

BOOK REVIEW

RETHINKING ECONOMICS: AN INTRODUCTION TO PLURALIST ECONOMICS

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There is no single God but many Gods in Economics. It is said that there are atleast 20 schools of economic thinking. Here is a nice little book of densely packed profound polytheistic writings that are an antidote to the monotheistic mainstream economics which has come under hard hitting attack, for example, by Radford (2017) which is worth reading at length as follows: “Many people are wasting far too much time talking about economists as if they study the economy. They don't. They really and truly don't. They live in a post-fact world...economists had been steadfastly denying fact, ignoring reality, and living in a wonderland of their own creation...Economists study economics. And economics is not the economy. It is a self-contained set of ideas, models, theories, mathematical intricacies, and axioms, that are designed to provide exciting intellectual sport for those so inclined to busy themselves with such activity. It is carefully constructed to look as if it touches reality. It still contains words that make it look as if it relates to reality. Economists intone cogently about real-world topics. And economists fill all the key policy positions that relate to steering, regulating, and measuring the economy. But that's all illusion. Poke at what they learn in school. Take a peek at the content of what they believe. Look at what it takes to be a respected economist. Then try to connect that with what you see around you. There is little or no connection. It's as if the weather forecasters predicted the weather without ever looking out the window. Or as if physicists insisted that gravity threw things straight up in the air despite the contrary evidence. Alice and her looking glass have nothing on the ability of economists

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to defy the world in which they live... Another attribute of economists is their portrayal of the dispassionate observer of society gravely describing the “deep laws” humans are foolish to push back against. They project the air of sober analysis. They attempt to inject a discipline and rigor into the messy pool of human interaction. They want us to believe that what they describe is inevitable. So they take it upon themselves to act as caretakers of what ought to be...

Having wandered into their intellectual wilderness, and having starved themselves of the diversity and complexity of reality, they have returned convinced in their hungry delirium that they have discovered ways in which society ought to conduct its affairs. Economics, in its various mainstream hues, is profoundly normative. It is an attempt to dictate the ways in which we order our economic activity. We know this from the way in which it treats collective action. It disallows such activity in its every recess and crevice. It is totally committed to the individual being the core agent. And that individual is presumed to be inhumanly rational. This is why Keynesian ideas about the efficacy of examining macro or meta themes was considered apostate and had to be eradicated or so mutilated that they could be neutered politically. This is why the Marxist critique is ignored as if power relations had no social significance. This is why gender and minority considerations are thought irrelevant. This is why institutions are disregarded as having theoretical import. This is why knowledge has never found its way into the core of the so-called “production function”. This is why the various fantasies of general equilibrium are tolerated by people with vast analytical skills and who, thus, ought to know better. This is why growth theorists are content with models that predict a small portion of growth — the rest they tell us is a mystery. This is why theories of the firm are hopelessly at odds with the firms we work in. This is why oddities such as the notion of “marginal analysis” exist. Beautiful constructs and intellectually interesting, but not found in nature, they distract from locating better, more practical and real explanations of economic artifacts. The list goes on. So: my advice is to study the economy by taking classes in politics, sociology, philosophy, business or organizational theory. Get steeped in information theory. Build those agent based models. Go and talk to workers, shopkeepers, and all the other people in the real world. But stay away from economics. Especially if you're serious about the economy.” Beautiful attack indeed.

In relation to the above criticism, the book under review can be taken as a way of celebrating alternative economics to gain understanding of how the economy works, that is grounded in

the complexities of the real world. The alternative is not a coherent whole but pluralist in terms of nine schools, viz. Post-Keynesian economics, Marxist economics, Austrian economics, Institutional economics, Feminist economics, Behavioural economics, Complexity economics, Co-operative economics, and Ecological economics. All the nine essays are very well written by distinguished scholars concerned in each school, with excellent references given for further reading. These pundits convey us various heterodox ideas and traditions so as to build on a better understanding of what humans desire and how they behave by dropping the mainstream assumptions that the study of humanity “is a lost branch of physics, humans are desiccated calculating machines, a separate sphere of economic behavior exists and economic outcomes have nothing to do with power.”

In the process, we come to know that Marxists are good at analysing power relations and large historical trends; Post-Keynesians deal with uncertainty, stagnation and crisis; Feminists bring gender into the equation and challenge our notions of what qualifies as work; Institutionalsits situate economics in historical time and space, filling in detail where other schools just leave broad strokes; Austrian economists consider the problems inherent with government power; Behavioural economists probe the depths of human psychology to better understand how we make decisions; Complexity economists use cutting-edge maths to find patterns in the chaos of modern economies; Cooperative economists work out bold and innovative new ways to organize production and consumption; and finally, ecological economists offer a challenge to all schools of economic thought by insisting that human econ activities are embedded in a broader ecological context, one in which sustainability becomes the central concern.

The reader must, thus, appreciate pluralism as embracing a broad tapestry of economic ideas and pluralist education as one that introduces critical and dissenting ideas even as it teaches prevailing theories. And this surely makes the pursuit of economics very uncomfortable, as the editors of the book admit. This must be accepted all the same, with enthusiasm.

Actually, “Rethinking Economics” is a movement of an international network of students, academics and professionals building a better economics in society and the classroom. This book is unique in that it is an outcome out of activism and participation of the students who were unhappy with what they were being taught in their undergraduate economics degrees!

This is not all. These rebellious students, dispersed in different parts of the world, have produced interesting learning sources---www.ecnmg.org, a news and entertainment platform called Economy; a book titled *The Econocracy* which is all about the “perils of leaving economics to the experts” and the “struggle for the soul of economics”; and www.exploring-economics.org, which is an incredible open-source e-learning platform.

The message of the book to the reader is to “Become a Rethinker”, and join, widen and enrich this movement by working for its loads of upcoming projects. It was indeed a sheer delight for me to know all this and read the book.

Now, is it possible that this book is used as Introductory Economics textbook in Indian colleges? Is there anybody there to take it? The econ curriculum situation in the Delhi University colleges under the rule of Delhi School of Economics is pathetic with a preference for neoclassical monotheism everywhere over heterodox polytheism and where student participation is not permitted, and students are instead treated as forced consumers of academic bullshit.

REFERENCE

Radford, Peter (2017), “Economics is a Waste of Time”, in *Real-World Economics Review Blog*, February 15.