
***The History of Economic
Thought: Can it lead
to Pluralist Economics
Education?***

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Abstract

History of Economic Thought (HET) offers a wide paradigm and scope of learning economics from varied perspectives. Its prime purpose is to orient students towards the methodological revolutions that shaped the economics of today. It helps in understanding economic events from various perspectives and critically investigates the historical and methodological foundations of economics. However, the trend of teaching the subject has been falling in universities. Parallely the debate of pluralist economics education in varied senses viz a viz methodological, theoretical has been going on for a long period of time in the economics discipline. Since the 2000s, researchers and academicians started deliberating on the role of the history of economics in promoting pluralist economics education. Therefore, the author through this essay attempted to answer the central question, “Can teaching HET in economics courses help in introducing pluralist economic education?” based on the current literature review. The author found that given the lack of in-depth research teaching, HET cannot play a major role as the first step towards pluralistic economics education or enhancing pluralistic education, but there is merit in the central question witnessed through the benefits of HET.

Keywords: *History of Economics, Pluralism, Economics Education*
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INTRODUCTION

Economics education in universities plays a very crucial role in society as graduates progress towards various fields such as corporate, policymaking, government, world organizations. Economics with various methodologies, contributions from other fields of social sciences makes it intrinsically a multi-disciplinary and pluralist discipline. The subject has evolved from normative to positive economics.

However, the financial crisis of 2008 posed a grave question on the discipline for its lack of consensus on managing the recession. Some economists believed that one of the causes behind this can be found in economics education. Economics education was highly dominated by the neo-classical approach and economics graduates are not taught about all the methodologies in economics (Rethinking Economics, 2020). Neoclassical economics reflects the world of 1860-1967 where the private goods, competitive markets, and the western world dominated the economy. However, in the globalized world, none of these three are valid. Hence, the discourse was initiated where economics must adjust its paradigm and widen its scope towards pluralism in economics education.

In this essay, the author will argue that teaching History of Economic Thought (HET) can mark the beginning of pluralist economics education but need not be the end of the argument. The central question of this essay is **“Can teaching HET in economics courses help in introducing pluralist economic education?”** The authors will understand the systematic literature review to answer the above question. In the subsequent sections, the essay will include the literature review, critical value addition, and conclusion.

LITERATURE REVIEW

After surveying the literature, the author found that there is ample research in the domain of economics education. The common concern raised in the literature is the myopic view that the economics curriculum offers to its students with the dominance of a single neoclassical theory (Rethinking Economics, 2020). (Denis, 2009) writes that economics as a discipline is plural in nature but the transmission of it through teaching is singular. There are several bases on which pluralism has been defined such as ontological, epistemological (Mearman, A. et. al. , 2011). The exposure to a range of methodologies and theoretical perspectives gives a pluralistic impression of economics, also termed as methodological pluralism. Pluralism in economics education is necessary because the subject is intrinsically plural and failure to inform that to students is dishonesty to the subject itself. The prime benefit of the pluralist pedagogy is that it leads to better mastery of the discipline, critical

independence, better citizenship, and employability (Dow, 2009).

Among the section of economists advocating for economics pluralism, some economists root for teaching HET as a major tool to progress towards achieving the latter. The purpose of HET is to orient students towards the methodological revolutions that shaped the economics of today. It helps in understanding economic events from various perspectives and critically investigates the historical and methodological foundations of economics. (Bögenhold, 2020) writes that if students receive a degree in economics without knowing and reading about Minsky, Hayek, or Marx then economics is in danger of extinction. The most famous work in this area is written by (Schumpeter, 1954) in his book, *History of Economic Analysis*. He mentions three critical implications of teaching HET in the economics curriculum. Firstly, it enhances the pedagogy because to have a thorough understanding of the current state of economics it is crucial to know its historical roots. Secondly, it leads to the creation of new ideas among learners as old theories might provide new interpretations to the economic developments. The third significance is more philosophical where HET helps in giving insights into the working of human minds.

Although HET offers a wide paradigm and scope of learning economics from varied perspectives, still, during the last decade teaching HET in the economics curriculum in universities has been either falling or completely taken off from the books (Bögenhold, 2020). On the other hand, (Blaug, 2001) finds that there has been a rise in the seminars, papers, and journals being published in this area. Many scholarly articles argue that not teaching HET leads to an incomplete understanding of society, institutions, political and philosophical motives of economic developments. One possible reason for this trend can be due to teaching HET without researching the impact of HET on study outcomes and its relevance for the students. Hence, the present economics education can be seen as a trade-off such that recent graduates of economic studies are more competent in the application of statistics and computer languages than in knowing the history of economics.

On the other side of the coin, a research paper authored by (Blaug, 2001) provides an argument against teaching HET. The paper mentions an argument by Paul Samuelson where he says that HET as a subject is not useful, you will never hear an employer is impressed by the fact that the student has completed a course in the history of economic thought. There is no doubt that there has been a continuous attempt to construct economics as a science and we have been successful in that projection and the current attitude towards HET can be learned based on what Jean Baptise said, the more perfect the science, the shorter the history.

In the following section, the author will discuss the case of Indian universities in the context of the central question.

CASE OF INDIAN UNIVERSITIES

India has the third-largest higher education system and with an increasing number of universities, the number of economics programs has also increased. Economics education in Indian universities is influenced by the western approach of neo-classical dominance. The programme structure of economics does not consider the multi-disciplinarity, real-world application in form of research and historical aspects. Additionally, little heed is paid to the quality of economics education by the researchers in the country. There are very few researchers who have written on the issue of lack of pluralism or multi-disciplinarity in economics education in Indian universities (Arora, 2020).

According to (De & Thomas, 2018) there is an urgent need to introduce the history of economics to equip the understanding of how colonialism, technological and political changes lead to the creation of a modern economy. HET has pedagogic importance of acknowledging the gaps in the discipline, understanding the political contexts, and gaining a deep understanding of the discipline. (Bäuerle & Pühringer, 2018) notes that to make a socially responsible and reality-oriented curriculum pluralism in education through teaching history and philosophy courses are required.

The author analysed the programme structure of the top 10 universities (Ministry of Education, 2020) and identified whether the history of economics or its related subject is offered as one of the subjects or not. The result was that **“only one out of the top ten universities in India offer History of Economic Thought as a compulsory subject and one university offers it as an optional subject in its economics education.”** The above finding conforms to the trend written in the literature review and in contrast to what Indian academicians in research papers prescribe.

CRITICAL ANALYSIS

The great recession of 2008-09 can be considered as a big elephant and four major theoretical perspectives, Keynesian, Austrian, Monetarists, and the Real Business Cycle (RBC) theorists are taken. When all theoretical perspectives are blindfolded they try to analyse the elephant (Great Recession), so one of them touches the trunk, one tail, one leg, and another belly. The intention is to understand and analyse the elephant. If every theoretical

perspective is blindfolded that means it ignores the other three and they analyse their own portion of the elephant but when we amalgamate all the perspectives, we can understand the whole economic recession. The key idea is that if students do not read and understand about the HET which includes teaching about Hayek, RBC theorists, and are taught only quantity theory of money, they are actually blindfolded and unintentionally ignore other perspectives thus, having incomplete understanding. This further has implications on devising solutions to such problems, policy-making for economies, etc.

After the survey of the literature, it can be seen that teaching HET to graduates has some merits. It exposes students to mass lands of economics where different economists, famous debates, different methodologies, political contexts, philosophical contributions are present. In India, there has been very little effort by researchers to analyse and understand the role of economics education. This essay is an attempt to make the pitch for researchers and academicians in India to dwell on the importance of pluralist economics education and teaching History of Economic Thought as a first step towards it.

However, still, the existing research is not sufficient to prove that HET has an impact on student's learning outcomes. After analysing both perspectives on HET there is a ray of optimism to revive HET teaching in universities and undertake research on how HET can be beneficial for graduates learning and pluralist economics education. Moreover, there is no consensus on the grounds of the definition of pluralism in economics education viz a vis theoretical, ontological, methodological, etc. Consequently, it is hard to identify that HET is enhancing which type of pluralism. There has been no scientific research to conclude that teaching HET will result in economic education becoming more pluralistic. Therefore, the central question posed in the beginning has some merits but requires a more sophisticated answer post-in-depth research.

CONCLUSION

The mirror trend of declining teaching history and increasing journals related to HET and publishing proves that interest in HET has not diminished in aggregate. The literature review led to the conclusion that given the lack of in-depth research teaching HET cannot play a major role as the first step towards pluralistic economics education or enhancing pluralistic education but there is merit in the central question witnessed through the benefits of HET. This essay is an attempt to make the pitch for researchers and academicians to dwell on the importance of pluralist economics education and teaching History of Economic Thought as a first step towards it. The author hypothesis' that teaching HET plays a crucial role not only

in understanding economics but also in widening the horizons of one's cognitive abilities to apply economic methodologies and theories to understand and explain policies, recessions, and economic growth.

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