

The Changing Face of Economics

THE CHANGING FACE
OF ECONOMICS

Conversations with Cutting Edge Economists



*David Colander, Richard P. F. Holt, and
J. Barkley Rosser, Jr.*

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☞ DEDICATED TO OUR WIVES
Pat, Lorna, and Marina

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Preface

☞ This book was initially conceived by Ric, who cornered Dave and Barkley at a Post Keynesian conference and told them of an idea he had for a book. The idea was to expand upon some of the ideas that Barkley and Dave had put forward on the PKT-NET, of which Ric is moderator, in a debate about the importance of new work being done within the mainstream. Barkley had strongly argued that Post Keynesians needed to take seriously the new complexity work and that it was not more of the same “mainstream” drivel, which many on the PKT-NET saw it as being. Dave agreed with Barkley, but that wasn’t surprising since he was seen by many on the PKT-NET as “one of them mainstream guys.” Based on that interchange and previous discussions, Ric suggested that the three of us do a book that would convey to heterodox economists the exciting work that was being done in the mainstream, as well as to let the mainstream know that many heterodox economists were concerned about the same issues.

The initial idea was kneaded and reworked again and again. The conception of the book vacillated chaotically as we argued out the main points of what we believed and how we believed heterodox economics interfaced with mainstream economics. The introduction went through revision after revision. There were almost weekly debates among us, with the introduction going from one to the other, and back to the first, and each time being changed to reflect the views of the last person who had it. But ultimately the process converged, and the three of us remain friends.

Much of the debate concerned what was meant by *heterodox*, *orthodox*, and *mainstream*, with each of us considering ourselves to be on

the edges of these categories, but our perceptions of ourselves differed. Dave saw himself as mainstream, whereas Barkley and Ric saw themselves as heterodox, even though all our views were almost identical. In one of those discussions Dave told Barkley that Barkley was no heterodox economist, as he had always pictured himself, but instead just another mainstream economist. The reason why Barkley fitted into mainstream economics wasn't that he agreed with a neoclassical orthodoxy—he was rather disdainful of that—but because the arguments he was making were ones that the mainstream was willing to engage, both because his book on chaos theory had established him as a legitimate modeler and an economist to be taken seriously and because the arguments that he was making fit nicely into a broader conception of mainstream that Dave argued was the real mainstream.

The three of us continued to argue and to explore what we meant by *mainstream*, *orthodox*, and *heterodox*, and how one distinguishes them, and that exploration finally gelled into an introduction to the volume. In it we argue that the old neoclassical orthodoxy, which we describe as an approach based on a holy trinity of rationality, greed, and equilibrium, is in the process of being replaced with a new orthodoxy, which can be described as an approach based on a holy trinity of purposeful behavior, enlightened self-interest, and sustainability. This movement to this new trinity is broadening the mainstream enormously and making it inclusive of a much wider range of economists—economists who are not neoclassical but who are still mainstream.

The Evolution of the Book

Having clarified our thinking, we next had to choose what we were going to write in the book. Ultimately we decided that the most interesting book would be a set of interviews that showed the issues in particular case studies. It would be economists telling their story firsthand, rather than us telling a secondhand story. After much discussion and debate we chose a list of interviewees who were working within this broader mainstream, who were pushing the edges of theory, and who were geographically possible to interview. There were many we could have chosen, and the debate about whom to include was heated. Ultimately we chose a set of interviewees who we felt were representative of the many dimensions on the edge of economics and who also had interesting stories to tell.

The initial conception we had of the book was that it would show heterodox economists the exciting work that was being done within the mainstream and the mainstream the exciting work within the heterodox camps, but the book evolved into one written for a broader audience, showing people the changing face of economics. We came to the conclusion that, intellectually, it didn't matter whether an economist was heterodox or orthodox; all that mattered was whether he or she had good ideas and could express those ideas. We also found that new work in the profession depended not only on the ideas but also on the sociology of the profession. Heterodox economists were those economists who were shut out of the conversation, and they consisted of two types. The first type was those who were discussing the same set of ideas that the mainstream was addressing but which the mainstream was not willing to listen to for a variety of sociological reasons. The sociology of the profession narrowed the conversation and required conformity in language and approach in order for someone to take part in the mainstream conversation. Individuals in this group who conformed to the mainstream language and approach could go in and out of the mainstream. They were arguing about the same issues. The second group of heterodox economists was those whose ideas fell outside even this widened holy trinity and who therefore could still be defined as heterodox. But this was a much smaller group than is normally considered heterodox.

We then went out and did interviews—whenever possible having all of us there, but always having two of us at the interviews. We transcribed and edited the interviews and sent them back to the interviewees, who corrected our transcription and cleared up a number of confusions. Finally we talked with editors about publishing the book, and in that discussion a friend, Ken MacLeod, suggested that we include reactions to the interviews of some top economists. We followed his suggestion and conclude the book with interviews of both Paul Samuelson and Ken Arrow. In these interviews we asked them not so much about their work but about how they viewed the work at the edge that the interviewees were doing.

People to Thank

There are many people to thank. We presented the introduction at a number of conferences and workshops, each time getting helpful

comments, leading us to more rewrites, but in the process clarifying our thinking. Ken Koford, Larry Moss, Richard Kerry, and Marina Rosser come particularly to mind, but there are many others. A variation of the introduction was published in the *Review of Political Economy*, and we thank the editor, Steve Pressman, and reviewers for helpful comments. We also thank reviewers for the University of Michigan Press, who made a number of helpful comments. The interviewees also deserve enormous thanks for their willingness to spend a large part of a day in front of a tape recorder answering our questions. They also took our transcriptions and reworked them, making sure that the responses to our questions were clear. There were numerous people who helped with production. Marcia LaBrenz guided the book through production, and Mary Meade helped with a number of questions. Finally, Betsy Hovey did a nice job of copyediting. We thank them all. Pam Bodenhorn transcribed some of the interviews and did an excellent job. Helen Reiff prepared the index and was as helpful as ever. At the University of Michigan Press, Ellen McCarthy took the project under her wing and was very supportive. She is a great editor.