

BOOK REVIEW

Title: The Econocracy: The Perils of Leaving Economics to the Experts

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Publisher: Manchester University Press, UK

Pages: 232

Year of Publication: The first edition 2016

ISBN: 978-1-5261-1012-1

Price: £ 65 (hard cover)

One hundred years ago the idea of 'the economy' didn't exist. Now, improving the economy has come to be seen as perhaps the most important task facing modern societies. Politics and policy making are conducted in the language of economics and economic logic shapes how political issues are thought about and addressed. The result is that the majority of citizens, who cannot speak this language, are locked out of politics while political decisions are increasingly devolved by the experts. They argue that "economics has become dominated by a particular, narrow way of thinking about the economy" and that "Economics education involves memorizing and regurgitating neoclassical economic theory uncritically."

The book is written by British members of Rethinking Economics, the international organization of students and recent graduates dissatisfied with their curriculum. This book is written for people with some economics training, or with a keen interest in economics. It is about how the general population has been excluded from public policy debate by an inward-looking economics profession. More than this, the profession is fundamentally failing, having grown in the past three decades to become nothing more than ideology masquerading as science. There are altogether six chapters in this book. The text begins with the introduction and ends with Technical appendix to curriculum review, Curriculum review methodology and References.

The first chapter is related to the core concept of econocracy. Econocracy is defined as a society in which political goals are defined in terms of their effect on the economy, which believed to be a distinct system with its own logic that requires experts to manage it. Since the financial crisis of 2008, there has been no end of books and articles

decrying the so-called 'crisis in economics', mostly based on a narrative (whether fair or not) that economists failed to predict the crisis, and more recently a sense that the subsequent economic response in the form of austerity policies has done more harm than good. Is it any wonder then, the book asks, that the public might be left questioning economic 'experts', and economics students their education?

The Post-Crash Economics Society has its origins in this disenchantment, and one of the book's strongest contributions is its critique of the highly stylized and homogenized curriculum that would be familiar to economics students worldwide. The authors contend that despite attracting capable students who are interested in the world around them, economics as it is taught at university has little to do with the real world, uncritically setting out a model based on rational individuals and an economic system that tends towards equilibrium, while also being insufficiently pluralist, downplaying debate between different schools of economics or relegating these to the History of Economics.

This argument is supported by a useful analysis of the final exam questions on core and elective economics courses at various universities. These rely heavily on what the authors call 'operate the model' problems: asking students to uncritically apply the taught model to a stylized situation, with no thought to whether the model, situation or answers are realistic or useful. Overall this analysis finds that 76 per cent of exam questions required no 'critical or independent thinking whatsoever'. Even if exams aren't perfectly representative of course content, they will very much influence student efforts, so it is concerning that critical engagement is neither valued nor rewarded. The authors lament: 'It is hardly an exaggeration to say that it is now possible to go through an economics degree without once having to venture an opinion'.

When we think of Gross Domestic Product, probably the main measure of the ethereal thing we call the economy, we are actually thinking of a measure whose definition has changed dozens of times. The latest change of note is the inclusion of illegal drugs and prostitution in the European Union official GDP statistics. So is crime now part of the economy? And if so, is it good or bad to have more of it?

Examples like this are common, yet routinely ignored. They reveal that when you define an economy, you are making moral judgments about what is good or bad for society. Economic growth is

only good if you agree with the hidden moral judgments that sneak in when you define the economy.

The decline of critical thinking in economics is beautifully told in the chapter entitled Economics as Indoctrination. For anyone considering studying economics, and for its many of teachers, this chapter will resonate. The Authors make their case that economics courses are best described as indoctrination by presenting the results of a curriculum review they conducted covering 174 economics modules at seven Russell Group universities. Their data is revealing, and provides indisputable evidence that the discipline trains its newcomers in a narrow, uncritical, and unrealistic way.

As a teacher of economics their survey results were fascinating, but not surprising. Multi-choice questions and lack of critical thinking seem to dominate assessment at the two universities I have taught at, while neoclassical methods of optimising representative agent models are the default, and sometimes only, approach taught. If anything, this chapter is a call-to-arms for teachers of economics everywhere.

Beyond neoclassical economics is the third chapter where the authors describe that Pluralism is necessary because, by providing different ways of thinking about economics, it forces people to question how they think and brings issues that are often taken for granted back into the sphere of political discussion. Pluralism necessarily enables critical thinking and also adheres standard academic practices. They clearly describe the following nine different approaches: 'old' neoclassicalism, 'new' neoclassicalism, Post-keynesianism, Classical, Marxist, Austrian, Institutional, Evolutionary, and Feminism and ecological. On the 2008 crisis: 'although banks, politicians and individuals all undoubtedly hold some responsibility for what happened, we believe that at a fundamental level the crisis represented a failure of economic ideas'. Macroeconomics unable to foresee 'exogenous' shocks.

One of the most interesting contributions of this book is its account in chapter Four of the authors' experience lobbying their own university for reform, making this a valuable case study in campaigning and network-building for similarly motivated readers. However, despite their tenacious optimism, even the authors have to admit that 'reforming economics education to better serve its students, the discipline and society will be extremely difficult without a change of direction in university and government policy'. Incremental change at the level of the curriculum can

only do so much, but that doesn't mean it shouldn't be attempted. The remaining chapters are the struggle for the soul of economics, rediscovering liberal education and economics is for everyone.

This book should be required reading for teachers and students of economics, and for anyone contemplating a career in economic policymaking. Improving the economy has come to be seen as perhaps the most important task facing modern societies. Politics and policymaking are conducted in the language of economics and economic logic shapes how political issues are thought about and addressed. The result is that the majority of citizens, who cannot speak this language, are locked out of politics while political decisions are increasingly devolved to experts. The econocracy explains how economics came to be seen this way and the damaging consequences.

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