Book Review Column

David versus the Goliaths:

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In reviewing William Buckley’s memoir of the 1965 New York mayoral race John Kenneth Galbraith [1966] notes that one rumor doomed Buckley’s chance of making it to Gracie Mansion. Purportedly, Buckley suggested solving the city garbage crisis by having New Yorkers toss their garbage out the window. Tongue-in-cheek, Galbraith adds that there was probably little truth to the rumor that Buckley also said New Yorkers would notice no difference if they followed his advice.

Just as Buckley alienated all of New York on the issue of garbage disposal, in this collection of eleven essays (seven of which were published previously) David Colander has figured out how to alienate all economists on the issue of their worth relative to garbagemen. The title essay of the volume argues that garbagemen are more important than economists because if economists were to go out on strike no one would notice and it would have no practical effect. People would not notice because, unlike other professionals, “economists are not involved in the functioning of the economy” [p.19]. Rather than teaching or helping to formulate better policy, economists are engaged in research and publishing that has few practical consequences and that non-economists cannot understand.

Throughout the remainder of this volume, Colander demonstrates that economists have indeed gone out on strike, and documents several types of job action that economists have taken. First, we have abandoned facts and institutional knowledge about the economy by focusing entirely on abstract theory. Second, we have come to focus on technique to the exclusion of understanding. Third, the quest for academic tenure has led to articles being written to satisfy reviewers, editors, and advisors rather than the researcher’s curiosity. Finally, economists have failed as teachers. Graduate programs do not to teach students the craft of economics or the joys of the intellectual endeavor. Instead, their rigorous training narrows the horizons of incoming students, provides no time to explore any outside interests, and ultimately churns out idiot savants who can dosophisticated mathematical modelling but know nothing about the economy or economic literature.

Why have economists abandoned the real world? To answer this question Colander advances a theory of the rational academic man. The goals of individual economists are both wealth and professional standing. Assuming that “scientists are the same type of rational beings that neo-classical economics assumes all people are”[p.69], it follows that utility is derived from publishing articles in refereed journals. Everything else is secondary and subsumed to this goal of academic publishing.

This view of the professional economist has a number of important consequences. Economists do not search for truth because it is not in their self-interest to do so. Tenure, promotion, and pay increases are awarded for publications in refereed journals rather than for seeking and finding truth. Truth and publications might serendipitously coincide, but this is a unlikely possibility. Similarly, economists do not pursue new ideas or attempt to understand the real world because this activity is difficult and may lead to few publications early in one’s career. This increases the chances that one would be denied tenure or promotion. Likewise, teaching takes the form of introducing economic models, rather than imparting economic knowledge and summarizing literature, because models are easier to teach; teaching models requires less preparation, and allows more time for research. Teaching itself is also given little priority because effort devoted to teaching means less effort is devoted to publishing.

Colander, however, is not satisfied with just trashing mainstream economics. In many articles, he also goes after its critics, albeit for different reasons.
According to Colander, “Heterodox economists seem to enjoy the process of confrontation much more than they worry about what they achieve through that confrontation”[p.130]. Critics of the mainstream also go wrong by talking excessively about methodology, rather than by contributing to public understanding about how the economy works or to the development of alternative economic theories.

Even when they have a better theory (i.e., one that is closer to the truth), this is still not good enough. For it is also important that any new theory be accepted and used. This requires that the theory be teachable and lead to publishable articles. This is a major area where critics of the mainstream have failed.

Examining the contributions of two important heterodox economists — Galbraith and of Abba Lerner — Colander concludes that neither can be judged to have made a lasting impact on the profession because neither left anything for their graduate students to do. “Hence each had few propagators of his theory. Both shunned statistical work, or even modelling, and these are what provide possibilities for less creative researchers”[p.132]. By means of contrast, both Milton Friedman and Paul Samuelson left plenty of gruit work for their students to turn into doctoral dissertations. Colander also criticizes Galbraith for leaving the profession and writing for larger audiences.

Historians of economic thought are blamed by Colander for their own lowly status within the professional hierarchy. They err by employing methods and pursuing avenues of research that are not of interest to mainstream theorists. Analyzing current developments and problems from an historical perspective, comparing the views of different economists, or discussing the implicit values within a particular theory, will never “sell” and never enhance the status of historians.

What could sell, according to Colander, are three techniques. First, interviews of contemporary economists, which ask important theorists about the limits of their theories, would likely find a wide and diverse audience. Conversations with Economists by Arjo Klamer perhaps constitutes the best example of this technique and its potential for success. Second, surveys attempting to discern the changing beliefs, interests, and practices of the profession are an important, underutilized tool. The work of Klamer and Colander [1990] arising from graduate student questionnaires demonstrates the value of this technique. Finally, bibliometrics and citation analysis can quantify the general beliefs and impressions of the profession about the spread of economic ideas, and would likely be of interest to mainstream theorists. Colander argues that only by using such techniques will historians of economics gain the ear and respect of other economists.

Most of the above arguments are made with a good deal of wit and with a great deal of irreverence towards major figures in the profession and mainstream theory. However, unlike the mythical giant slayer with whom he shares a name, David Colander’s slings too frequently miss the mark. In increasing order of seriousness, Colander (1) fails to argue consistently, (2) focuses on the wrong problem, and (3) has not shown that economists are in fact less important than garbagemen.

In his seeming desire to alienate virtually every economist Colander adopts positions and makes arguments that are not jointly consistent. For example, the mainstream of the profession is criticized as a bunch of idiot savants who know technique but nothing about the real world. But critics of the mainstream interested in policy and real world issues are also faulted for doing work that mainstream economists will not listen to or respect, and figures like Galbraith and Lerner are faulted for not leaving a legacy of mathematical work that their students could pursue.

Colander cannot have it both ways. Either mathematical modelling and techniques are an important part of economics or they are not. They cannot be necessary for heterodox economists, but lead to irrelevance when employed by mainstream economists.

Next, I am not convinced that the problems Colander describes are endemic to the economics profession rather than a general problem that plagues academia. In virtually all academic disciplines the need to appear rigorous has led to increasing focus on form over substance; and the need to publish or perish has led to a focus on the trivial and the picayune rather than attempts to solve real problems.

Yet, in many respects economists do better than other academics in connecting with the real world. We churn out a wealth of op-ed pieces, articles in popular magazines, and books that are accessible to the general public. Most of these works dissect current economic problems and propose policy solutions to deal with them. In addition, many economic think tanks do research on the frontiers of economic knowledge and attempt to have a policy impact. There is little that compares with this in disciplines such as philosophy, history, or sociology. And professionals in areas like law and accounting do not get involved in policy debates to the degree
that economists do. Nor are
garbagemen involved in figuring out
how to do a better job collecting
refuse, or in the more important debates about how
to dispose of this garbage. Some economists,
however, are taking part in these discussions.

Finally, if academics in general and economists
in particular are rational net pleasure maximizers,
then by the principles of neo-classical economics
the outcome must be preferred to all other
alternatives and economists cannot improve their
well-being by changing their professional practices.
Consequently, the state of economics may not be
perfect, but it is the best we can do. Indeed, based
upon salaries, working conditions, and the amount
of time spent at work during a typical week
(excluding summers and intersession breaks) it is
easy to argue that economists are more important
than garbagemen.

Colander is right that we economists have taken
the easy road, and that we have done well for
ourselves by doing this. What he has failed to
demonstrate, however, is that taking the easy road
is not optimal, or that rational economists can do
better — either as economists or by becoming
garbagemen.

References
Galbraith, John Kenneth, "William F. Buckley, Jr.," New York
Herald Tribune, October 16, 1966. Reprinted in Economics,