

Aleksander Sulejewicz

A Range of Peaks : Book Review

International Journal of Management and Economics 48, 125-128

2015

Artykuł został opracowany do udostępnienia w internecie przez Muzeum Historii Polski w ramach prac podejmowanych na rzecz zapewnienia otwartego, powszechnego i trwałego dostępu do polskiego dorobku naukowego i kulturalnego. Artykuł jest umieszczony w kolekcji cyfrowej bazhum.muzhp.pl, gromadzącej zawartość polskich czasopism humanistycznych i społecznych.

Tekst jest udostępniony do wykorzystania w ramach dozwolonego użytku.

Aleksander Sulejewicz¹
Warsaw School of Economics, Poland

A Range of Peaks Book Review

***“The Economics of Economists. Institutional Setting,
Individual Incentives, and Future Prospects”,
edited by Alessandro Lanteri and Jack Vromen,
Cambridge University Press 2014***

The *International Journal of Economics and Management* has so far had no book review section. The reasons for this past omission are complex: some might argue that we economists do not write books worth reviewing (product supply side – unlikely); that we, especially the younger generation, do not read (entire) books these days (product demand side – likely); that journals are a more natural outlet for an exchange of views on current thinking than books, which are a slow, inefficient way in reaching intended audience (distribution side – very likely); or that reviews have a low score or outright zero point average in assessing academic output that facilitates academic reputation and promotion (competitive supply side – most likely).

If, however, the intended audience of book reviews includes other aspiring or established economists (and not promotion committees) then the importance of books reviews increases dramatically. Because book reviews meet the need to participate in economics as a conversation in which we exchange ideas in a pertinent remarks, views, and value-laden evaluations of our globally spaced profession in a less formal setting.

We shall take to task a volume published by the Cambridge University Press entitled *“The Economics of Economists. Institutional Setting, Individual Incentives, and Future Prospects”*, edited by Alessandro Lanteri and Jack Vromen and composed of thirteen separate papers related to the activities of practicing economists in the West, especially in their institutional – collective and individual – dimensions. The authors include methodologically

inclined academic practitioners: Arjo Klamer, Alan Kirman, Bruno Frey, David Colander, Deirdre McCloskey, and Wade Hands, to name just a few. This list suggests that the issues are approached from multiple social scientific perspectives.

Part one, “*The Institutional Setting of Academic Economics*”, includes chapters on the culture of academic economics by Arjo Klamer, the transnationalization of the economics profession by Marion Fourcade, academic rankings by Margit Osterloh and Bruno Frey, and the network of editorial boards in economic journals by Alberto Baccini and Lucio Barabesi.

In part two, “*The Individual Incentives of Professional Economists*” David Colander presents a paper on the competition of European economics with US economics, Wendy Stock and John Siegfried consider career patterns of economics PhDs, and Wade Hands analyzes scientific norms and the values of economists as exemplified in priority fights in economics.

In part three, “*Challenges and Solutions*”, Deirdre McCloskey attempts to answer why economics is on the wrong track, while Robert Frank answers that we try to teach our students too much. In the same section Jack Vromen warns about the perils of narrative teaching in economics, Donna Ginther and Shulamit Kahn present a study of women’s academic careers in the social sciences and Alessandro Lanteri and Salvatore Rizzello discuss economists defecting in the prisoner’s dilemma games. The final paper of the book contains a well publicized manifesto, “*The financial crisis and the systemic failure of academic economics*”, by David Colander and his seven co-authors.

This list of papers demonstrates both the strength and weakness of the book. On one hand, it conveys the most important feature, i.e. the reflexivity of economics, self-awareness and the will to investigate one’s own profession that are all too rare among economists. The model of technical specialist/social engineer [Mankiw, 2006] is the dominant one. We should welcome, therefore, a forum for reflection on the institutional prerequisites of our work and incentives in research, dissemination and teaching. We are faced with a variety of approaches and find through our daily experience that the curricula of economics often neglect economic and political history, and the history of economic thought and are often virtually emptied of social philosophical content and methodological thinking.

The book has its weaknesses, however, in failing to offer a cohesive framework: some authors engage in cultural criticism, some write on the sociology of (economic) science, others present methodological exercises or perform statistical data analysis or comment on game-theoretical experiments. In addition, no substantially new material is presented as several chapters have been widely published before elsewhere. While renewed publication is a testimony of their worth, a continuation or extension of the thinking involved would be more welcome. A brief bibliographical search shows that most of these authors have written on the topic before, usually at some point during the years 2006–2011. This particular selection of their output is, therefore, not well justified.

Readers of this volume will have their own preferences as to the significance or impact of particular papers, but those by Marion Fourcade and Deirdre McCloskey do stand out. Fourcade's "*The construction of a global profession: the transnationalization of economics*" together with her recent paper, "*The superiority of economics*" [Fourcade, Ollion, Algan, 2015], demonstrate the rise to global power of the

economics profession. Mainstream economists are the only social scientists who oppose interdisciplinarity: almost 60% of economists disagree with the statement that "*in general, interdisciplinary knowledge is better than knowledge obtained by a single discipline*" while, on average, ca 20% of other social scientists do so. Clearly, they are persuaded by their own "fully scientific" methodological and theoretical achievements.

Notably, one of the authors published in this collection of essays, David Colander, [1991] noticed 25 years ago that garbage men were more important than economists because if the latter were to go on strike nobody would have noticed and it would have had no practical effect. His opinion, based on the observation that "*economists are not involved in the functioning of the economy*" [p. 19] was to be interpreted as meaning that economists had abandoned facts and institutional knowledge about the economy and instead had concentrated on (a sometimes bizarre) technique for its own sake to the detriment of understanding economics, and had largely failed as teachers and public intellectuals.

Despite the unjustified hubris and *systemic failure of academic economics* (see chapter 13), mainstream economists continue to dominate academic social science, national government and international policy making. In fact, the fear of such mainstream economists dominating policy thinking was clearly expressed during the global financial crisis as illustrated by, for example, INET Rob Johnson's interview with John Kay. Many commentators think that the financial crisis was to a significant degree of our own making. Thus, the diagnosis of crisis is not only pertinent to academic – but also to policy determining – economics (cf. the Greek *débâcle*).

Considering the impact of economics research of Deirdre McCloskey, whose papers and books are often praised and quoted, is a good example to consider as her distinct but essentially mainstream liberal pronouncements are rarely considered in practice. If a discourse, so distant from heterodox economics/methodology, is (politely) forgotten, one really cannot hope for a truly open pluralist discussion of the profession of economics. Economics is ultimately what economists do and we seldom question our self-complacency.

Another paper worth considering is by David Colander. The title metaphor of twin or more peaks alludes to Colander's 1996 [Kupers, Colander, 2014, p. 3] poetic description of (mainstream) macroeconomic economists climbing up a mountain, only to discover, when they broke through the clouds, that a neighboring mountain would have taken them higher.

This 20-year old parabola has not lost any of its poetic charm and relevance. What is more, and what was surely entirely unintended by its author, the feeling of climbing a lower mountain is fully "justified" on the meta-level of reflection upon the state of economics.

In other words, climbing other visible mountains in the range of the sociology of economics or the economics of economics would be more satisfactory and productive. As a bitter adage of the Cambridge Society for Economic Pluralism reminds us “*All schools of economic thought are equal, but some are more equal than others*”.

Yet while “*The Economics of Economists. Institutional Setting, Individual Incentives, and Future Prospects*” is deficient in a number of mentioned respects, it remains relevant. In Poland the self-reflection on current theoretical and methodological practice in economics is still rare, indicating that we might be behind the curve. Remembering the words of Jacques Furet “*With all the fuss and noise, not a single new idea has come out of Eastern Europe in 1989*”, a book containing papers focusing on the state of Polish economics and economic thinking would be welcome. Such work could make us more aware of the traps in which our colleagues in more institutionally advanced economies have found themselves.

Note

- ¹ Author’s e-mail address: aleksander.sulejewicz@sgh.waw.pl

References

- Colander, D. (1991), *Why Aren't Economists as Important as Garbage-men? Essays on the State of Economics*, M.E. Sharpe, Armonk.
- Fourcade, M., Ollion, E., Algan, Y. (2015), The superiority of economics, *Journal of Economic Perspectives*, Vol. 29, No. 1, 2015, pp. 89–114.
- John Kay Internet interview by Robert Johnson (2012), *The State of Economics*, reposted <https://www.youtube.com/watch?v=2jQc8CFDWE>
- Kupers, R., Colander, D. (1996), *Complexity and the Art of Public Policy*, Princeton University Press, 2014, p. 3 quoting David Colander <http://press.princeton.edu/chapters/s10207.pdf>
- Mankiw, G.N. (2006), The Macroeconomist as Scientist and Engineer, *Journal of Economic Perspectives*, Vol. 20, No. 4, pp. 29–46.