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Values and University economics

A man may be petty, vicious, coarse-grained, paranoid even, and, outside his specialism, thoroughly ignorant, and yet do well enough as a scientist or scholar. (E. J. Mishan)

1970 WAS A YEAR OF STUDENT UNREST within the Economics Department of Sydney University. The discontent centred on mathematical courses which were introduced into Economics I and II and were compulsory for all students. The courses were not the subject of prior consultation with students and, given the prevailing student mood, several staff members, towards the end of 1969, predicted student trouble if the courses were persisted with — but their warnings were met with Profess­orial disbelief and hostility. The warnings were made in the light of a 1969 survey of student opinion which disclosed widespread dissatisfaction with the existing economics courses — usually on the grounds that the “orthodoxy” being taught was too theoretical and remote from reality. Students made plain their desire for “socially revelant” courses. The response of Departmental Heads Hogan and Simkin was to ignore the survey (and staff opinion) and add a compulsory mathematics section to an already highly unpopular course structure.

There were three reasons why the 1970 changes could not but have aroused student hostility. First, matriculation requirements for the Faculty specified no particular standard of maths as a course prerequisite (“no special knowledge of mathematics will be assumed” said the 1970 Faculty Handbook on p.16). There was no indication that a certain level of mathematics would be “useful” as has been specified in the 1971 Handbook (it has not yet been made compulsory). Second, Economics students were not forewarned of the changes in the 1970 Handbook and came completely unaware and unprepared for the major changes which occurred. Economics II students found themselves confronted with

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The author, formerly an Economics tutor at the University, was sacked (along with a fellow tutor, David Hill) at the end of 1970 for his opposition to the Heads of the Economics Department. During that year both he and Hill were recognised as leaders of a deep and divisive staff-student discontent within the Department. After losing his job Waters found it impossible to secure an academic appointment. After working as a builders’ laborer for six months, he is now a school teacher. David Hill works for the Sunday Australian.
an eighteen lecture maths course of which no mention had been made in the Handbook. First year students found themselves faced with an additional section to their Economics I course, "Elementary Quantative Economics", which consisted of maths and statistics for specialist economists. Little wonder that students in both years found themselves in difficulties to the extent that several tutors in both years had to hold special coaching classes in their spare time. Indeed, informed sources have placed the failure rate as high as 25% in second year where the brunt of the mathematical bias was borne.

Of still greater significance was the third reason for student discontent. The primary consideration in structuring a course should be the needs and interests of students. Yet students have a diversity of aims in studying Economics and this calls for flexibility of choice to accommodate their divergent interests. But the 1970 changes were tailored exclusively to the interests of one (minority) group of students: those honours and pass students seeking a primary qualification (or major) in Economics for academic and vocational interests — the future "professional" economists and econometricians earmarked for economic research or model building.

The Economics Society pointed out that students who would be explicitly or implicitly excluded from the Faculty by the changes fell into a number of categories. There were Arts students who did not require a course of intense specialisation; there were people who would prove effective in industry, the public service or perhaps industrial relations, but who could not handle the maths; there were those who wanted a broad, general education, i.e., who wished to study economics as a social science and not as a narrow, technical discipline; pass students whose primary interest lay in some other discipline (e.g., people majoring in accountancy, government, economic history, industrial relations or psychology for careers in industry, commerce or teaching) who accepted the necessity for a three year course in economics, but for whom a specialist training would be unnecessary if not a deterrent to taking economics; and, finally, students from Faculties other than Economics wanting only a smattering of economics or a one year survey course — often intending teachers seeking an extra teaching subject. Such were the objections of the students’ Economic Society. My personal objection to the course (somewhat different) is outlined in the next section.

Economic Technocracy

Like E. J. Mishan, many of us are concerned at the ever-narrowing specialisation in the social sciences. The innocent layman,
surrounded by a growing array of specialists of all kinds, is
deluded into believing that his welfare is in good hands, whereas
in fact there is no social science expressly concerned with human
welfare in the round. Each practitioner has his own tiny corner
of specialisation and few are looking at the social process as a
whole, i.e., where society as a whole is heading. Hence, Mishan
argues, social scientists (particularly economists) have by default
allowed us to drift into a world of pollution, environmental
destruction and deterioration in the quality of life.

Hogan and Simkin conceived their function as one of uncritically
“servicing” the status quo by producing specialist or professional
economists for industry and the state; people who would ensure
the smooth functioning of the ongoing system in an age of rapid
scientific and technological change. Prof. Wheelwright’s stimulat­
ing, critical and “relevant” Descriptive Economics course was
taken from his hands and emasculated — it had included critiques
of the methodology and theories being promoted by Hogan-
Simkin; and whilst Hogan’s new, “modern” course was panned
by students in the 1969 survey, Wheelwright’s “topped the charts”.

The courses were thus calculated to produce economic techno­
crats or “mathematical technicians”; technically-competent profes­sionals willing to sell their “skills” to big business and limit their
horizons for the mutual profit of employer and employee. Such
products would implicitly accept the values and assumptions of
the status quo. They would be unbalanced technocrats, well
versed in abstract mathematics but unaware of the social reality
in which the economy functions. In short, the charge is that a
strong maths orientation produces socially ignorant economists.

An altogether different perspective is involved in training
students to look analytically and critically at the society around
them and develop social consciousness; to encourage future
business and publis service economists to question the purposes and
goals of their activities. This aim stems from the recognition
that inept, socially irresponsible graduates have contributed to
the pollution, distortions and injustices of our society. It should
be a central aim of economics to develop a general critical
analytical ability, in stark contrast to the abject acquiescence in
the values and institutions of contemporary capitalism that “prac­tical men” like Hogan-Simkin are busily fostering.

Intellectual Intolerance

Hogan-Simkin have consistently stressed a quantitative-mathe­
matical approach, to the detriment and largely to the exclusion
of all other ways of teaching economics at the pass level. Intellectual
intolerance as to course content has been accompanied by irresponsible and autocratic methods of departmental decision-making. But this is now public record and I will not dwell on it here.

Far from being totally opposed to the incorporation of quantitative techniques within the discipline, as Hogan-Simkin appear to believe of us, Hill and I recognise the enormity of the subject-matter and concede the relevance of mathematics to many of the more advanced theories expected of the intending honours graduate. But in the light of the diverse academic and vocational needs of students, we consistently requested that the heavy emphasis on mathematical techniques be reduced and that there be a system of optional subjects, including quantitative techniques (this was also the policy of the Economics Society).

The fact that options have been introduced in 1971 is at least a partial vindication of the stand that Hill and I took; but the reforms are inadequate. My own view was that quantitative economics should be optional for all pass students. And whilst the changes appear a significant move in that direction, the reality is quite different. In first year, the maths is only optional for non-Economics Faculty people, but even this is vitiated by two factors. First, those on teacher's scholarships were instructed to do the mathematical option; and second, anyone wishing to proceed to second year cannot do so without having done the mathematical option unless with the express approval of the Departmental Head — who has to be convinced that the candidate possesses the background to handle the maths in second year. In these circumstances, it is hardly true that most students had any "option" at all and only 70 people chose to do the non-maths option. In second year, whilst the quantitative course is optional, the core course is itself mathematically-biased because of the use of Simkin's own exceedingly difficult (for beginners) mathematical volume (the book acknowledges that it is an "advanced" text). So there is a credibility gap between appearance and reality in the matter of the much-vaunted course options for 1971.

Critique Of The Quantitative School

The quantitative trend in modern economics has fostered an increasing trivialisation of content, and an increasing attention to the elaboration and refinement of technique. Some of the best minds in modern economics have absorbed themselves in an endless refining and counter-refining of one another's theories. Dudley Seers has described this type of economics as "fashionable trivia"; noting with disapproval that the highest praise for a paper is that it is elegant rather than useful. There has not been the same concern for urgent social problems as for "mathematical aesthetics"
and the manipulation of advanced techniques. Orthodox economists "have crept off to hide in thickets of algebra" laments Joan Robinson. When it comes to an actual issue, they have nothing concrete to say. They "take refuge in building up more and more elaborate mathematical manipulations and get more and more annoyed at anyone asking them what it is that they are supposed to be manipulating". And by directing the attention of students to the learning of technique they are being kept ignorant of more important politico-economic issues. In the words of Prof. J. K. Galbraith: "Once students were attracted by the seeming urgency of economic problems and by a sense of their mission to solve them. Now the best come to economics for the opportunity it provides to exercise arcane mathematical skills." Indeed, "radical economists" (see R. C. Edwards, et. al., AER, May 1970) contend that orthodox economic analysis, because it implicitly accepts the status quo, cannot deal with urgent modern problems: Vietnam, neo-imperialism, under-development, racism, pollution, the subjugation of women, inequality, alienation, etc. These issues would be central to a reconstructed ("radical") curriculum reflecting the motif of modern capitalism: conflict and power. Attention would be focused upon the basic institutions of capitalism and the class divisions fostered by those institutions.

A "must" for disenchanted economics students is Galbraith's classic demolition of the Hogan-Simkin "specialist" approach to economics in the essay "The Language Of Economics" (1962) reprinted in R. L. Smyth Essays In Modern Economic Development. He begins by pointing out that Prof. Samuelson in a recent presidential address to the AEA had noted that three previous presidential addresses in succession had been devoted to a denunciation of mathematical economics and that the most trenchant had encouraged the audience to standing applause. There can be no question, Galbraith asserts, that excessive and prolonged commitment to mathematical exercises in economics is damaging. "It leads to the atrophy of judgement and intuition, which are indispensable for real solutions and on occasion, leads also to the habit of mind which simply excludes mathematically inconvenient factors from consideration."

Galbraith next outlines the "prestige system" of academic economics of the Hogan-Simkin brand. Low prestige is accorded to the man who concerns himself with practical policy questions and with related disciplines for this brings him into the realm of political and moral judgements. It is a threat to the sharp delineation which maintains the "purity" of economic "science" by putting the discipline in a separate box.

And of course the "practical" approach does not lend itself
to highly technical and mathematical treatment. An economist who concerns himself with sociology, explains Galbraith, is assumed by his “specialist” colleagues to be escaping the rigours of his own subject. At the higher levels, modern economics “divorces itself fully” from practical questions and from the influence of other fields with the exception of maths and statistics. “Models unrelated to reality are constructed, commended, criticised, amended and then completely forgotten.” Positions near the apex, those of greatest prestige, are fully protected from external influence. Work near the top is “pure” in the sense of excluding questions of practical application and excluding influences of other disciplines. This work is highly mathematical.

This is a masterly expose of the sham economics that the Sydney Professors espouse, and, while no-one would have minded the Professors squandering their own time “at the apex” in a fantasy world, it was surely obvious that students would resist the “downward thrust” of this pseudo-economics into undergraduate courses.

Mishan (in The Costs of Economic Growth) argues that the “mathematical school” wants precision, wants to quantify everything and is thus impatient of, and tends to leave out of its calculations “mathematically inconvenient”, hard to quantify factors — like social and human costs. Mishan condemns these economists for having encouraged over-emphasis on growth and neglecting social costs and implications (like environment, pollution, deterioration in the quality of life). The work of “mathematical technicians”, narrow specialists, can have disastrous social consequences!

K. Boulding stresses that mathematics is a wonderful servant, but a bad master. It saves us from pure empiricism but forces us into simplicity. This is both its power and its danger. The danger is that we shall become so enamoured of mathematical models that we think the world is actually like them, a sort of “no-person” world, a study of the movement of prices and commodities in the absence of people.

Which Course?

Economics is in a state of chaos as we enter the 1970’s. The critics of the established orthodoxy at Sydney University branch into two groups. Those led by Prof. Wheelwright favour a two-stream approach to the teaching of economics:

1. a general social science (radical/institutional) approach emphasising politico-economic problems; and

2. a stream concentrating upon mathematical techniques.

The strategy is to “outflank” the Professors who (hopefully) would
be lecturing to depleted classes if students were offered a choice.

The second group (including Hill-Waters) favours a common core sequence (Economics I, II and III) with the provision of several options (including quantitative economics) to allow students to pursue their own needs, interests and specialisations. I favour a common core to encourage everyone (including the future technocrats) to develop a keen critical analytical ability. I would hope that the "technicians" and "specialists" produced by this system would have wider horizons than the like-products of the two-stream approach and would more readily question the purposes, implications and social consequences of their activities.

The Hill-Waters approach departs sharply from the Hogan-Simkin approach in which all students are constrained into the one channel of specialisation. In our scheme (whereby students are acquainted with orthodox theory but also exposed to its critiques) the mathematicians would have ample scope to pursue their own bent but within a framework of critical appraisal and critical analysis, which included critiques of "neo-capitalism" and encouraged future business and government economists to an awareness of their social and human function.

All students would be given some awareness of the problems of measurement via a one-term (elementary) course in mathematical economics in first year (worth no more than 5% of the total marks) so that they could decide for themselves whether "economathics" was worth pursuing in terms of their needs and aims. But students would be exposed to the limitations and critiques of this approach as well as its claims.

The above proposals are motivated by concern at the subordination of University education to the needs of a developing capitalism by its narrowing to an uncritical, "service" function. I am sure there will be objections to, and weaknesses in, the proposals and I hope others (particularly advocates of a broad, general, critical education) will join with me in putting forward their answers as well as merely criticising the ones I have submitted as a contribution to (hopefully) a debate.