the new program at the Vrije Universiteit of Amsterdam.”

Prof. **Arjo Klamer** (EUR & VU)

Why this booklet

In this booklet, we provide suggestions, content and teaching material for how to modernise and enrich public economics courses. In doing so we hope to assist educators in improving and adapting the courses they teach, as well as helping students make suggestions for how this could be done. It is important to note that we pose all these suggestions as potential sources of inspiration, not a checklist of all the things that necessarily should be included. After all, there is a practical limit to what can be taught within a single course.

Other booklets in this series available via www.economystudies.com:

- 1 Economy Studies for Students
- 2 Economy Studies for Program Directors and Deans
- 3 Economy Studies for Secondary Education
- 4 Economy Studies for Business Schools
- 5 Economy Studies for Public Administration & Law Programs
- 6 Economy Studies for Economics 101
- 7 Economy Studies for Microeconomics
- 8 Economy Studies for Macroeconomics
- 9 Economy Studies for Econometrics
- 10 Economy Studies for Labour Economics
- 11 Economy Studies for Public Economics
- 12 Economy Studies for Environmental Economics
- 13 Economy Studies for Development Economics
- 14 Economy Studies for Industrial Organisation
- 15 Economy Studies for Finance
- 16 Economy Studies for Monetary Economics
- 17 Economy Studies for International Economics
- 18 Economy Studies for Game Theory
- 19 Economy Studies for Behavioural Economics

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Reading Guide

To get an overview of the Economy Studies project as a whole, start with the Summary.

For concrete suggestions on topics and material to enrich your own course, go directly to Adapting Public Economics Courses.

For a sketch of how the theory part of a pluralist public economics course could look, see the Pragmatic Pluralism chapters.

For ideas and materials on teaching students about tackling problems and making proposals, take a look at the Building Block chapters.

To see what you can do to help modernize economics education at your own university, see the Conclusion.

Summary

“I don’t care who writes a nation’s laws, if I can write its economics textbooks.”

Paul Samuelson

1 Rethinking Economics Education

Humanity is wealthier, more connected and more technologically advanced than ever. Access to healthcare is rapidly expanding and poverty levels keep dropping in most parts of the world. At the same time, societies around the globe are facing a multitude of challenges. To name a few: climate change, biodiversity loss and resource depletion, growing inequalities and power concentrations, economic instability and soaring levels of private and public debt, ageing and migration, social polarisation and rising authoritarian nationalist populism. And, back on the table since 2020: pandemics.

Tackling such challenges requires a deep comprehension of the economy, which the current system of economics education does not sufficiently provide. Economists need a real-world understanding of how various industries work, how they are intertwined with each other, how economic power works, what roles states play and how these are embedded in our society at large. It also requires open minds which can look at issues from a variety of perspectives. A single theoretical framework cannot provide the answers to every question. A range of approaches which prioritise different methodologies, assumptions, units of analysis and outcomes, is necessary for gaining a good understanding of the economy and its issues. Economists need to be able to think critically, select the tools which are most relevant for the context and problem at hand, and understand the limitations and uncertainties of the conclusions that they draw from them. Finally, it requires an awareness and an explicit discussion of the moral dilemmas and normative trade-offs involved in economic decisions. In short, economists have a lot on their plate.

Economists also have a lot of influence, for good and for bad. Firstly, as key policy experts and advisors, economists largely run many of the most powerful public-sector organisations in the world: central banks, ministries of finance, social and economic affairs, the IMF and the World Bank. In the private sector, economists co-direct the behaviour of banks and other large companies. Secondly, the economic ideas that float around most prominently in our society exert an influence far beyond the formal advisory reports of professional economists, guiding decision-making of citizens everywhere. Economic thinking influences even those who do not become economists, as economists have a central role in the public debate and many citizens are taught basic economics in secondary or tertiary education.

The growing societal importance of economists and economic ideas has sparked a lively debate around the content and structure of economics education. A worldwide movement of students and academics calls for more pluralist, real-world focused and socially relevant programmes that would enable economics graduates to better understand and tackle the economic issues that the world faces today. This movement has accelerated over the last decade, spurred on by the global financial crisis of 2008, the climate crisis and the COVID-19 pandemic.

Under names such as Rethinking Economics, Netzwerk für Plurale Ökonomik, Institute for New Economic Thinking (INET), International Student Initiative for Pluralist Economics (ISIPE), International Confederation of Associations for Pluralism in Economics (ICAPE), Diversifying and Decolonising Economics, Economists for Future, Reteaching Economics, and Oikos International, these groups come together for dissent, discussion, self-education, action, campaigning, disseminating ideas and engaging with wider audiences.

Research by these groups indicates that many current programmes are not sufficient to prepare students for their future roles in society. They are often organised around the notion of ‘thinking like an economist’: training students to think exclusively from the neoclassical perspective and having skills in econometrics, while neglecting other valuable theoretical approaches and research methods. Furthermore, these analytical tools are taught in an overly abstract way and are presented as being value-free.

These groups and others have also produced a growing amount of innovative teaching material, beyond how economics programmes are traditionally structured. From online educational resources such as the open access CORE project and the bottom-up e-learning platform Exploring Economics, to multiple new pluralist and real-world focused textbooks. Many departments have introduced a wealth of new courses, or even started entirely new programmes.

2 This Book: Purpose and Overview

What has been missing so far in this field is an integral approach for constructing economics curricula and courses. This book aims to fill that gap. We bundle the ideas and materials of renewal and reform into a coherent multi-level vision for economics education: its overarching structure, its goals and its principles. We also provide the concrete building blocks for this in terms of academic content, including detailed overviews of teaching materials and practical suggestions. Finally, we translate these to the level of actual programmes and courses, providing a wide range of practical tools for implementation.

This entire book carries a CC-BY Creative Commons licence, which means that any part of the book may be freely copied, redistributed, remixed, transformed or built upon, without restrictions. As such, our proposal for a new integral approach to economics education can also be adopted and used partially, rather than being accepted as a whole. Each idea and suggestion can be judged and incorporated independently. You can totally disagree with principle 1 yet support principle 3. Or you might find little value in building block 5 and yet fall in love with building block 9. That’s the idea: it’s modular. Thus, the book as a whole can be used as a source of inspiration and overview of options for improving and renewing economics education.

Part I: Foundations

The first part of the book, Foundations, sets out our philosophy and the three guiding principles that should underpin any economist’s education. In contrast to the currently common approach of teaching students to ‘think like an economist’, the Economy Studies approach is this: We envision an education where economics is not centred on a specific method of analysis or thought, but rather centred on a study matter, the economy. Economies can broadly be described as open systems of resource extraction, production, distribution, consumption and waste disposal through which societies provision themselves to sustain life and enhance its quality.

Based on this philosophy, we formulate three principles: Pluralism, Real-World and Values.

First, a discipline centred around a single subject matter requires a plurality of theoretical frameworks: one

single set of basic assumptions is not enough to understand such a multifaceted subject matter. Here it is important that students learn which ideas are compatible with each other and which are in conflict with each other. Some of these theories fall within the current economic mainstream, others exist on its fringes, and yet others are currently at home in other disciplines. It also implies a plurality of research methods, from basic statistics and regression analysis to interviews, network analysis and survey analysis. Such pluralism means that there is no single dominant framework, which might be more difficult for those receiving economic advice, but is ultimately beneficial for the quality of analysis and the resulting decisions.

Second, the notion of a programme centred on the subject matter of the economy implies a continuous and conscious orientation towards the economy as it exists in the real world. Students benefit from studying practical questions and gaining concrete knowledge, not just abstract analytical tools. For instance: How is the German car industry structured? What hurdles does the global energy transition face? What happens at a central bank? The Real-World principle ranges from studies of economic sectors and key institutions in the local or (inter-)national economy, to the histories of economies and case studies of specific economic challenges.

Third, we draw attention to the wide variety of normative principles and visions that can guide economic decisions and action, and which are often subtly embedded in economic theories. There is little sense in trying to 'solve economics problems' without considering what things exactly are worthwhile or problematic, and what values are at stake. Profits, sustainability, power, equal chances, equal outcomes, job creation, labour conditions, ownership, accountability, GDP growth, wellbeing – what should we focus on?

Economics has historically been, and is still, dominated by upper- and middle-class white men based in the Global North. This has consequences for each of the three principles. In terms of Real-World, it is important to pay attention to the lived economic realities of working-class citizens, women, minorities, and those living in the Global South. For Pluralism, we need to incorporate often ignored but valuable ideas and contributions of lower class, female, and non-western scholars. For Values, it is key to realise that people from different backgrounds have different priorities and values, and work to ensure that these are reflected in the questions we focus on and the theories and methods we use. In sum, we need to diversify and decolonise economics education.

The Foundations part ends with a chapter on didactics. Improving economics education is not simply a matter of changing what is taught, but also how it is taught. Various surveys among employers of economists show that more attention for communication and collaboration skills is needed. There are also worrying indications that economics classes often fail to facilitate open, critical, but also respectful, discussions. Finally, to make economics education more lively, interesting for students and connected to the real world, a greater variety of teaching and examination methods could be used. On all these fronts we provide practical suggestions.

The second part of the book is devoted to the Building Blocks. Where the Foundations part discusses the purpose and principles of economics education in general, the building blocks are more applied: ten thematic areas of knowledge and skills, which form the meat and bones of the Economy Studies course design method. Each of the ten building blocks covers an area of knowledge and set of skills that we see as essential for the education of future economists.

Part II: Building Blocks

The second part of the book is devoted to the *Building Blocks*. Where the *Foundations* part discusses the purpose and principles of economics education in general, the building blocks are more applied: ten thematic areas of

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We start out with two building blocks that focus on acquiring basic economic knowledge, one conceptual and one focused on the real world. Introducing the Economy is about getting a feeling for economic matters, discussing what the economy is in the first place, why it is relevant, how it is related to other aspects of the social and natural world, and what societal roles economists have. Know Your Own Economy, on the other hand, has a more concrete focus as it is about knowledge of the actual (national and local) economy and its structures, institutions, and sectors.

The third and fourth building blocks deal with history: History of the Economy and History of Economic Thought & Methods. The fifth and sixth building blocks are more conceptually oriented, dealing with how economies can and have been organised, at micro and meso levels – Economic Organisations & Mechanisms – and at the macro level – Political-Economic Systems.

The seventh and eighth building blocks provide a broad and diverse analytic toolkit: Research Methods & Philosophy of Science and Economic Theories. These two, especially the latter, are relatively large. In most programmes, they will require more space than the other building blocks. Finally, building blocks nine and ten deal with practically contributing as an economist: Problems & Proposals is about analysing concrete economic challenges and formulating or evaluating proposed policies and actions, and Economics for a Better World asks how normative principles and visions can guide action to address the major challenges of our times, and helps students to be reflective of their own role as an economist

These building blocks can be used as templates to create stand-alone courses or modules, or they can be combined in courses. They can be re-ordered, combined or integrated in many ways to suit the specific needs of each programme. For instance, Building Block 3: Economic History could be taught as a stand-alone subject, or integrated with the fourth building block into a course History of Economic Thought and Reality, or integrated as a minor component in an existing Labour Economics course. In our ideal world, these building blocks would be combined to form a wide range of economics programmes. Different contexts and challenges require differently trained economists.

Part III: Tools

The third part of the book, titled Tools, provides material that is directly actionable. It starts with Pragmatic Pluralism, a suggested format (including references) for teaching theory in a pluralist manner without drowning students in the enormous diversity of ideas out there. We list thirteen core economic topics and set out for each topic the two main opposing perspectives, a key complementary perspective and additional insights coming from other approaches.

Often there is no space in programmes for completely new courses but there is room for adjustment in some existing courses. In *Adapting Existing Courses*, we offer ready-to-use sets of suggestions and material to do so, for courses like Micro, Macro, Public Economics and Finance. The Curriculum Review Tool offers a clear starting point for applying our building blocks to an existing programme. This tool helps identify possible blind spots of a programme and suggests ways to strengthen it. The Example Courses that follow illustrate how the building blocks can be used to create completely new courses. The next chapter maps out several complete Example Curricula, demonstrating how the building blocks might be combined to form a complete bachelor or master programme in Economics.

While this book is primarily oriented towards full economics programmes in academic education, in the chapter Courses for Non-Economists we suggest limited packages of core economic ideas that may be useful for business schools, secondary school economics programmes, in an academic minor or for self-study. Finally, Learning Objectives offers tools for designing the learning objectives behind economics courses, starting not from the question ‘what does the teacher know best?’ but from ‘what do the students need to know, to be prepared for their future societal roles?’.

Part IV: Online Materials

Economy Studies is more than a book. On the website, we offer an extended version of the Pragmatic Pluralism chapter, a broader range of Adapting Existing Courses topics, additional Example Courses and Example Curricula. We also provide background material on each of the Economic Approaches described in this book, as well as neighbouring sub-disciplines such as economic sociology and economic geography. In addition, we provide a more complete overview and discussion of research methods, coordination and allocation mechanisms, and the history of economic thought and methods. Finally, we offer much more extensive lists of teaching materials for each of the building blocks.

Online, we also work together with the INET Education Program, at the Institute for New Economic Thinking. This platform will host free educational resources online, accessible to students, teachers and the general public. This includes video lecture series, syllabi, teaching modules, lecture notes, readings, sample quizzes and exams. The platform will also serve as a center to build up an online community of teachers and learners, working together to improve the way economics is taught and learned. Each of the chapters in this book has a discussion page on that platform.

What kind of graduates would a program based on these ideas and materials produce? It is important to acknowledge that they would not have all the skills that current-day graduates have. Less mathematical sophistication, less expertise in econometric analysis, less knowledge of neoclassical theory. In exchange for these losses, students gain: A deeper understanding and more concrete knowledge of the economy in which they live and will work. An awareness and understanding of the various ways in which economic processes can be organised at the micro, meso and macro levels. Practical skills for investigating and tackling questions of economic policy: understanding the context, choosing the right tools, from a variety of theoretical and methodological approaches. And the ability to argue morally as well as analytically, and to clearly distinguish the two.

With this *creative commons* work, we hope to inspire economists and all students of the economy to rethink how we learn economics. The economic challenges we face as societies are enormous, so we desperately need well-prepared economic experts and a citizenry able to participate in economic discussions. Economics education has the vital task of preparing these people as best as possible.

This booklet provides a preview of the *Economy Studies* project. The full book also includes the complete set of building blocks, additional teaching materials, a curriculum review tool, example courses and curricula and suggestions for learning objectives. If you are interested to learn more, visit our website and buy or download the whole book, open access, or contact us.

economy.st

Adapting Public Economics Courses

General Approach to Adapting Existing Courses

Change often happens incrementally and slowly. In the economics textbook market, for example, there is an unwritten rule that new textbooks cannot differ more than roughly 15% from the standard textbook in order to be 'acceptable' (Colander, 2003).

While our book clearly breaks this rule and proposes more far-reaching and fundamental changes in most chapters, in this chapter we focus instead on how existing courses could be adjusted incrementally. By doing so, we hope to assist educators in improving and adapting the courses they teach without needing to rip them up and start again, as well as helping students make suggestions for how this could be done.

First, we set out the typical contents of current public economics courses. Second, we provide our suggested additions and changes. It is important to note that we pose all these suggestions as potential sources of inspiration, not a checklist of all the things that necessarily should be included. After all, there is a practical limit to what can be taught within a single course.

Typical contents of current courses

Courses on public economics today generally focus on neoclassical (partial or general) equilibrium models with the aim of establishing what would be the 'optimal' course of government (in)action. Government intervention is justified on the basis of market imperfections, such as externalities, public goods, imperfect competition and asymmetrical information. But students are also taught to be wary of market distortions and government failures arising from self-interested rational behaviour of politicians, voters, and civil servants. In this way, students often learn to think in terms of trade-offs between equity and efficiency. Recently, behavioural insights on policy design are increasingly incorporated in public economics courses. These theoretical ideas and models are used to treat a broad range of topics from taxation and redistribution to pensions, social policy and public finance.

Frequently used textbooks::

- Economics of the Public Sector by Joseph Stiglitz
- Fundamentals of Public Economics by Jean-Jacques Laffont
- Public Economics by Gareth D. Myles
- Public Economics: The Macroeconomic Perspective by Burkhard Heer
- Public Finance and Public Policy by Jonathan Gruber
- Public Finance by Harvey S. Rosen and Ted Gayer
- The Economics of Taxation by Bernard Salanié
- The Economics of the Welfare State by Nicholas Barr
- Intermediate Public Economics by Gareth D. Myles and Jean Hindriks

Suggested additions and changes

Practical skills and real-world knowledge

When teaching students about the economics of the state, it can be informative and motivating to discuss not only economic theories, but also the real world. Rather than just talking about government organisations and policies in the abstract, one could make use of (recent and local) cases and spell out questions and dilemmas that arise from these. Besides learning about the real world through case studies, students can benefit from learning about the specific institutions and government structures that shape the (national) economy.

Students can also benefit from learning about practical policy tools. A key part of the work of professional economists is analysing specific cases and possible policy interventions. To prepare students for this, it is useful to devote time to teach them about practical policy tools. The most famous of these is the traditional cost-benefit analysis, based on neoclassical economics. Recently new policy tools, such as risk-opportunity analysis based on complexity economics and participatory evaluation inspired by the cultural approach, have been developed and these are increasingly applied in practice. To ensure students acquire up to date knowledge and skills we suggest also teaching these younger approaches and exposing students to recent developments in the field.

For more detail, see Building Block 2: Know Your Own Economy and Building Block 9: Problems & Proposals.

Teaching Materials

- To introduce the policy tools, reading materials can be of use, but they will probably have the most lasting impact when combined with practical exercises in which students have to apply the tools themselves. For cost-benefit analysis, a useful book is: *Cost-Benefit Analysis: Concepts and Practice* by Anthony E. Boardman, David H. Greenberg, Aidan R. Vining, David L. Weimer, most recent edition from 2018. For participatory evaluation, the following book can be of help: *Participatory Evaluation Up Close: An Integration of Research Based Knowledge* by J. Bradley Cousins and Jill A. Chouinard, from 2012. Risk-opportunity analysis is newer and has yet to be explained in a textbook, but an useful working paper explaining the tool and providing examples of applications is: *Risk-opportunity analysis for transformative policy design and appraisal* by Jean-Francois Mercure, Simon Sharpe, Jorge Vinuales, Matthew Ives, Michael Grubb, Hector Pollitt, Florian Knobloch and Femke Nijse, from 2020.
- *The Oxford Handbook of Public Policy* by Robert E. Goodin, Michael Moran, and Martin Rein, from 2008. An extensive book, which provides a useful overview of different aspects of public policy, such as the role of economic policy tools, engagement of stakeholders, and producing and evaluating policy.
- *Handbook of Policy Formulation* by Michael Howlett and Ishani Mukherjee, from 2017. Another extensive book, which focuses on how policy is made with its different aspects, such as choosing policy goals and instruments, policy appraisal techniques, and the politics of defining and resolving policy problems.

A range of analytical tools and approaches

There are many different economic perspectives on the state, but in a course one cannot practically treat all these in detail. Current courses focus mainly on neoclassical ideas, increasingly accompanied by some attention on behavioural ideas. We propose to present students with a broader and more balanced overview of economic debates about the state. Neoclassical and (post-) Keynesian ideas are generally most prominent and students should become familiar with their conflicting ideas about the roles of the state. Recently, new ideas on the state coming from evolutionary economics, such as the concepts of the entrepreneurial state and mission economy, are increasingly influential and therefore relevant for students to learn about. If there is more teaching time (made) available, students could also be made familiar, in more and less detail, with the other perspectives on the state, such as the Marxian, behavioural, Austrian, historical, complexity and

classical perspectives.

For more detail, see Building Block 7: Research Methods & Philosophy of Science, Building Block 8: Economic Theories.

Teaching Materials

- *Economics: The User's Guide* by Ha-Joon Chang, from 2014, chapter 11. This brief and accessible pluralist book contains a useful introductory chapter on the role of the state.
- *Economics After The Crisis* by Irene van Staveren, from 2015, chapter 6. This well-written textbook sets out the neoclassical, post-Keynesian, social economic and institutional perspectives on the state.
- *The Economy* by The CORE Team, from 2017, chapters 14, 15 and 22. This successful textbook provides an introduction into mainstream ideas and empirical findings on fiscal, monetary and public policy.
- *Principles of Economics in Context* by Jonathan Harris, Julie A. Nelson and Neva Goodwin, most recent edition from 2020, chapter 12 and 25. This useful textbook, which pays particular attention to social and environmental challenges, devotes two chapters to tax and fiscal policy in specific.
- *The Entrepreneurial State: Debunking Public vs. Private Sector Myths* by Mariana Mazzucato, from 2013. An influential and well-written book, inspired chiefly by evolutionary economics, on the role of the state in innovation.
- *Alternative Theories of the State* by S. Pressman, from 2006. A useful and informative collection of essays which introduces readers to the institutional, Marxist, post-Keynesian, feminist and behavioural perspectives on the state.
- *Money and Government: The Past and Future of Economics* by Robert Skidelsky, from 2018. This well-written and insightful book introduces readers to historical and current debates about the state, with particular attention to neoclassical and Keynesian ideas.
- *Political Economy: The Contest of Economic Ideas* by Frank Stilwell, most recent edition from 2011. A well-written textbook, with parts devoted to classical, Marxist, neoclassical, institutional, and Keynesian economics and particular attention to ideas surrounding the state, reform, policy and economic systems.

Institutions and different ways of organising the economy

States come in many shapes and forms. Students should become at least somewhat familiar with the wide varieties in (welfare) state arrangements, and more generally political-economic systems. Knowledge of these varieties will help students in their careers to situate and contextualise the problems and cases they have to deal with, in the broader systems that they are part of.

For more detail, see Building Block 6: Political-Economic Systems.

Teaching Materials

- *The Three Worlds of Welfare Capitalism* by Gøsta Esping-Andersen, from 1990. This classic describes three types of welfare states, the liberal, conservative and social democratic regimes, by exploring their social policies, pension systems, power relations, and labour markets.
- *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* by Peter A. Hall and David Soskice, from 2001. Another highly influential classic on differences in economic systems, here with a central distinction between liberal and coordinated market economies with respect to industrial relations, social and monetary policy, corporate governance, vocational training and education, and inter-firm relations.
- *Debating Varieties of Capitalism: A Reader* by Bob Hancké, from 2009. An insightful collection of essays provides a good overview of the debates surrounding theoretical and empirical controversies that followed

the publication of Hall and Soskice's classic. Besides this reader there are many useful studies and papers on the varieties of capitalism, including of Latin American and Asian varieties. This can be of help as it can be particularly useful for students to read material on the variety of capitalism of their own country.

- Comparative economics in a transforming world economy by J. Barkley Rosser, Jr. and Marina V. Rosser, most recent edition from 2018. A highly useful and broad book describing many varieties of advanced market capitalism, varieties of transition among socialist economies, and alternative paths among developing economies, with chapters on many countries, such as the United States, Russia, Sweden, China, India, Iran, South Africa, Mexico, and Brazil. It is particularly useful for students to learn about their own country. If that country is not included, as is the case for us as Dutch citizens, it can be useful to supplement the book with teaching material on the national political-economic system.
- Understanding and Managing Public Organizations by Hal G. Rainey, most recent edition from 2014. A useful textbook discussing how to understand the dynamic context in which government organisations operate and strategies and dimensions relevant for managing them.

Societal relevance and normative aspects

Government (in)action is the central matter of debate in politics. For any economists working on the matter, it thus is critical to be familiar with the various normative perspectives on public policy. These concern both normative principles for decision-making and normative visions for the economy as discussed in Building Block 10: Economics for a Better World. Courses often already discuss utilitarian principles and assumptions, but could be further enriched by also discussing other normative principles and approaches.

Besides learning about these more general principles and visions, it can be useful to discuss recent debates about key policy issues. This can be done by juxtaposing the different problem analyses and proposed solutions related to the issue at hand. This can help make normative differences more concrete as well as bringing together normative, analytical and practical aspects.

For more detail, see Building Block 10: Economics for a Better World.

Teaching Materials

- Economic Analysis, Moral Philosophy, and Public Policy by Daniel Hausman, Michael McPherson, and Debra Satz, most recent edition from 2016. A great introduction into normative economics, covering its many areas and topics from welfare economics and utility theory to liberty, equality and justice.
- A Guide to Ethics and Public Policy: Finding Our Way by D. Don Welch, from 2014. A brief but insightful book providing a broad framework for evaluating policy proposals and outcomes, organised around five moral principles: benefit, effectiveness, fairness, fidelity, and legitimacy.
- The Routledge Handbook of Ethics and Public Policy by Annabelle Lever and Andrei Poama, from 2019. This useful collection of essays treats many different aspects of the ethics of public policy, from monetary, tax and trade policies to the minimum wage, anti-discrimination and social policies.
- The Oxford Handbook of Professional Economic Ethics by George F. DeMartino and Deirdre McCloskey, from 2016, chapters 25-33. This insightful collection of essays explores the different aspects of ethics in economics, with one part devoted to ethical issues related to economic policy advice and analysis.

History

The history of the state, from an economic point of view, is a fascinating topic that could enrich public economics courses. The role of the state in the economy has drastically changed over time, so learning about these historical developments can help students imagine a broader range of possibilities as well as understand the current situation and its unique characteristics better. The state has also played a central role in economic

thinking, particularly in macroeconomics. Besides teaching about the history of the state itself, it could thus also be useful to treat the history of ideas about the government.

For more detail, see Building Block 3: Economic History and Building Block 4: History of Economic Thought & Methods.

Teaching Materials

- A Companion to the History of Economic Thought by Warren J. Samuels, Jeff E. Biddle, and John B. Davis, from 2003, chapter 27. An extensive and detailed collection of contributions covering many periods and developments in the history of economic thought, with a chapter specifically devoted to the history of economic thought about governments.
- Money and Government: The Past and Future of Economics by Robert Skidelsky, from 2018. This well-written and insightful book introduces readers to historical and current debates about the state and macroeconomy, with particular attention to neoclassical and Keynesian ideas.
- Austerity: The History of a Dangerous Idea by Mark Blyth, from 2013. This influential and well-written book traces the intellectual history of the ideas of austerity and expansionary fiscal contraction, connecting it to wider developments in economic thinking and reality.
- States versus Markets: The emergence of a global economy by Herman Schwartz, most recent edition from 2010. This book explores the history of the global economy, with particular attention to the role of markets and the state.

What to take out

To create space for the above suggested additions, we advise focussing more on the key ideas and intuitions behind the taught models and devote less teaching time to their technicalities and mathematics. As teaching students to reproduce and work through mathematical models often takes up a large part of the teaching time, this would give the teachers the opportunity to devote more time to practical knowledge, the relevance, institutions, and history. Furthermore, a more even balance between neoclassical economics and other economic approaches could be achieved by decreasing the number of neoclassical ideas and models that are taught.

Pragmatic Pluralism: Overview

Key insights and ideas for thirteen core topics in economics, organised by selecting the most relevant theoretical approaches per topic and contrasting them with each other.

This chapter provides a map through the complex jungle of economic theories. There are many different theoretical approaches, and each aspect of the economy has been analysed by a number of different ones. However, it is neither feasible nor productive for students to engage with every possible angle for every topic. Hence, this chapter, together with *Building Block 8: Economic Theories*, sets out an alternative approach: pragmatic pluralism. That is, make a selection of the most relevant theoretical approaches for the topic that is taught.

The building block chapter sets out the general approach of *pragmatic pluralism* (see economy.st/bb8). This chapter instead focuses on the content, applying the pragmatic pluralism approach to several of the core topics in economics. The full chapter (see economy.st/pragmatic) covers the following thirteen topics:

- 1 Governments
- 2 Business Cycles
- 3 Consumption
- 4 Economic Development
- 5 Finance
- 6 Firms
- 7 Households
- 8 Inequality
- 9 International Trade
- 10 Labour
- 11 Markets
- 12 Money
- 13 Nature

To reiterate, the core logic of this approach to teaching economic theory is that whilst pluralism is an essential aspect of academia, we also need to be pragmatic to successfully apply it in practice. Rather than pursuing the extreme of either only focusing on one approach, or including every possible strand of thought for every topic, we propose a pragmatic middle ground: teaching a select number of approaches for each topic. In this way, it is possible to introduce students to the variety and diversity of economic thinking, whilst still having enough time and space to properly discuss each of the insights in detail with them.

“Reasonable people may have different theories of the way the economy works – different pictures in their heads of what connects one thing with another in the economic system.”

Solow (1983, p. 67)

Theory is the beating heart of all social sciences, including economics. It allows one to understand the components, processes and causal mechanisms characterising various social phenomena in a more structured and systematic manner. However, every topic can be understood from various theoretical perspectives, which can both complement and contradict each other.

Most contemporary economics programmes focus almost exclusively on neoclassical theory. In opposition, some other programs choose to focus entirely on another perspective. We believe, in contrast to both, that there is no single ‘correct’ or ‘best’ way to understand the economy as a whole. It is too large and complex to be captured by a single point of view.

Hence, we propose a fundamentally pluralist approach to teaching theory. It is essential to teach students a variety of approaches to give them a rich and broad understanding of the topic, the debate around it and learn to think critically and not to take things as absolute truths. Approaches should be judged on their merits, topic by topic: thinking critically and reflectively to decide which theoretical points of departure help us best to understand this particular corner of the economic system.

Including this pluralist discussion is crucial for the development of students’ vital critical thinking skills, through the investigation of links and contradictions between the insights learnt. For a pluralist economics education to be truly valuable, students must graduate not just with strong knowledge of a range of perspectives and methods, but also with a critical understanding of the limitations and blindspots of those tools. Without this, they will struggle to select the most relevant approaches to the task at hand, and to judge how much confidence to have in the conclusions that they reach. Active discussion also has the additional benefit of making sure that students are genuinely understanding the content taught to them, rather than just temporarily memorising it for an exam.

In Practice

So how does this approach work when applied to a topic?

Each topic is subject to debate between alternative views, and to make students familiar with these competing theories, for every topic the two main opposing perspectives are selected. But not all differing ideas and theories are necessarily in conflict with each other. There are also approaches which can supplement one, or both, of the main opposing perspectives, contributing to a richer understanding of the topic. Therefore, each topic also contains one main complementary perspective. On top of these three main theoretical approaches, there are many other useful ideas that students could benefit from by learning about. For this reason, we provide a short summary of other useful insights and ideas that could be included for each topic.

For each topic, we suggest a few particularly useful teaching materials. In the resource chapter *Teaching Materials*, we provide longer lists of suggestions.

The topics presented below could be, and often already are, taught in individual courses. They can also be combined, especially when there is significant overlap such as with Finance and Money for example, although this does of course shorten the teaching time that can be devoted to each topic and its insights. As to determining the relative teaching time to the various perspectives, the following rule of thumb could be useful: the first half of the course is devoted to the two main opposing approaches, the third quarter to the complementary perspective and the last quarter to the other useful insights. As with every rule of thumb, the specific case and context should be taken into account and we advise teachers to determine the relative teaching time devoted to each insight taking the local situation into account.

Cautionary Notes

Before we go into the specific ideas and insights, we want to provide a short recap of the cautionary notes, which are described in full in *Building Block 8: Economic Theories* (see economy.st/bb8).

Firstly, the following overview should be viewed as only one possible example of a pragmatic pluralist approach to teaching economic theory. An overview such as this one should never be set in stone, as the discipline itself is also constantly evolving. While some approaches, such as complexity economics, currently have relatively few insights listed in the overview, this might change over the coming years as more scholars will further develop this approach and apply it to different topics.

Secondly, the overview could easily be expanded to allow for more detail and nuance or a wider range of perspectives or topics. The examples have been written to suit the time constraints of an individual module. The framework could be adapted for a relatively brief programme, such as an economics major in a liberal arts programme, by selecting fewer perspectives for each topic and including fewer topics and possibly combining them into individual modules. Equally, if the available teaching time is greater, for example with a theory-oriented four year undergraduate economics programme, more topics, insights and a greater range of perspectives could be included.

Thirdly, our economics education and own reading has shaped the topics and perspectives that are presented below. This is greatly influenced by living and studying in the Netherlands, and Europe more broadly, and the strong bias in the discipline as a whole towards economic thinking from the Global North. We strongly believe that economics curricula need to be decolonised and with this book we try to contribute to this. To help us do so, we have asked students and professors from all over the world, as well as organizations active on this issue, such as *Diversifying and Decolonising Economics*, for advice. Nevertheless, it is important to say that this is not an area that we personally have particularly strong knowledge in and feel that more could, and should, be done in this regard. We therefore welcome all suggestions on how the content in this chapter, and the rest of the book, could be enriched and improved by including other topics, perspectives and insights.

Finally, this technique of putting approaches as well as topics in separate boxes is only a heuristic for identifying the most important ideas and insights to teach. Many of these approaches and topics are strongly interlinked and can be difficult, or even impossible, to truly separate from each other. As a result, individual thinkers and their ideas can be difficult to put into a single box. For instance, Joseph Schumpeter built on classical, historical, Marxian, Austrian and neoclassical ideas, and is often seen as a key inspiration for evolutionary economics, which is therefore also sometimes called Schumpeterian economics. It is important

that students learn about these links and become familiar with how both the ideas and the topics are connected.

With these cautionary notes in mind, we hope this overview can be of some help in putting the pragmatic pluralist approach in practice and adapting economic theory courses.

Core Theoretical Insights Organised by Topic

Below we have put the thirteen economic topics (along the top) and sixteen theoretical perspectives (down the side) in a table to give an overview of how our pragmatic pluralist approach works.

It would be possible to fill in every box (representing a combination between a topic and an approach) to create what could be described as ‘indiscriminate’ pluralism. We think that for research purposes, such an approach could be very useful as it could generate new insights by utilising approaches previously not applied to a topic. However, for education we would not advise such an approach, as it would be impossible to teach every possible perspective on a given topic in a meaningful way, given the limited teaching time available. Instead, we advise teachers to focus on the main insights into their chosen topic. In other words, when teaching an economics course, they should focus on the combinations of the topic and perspectives that are most important. For every topic, we have noted to the two main opposing perspectives with ■, the main complementary perspective with □, and the perspectives that can provide smaller but still valuable additional insights with +. In this way, many boxes stay empty. This does not mean that the perspective has nothing to say on the topic, as it often does. But economics education requires us to make choices as to what to teach and what not. In this overview, below we have presented an attempt at making such choices, asking which insights help us understand the world the most. Sometimes there are cases in which perspectives share a certain insight. This is discussed in the explanations of the insights, but for brevity each insight is attributed to a single perspective in the table.

	Governments	Business Cycles	Consumption	Economic Development	Finance	Firms	Households	Inequality	International Trade	Labour	Markets	Money	Nature
Austrian School	+	■						+			+	■	
Behavioural Economics	+			+	+			+			+		
Classical Political Economy	+			■		+					■		□
Complexity Economics	+				□			+					
Cultural Approach					+		□			□	□	□	
Ecological Economics			□	+									■
Evolutionary Economics	□			+		□							
Feminist Economics							■	□		+			
Field Theory						■					+		
Historical School	+			■								+	
Institutional Economics			■	□		■							+
Marxian Political Economy	+	+		+			+	■		■			
Neoclassical Economics	■	□	■	+	■	+	■	■	■	■	■		■
Post-Keynesian Economics	■	■			■			+	■			■	
Social Network Analysis						+				+			
Structuralist Economics				+					□				
Other	+		+			+		+	+				+

- Main opposing perspective
- Main complementary perspective
- +

Pragmatic Pluralism 1: Governments

The state is often at the heart of public and intellectual debates about the economy, as the amount of contrasting perspectives below shows. This should be no surprise: governments are the biggest single actors in the economy, whether measured in employment or in total budget. How should these economic giants behave? Should they sit back and allow the economy to unfold on its own, merely providing an efficient level playing field for private actors through rule-based policy? Or should the state play a more active role to stabilise the economy, take an entrepreneurial role to spur innovation, and/or pursue social policies to ensure the wellbeing of its citizens?

Main opposing perspectives

- Post-Keynesian economics: Discretionary policy works best
- Neoclassical economics: Rule-bound policy works even better

Main complementary perspective

- Evolutionary economics: The entrepreneurial state

Additional perspectives and insights

- + Behavioural economics: Nudging
- + Complexity economics: Modern economies require diverse and flexible policy tools
- + Historical school: Social policy takes the sharp edge off capitalism
- + Marxian political economy: Class struggles play out through the state
- + Classical political economy: Night-watchman state
- + Austrian school: Dispersed knowledge precludes effective government intervention
- + Other: The economic dimension of governments in political science

Main opposing perspectives: Post-Keynesian and neoclassical economics

A key debate concerning the state is between (post-)Keynesian economists, who argue for discretion in economic policy, and neoclassical economists, who argue for rule-bound policy. Keynesian economists argued the state has a role to fulfil in the economy because it is the only actor that can successfully solve economic problems such as mass unemployment. The state can provide stability and freedom by creating and adjusting policies in a discretionary manner, mainly with regard to fiscal policy to influence effective demand.

Neoclassical economists, on the other hand, often argue that the state should focus on providing a framework in which private actors can operate. Policy should be rule-bound, also known as commitment policy. Instead of relying on expert and political judgement of the specific situation, a prescribed mathematical model should be followed (i.e. the Taylor rule). As such, only the factors included in the model have an influence on decisions. This is important because neoclassical economists, and more specifically public choice theorists, warn us about government failures, which are assumed to derive from self-interested behaviour of voters, politicians and bureaucrats and/or imperfect information.

A core idea in the neoclassical framework is what is often called 'sound finance'. Simply put, it means governments should run balanced budgets, with revenues equalling expenditures. This stands in opposition to the Keynesian idea of 'functional finance', which argues public finance should not be a goal in itself but merely a means through which to achieve economic and social goals. The latter idea is also associated with Modern

Monetary Theory, which combines functional finance with the chartalist state theory of money, to argue that (monetary sovereign) governments face no inherent financial restrictions on their finances, although they do face important limits in the real economy. While neoclassical economists favour central bank independence and a disconnect between fiscal and monetary policy, modern monetary theorists argue for using fiscal and monetary policy in harmony to create desired economic outcomes.

Main complementary perspective: Evolutionary economics

Another insight that has gained greater attention recently is that the state is crucial for innovation. Contrary to the myth that prosperity is the result of new technologies developed and funded purely by private companies operating in a free market, Mariana Mazzucato and others have used an evolutionary approach to show how economic success is largely the result of state-funded investments in innovation. Mazzucato argues that the dominant neoclassical view of the state as an actor that is only there to address market failures and provide public goods is fatally limited. She points out that governments create, shape and guide markets, and also should embrace this ability to give direction to the economy. For this reason, she has advocated mission-oriented policy in which a clear goal is formulated, experimentation and risk-taking are encouraged, dynamic capabilities are cherished, budgets are based on (achieving) outcomes, collective value creation is recognised, risks and rewards are shared, the public, private and civic organisations partner in a symbiotic rather than parasitic way, and democratic participation in decision-making is central. In this way, a mix between top-down guidance and facilitation, and bottom-up initiatives and participation, is created to solve the big problems of the day.

Additional perspectives and insights

Classical political economy: The discipline of economics is often said to have started with the arguments of classical political economists against mercantilist ideas and policies, which aimed at increasing national economic power through running a trade surplus. Classical political economy argued, instead, that the state should have the limited role of a night-watchman, which secures external defence and the rule of law, in particular the protection of property rights and enforcement of contracts. Today, many people and economists still advocate this. Many classical political economists, however, also recognise that the state should provide services which the market is not well-suited to deliver, such as infrastructure, postal services, standard weights and measures, and a stable currency. A key logic behind the night-watchman state is to eliminate the rents that various powerful special interest groups were able to acquire through the mercantilist state.

Marxian political economists built on classical political economic ideas but came to a starkly different conclusion and argued against the idea that the state can be a neutral passive organisation that ensures that private individuals can flourish in a fair economy. Marxian scholars see the state as an indispensable tool for class domination, which protects the wealth of the rich and punishes the poor if they do not accept the inequalities. The similarities with classical political economists in this regard are surprising. Adam Smith (1776, p. 299), for example, wrote “Civil government, so far as it is instituted for the security of property, is in reality instituted for the defense of the rich against the poor, or of those who have some property against those who have none at all.” Instead of advocating for free trade and laissez-faire as classical political economists do, Marxian political economists argue that in order to end the exploitation and suppression of the working class, the working class has to seize control over the state and undue class domination.

Historical school: Largely in reaction to the problems associated with the industrial revolution, such as child labour, poor working conditions and low standards of living, historical economists argued that the state should ensure through social policy that the national community was flourishing, instead of falling apart. As such, they oppose both laissez-faire liberals, who viewed society as the total sum of individuals and favoured

a night-watchman state, and socialists, who emphasised class conflict and aimed to overthrow the capitalist economic system. Although social policy was initially conceived in this way, largely thanks to the innovative work of the Verein für Socialpolitik in Germany during the late 19th and early 20th century, it has since been argued for and thought of in many different ways. Within Germany after the second world war, for example, ordoliberal thinking and the concept of the social market economy were influential. In this line of thinking, both planning and free markets are rejected, in favour of the combination of a capitalist economy with a strong state that ensures fair market competition as well as a social welfare system. More recent research indicates that government spending on social policies not only enhances the wellbeing of citizens, but also stimulates the economy and productivity.

Austrian school builds on the classical idea of the minimalist night-watchman state and argues that if governments go beyond this limited role, they will cause, rather than solve, problems. A key reason for this is that knowledge is necessarily dispersed, leaving central authorities with a lack of information needed for effective action. Instead, 'free' markets are seen as the best way to communicate the local knowledge of individuals to create efficient economic outcomes. Austrian economists thus embrace the classical liberal idea of protecting "negative liberty" and ensuring freedom from government intervention, while they reject the social liberal idea that the government should guarantee people's "positive liberty" and enable them to be able to act upon their free will.

More recent contributions to thinking about government policy come from behavioural and complexity economics.

Behavioural economics sees people as susceptible to manipulation in their decision-making. People's bounded rationality causes suboptimal choices that do not maximize their welfare, thus creating 'internalities'. To tackle this issue, governments can nudge people towards more 'rational', or desirable, behaviour by making use of behavioural insights into social proof heuristics, default bias, salience, positive reinforcement, and indirect suggestions. The underlying political philosophy of this policy approach is often called libertarian paternalism, as it pushes people in a direction that is deemed as desirable by the authorities, without hurting the freedom of choice of individuals.

Complexity economics, on the other hand, focuses on the fact that policy tries to influence complex and dynamic systems, and therefore argues that governments should pay more attention to the unexpected consequences of policies. Complexity economists believe that policy tools need to be diverse and flexible enough for the systems that they try to control, so that adaptation and the learning process can work more effectively.

Other: Quite naturally, political economists and political scientists have extensively studied governments and their economic roles. In doing so, many important approaches within political science, such as realism and constructivism, have also played a major role in analysing the economic dimension of governments. An important topic here is to what extent companies are in practice regulated by the state, and the influence that companies have on the rules and regulation that they are subject to. Furthermore, political economists study economic policy more broadly, from how the dynamics of political competition influence policy decisions, to the influence of experts and the internal structures of government institutions.

Teaching Materials

- Chapters & Papers:
 - Economics: The User's Guide by Ha-Joon Chang, from 2014, chapter 11. This brief and accessible

- pluralist book contains a useful introductory chapter on the role of the state.
- *Economics After The Crisis* by Irene van Staveren, from 2015, chapter 6. This well-written textbook sets out the neoclassical, post-Keynesian, social economic and institutional perspectives on the state.
 - *The Economy* by The CORE Team, from 2017, chapters 14, 15 and 22. This successful textbook provides an introduction into mainstream ideas and empirical findings on fiscal, monetary and public policy.
 - *Principles of Economics in Context* by Jonathan Harris, Julie A. Nelson and Neva Goodwin, most recent edition from 2020, chapters 12 and 25. This useful textbook, which pays particular attention to social and environmental challenges, devotes two chapters to tax and fiscal policy in specific.
 - *The Microeconomics of Complex Economies: Evolutionary, Institutional, Neoclassical and Complexity Perspectives* by Wolfram Elsner, Torsten Heinrich, and Henning Schwardt, from 2014, chapter 17. This innovative textbook makes readers familiar with new insights coming from frontier mainstream economic research, with one chapter devoted to the policy implications of the findings discussed in the book.
 - *Macroeconomics* by William Mitchell, L. Randall Wray, Martin Watts, from 2019, chapters 20, 21, 22 and 23. This ground-breaking and much-discussed textbook written by three leaders of Modern Monetary Theory (MMT), describes in detail the history of economic thinking about the state and macroeconomy as well as recent theoretical and policy debates.
 - *The Handbook of Economic Sociology* by Neil J. Smelser and Richard Swedberg, from 2005, chapters 22, 23 and 24. This extensive and yet accessible book for non-sociologists, provides an impressive and useful overview of the field of economic sociology, including three chapters on the role of the state in the economy.
- **Books:**
 - *The Entrepreneurial State: Debunking Public vs. Private Sector Myths* by Mariana Mazzucato, from 2013. An influential and well-written book, inspired chiefly by evolutionary economics, on the role of the state in innovation.
 - *Alternative Theories of the State* by S. Pressman, from 2006. A useful and informative collection of essays which introduces readers to the institutional, Marxist, post-Keynesian, feminist and behavioural perspectives on the state.
 - *Money and Government: The Past and Future of Economics* by Robert Skidelsky, from 2018. This well-written and insightful book introduces readers to historical and current debates about the state, with particular attention to neoclassical and Keynesian ideas.
 - *Political Economy: The Contest of Economic Ideas* by Frank Stilwell, most recent edition from 2011. A well-written textbook, with parts devoted to classical, Marxist, neoclassical, institutional, and Keynesian economics and particular attention to ideas surrounding the state, reform, policy and economic systems.
 - *Routledge Handbook of International Political Economy* by Mark Blyth, from 2009. A useful and extensive book which provides an overview of the wide field of international political economy with particular attention to its North American, British, and Asian branches.
 - *Frontiers of Heterodox Macroeconomics* by Philip Arestis and Malcolm Sawyer, from 2019. A useful collection of essays on recent insights coming from unconventional thinkers, and in particular post-Keynesian economists.
 - *Handbook of Public Economics, Volume 5* by Alan J. Auerbach, Raj Chetty, Martin Feldstein, and Emmanuel Saez, from 2013. Another useful collection of recent insights coming from mainstream economists on topics, such social insurance, charitable giving, urban public finance, and taxing labour, wealth, and internationally.

Building Blocks: Overview

The meat and bones of the Economy Studies course design method are the ten building blocks. Each of these building blocks covers an area of knowledge or a skill that we see as essential for the education of future economists. They can be used as templates to create courses, of generally six to ten weeks each. One can also pick and choose elements of the different building blocks to combine them into a broader course, or split up a building block into several courses.

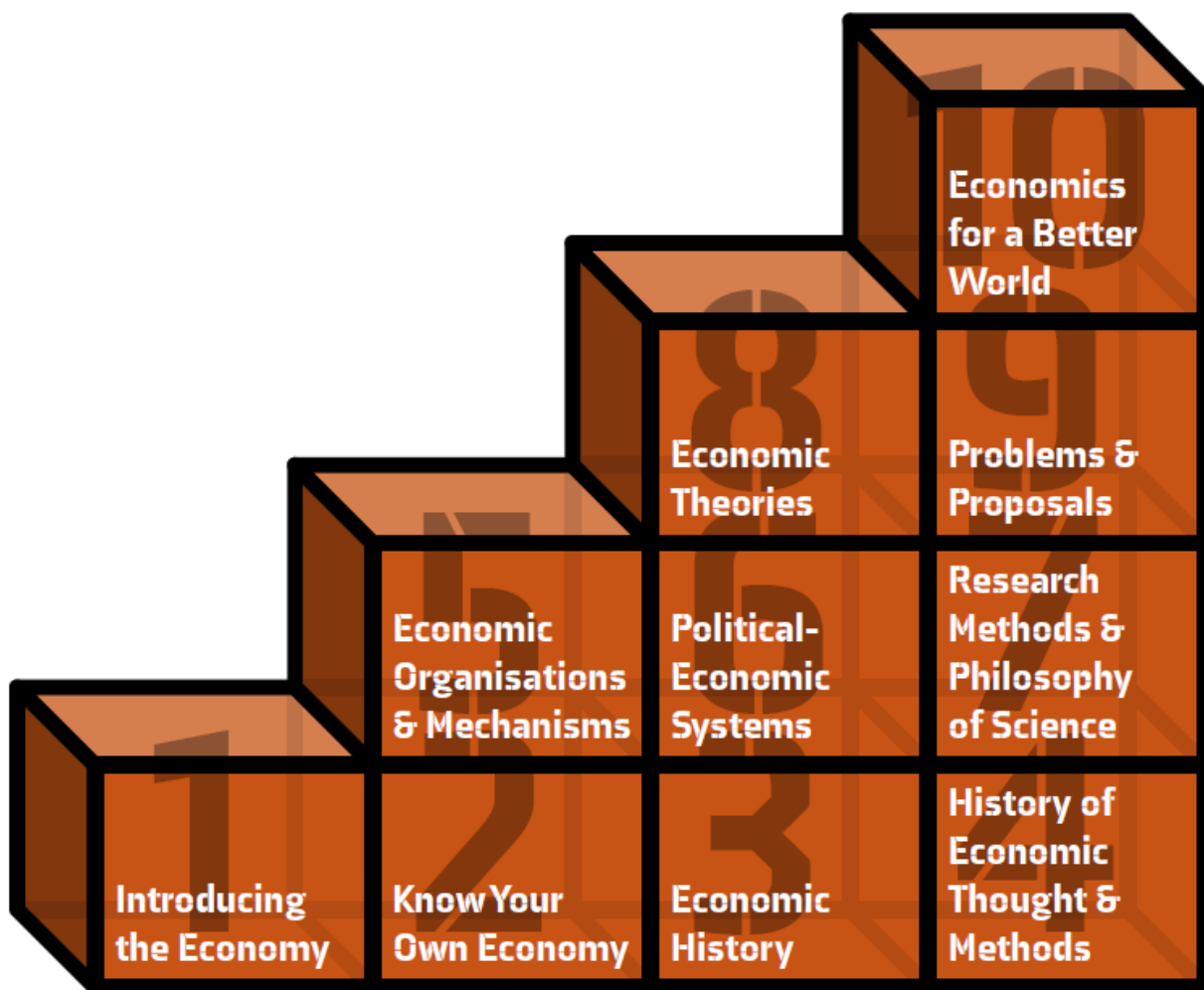


Figure 1: The ten building blocks that form the core of this book. The order of the numbers is not necessarily the order in which they should be taught. Their relative size varies, with building blocks 7 and 8 generally taking up much more space than the others.

The first two building blocks focus on helping students to develop a feeling for economic matters and teaching them basic conceptual and real-world economic knowledge. *Building Block 1: Introducing the Economy* discusses the definition and relevance of ‘the economy’ and how it is related to other aspects of the social and physical world. *Building Block 2: Know Your Own Economy*, explores actual national and local economies and their structures, institutions and sectors.

With this basic knowledge in hand, we explore the history of economic thought and of the real-world economy. *Building Block 3: Economic History* explores the fascinating and diverse history of economic events

and developments. *Building Block 4: History of Economic Thought & Methods*, in contrast, is about the remarkable and complex history of ideas about the economy. Together, these chapters provide a crucial foundation for students' further education.

Besides knowing basic economic concepts, facts and history, it is key that economics students learn how economies can and have been organised, at micro-, meso- and macro-levels. *Building Block 5: Economic Organisations & Mechanisms* investigates the different forms of economic interaction and organisation that operate at each level and together make up an economy. *Building Block 6: Political-Economic Systems* reviews the complex structures, institutions and power relations that form the overarching structure of an economy.

Another core element of a good economics education is a broad and diverse analytic toolkit, filled with relevant methods and theories. *Building Block 7: Research Methods & Philosophy of Science* is about both quantitative and qualitative data collection and analysis methods. In *Building Block 8: Economic Theories* we propose a 'pragmatic pluralist' approach to teaching theories by focusing on only the most important insights for every topic. These two building blocks will likely take more space in most programmes than the others, as the centre of gravity of an academic education lies in methods and theories.

The last two building blocks are largely concerned with the productive application of economic ideas in the real world. Economics education should be preparing the economic experts of tomorrow for their future roles in society. *Building Block 9: Problems & Proposals* deals with the practical skills necessary for the work of almost all economists: analysing real-world problems and working on proposals to address them, whether in a company, government agency, think tank or academic department. *Building Block 10: Economics for a Better World* deals with the values involved in decision making, asking what normative principles and visions can guide actions to address the major challenges of our times.

Building Block 9: Problems & Proposals

Practical skills to critically and constructively analyse real-world problems, with a focus on the economic aspects, and work on proposals to address them.

What: This building block is about investigating specific economic issues and proposing or evaluating ideas that aim to solve them. Students should gain experience with the full process: from acquiring an overview of the problem and the field it is located in, to various ways of evaluating possible solutions and presenting those solutions to decision-makers. Students should learn both practical and analytical skills to give good advice on how to address issues, based on a variety of values and analysis techniques.

Why: Practical economic analyses, like cost benefit analyses of proposed public investments, are a core aspect of most economics students' future work. While more sector- and role-specific techniques and skills can be learned on the job after graduation, academic education should teach skills beyond the purely academic. It is vital that students are trained to think through real-world economic questions in a systematic, analytical and thorough way.

Contrast with current programmes: Most current programmes mainly focus on theory and statistical testing of universal economic laws. This is a very useful skill set to develop scientific knowledge. Professional economists, however, need a number of different skills, which are associated with the work before and after the typical 'academic' research. Before working through a specific theoretical model and applying statistical tests, one needs to analyse the context: the sector or topic, and subsequently define the problem at hand. This involves exploring different perspectives, using systems thinking to map the structure of the relevant economic sector(s) and topic(s), locating and understanding stakeholders, values and interests, and getting an overview of available data and information. Then, after performing data analysis, one needs to outline possible future directions, formulate concrete proposals - to make the conducted analysis policy- or decision-relevant, and communicate the analysis to internal and external stakeholders.

Sections:

- 1** Problem Analysis
- 2** Proposals
- 3** Practical Suggestions

“Blackboard economics is undoubtedly an exercise requiring great intellectual ability, and it may have a role in developing the skills of an economist, but it misdirects our attention when thinking about economic policy.”

Ronald Coase (2012, p. 19)

Economists are often employed in the role of advisers and policy designers: whether working as a consultant, as a policy-maker, in the non-profit domain or in the commercial or financial sector, our job is frequently to provide a framework for strategic decisions and policy-making. In this building block, we discuss how students can get basic training in this key aspect of working as an economist: evaluating practical problems and coming up with potential solutions. We have divided the process in three parts: first the sector or topic scan to build context, then the problem analysis and finally the concrete proposal.

A good way to learn to work on practical challenges is through case studies. Throughout this building block, we use an example case study to make our proposals more concrete and tangible: the problem of increasing numbers of people with debt problems.

1 Sector or Topic Scan

A good analysis starts with context. This generally requires forming an overview of the sector or topic at hand. Building Block 2: Know Your Own Economy suggests various angles to gain an understanding of national economies. Those methods may again be useful here, when applied to a specific topic or sector rather than an economy-wide scan. Sector analyses are often used in investment banking to analyse profitability. We propose here to go beyond this specific focus in order to prepare students to also be able to conduct sector analyses for a public or civil society organisation which can have different and broader priorities.

A sector or topic scan could include analysing relevant documentation, such as policy reports, media coverage and annual reports, as well as gathering basic statistics and talking to experts and stakeholders. Such practical literature research requires somewhat different skills from writing an academic literature review, so it is important that students gain experience with this. Some historical background knowledge of the sector is also very helpful when trying to set a new direction, and can be gained through expert interviews and reading. Using these and other sources, students can start to outline their own overview of the relevant organisations, groups, relationships and pressures around the topic in question.

One useful analytical tool for sketching such an overview is systems thinking, as it helps students connect different aspects and help them better understand how they interact with each other. Systems thinking enables us to think in terms of networks and relations between various groups and organisations, in terms of stocks and flows, and in terms of processes, rather than static situations. Systems may spiral out of control as certain dynamics can enter self-strengthening (positive) feedback loops. At other times its forces and pressures, whether for good or for ill, may fizzle out through balancing negative feedback loops. Systems can be any size and have numerous integrations and connections to other systems. They can be as small as the economic dynamics in a single shopping street, as shops enter and exit and retail culture changes over time, or

as large as international financial systems. Two useful books to learn about systems thinking are: *Thinking in Systems: A Primer* and *Systems Thinking For Social Change*.

Taking the example of increasing prevalence of chronic personal debt, the sector and topic scan might include any of the following components:

- Gathering statistics on chronic debt prevalence and duration;
- Exploring the legal frameworks on personal indebtedness and bankruptcy;
- Taking stock of governmental practice on the issue;
- Interviewing debtors to explore their experiences and to create an overview of typical trajectories into and out of chronic debt problems;
- Creating an overview of the types of commercial parties involved and their business models;
- Writing up an overview of any other governmental and non-profit organisations that work in the area;
- Mapping all these actors and factors together using systems thinking.

It is unrealistic to expect students to have the perfect overview of a sector or topic. However, teaching them a technique to analyse the context will help them to approach concrete problems with confidence. This is particularly useful and important because in their later career they will often have to do similar exercises, although often in a more quick and dirty way.

2 Problem Analysis

After exploring the context in a broad-ranging, structured and systematic way, it is time to start defining the problem itself more precisely. Colander (2001) provides six common sense methodological rules for what he calls ‘the art of economics’, that is, applied and practical economics:

- Take in all dimensions of the problem;
- Use whatever empirical work sheds light on the issue at hand;
- Do not be falsely scientific and present only empirical tests that are convincing to you;
- Do not violate the law of significant digits;
- Use the reasonable person criterion to judge policy;
- Use the best economic theory available.

Applying the most suitable theory requires gathering an overview of potential theoretical approaches to the problem, and from those, ‘choosing the right model’ (Rodrik, 2015). Any model, whether mathematical or based on another language, is a simplification of the world. The main criterion for choice is this: does the model capture the most relevant mechanisms and elements for this specific problem and set of values? For details on choosing between theoretical approaches, we refer to Building Block 8: Economic Theories and the accompanying online resources.

In terms of practical tools, a useful technique for defining the problem is stakeholder mapping. Stakeholders can range from well-defined interest groups such as employers’ organisations and labour unions, to often less organised stakeholders such as citizens and consumers.

This is not merely a technical exercise. When deciding what the problem is, normative questions inevitably come into play. A problem, after all, can be defined as a negative deviation from the desired situation. And in defining the desired state of affairs, we are acting normatively. The tricky part is this: it is not the role of the economist to make normative decisions. But it is the job of the economist to clearly lay out the normative concerns involved.

This is only possible if economists are aware of the normative issues surrounding the topic. It is not enough to assume the various stakeholders have certain interests or preferences. Actual empirical research is needed to find out what they find important and worrisome. In this process, students should learn to be aware of power differentials between various stakeholders and to repeatedly ask themselves: whose problem are we talking about? Which groups might be adversely affected by potential solutions?

Systematically mapping concerns and normative ideas of people requires skills, so this course could well be combined with methods courses focusing on teaching students how to conduct interviews and survey research. Furthermore, they need to be able to conceptualise normative concerns in a coherent and clear manner. Here, questions of values and economic goals will inevitably play up, which are respectively discussed in Foundation 4: Values and Building Block 1: Introducing the Economy.

To return to the example of increasing prevalence of chronic personal debt, the problem analysis might include any or all of the following aspects:

- The moral obligation to stick to contracts and agreements, to pay one's due;
- The societal cost of an expensive judiciary system dealing with debt default;
- The various psychological burdens of living with chronic debt, such as guilt, fear and loss of self-esteem;
- The notion of fairness: the current system is penalising poverty and widening existing inequalities;
- The financial problems of companies whose goods and services go unpaid;
- The societal loss of the active and unburdened social contributions of chronic debt sufferers.

Ideally, a problem analysis would also include some overview of the upsides of the current situation, so that in solving a problem, we realise what positive elements might be worth considering, and what parties might be opposed to certain solutions. In our case study, these might be some of the following: the economic benefit of additional jobs at debt collector agencies, the extra income for public coffers brought in by interests and penalties on late-paid fines, the decrease in negotiating costs resulting from having strongly enforceable contracts backed up by a credible threat.

Some of these are easily expressed in monetary terms, others not as they primarily exist in other dimensions. While a policy solution may require comparing pears and apples and translating everything to monetary values, we suggest expressing each of these problem factors first in their own terms. This is especially important because translating everything to monetary values requires making normative trade-offs. It is not the job of the economist to make these normative decisions, so it is important that students learn how to communicate the normative trade-offs to non-economists (DeMartino & McCloskey, 2016).

3 Proposals

Writing proposals

Having mapped the context and analysed the problem, it is time to think about solutions. Choosing which solution is most desirable is often not up to economists. However, we do need to be knowledgeable about the different normative principles that can guide decisions. This is an important element of Building Block 10: Economics for a Better World. This section is rather about how to analyse the different options to choose from. What are relevant and good suggestions to address the issue at hand?

Coming up with innovative solutions has a creative element to it which is difficult to plan and teach. Nevertheless, students can be stimulated to engage in open brainstorm sessions triggering them to look at the

matter in different ways. While creativity is useful, it is also important that students learn not to reinvent the wheel. Rather than coming up with entirely new ideas, most often good potential solutions come about from further developing and building on earlier ideas and applying them to the specific situation. History does not repeat itself exactly, but it does follow certain patterns. A crucial skill to teach students is therefore to find such ideas and examine similar cases.

Economic theory is also key here. How one theoretically understands the problems also for a large part determines what one comes up with as a solution. If over-indebtedness is theorised to come about because of individual cognitive mistakes and miscalculations, one might come up with the idea to give people more and better information, and nudge them to be more aware of the risks of borrowing money. If one, on the other hand, theorises that over indebtedness is caused by certain characteristics of the larger economic system, one might come up with ideas to reform elements of that system. For instance, one might look at regulation of lending practices and addressing underlying trends such as stagnating wages and rising housing prices.

This example demonstrates not only the link between theory and solutions, it also shows how difficult it can be to separate theoretical and normative assessments of issues. Pluralism is thus not only a matter of better understanding a topic, but also of bringing out underlying normative assumptions.

Once several potential solutions have been identified and developed, a useful technique to analyse and compare them is scenario thinking. Scenario thinking is a structured process of thinking ahead and anticipating. The objective is to examine possible future developments that could impact individuals, organisations or societies, in order to find directions for decisions that stand a good chance to pass the test of time. Scenario thinking always includes a number of possible future scenarios, thus preparing for many possible future events. This tool can be fruitfully combined with systems thinking. Students could ask: of which system is the problem or proposed solution part? What feedback loops could this policy initiate? With what other processes might it interact with? Are there relevant tipping points? Are there strong countervailing forces preventing change?

It is also important to think about what unintended consequences a potential solution might have. Besides solving the problem, it might create or worsen other problems. Therefore it is important that students learn to think through what the effects of a policy or action might be. And finally, a key element that should not be forgotten is the implementation. An idea is not of much use if it only works well in theory, but is highly unlikely to ever be implemented because of practical issues or power pressures.

To systematically take these various factors into consideration, various practical policy tools have been developed that professional economists frequently use in their work. The most well-known of these is cost-benefit analysis (Boardman et al., 2017), based on neoclassical economics. Newer policy tools include risk-opportunity analysis, based on complexity economics (Mercure et al., 2020), and participatory evaluation (Cousins & Chouinard, 2012), inspired by the cultural approach. To prepare students for their future work, we advise devoting teaching time to these policy tools and expose them to recent developments in the field.

These practical policy tools are also connected to larger perspectives on how one should think and approach policy making. Examples of these perspectives are the positivist approach aiming for evidence-based policy making (Davies & Nutley, 2000), the constructivist approach aiming to include different conceptions of social reality in policy making (Guba & Lincoln, 1989), and the (critical) realist approach, which aims to synthesise the other two approaches making use of theory-based evaluation (Pawson, 2002; Pawson & Tilley, 2001; Stame, 2004).

Evaluating proposals

At this stage, we also suggest providing students with the tools to evaluate and compare proposals. In their careers, students will often have to assess proposals and arguments put forward by others, so it is important to prepare them for this.

Evaluating proposals takes many of the same skills as writing proposals, but there are also a couple of important differences. Evaluating proposals written by others takes less time. Rather than experiencing the entire process of writing a proposal, one reads only the final outcome. As such, it is important to learn how to quickly develop an understanding for an issue at hand. This requires knowing what to focus on and what not, which in turn rests on the ability to spot and identify the crucial steps and elements in proposals. Students need to learn to see the line of reasoning and identify the core theoretical and normative ideas underlying the arguments. They should learn to weigh empirical evidence that is presented to support claims and know how to rather quickly assess the methodologies of studies.

4 Practical Suggestions

These are skills that are best learned by doing. The best way to teach this type of practical skills is not using textbooks, but through concrete case studies. These might be historical as well as current. For students, it is often more interesting to work for a real-world organisation, so it is great if companies, government agencies or NGOs can bring in the case studies. If a practitioner from one of these organisations can be found to help teach the course, even better. Alternatively, cases can be drawn up by the professor.

More generally, students need to go out into the world and talk to stakeholders. Problem analysis assignments might be bigger projects, up to several months long, but could also very well be structured as smaller tasks. Training students to evaluate existing proposals can be done by giving them reports from academics, NGOs, political parties, government agencies, lobby groups and firms. They could analyse these in smaller groups, discuss them, write summaries, criticisms or evaluations of them, or compare them to other proposals on the same topic. In general, we would recommend doing this on topics that students already know a lot about: it saves time on reading up. However, it can also be a valuable exercise to do this on topics they know less of, as this frequently happens in real world jobs as well.

Finally, this building block is also particularly well suited for teaching students communication skills. They could be given assignments to argue for proposals as well as problem analyses, both in written and spoken forms. This could be done through essays, debates, or letting students give pitches. The goal here is not only being as convincing as possible, but also being understandable and transparent about limitations and underlying assumptions.

Teaching Materials

- To introduce the policy tools, reading materials can be of use, but they will probably have the most lasting impact when combined with practical exercises in which students have to apply the tools themselves. For cost-benefit analysis, a useful book is: *Cost-Benefit Analysis: Concepts and Practice* by Anthony E. Boardman, David H. Greenberg, Aidan R. Vining, David L. Weimer, most recent edition from 2018. For participatory evaluation, the following book can be of help: *Participatory Evaluation Up Close: An Integration of Research Based Knowledge* by J. Bradley Cousins and Jill A. Chouinard, from 2012. Risk-opportunity analysis is newer and has yet to be explained in a textbook, but a useful working paper

explaining the tool and providing examples of applications is: Risk-opportunity analysis for transformative policy design and appraisal by Jean-Francois Mercure, Simon Sharpe, Jorge Vinuales, Matthew Ives, Michael Grubb, Hector Pollitt, Florian Knobloch and Femke Nijse, from 2020.

- A useful and accessible book about systems thinking is: *Thinking in Systems: A Primer* by Donella H. Meadows and Diana Wright, most recent edition from 2015. Another helpful book is *Systems Thinking For Social Change* by David P. Stroh, from 2015. A website providing an overview and links to explanation texts and courses is: <http://learningforsustainability.net/systems-thinking/>
- *The Oxford Handbook of Public Policy* by Robert E. Goodin, Michael Moran, and Martin Rein, from 2008. An extensive book, which provides a useful overview of different aspects of public policy, such as the role of economic policy tools, engagement of stakeholders, and producing and evaluating policy.
- *Handbook of Policy Formulation* by Michael Howlett and Ishani Mukherjee, from 2017. Another extensive book, which focuses on how policy is made with its different aspects, such as choosing policy goals and instruments, policy appraisal techniques, and the politics of defining and resolving policy problems.

Conclusion

In this concluding chapter, we briefly review what this book has offered and then look ahead, offering practical suggestions and ideas for economics teachers and professors, programme directors and students.

1 A New Vision for Economics Education

Our rapidly changing world is faced with many economic challenges, such as increasing debt levels, staggering inequalities and serious forms of ecological breakdown. These challenges are complex and cross multiple dimensions of our social and natural systems. To face these troubles, therefore, it is not nearly enough for economists to hold knowledge in formal, theoretical abstractions. Whilst these may be sophisticated, they only reflect a fraction of what is actually going on in the real world. We need broadly-trained economists with an understanding of the real-world economy. We need economists who know for example how the main industries work, who can grasp the interfaces between state and corporate systems and who see how economies are embedded in the society and ecology at large.

This requires open minds which can look at issues from a variety of perspectives. Given the multifaceted nature of economic systems, no single theoretical framework or methodology can answer all questions, or capture all of its dimensions and mechanisms. Instead, economists need the ability to think critically and evaluate the appropriateness of a range of fundamentally different approaches. In doing so, they also need to be able to clearly distinguish and explicitly discuss the moral dilemmas and normative trade-offs involved in economic decisions.

This book sets out a concrete path towards building such a pluralist and real-world based economics curriculum. While we envision a large diversity of possible economics programs, we suggest that all programs would be improved by following these three organising principles: a pluralist toolkit of theories and methods, sufficient real-world economic knowledge and practical skills, and active training in the consideration of moral and social questions. To flesh out these principles, we propose ten concrete Building Blocks: practical material for the creation of courses. These Building Blocks include introductory material, history of economic thought and reality, forms of economic organisation, research methods, theoretical approaches, normative ideas, practical skills and knowledge of the real economy.

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What kind of graduates would a program based on these ideas and materials produce? It is important to acknowledge that they would not have all the skills that current-day graduates have. They would have less mathematical sophistication, less expertise in econometric analysis, and less knowledge of neoclassical theory. In exchange for this, students would gain a deeper understanding and more concrete knowledge of the economy they will live and work in. This includes:

- An understanding of the linkages between the economy, the environment and society.
- The ability to analyse different types of economic topics and problems, by using a variety of theoretical and methodological approaches.
- An integral understanding of how various smaller mechanisms make up larger economic systems.

- Practical skills for investigating and resolving questions of economic policy: both understanding the context and choosing the right tool.
- The ability to argue morally as well as analytically, and to clearly distinguish the two.

In short, such programmes would produce academically-trained professional economists: broad thinkers and practical scholars, rather than students who are trained to write academic research papers.

2 Change Is Necessary and Possible

It will not be easy to build such programmes. We fully realise that these changes cannot be introduced overnight. Surprisingly rare is the academic economist who can teach even a basic introductory course on their national economic sectors and institutions. The structure of the discipline - highly internationalised, methods-centred and organised around a single pyramid structure of journals - does not facilitate the creation of such knowledge. The same applies to pluralism in economic theory: the decades-long marginalization of valuable schools of thought has left us with a dearth of suitably trained academics.

In addition, academic programmes tend to have a strong path-dependency. Most are only updated infrequently and changed piecemeal. Long-running courses have to be adjusted, the order of courses stacking on top of each other has to be reconsidered, new courses have to be developed and new expertise has to come into the economics departments. In many countries, national or international frameworks regulate academic programme content. In short, this is a long road, but one that we believe is both necessary and possible.

The changes we propose are necessary. The devastating impact of our economy on the life-sustaining ecological systems of this planet is increasingly visible, making the realistic study of that economy all the more urgent. The unprecedented centrality of the economy in our society and the big role of economic ideas in political decision-making make it all the more vital for economists to be firmly rooted in the real world, to have a pluralist perspective and to be trained in distinguishing the moral tangles inherent to economic questions. We need to prepare a new generation of economists, and we should start this work now.

And the changes we propose are possible. Indeed, they are happening, thanks to the energy of a growing worldwide network of students and academics. More and more pluralist and real-world textbooks, course formats, readers, best practices and other materials are becoming available (see the online *Teaching Materials* resource chapter for many examples). Increasingly, faculties are teaching economics primarily as a subject-based pluralist discipline, rather than a method-centred monist approach. Economic faculties are hiring academics from other theoretical schools and other disciplines, thus reversing the narrowing of the past decades and enriching both students and colleagues with fresh insights. Various universities are starting to experiment with teaching-based career tracks, enabling staff to focus on developing better teaching materials rather than spending every free minute on trying to get published in mainstream academic journals. Pluralist programs are springing up inside and outside of traditional economics departments, throughout the academic world. Perhaps most importantly, more and more faculties are opening up to the idea of widening their student's view beyond the traditional theories and methods.

3 Calls to Action

But while there are hopeful signs of change, this is only the start. We need more students, teachers, programme directors and deans to make a difference and help ensure that the economists of the future are prepared for their roles in society. So what can each of us do to bring economics education to a higher plane?

Students, be critical of what you are learning. Do not just ask: “*Is this part of the exam?*”. Instead, ask: “*Does this reflect the real world?*”, “*In what other way could one also look at this issue?*”, and “*What are the moral dilemmas surrounding this case?*”. Look up the course you are following in chapter *Tool 2: Adapting Existing Courses* and discuss the suggested additions and changes with your teacher. Design your own ideal course with the tool of chapter *Tool 4: Example Courses* and campaign to make your dream into a reality. Talk to your lecturers and find out who is interested in your ideas. Build public support by publishing an open letter or petition that advocates for the creation of this new course.

Get in contact with the programme committee and apply the *Tool 3: Curriculum Review* to your programme to see what could be improved. Build, or join, a local team of critical students. Organise a reading group or an event. If you want, you can get affiliated with the international Rethinking Economics network and benefit from the experience, contacts and resources of a large worldwide network of student groups. Doing it together will not only help you last longer and achieve more impact, it will also be more fun.

Teachers, think about what you are preparing your students for. Less than 3% of them will become academic economists, the rest will work inside government agencies, policy institutes and think-tanks, (central) banks and other financial corporations, private sector and not-for-profit companies, NGOs and campaign groups, and journalistic entities. As such, they will work on tackling practical and real-world problems, rather than publishing academic articles. So, confront your students with the messy and complex real world, let them practice tackling actual cases, start lectures with today’s newspaper, ask guest speakers from the relevant field, and let students go out of the classroom and see it with their own eyes.

Stimulate open discussions and active participation from students, bring in literature from other disciplines, actively expose the weaknesses of the theories you are teaching. Make normative assumptions explicit and let students struggle with the resulting moral dilemmas. Make sure that you are not just pushing through a textbook; be proud of your role as a teacher and use it. Make use of the suggestions provided throughout this book, and in particular in *Tool 2: Adapting Existing Courses*. Kick-start discussions, play devil’s advocate. Trigger students to start thinking, critically and independently.

Most academics reach many more people through their teaching than through their academic papers. Yet today, teaching is underappreciated and under-rewarded. Often, the time allocated for teaching is not nearly enough. Please speak out about this. Challenge that status quo, with the students as your allies.

Deans and programme directors, support and facilitate good teaching. Make sure that your faculty have enough resources and time available for teaching. Enable them to constantly improve their teaching and update the taught material. Give students a voice and role in designing and adapting the courses. And ask yourself: how is our program built? Was it created through a departmental power struggle about which professors’ specialisation is more important and deserves most space in the programme? Or is it carefully designed based on a clear idea of the societal roles students are being prepared for?

Do not be afraid to deviate from the standard programme at other universities. Variety in programs makes economics education stronger, not weaker. Take a look at the chapter *Tool 5: Example Curricula* and draw

inspiration from other innovative programmes. And try your hand at the Curriculum Review Tool, to see where in your programme there might be gaps in terms of relevant knowledge or skills. You could also ask teachers or students to run this analysis, and set up a series of meetings to discuss the outcomes. Or you could ask members of the international Rethinking Economics movement to organise a workshop or conference to further explore how the programme could be improved. Attention and open discussion about how to better economics education can only be positive, contributing to better prepared future economists.

Governments, create the right conditions for good economics education. Look at how resources for teaching and research are distributed. Does this encourage relevant, open-minded and interdisciplinary research and teaching, or does it encourage scoring on the intellectual square millimetre through a competitive ‘publish or perish’ system? Are universities stimulated to offer their faculty career options focused on education and reward good teaching? Governments could also follow the French example (2014) and initiate an independent and in-depth investigation of the state of the economics education in the country.

Climate change, inequality, economic instability, ageing, power concentration, pandemics, biodiversity loss, social polarisation, resource depletion, migration, poverty; these are core challenges for the world of today and tomorrow. Economists have a central role in society and need to tackle these challenges head-on. Reforming and modernising economics education is therefore of great importance not only to the students and teachers directly involved in it, but also to society as a whole. Let’s build better courses and programmes, together.

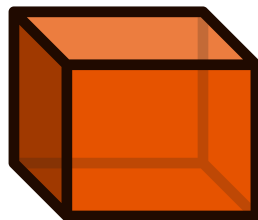
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