



ECONOMICS DEPARTMENT SELF-STUDY
August, 2013

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Economics Department Self-Study

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SECTION 1: OVERVIEW, PROCESS, AND GOALS

The Department of Economics faculty embarked upon a comprehensive self-study from August 2011 through August 2013. The overarching goal of this review was to improve our academic program to better serve economics majors and the university. We gave particular attention to the following specific questions:

- (1) What student learning outcomes (SLOs) would we like to achieve, that is, what skills and competencies would we like to help our students develop?
- (2) Is our curriculum best structured to attain these SLOs? In exploring this broad question, we paid particular attention to evaluating:
 - a. the required Principles-Intermediate theory sequences;
 - b. the range and frequency of elective offerings;
 - c. the structure of the senior experience; and
 - d. the possibility of restructuring our major program to embody a pluralist approach to economics.

To address these questions we undertook a variety of analyses. We began by gathering structural data from the top 50 liberal arts schools in the US¹ (see Section III) and more detailed data from seven selected peer institutions² (see Appendix 4). We reviewed senior theses and the results of senior essay exams and surveyed program alums to assess the effectiveness of the current program (see Appendix 2). To explore the potential of adopting a pluralist curriculum, members of the Department engaged in a series of conversations structured around common readings (see Appendix 1). In February of 2012, we hosted a symposium at which representatives from several colleges that have adopted a pluralist curriculum shared their experiences and their advice. In the spring of 2013, Benjamin Balak of Rollins College contributed an outside perspective based on a draft report and a campus visit. Finally, members of the department held meetings and retreats throughout the two year period to discuss process, progress, and results.

As a result of this extensive process we are proposing a significant restructuring and strengthening of our Economics major program. This report begins by articulating our goals for the economics major within the broader liberal arts mission of the College (Section II). It then discusses our assessment of the current curriculum in achieving these goals (Sections III & IV) and presents our vision for a stronger and more effective Economics major program (Sections V & VI). It closes by discussing the broader implications of these proposed reforms (Section VII).

¹ As ranked by *US News and World Report* in 2009.

² Bucknell College, Dickinson College, Franklin & Marshall College, Hobart & William Smith Colleges, Pomona College, Rollins College, and Whitman College.

SECTION 2: GOALS OF THE ECONOMICS CURRICULUM

As a first step in our process, we met to consider our curricular goals. This discussion produced a new articulation of our objectives that differs somewhat from previous statements (Appendix 0).

The overriding goal of our program is to instill in our students the capacity for independent, critical inquiry into economic issues. The exercise of this capacity involves problem-solving, analytical reasoning, and the application of reflective judgment to reach defensible conclusions about questions for which there is no definitive answer³. These fundamental skills transcend the discipline of economics and are at the core of what we aspire to cultivate in all Willamette students.

In an effort to facilitate the development of such skills, the Economics Department has identified the following five student learning outcomes emphasized in the department's curriculum.

- 1) **The student can *recognize economic theories as arguments*.** Economic theories can appear to be “fact” or “received truth,” but they are neither. They are tools constructed by human beings as a means to understand particular aspects of the world in which we live. That is, they are arguments. As arguments they derive from premises—assumptions (stated and unstated) as well as the values of those putting them forward—and proceed to specific conclusions. A successful student will be able to identify the assumptions and values on which economic theories are constructed as well as the conclusions that they reach.
- 2) **The student can *understand economic arguments*.** A successful student can reproduce the deductive logic that links premises to conclusions in particular arguments. This requires knowledge of the analytical constructs (e.g. definition and calculation of basic economic indicators) and simplified models (e.g. the perfect market model) used to describe and analyze economic phenomena. It also involves the ability to apply deductive reasoning and problem-solving skills.
- 3) **The student can *assess economic arguments*.** A successful student can apply deductive logic, interpret evidence (including but not limited to statistical evidence), and apply moral/ethical reasoning to evaluate the premises and conclusions of an argument.
- 4) **The student can *construct an economic argument*.** A successful student can formulate a question that needs to be researched, then master and assess existing arguments and evidence to reach a reasoned conclusion about that question.

³ Garnett, Jr. Robert F. 2009. “Rethinking The Pluralist Agenda In Economics Education,” *International Review of Economics Education* 8 (2) pp 58-71.

- 5) **The student can *communicate economic arguments*.** A successful student will be able to effectively communicate, both orally and in writing, his or her analysis of economic phenomena in an accessible way to the non-major.

The design of our curriculum should recognize that our students pursue diverse careers in business, government, social work, education, medicine and law after graduation. Only a small fraction of our majors go on to graduate school in economics. Although our curriculum should serve the needs of students preparing for graduate work in economics, the required courses in the core of our major should be geared to the majority of our majors who are preparing for graduate work in other fields or for careers in business and government.

However, we also have an obligation to insure that our students who are interested in graduate study are adequately prepared for the quantitative rigors of graduate school in economics. These students should be advised as early in their careers as possible of the importance of obtaining deep mathematical training and must have the option of taking courses such as Econometrics and Mathematical Economics.

SECTION 3: DESCRIPTION OF CURRENT CURRICULUM IN CONTEXT

Requirements

Current requirements for the major and minor are listed below and illustrated in Figure 1:

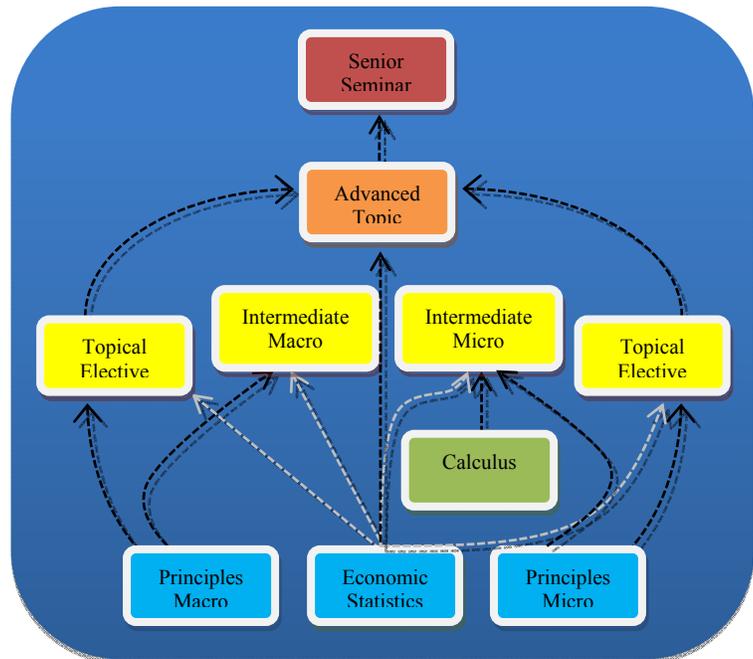
Major in Economics

Courses	Credits
Principles Microeconomics	1.0
Principles Macroeconomics	1.0
Economic Statistics	1.0
Intermediate Microeconomics	1.0
Intermediate Macroeconomics	1.0
Elective Credits in Economics	2.0
Advanced Topics	1.0
<u>Senior Seminar</u>	<u>1.0</u>
ECONOMICS TOTAL	9.0
Calculus	1.0
TOTAL	10.0

Minor in Economics:

Courses	Credits
Principles Microeconomics	1.0
Principles Macroeconomics	1.0
Intermediate Micro or Macro	1.0
<u>Addtl Credits in Economics</u>	<u>2.0</u>
ECONOMICS TOTAL	5.0
Calculus	1.0
TOTAL	6.0

Figure 1: Current Curriculum



General Features

Principles of Micro and Macro

These courses serve as the primary gateway courses for the major. In addition, they serve the University's general education program (by satisfying Understanding Society requirement) and several other majors (Environmental Science, International Studies, and Mathematics/Economics).

Within the major, these courses provide the theoretical foundation upon which our curriculum is built, preparing students for subsequent courses in the major by instructing them in the core analytical concepts. As currently taught, they focus primarily on developing the tools and frameworks for understanding the Neoclassical Synthesis.

Economic Statistics

Since it has no prerequisites, Economic Statistics serves as an alternative gateway course for some students. In addition, it serves the general education program by satisfying the Quantitative Analysis requirement.

The goal of this course is to provide students with sufficient understanding of statistical reasoning and techniques to understand and critically evaluate economic arguments that use empirical analysis. Students that wish to learn more about performing statistical analyses are encouraged to take Introduction to Econometrics and Forecasting.

Intermediate Micro and Macro

These courses serve the major primarily. In addition, they serve as part of the core and potentially elective courses for the Mathematics/Economics major.

Within the major, these courses extend the theoretical foundation for the curriculum. As with the Principles courses, they focus on developing the Neoclassical Synthesis, though at a higher level of mathematical formalism. In that sense, one of the important functions of these courses is to introduce students to mathematical modeling as a methodology in economics.

Elective Courses

The major requires two elective credits in Economics, drawn from the following courses:

- *Labor Economics;*
- *Environmental Economics;*
- *Economics of Developing Countries;*
- *International Economics;*
- *Public Finance;*
- *Comparative Economic Systems;*
- *Industrial Organization and Public Policy;*
- *Corporate Finance;*
- *History of Economic Thought;*
- *Introduction to Econometrics and Forecasting;*
- *Mathematical Economics.*

Several of these courses also serve as electives for other majors: Environmental Economics (Environmental Science); International Economics, Economics of Developing Countries, and Comparative Economic Systems (International Studies); Mathematical Economics and Introduction to Econometrics and Forecasting (Mathematics/Economics).

Within the major these courses are intended to deepen student experience by applying and extending concepts from core theory and methods courses to address questions within related to a specific topical area. Most of these courses have prerequisites of either Principles of Micro or Principles of Macro, while a few require Intermediate Micro and/or Macro.

Internships

The Department of Economics offers its advanced students the opportunity to earn up to two credits in departmentally-approved internships with both public and private sector entities. Student interns enroll in our internship class which meets approximately every three weeks throughout the semester. Student interns spend 10-12 hours each week working under the

direction of an off-campus supervisor and with the advice, approval and oversight of a Departmental faculty member who is assigned to coordinate internships. To ensure that the internship is a legitimate extension of the student's Economics major, each intern writes a paper on a project that meets the approval of the faculty member who is supervising the interns and the off-campus supervisor. The project and the paper provide tangible evidence that the student is practicing economics on the job. These papers are the subject of presentations toward the end of the semester.

The Department of Economics believes that its internship program serves several important functions in educating those Economics majors who choose to enroll in this course. It demonstrates how the discipline of economics can be used in the "real" world. It provides an outlet for the students who want career-oriented training, but does so in the context of a sound liberal arts economics program. It demonstrates to our students that they do have skills that are valued in the marketplace, and it provides evidence that we want to see our majors succeed after graduation.

Advanced Topics

This course is the first part of the senior capstone experience for majors. Ideally, students would complete the entire major program with the exception of the Senior Research Seminar before enrolling in the course, but this is not always possible and thus not required. Completion of Economic Statistics and either Intermediate Micro or Intermediate Macro, depending on the section topic, are prerequisite.

Each section examines an economic theme or topic, but the primary goal of the course is to prepare students to write a senior thesis. Group exploration of a narrow topic provides students with a concrete example of economic inquiry, using the analytical and empirical skills developed at the intermediate theory level. The course culminates in a project proposal for the Economics Senior Seminar course and in a major paper (the thesis prospectus) which develops core components of the proposal. Assignments include written and oral evaluation of the work of both peers and professionals, multiple drafts of the research paper and classroom presentation of principal methods and conclusions.

Senior Research Seminar

The senior seminar is the culmination of the Economics major. Completion of the Advanced Topics course is a prerequisite for the Senior Research Seminar. The prospectus completed by each student in the advanced topics course will be the beginning point for the senior seminar.

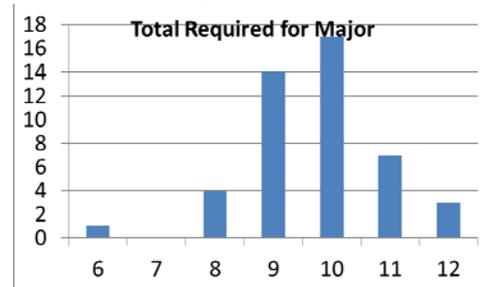
This seminar offers students the opportunity to integrate and use economic tools and concepts they have acquired throughout the major. Each student completes a directed research paper that builds on analytical methods from the required courses in the major. Other activities include written and oral evaluation of the work of both peers and economics professionals, development and presentation of a research paper, and presentation of principal methods and conclusions.

Our Curriculum in a National Context

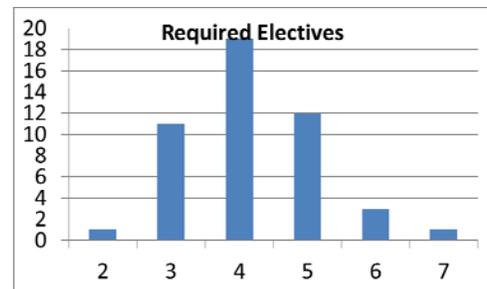
To put our curriculum in context we compared it to the catalogue descriptions (accessed online) of the top 50 liberal arts colleges as ranked by *US News and World Report* in 2009. Three of these schools were excluded because they did not have an Economics major, leaving a comparison group of 47 schools. What follow are our observations from this analysis:

1. In broad outline, our major program is similar to that of the schools in this comparison group:
 - a. All of these schools require a set of core theory and methods courses as well as a minimum number of topical elective courses.
 - b. Theory courses are separated into introductory and intermediate levels.
 - c. While there is some variety in the structure of Principles level theory courses, at the intermediate level, separate courses are required in Microeconomics and Macroeconomics at all schools.
2. Within this general structure there is some variation in: the total number of required courses, the number of required elective courses, the structure of the intro theory course, and the nature of the senior capstone experience.

- a. *The total number of courses required for the major varies from a low of 6 to a high of 12 with most schools requiring either 9 or 10 credits total. Willamette's requirements (10 credits) are typical.*



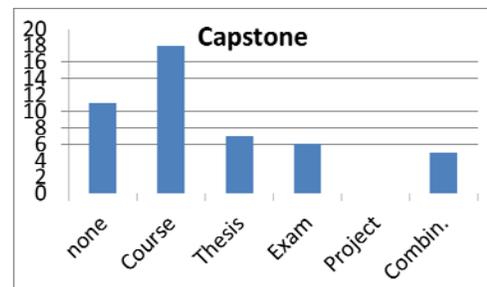
- b. *The number of required electives varies from a low of 2 to high of 7, with most schools requiring students to take between 3 and 5 elective courses. Willamette's requirements (3 electives, including the Advanced Topics course) are on the low side of this range.*



- c. *Intro theory courses typically follow one of two structures: a single combined Micro/Macro course; or separated Micro and Macro courses. The pool is split fairly evenly between these two models, with 22 schools offering a combined course and 25 schools offering split courses as does Willamette.*

- d. Our investigation revealed 4 different *senior capstone models*:

- i. Course-based: Senior experience is upper level seminar course (or courses) that is topical in nature and draws on the vertical structure of the major.
- ii. Required thesis: A guided independent research paper that is either a semester or year-long project and may be part of class or not.
- iii. Required project: Similar to the thesis, a project is usually research-based and has a



- written product. This option differs from the thesis in that the topic is typically not independently selected and the research and paper may be a group effort.
- iv. Required exam: Comprehensive in nature, the exam may be externally developed (such as ETS or MFT) or internally developed and often has both written and oral components.

In addition, some schools require a combination of these models and some schools require no explicitly identified capstone experience⁴. The frequencies with which schools selected one of those options are displayed in the chart above. Relatively few schools (7 out of 47) require students to produce a thesis. Moreover, we were unable to identify any other school that required a course analogous to Willamette's Advanced Topics course. Thus, while within the range of observed experiences, Willamette's senior capstone is somewhat unusual.

3. Finally, we believe that in terms of course content, Willamette's major program is similar to most other programs, especially through the core theory and methods courses. It is not possible to establish this claim through a cursory survey of course catalogues. However, the similarity may be reasonably inferred from the fact that core theory and methods courses and most topical elective courses are taught from textbooks. Casual inspection of the textbooks will confirm that there is a great deal of homogeneity. While there are minor variations between texts on a particular subject, there is a great deal of overlap, especially in core theory and methods texts.

In sum, Willamette's Economics major is very similar in its structure, requirements, and content to what you would find at almost any of the top 50⁵ liberal arts colleges in the United States. The most distinguishing features are the senior capstone experience and the Advanced Topics course.

⁴ The difference between "course-based" and "no capstone" is in the explicit identification of a course (or series of courses) as a senior capstone experience.

⁵ Although not demonstrated by our analysis, this curricular similarity almost certainly extends beyond the top 50 to most institutions of higher learning in the United States.

SECTION 4: ANALYSIS OF CURRENT CURRICULUM

In addition to carefully reflecting on our collective experiences, the Economics Department engaged in three specific analyses to aid in the evaluation of our major program: assessment of senior majors; a survey of program alumni; and a comparison to select peer institutions. Below is a brief description of these analyses, followed by a summary of the key insights we have garnered from this review, and finally some conclusions we have drawn about our curriculum.

Methods of analysis

Assessment of senior majors:

Senior thesis review: Writing a senior thesis requires several integrated skills, including the ability to: 1) identify and formulate a central question to be investigated; 2) identify, master, and apply relevant economic theory to help frame the investigation; 3) locate and review appropriate primary and secondary economic literature; 4) synthesize and analyze this literature to draw a conclusion about the central question; and 5) write a clear and cogent paper for an audience of peers. In that way, it structures an inquiry experience in which students are asked to demonstrate achievement of our curricular goals. Thus, reviewing theses provides us with a useful opportunity to evaluate how well our program goals are satisfied.

In the review, theses are selected at random and read by two faculty members neither of whom was the original advisors on the thesis. The theses are scored according to a variety of proficiencies, determined by the department as part of a collective effort to identify what data would be useful in our evaluation of the effectiveness of the Senior Research Seminar. The assessment rubric is included as Appendix 2.

The department implemented its first round of senior theses assessment in the Summer of 2008 academic year and a second in Summer 2011. Our intention is to repeat this assessment every two years.

Senior essay exams: Essay assessment exams are administered in all Senior Research Seminar classes. This exam takes place over two days, with separate essay questions given for microeconomics and macroeconomics. Each day, students are presented with a short article to read and are then asked to write about the article in response to a prompt. This exercise provides us with valuable information in addition to the thesis review. While the thesis review gives a sense of what students are able to produce over the course of a semester with guidance from a faculty advisor, the essay exam gives us a sense of what students are able to produce without time to prepare and without external input.

In the review, essays are selected at random and read by two faculty members. The essays are scored according to a variety of proficiencies similar to the senior thesis assessment. The assessment rubric is included as Appendix 2

The department implemented its first round of senior essay assessment in the Summer of 2011. Our intention is to repeat this assessment every two years.

Alumni survey

The current curriculum has been in place since 1997. In December 2012, we sent a request to all Economics majors who have graduated since that time to fill out an online survey, evaluating various aspects of the curriculum and the overall quality of the program. The survey and a summary of the results are attached in Appendix 3.

Comparative analysis

Data were gathered from seven peer institutions⁶ for comparison. Five of these institutions⁷ were selected because they have adopted an explicitly pluralist curriculum. Each school was asked to provide the following data for the period Fall 2002-Spring 2012. Data were gathered on: i) the number of full-time tenure track faculty in the Economics department, ii) the number of graduating Economics majors each year; iii) the structure and requirements of the major; and iv) which courses were offered by the Economics Department each semester with enrollment numbers. A summary of these data is presented in Appendix 4.

Insights

Our analyses produced the following insights.

Strengths

The results of our analyses were encouraging. Student feedback indicates a high level of satisfaction with the overall quality of the program and with specific component parts. Most students feel challenged in productive ways by the program.

Likewise, our reviews of theses and essay exams show that our majors are benefiting from the curriculum. There is, of course, some degree of variation in the level of proficiency demonstrated across students. However, most majors are demonstrating at least the minimal acceptable level of proficiency in most of our curricular goals.

In the most recent review of theses there was consensus that the assessment revealed discernible improvement in the following areas: (1) recognizing appropriate economic models for analysis, (2) identifying and effectively integrating sources from the economic literature, (3) economic reasoning, and (4) effective use of empirical evidence. While additional improvement seems both possible and desirable, these results are pleasing because we believe them to flow from choices we made after reflecting on the first round of thesis assessments. For example, the strongest performance came from the student's ability to identify a topic amenable to economic analysis. We believe this change is at least partially attributable to the fact that we consciously worked to strengthen the link between Advanced Topics and Senior Research Seminar by implementing formal and informal writing assignments in the Advanced Topics course that help students

⁶ Bucknell University, Dickinson College, Franklin & Marshall College, Hobart & William Smith Colleges, Pomona College, Rollins College, and Whitman College. A request was also sent to Amherst College but no data were sent in response.

⁷ Bucknell University, Dickinson College, Franklin & Marshall College, Hobart & William Smith Colleges, and Rollins College.

identify questions in the literature and form their own. These pedagogical innovations help guide students with research and writing, particularly at the beginning of the thesis process by jumpstarting students on their topic and getting them to identify relevant economic questions and initiate their research.

Areas for improvement

However, our analyses also reveal several interrelated areas in which we would like to improve student outcomes:

1. *Student recognition of economic theory as argument.* Students often “confuse the message with the messenger.” Traditional presentation of economic theory involves the introduction of a large number of frameworks, tools, and analytic concepts (eg, production functions, cost curves, supply curves, utility functions, demand curves). From the perspective of faculty, this apparatus is introduced as a means to facilitate the rigorous development of particular arguments. However, in order to be used in this way, students must first master the apparatus itself by learning to define and manipulate the components. In the process, many students lose sight of the overarching argument which these tools are intended to expose and come to see mastery of the tools and their more limited applications as the goal of their learning. Thus, they lose sight of economic theory as an argument (the message) and come to see it as a more or less discrete collection of tools (the messenger) that can be mastered and applied. This confusion can inhibit useful application of economic theory and critical assessment of the theory.
2. *Student ability to apply economic theory to analyze a novel question.* Students achieve mastery of (neoclassical) economic theory by some measures. Within the context of a particular course, students are able to define concepts, replicate arguments, and solve problems that require manipulating the frameworks. In this context, many students are able to apply or extend the arguments to analyze novel questions, as they might be asked to do on an exam, for example. However, when asked to do so outside this context, it is common for students to struggle. This manifests in writing the senior thesis and in the senior essay exam. Review of the senior theses indicates that most students demonstrate successful use of theory by the final draft, but this success is often achieved only with significant input from the faculty advisor. Results from the senior essay exams are more problematic. Many students struggle to apply economic theory, especially microeconomic theory, in this independent and time limited exercise. Thus, while students are achieving some mastery of economic theory and demonstrating the ability to successfully apply it in a highly structured context, they are less able to work with these tools independently.
3. *Student ability to assess economic arguments.* In each of our courses we seek to emphasize that economic theory is based on a set of assumptions and that evaluations of economic outcomes (efficient vs inefficient) are rooted in a particular ethical framework. Thus, the usefulness/persuasiveness of an economic argument depends upon the extent to which the assumptions are satisfied and one is willing to accept specific ethical tenets. Within the context of a particular course, students demonstrate some understanding of these issues. In homework assignments and on exams, they are able to identify assumptions and discuss

their importance in particular theoretical predictions. Likewise they are able to talk about limits of concepts like efficiency. However, they are less successful in applying these critical skills in the context of the senior thesis or the senior essay exams where theory is applied uncritically. In their review of literature, students often simply report results without sufficient discussion, interpretation, or evaluation. Thus, again students are achieving some success in highly structured situations, while achieving less success when they are working independently.

4. *Student ability to synthesize and analyze economic literature.* Our review of these also revealed that while most students demonstrate the ability to understand individual papers from a literature, they often struggle to effectively discuss the relationship between them. For example, the fact that some papers support or augment one another while some challenge conclusions of others is not clearly communicated nor are the reasons for these differences explored in much depth.

One way of connecting these observations is to note that all of them address critical thinking. We have achieved some success in helping student master and apply economic theory, but we would like to help them develop the skills to engage in more independent, critically reflective analysis.

Comparative observations

Finally, in comparing our course offerings to select peer institutions, we made the following observations:

- *We require fewer elective courses than other schools in our comparison group.* We require 3 electives (including Advanced Topics), whereas all seven comparison schools require at least 4 electives. We make this comparison with some care because of differences between schools in terms of the senior experience and in terms of the total number of courses required for the major. However, regardless of the reason, it is useful to note that other programs are requiring more elective courses than we do at Willamette.
- *We have offered a smaller variety of electives during the past 10 years, even accounting for advanced topics.* We offered 31 distinct elective courses over the last 10 years, including 11 different advanced topics themes. Only Whitman (33) and Dickinson (21 over 5 years) were close to the same number. Others were nearly double the number over the same period. One possible explanation for this discrepancy is differences in the number of departmental faculty. However, the results in Appendix 4 suggest that although accounting for faculty size does make some difference, we still tend to offer a smaller variety of electives since our average number of electives per full-time tenure-track faculty member is also lower. Another important factor appears the frequency with which we offer the same courses in, that is, we tend to offer the same elective courses more frequently than most schools in our comparison group.

- *In any given semester, we tend to offer fewer elective sections (including Advanced Topics) than our comparison schools.* On average 32.6% of our sections in a semester are elective or Advanced Topics courses, where the lowest percentage amongst our comparison schools is 36.7% (the highest 68.3%). In part, this difference derives from the fact that we offer more sections of core courses (theory and stats), which is driven by service to the general education program. In part, this difference derives from the fact that we offer more senior seminar sections, which is driven by a desire to keep these sections small.

Conclusions

On the basis of our analyses, we draw the following conclusions about what works well in our current curriculum:

1. *The senior thesis project is an important part of the experience.* This is a challenging assignment and many students struggle with it, enough so that the wisdom of requiring all students to complete it is periodically questioned within the department. However, review of our curricular goals, the theses themselves, and student feedback consistently reinforce the value of this capstone experience. It structures an inquiry experience in which students are asked to demonstrate achievement of our curricular goals. Moreover, it provides students with a guided illustration of what ongoing, independent learning in economics might mean. Finally, it forces students to manage a project whose size and scope exceed anything they have encountered previously. For all these reasons, we believe that this experience should continue to be required of all students and not presented as option into which student could self-select.
2. *The Advanced Topics course provides useful preparation for the senior seminar.* This course is designed to help students develop the skills they need to complete a senior thesis by engaging them in the analysis of a particular topic, which varies from section to section. Specific assignments develop research and writing skills, and time is reserved at the end semester to develop a senior thesis prospectus. All of this provides valuable preparation for the Senior Research Seminar. As noted above, we attribute observed improvements in senior theses in large part to ongoing refinements that have strengthened the connections between the Advanced Topics course and the Senior Seminar. Finally, student feedback reinforces our impression of this course as a valuable bridge to independent research. For these reasons we conclude that the Advanced Topics course should be continue to be required as the first part of the senior capstone experience.
3. *The core and electives design of our curriculum serves our goals well.* Core courses provide analytical foundations and intellectual coherence for the major. Electives build from the core and create opportunities for students to explore areas of particular interest. Together they provide vertical and horizontal linkages that engage students in a genuine study-in-depth experience.

SECTION 5: DESIGN PRINCIPLES OF THE PROPOSED CURRICULUM

After reflecting on our curricular goals and analyzing our current curriculum, the Economics Department proposes changes to our program which are discussed in Section VI. In this section, we discuss the principles that guided the design of the new program.

Backward design

The senior seminar is the culmination of the Economics major. The senior seminar offers students the opportunity to integrate and use economic tools and concepts they have acquired throughout the major. The course requires students to undertake a directed research project, produce a thesis paper, and orally present the research. As noted above, our analysis reaffirmed the value of requiring students to undertake this project. Consequently, our curriculum should be designed with the goal of preparing students to successfully undertake this capstone project.

Developing a senior thesis requires several integrated skills, including the ability to: 1) identify and formulate a central question to be investigated; 2) identify, master, and apply relevant economic theory to help frame the investigation; 3) locate and review appropriate primary and secondary economic literature; 4) synthesize and analyze this literature to draw a conclusion about the central question; and 5) clearly communicate an argument orally and in writing to the appropriate audience.

The senior seminar should not be the first time that a student is exposed to any of these capabilities. Each of these capabilities must have a home in the curriculum prior to the senior seminar, ideally more than one home. As noted earlier, the Advanced Topics course is a strength of the current curriculum in this regard. We have extended the approach taken in designing that course to redesigning the entire program.

Modeling economic inquiry

Our overarching goal is to prepare students for independent, critical inquiry into economic issues. Inquiry begins with a question or puzzle, and then produces an answer supported by an analysis/argument. It is facility with this process that we would like to see our students demonstrate in their theses.

A weakness of our current approach (which predominates in economics education more broadly) is that in most classes we reverse this process. That is, we begin with the exposition of theory by developing frameworks and models, and then proceed to applications that demonstrate the value of these tools. For example, in Principles of Microeconomics we might introduce the rational maximizer model of consumer behavior and develop the concept of net utility or consumer surplus, then apply this model to explain why pizza companies charge lower prices for a second pizza or why a cell phone company might charge both monthly fee and usage fee.

While the use of relatable examples undoubtedly brings these abstract concepts alive, this approach does not serve our goals well in at least two ways. First, it prepares students poorly to formulate a question to research in their senior thesis because it creates the impression that to perform

economics is to pick up a hammer and search for a nail. That is, it creates the impression that economic inquiry is not about seeking answers to particular questions but about finding the right examples to which to apply a given set of tools. Second, it may discourage students from believing that critical analysis of theory is an important part of economic analysis. Criticism of this sort is not necessarily rejected as inappropriate, but is relegated to other disciplines. Students come to understand the assumptions underlying a model as defining the necessary conditions for its application. If these assumptions are not (at least approximately) satisfied in a given scenario, then it is not amenable to economic analysis. The economist does not search for an alternative understanding but searches for something else to analyze.

Thus, it is critical that our curriculum be designed to better model the inquiry process in order to help students develop the capacity for independent, critical inquiry into economic issues. We will create or redesign courses so that they begin with economic issues that motivate questions, and develop/apply theory to address those questions. Moreover, we will increase the number of opportunities throughout the curriculum for students to formulate and explore their own questions.

Incorporating history of thought

In most economics program, including our current curriculum, study of the history of economic thought is relegated to a single elective course if it included at all. However, we believe that incorporating the history of thought throughout the curriculum, beginning with the introductory course, will improve student learning outcomes.

For one thing, an increased emphasis on the history of economic thought is one way to help better model the process of inquiry for our students. In textbooks, and thus in most courses, (neoclassical) economic theory is presented by introducing students to a collection of principles that over the course of time have come to be accepted as the core elements of theory. These ideas are introduced almost entirely devoid of context except for the selected applications to modern life discussed above. Little reference is made to the thinkers with whom ideas originated, to the circumstances in which they lived, or to the particular questions they addressed in their work. As noted above, mastering and applying the principles is the primary focus with some attention paid to the assumptions that limit the model's applicability. A contrasting approach that introduces theory via the history of thought (see Appendix 5 for an example) would include this missing context. In doing so, it should help students see that economic theory began first with a question or a set of questions to which the theory provided an answer.

In addition, a history of thought approach connects ideas to particular people engaged in particular projects. We believe that this will help students see economic theories as arguments. Because ideas are connected to people, history of thought tends to make it easier for students to see the way in which each theory is built on assumptions and embodies particular ethical precepts.

Expanding elective requirements and offerings

More exposure to a broader range of elective courses would serve our curricular goals well. We view topical elective courses as being full of rich potential. They build on core theory classes by applying and extending the tools that were introduced in that context. In particular, as with the Advanced Topics course, we view topical elective courses as providing rich opportunities to

engage students in extended economic inquiry in the context of a particular topical area. Finally, they offer good opportunities for students to begin exploring and writing about some of their own questions. For these reasons, we believe that it would be useful to require majors to take more elective courses and to offer elective courses on a wider variety of topics.

The breadth of our offerings should be sufficient to (1) give our students some choices; (2) capitalize on the expertise of economics faculty; (3) make Willamette comparable to similar liberal arts institutions, if not in specific courses, in the overall breadth of courses available; and (4) capitalize on the links to existing interdisciplinary programs (e.g., environmental and international studies).

Embodying pluralism

Finally our curriculum should be explicitly pluralist. By pluralism, we mean the side-by-side development of multiple explanations of/ways of understanding economic phenomena. Economics as a discipline is unusual in the extent to which it is dominated by an orthodox perspective. Most economics programs, including our current curriculum, focus almost exclusively on developing Neoclassical economic theory in spite of the fact that other schools of thought exist and continue to develop⁸. This creates a false impression of homogeneity in economic analysis. By contrast, pluralism “embeds the principle of controversy in the definition of economic theory⁹.”

Although only a handful of schools in the United States have adopted a pluralist curriculum, there is a vibrant literature that expounds the virtues of this approach¹⁰. Among the arguments that we find most compelling are the following:

- *Improved recognition of economic theory as argument.* Confronted with competing explanations for the same phenomenon, students will be invited to investigate what leads to different conclusions. This should help them see economic theory as argument by emphasizing for them the way that different values, different assumptions and, importantly, even what questions are deemed to be important lead to different conclusions.
- *Improved understanding of economic arguments.* Even if we believed that Neoclassical theory were in all ways superior to other economic analysis, variation learning theory suggests that by offering a contrast we will help students to understand Neoclassical economic arguments better. In addition, the Neoclassical school is not the only contributor to public discussion, particularly in policy circles. So, exposing students to a broader range of economic theory will better prepare them to engage the public discourse after they graduate.

⁸ Barone, Charles. 1991. “Contending Perspectives: Curricular Reform in Economics,” *The Journal of Economic Education*. Vol. 22, No. 1 (Winter, 1991), pp. 15-26.

⁹ Freeman, Alan. 2009. “The Economists of Tomorrow: the Case for a Pluralist Subject Benchmark Statement for Economics,” *International Review of Economics Education*. Vol. 8, No. 2.

¹⁰ In addition to the papers already cited, see for example: Groenewegen, John (ed.), *Teaching Pluralism in Economics*. Edward Elgar Publishing: Cheltenham, 2007; Reardon, J. (ed.), *The Handbook of Pluralist Economics Education*. Advances in Heterodox Economics, Routledge Press: London, UK and New York, 2009; and Reardon, Jack. “A radical reformation of economics education: educating real world economists,” *Real-World Economics Review*, issue no. 62.

- *Improved critical thinking.* Again, confronted with competing explanations for the same phenomenon, students will be invited “to identify, select, adapt, and critically interrogate the range of theories relevant to each concrete problem¹¹.” Thus, they will naturally be encouraged to move beyond mastery and application of theory to the exercise judgment in determining which explanation is most compelling.

The commitment to introduce pluralism into curriculum creates a challenge: How do you conceive of and present pluralism, which implies developing multiple approaches to economic analysis? There are far too many economic schools of thought to envision an undergraduate program that effectively develops them all. So, in mounting a pluralist curriculum it is necessary either to select particular schools of thought to develop or to group schools together somehow. Although neither approach is without important drawbacks, either could be used to help generate the benefits listed above. We have chosen to group schools of thought. From amongst the various possibilities¹² we will design our curriculum around the organization put forward in E. K. Hunt’s *History of Economic Thought: A Critical Perspective*. In this text, Hunt identifies two grand traditions both of which have their roots in the writings of Adam Smith. One tradition views analysis of production, labor, and class conflict to be fundamental concepts in understanding capitalism while the other tradition places exchange, utility, and social harmony at the center of its analysis. Taking this approach should not preclude discussion of particular schools of thought. Rather it provides a framework within which students may better understand the relationship between different schools.

Finally, an additional decision must be made: Should multiple perspectives be developed in each course (integrated model)? Or should different perspectives be developed in separate courses (parallel model) and then integrated in later courses? After much discussion, we have chosen to pursue the integrated model. Since many students take only a single economics course during their careers, an advantage of this approach is that such students will still be exposed to the range of economic theory.

¹¹ Freeman, Alan. 2009. “The Economists of Tomorrow: the Case for a Pluralist Subject Benchmark Statement for Economics,” *International Review of Economics Education*. Vol. 8, No. 2.

¹² See for example: Chapter 2 from Clark, Berry. *Political Economy: A Comparative Approach*. Praeger: Westport, Connecticut or O’Hara, Phillip Anthony. “Principles of Institutional-Evolutionary Political Economy – Converging Themes from the Schools of Heterodoxy” *JOURNAL OF ECONOMIC ISSUES* Vol. XLI No. 1 March 2007

SECTION 6: DESIGN OF THE NEW ECONOMICS MAJOR AND MINOR

The major structural changes of our proposed Economics major include:

- Replacing Principles of Microeconomics and Principles of Macroeconomics with a single semester introductory course—Introduction to Economic Inquiry in Historical Context;
- Replacing Intermediate Microeconomics with Microeconomic Theory and replacing Intermediate Macroeconomics with Macroeconomic Theory;
- Increasing the number of required elective courses from 2 to 3.

In addition to these structural changes, individual courses will be redesigned to incorporate:

- An increased emphasis on the economic inquiry;
- An increased emphasis on the history of thought;
- A pluralist approach to economic theory.

Our requirements for the major and minor are listed below and illustrated in Figure 2:

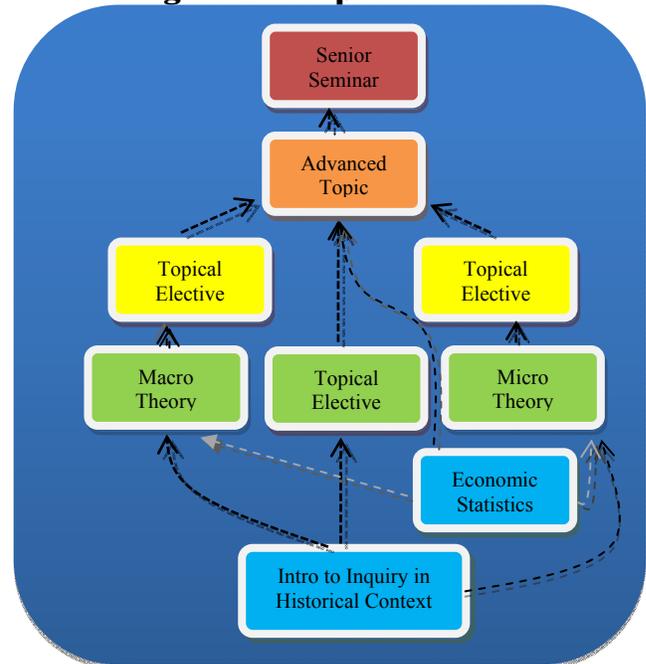
Proposed Major in Economics

Courses	Credits
Introduction to Economic Inquiry in Historical Context	1.0
Economic Statistics	1.0
Microeconomic Theory	1.0
Macroeconomic Theory	1.0
Elective Credits in Economics (at least 1 at 300+)	3.0
Advanced Topics	1.0
<u>Senior Seminar</u>	<u>1.0</u>
ECONOMICS TOTAL	9.0
Calculus ¹³	1.0
TOTAL	10.0¹³

Proposed Minor in Economics:

Courses	Credits
Introduction to Economic Inquiry in	1.0

Figure 2: Proposed Curriculum



¹³ Historically, a Calculus course has been included in the major as preparation for the Intermediate Microeconomics (and to a lesser extent the Intermediate Macroeconomics) course. Depending on the nature of the new Microeconomic Theory and Macroeconomic Theory courses, the Calculus requirement may be dropped, reducing the total number of required credits for the Major to 9 and the Minor to 5.

Historical Context	
Micro Theory or Macro Theory	1.0
<u>Addtl Credits in Economics</u>	<u>3.0</u>
ECONOMICS TOTAL	5.0
Calculus ¹³	1.0
TOTAL	6.0

General features

Introduction to Economic Inquiry in Historical Context

This course will serve as the primary gateway course for the major. In addition, we anticipate that it will continue to serve the University's general education program and several other majors (including Environmental Science, International Studies, and Mathematics/Economics).

The primary goal of this course will be to introduce students to economic inquiry. It will address questions such as: What kinds of questions do economists ask? How do they go about trying to answer those questions? Why do economists disagree with one another? How does this inquiry/discussion connect to current public discourse? It will introduce students to the arguments of the two major traditions of economic analysis as developed by E. K. Hunt in *History of Economic Thought: A Critical Perspective*. It will introduce these traditions using a history of thought approach that connects ideas to particular authors and emphasizes the historical context in which they wrote. A prototype course outline is provided in Appendix 5.

Skills developed:

Primary: i) Formulate questions; ii) Make an argument; iii) Master theory

Secondary: iv) Write; v) Evaluate evidence.

Economic Statistics

This course will remain largely unchanged in purpose and structure within the proposed new major. It will continue to serve the major and the general education program.

The primary change envisioned for Economic Statistics (Econ 230) is a shift in emphasis. As historically taught, the course focuses significant time and attention on performing calculations. We suggest that the course be revised to focus more on developing the skills needed to critically assess the economic arguments that draw on empirical evidence. Calculations and derivations should be seen as tools in service of that goal. In particular, in preparing students to write a senior thesis, it would be useful to devote more time to reading and discussing empirical articles from the economics literature.

Skills developed:

Primary: i) Evaluate evidence; ii) Make an argument

Secondary: iii) Formulate a question; iv) Write; v) Master theory.

Microeconomic and Macroeconomic Theory Course

These courses will serve the major primarily. They may also serve as part of the core and potentially elective courses for the Mathematics/Economics major. Completion of Introduction to Economic Inquiry in Historical Context is a prerequisite for these courses.

These courses build on the Intro to Inquiry course by introducing students to more formal tools, models and methods from both traditions. Formal models are an important way in which economists now communicate their arguments; so, an important goal for this class will be to help students to understand these models and link them back to the arguments from the Intro course. Moreover, while students become aware of the ongoing conversation amongst economists in the Intro course, they may not emerge with a clear sense of how to enter the conversation themselves. For many of our students it may be easier for them to see how they can apply the formal models to analyze a given scenario than they could see how to extend or interpret general verbal arguments directly. Thus, learning to apply these tools is a second important goal for this class. To that end, at least one paper in which students apply course tools to analyze an issue of their choosing should be a significant part of each of these courses.

Skills developed:

Primary: i) Master theory; ii) Apply theory; iii) Make an argument;

Secondary: iv) Write; v) Evaluate evidence; vi) Formulate questions.

Elective Courses

Topical elective courses will continue to serve the major and a variety of other majors as well.

Elective courses may be drawn from the current set of offerings:

- *Labor Economics;*
- *Environmental Economics;*
- *Economics of Developing Countries;*
- *International Economics;*
- *Public Finance;*
- *Comparative Economic Systems;*
- *Industrial Organization and Public Policy;*
- *History of Economic Thought;*
- *Introduction to Econometrics and Forecasting;*
- *Mathematical Economics.*

In addition we envision developing several new courses. Topics for these additional courses will be determined by student demand as well as faculty interest and expertise. In total we expect to routinely draw from a pool of approximately fifteen courses.

Some electives will be offered at the 200 level, with only the intro course as prerequisite. Environmental Economics, International Economics, Economics of Developing Countries, and Comparative Economic Systems or equivalent alternatives will fall into this category since they serve other majors directly. Other elective courses will be offered at the 300 level or higher, requiring Micro Theory, Macro Theory, or both as prerequisites. Economic Statistics may also be a prerequisite for some of these courses.

Much like Advanced Topics, the purpose of these courses is to provide students with a guided inquiry experience. Rather than conceived as covering a specific set of topics, their objective will be to deepen student experience by extending and applying concepts from core theory and methods courses to address questions related to a specific topical area.

Skills developed:

Primary: i) Master theory; ii) Apply theory; iii) Make an argument;

Secondary: iv) Formulate questions; v) Evaluate evidence; vi) Research; v) Write.

Internships

The placement and purpose of the major internship program will remain unchanged in the new curriculum.

Advanced Topics

This course is the first part of the senior capstone experience for majors. Completion of Economic Statistics and either Micro Theory or Macro Theory, depending on the section topic, are prerequisite for the course.

Ideally, student would enter this course having completed all other requirements for the major other than the Senior Research Seminar. Making this a formal requirement is unwieldy for a variety of reasons. However, this expectation should be communicated in catalogue language and in the advising process.

Each section examines a narrowly defined economic theme or topic, but the real goal of the course is to prepare students to write a senior thesis. Group exploration of a narrow topic provides students with a concrete example of economic inquiry, using the analytical and empirical skills developed earlier in the curriculum. The course culminates in the development of a prospectus assignment that proposes and develops core components of a senior thesis project. Assignments include written and oral evaluation of the work of both peers and professionals, multiple drafts of the research paper and classroom presentation of principal methods and conclusions.

Completion of the Advanced Topics course is a prerequisite for the senior seminar. The prospectus completed by each student in the advanced topics course will be the beginning point for the senior seminar.

Skills developed:

Primary: i) Formulate questions; ii) Research; iii) Master Theory; iv) Apply theory; v) Evaluate evidence; vi) Make an argument; vii) Write

Senior Research Seminar

The senior seminar is the culmination of the Economics major. It offers students the opportunity to integrate and use economic tools and concepts they have acquired throughout the major. Each student completes a directed research paper that builds on analytical methods from the required

courses in the major. Other activities include written and oral evaluation of the work of both peers and professionals, development and presentation of a research paper and presentation of principal methods and conclusions.

Curriculum Map

The table below maps out the expected path students will take in achieving the student learning outcomes identified in Section II.

Courses	Intended Student Learning Outcomes				
	SLO1	SLO2	SLO3	SLO4	SLO5
Intro to Inquiry	I	I	I	I	I
Economic Statistics	I, R	R	I, R	I	I, R
Micro & Macro Theory	I, R	I, R	I, R	I, R	I, R
Topical Elective Courses	R	I, R	I, R	I, R	R
Advanced Topics	R	R	R	R	R
Senior Seminar	M, A	M, A	M, A	M, A	M, A

I = Introduced

R = Reinforced

M = Mature

A = Assess

SECTION 7: BROADER IMPLICATIONS OF THE NEW CURRICULUM

Implications for Transfer Students

Historically transfer students have been able to apply credit earned for taking Calculus, Principles of Microeconomics, Principles of Macroeconomics, Economic Statistics, topical elective courses, and Intermediate Microeconomics and Macroeconomics (contingent on passing an in-house examination) at another institution toward the Economics major at Willamette. This has been true because of the remarkable standardization of economics education noted in Section II of this report.

The proposed changes to our major make our curriculum unique. While we see this as strength overall, it will make it more difficult to transfer credit from another institution because courses taught elsewhere, with the exception of Economic Statistics and Calculus¹⁴, will not be equivalent. In particular, we anticipate that theory courses taken elsewhere will not substitute for the required theory courses in our program. Instead theory (and elective) courses taken elsewhere would substitute for (at most 2) 200 elective courses in the new curriculum. Consequently, the changes we are proposing will make it more difficult for transfer students to major in Economics, especially students who first enroll in Willamette at the beginning of their junior year.

Despite the increased difficulty for transfer students, we anticipate that many will be able to satisfy at least one or two of the major requirements and some may be able to satisfy as many as four. Moreover, though difficult and not ideal, it is possible for a student to complete the entire program in four semesters. Thus, transfer students will not be precluded from declaring an Economics major. However, it will be important for admissions staff and the CLA Dean's office to help identify potentially interested students as they enter and guide them to the Economics Department for advising.

Implications for Students who Plan to Attend Graduate School

The majority of Economics program alums pursue graduate level education at some point in their lives. Most pursue an MBA programs or attend law school, a smaller number enroll in MS programs (usually in Economics or Public Policy); and an even smaller number enter PhD programs in Economics. Overall, we believe these curricular reforms will have little impact on prospects for admission into any of these programs and that, on balance, students will be better prepared for graduate study. Each program is discussed in more detail below.

MBA programs – Undergraduate major is not an important admission criterion for virtually all MBA programs, including Willamette's 3-2 program. Thus, we anticipate that the proposed changes should have no direct implications for students who wish to pursue an MBA. To the extent that the new curriculum better prepares students to understand economic phenomena, it will better prepare them to seek an MBA.

¹⁴ If this course continues to be required in the new major

Law School –Likewise, Economics has never been required to enter law school nor has the curriculum ever prepared students in any specific way to attend Law School. Rather, the link has been more indirect, arising from the fact that the program emphasizes problem solving, deductive logic, and to some extent symbolic reasoning. All of these elements will continue to be emphasized in the new major, though perhaps with slight more focus on logical argument and slightly less on problem solving and symbolic reasoning. Thus, the Economics major should continue to be good preparation for students headed to law school.

MS programs – To the extent that the new curriculum better prepares students to understand economic phenomena, it will better prepare them to seek an MBA. The only change that might arguably be detrimental to students seeking to enter these programs is the altered focus in teaching economic statistics. Because MS programs of this sort tend have a heavy focus on empirical research, it might be argued that the shift away from technique and toward interpretation will leave students less well prepared. However, this deficit is easily compensated by advising students who are considering attending such a program to enroll in the Introduction to Econometrics and Forecasting class.

PhD programs – With a small number of exceptions, graduate programs in Economics have become so highly mathematized that they tend to prioritize mathematical training over economics preparation in the admissions criteria. Students interested in attending a PhD programs should be encouraged to take as much mathematics as possible, up to and including becoming Mathematics majors. The content and structure of the Economics curriculum are a small matter by comparison. However, to the extent that the new curriculum better engages students in economic inquiry and better prepares them to understand economic phenomena, it will better prepare them to do thoughtful research, even within a highly mathematized graduate program.

Implications for Other Programs at Willamette **Service to General Education**

As part of a liberal arts college, we are committed to serving the general education program of the school. Thus, the impact of our proposed changes on this program is an important consideration. Careful analysis of this issue is hampered by the fact that the general education program is currently being overhauled. However, a few high level observations are worth making at this point. First, we believe that the proposed changes better align the goals, emphases, and learning outcomes with those of the college at large. Second, by emphasizing inquiry, incorporating history of thought, and embodying pluralism we believe the new curriculum better integrates economics with other social sciences, softening the boundaries between disciplines and increasing the opportunities for fruitful collaboration. Finally, we believe the new curriculum is flexible enough that we will be able to meaningfully participate in the new general education program regardless of its final form.

One specific question about general education that arises from our proposed changes is whether our decision to offer more topical elective courses will come at the expense of providing few seats for students seeking to satisfy general education requirements. Currently, Principles of Micro, Principles of Macro and Economic Statistics are the courses that serve the general

education program. As noted in Section IV, one of the reasons we have not offered more elective sections each year is because we have chosen instead to offer a large number of sections of these courses to serve the general education program. So, it is reasonable to wonder then whether it is possible to increase elective offering without decreasing the number of general education seats.

Obviously, this question is impossible for us to answer precisely until we know what the general education requirements are. However, we believe that the answer will be, yes. We can continue to serve the general education program at approximately the same volume and increase elective requirements and offerings at the same time. We arrive at that conclusion in the following way. We can reasonably assume that students who are taking economics courses for the sole purpose of satisfying general education requirements will likely to be taking Introduction to Economic Inquiry and/or Economic Statistics. We have proposed no changes Economic Statistics, so the question really hinges on the Intro class. Because our proposed changes reduce the number of required classes for Economics majors at the intro level from two to one, we will be able to offer fewer sections at the intro level while serving our majors and providing roughly the same number of general education seats. That should allow us to offer additional sections at the topical elective level.

Service to other majors

Several other programs include economics courses either as requirements or electives toward the major.

- *Environmental Science* - ECON 122 Principles of Microeconomics (required) and ECON 345 Environmental Economics (elective for Social Science emphasis);
- *International Studies* – ECON 122 Principles of Microeconomics (required) and ECON 353 International Economics, ECON 352 Economics of Developing Countries, and ECON 351 Comparative Economic Systems (students must take 2 of these 3); and
- *Mathematics/Economics* – ECON 122 Principles of Microeconomics (required); ECON 123 Principles of Macroeconomics (required); ECON 357 Intermediate Microeconomics or ECON 358 Intermediate Macroeconomics (required); ECON 230 Economic Statistics (elective); and 2 additional courses in Economics numbered 300 or higher (of special interest here are ECON 458 Mathematical Economics; ECON 452 Introduction to Econometrics and Forecasting; and ECON 470).

Clearly, the proposed changes to the Economics curriculum will directly affect these programs. However, we believe that the impact can be managed relatively easily and that, overall, these programs will benefit from enriched Economics courses. The direct impacts and possible responses are discussed in more detail below.

- Principles of Microeconomics will no longer be offered in the new curriculum, thus, the requirement for this course in other majors will need to be changed. We believe that new

Introduction to Economic Inquiry course can be substituted in all cases. In these programs Principles of Micro is serving two functions. First it provides a general introduction to economic analysis, and second it is a prerequisite for topical courses that relate directly to the focus of the program. Introduction to Economic Inquiry will perform these same functions.

- All four of the theory courses that are required or optional in the Mathematics/Economics major will no longer be offered in the new curriculum; thus, these requirements will need to be changed. We believe the three economic theory courses from the proposed new major can effectively be substituted. This may benefit the program to the extent that it gives students a broad introduction to economic analysis in three courses rather than four. However, the theory courses will likely be taught with less explicit focus on mathematical formalism. For this reason, it may be desirable to change the status of the Mathematical Economics course from an elective to a requirement for the Mathematics/Economics major.
- All the topical elective courses listed above (Environmental Economics, International Economics, Economics of Developing Countries, and Comparative Economic Systems) or equivalent alternatives will continue to be offered and will be enriched by a renewed focus on inquiry and by the incorporation of a broader set of approaches and perspectives (pluralism).
- Since all the topical electives listed above or equivalent alternatives will continue to list a single course as prerequisite (now Intro to Inquiry instead of Principles of Micro), these courses will continue to be accessible to students with no additional credit burden.
- The two technical electives (Mathematical Economics and Introduction to Econometrics) will continue to be offered unchanged.

Implications for hiring new faculty

Tenure Track Faculty

We anticipate that the unusual nature of the curriculum will make it difficult to identify candidates who were specifically prepared to teach in our program because most graduate programs train students exclusively in the Neoclassical tradition. While challenging, this issue is not insurmountable because: i) there are a handful of programs that train students more broadly¹⁵; and ii) we believe that it will be possible for people who were not trained explicitly for this program to succeed teaching it so long as they are committed to appropriate professional development. If this were not the case, then we would be unable to mount the program with our current faculty. It will be crucial for us to approach the recruitment and mentoring of new faculty mindful of this challenge.

¹⁵ Some of these programs are already represented in our faculty: University of Utah, University of Missouri at Kansas City, and Colorado State University.

Temporary Faculty

Sabbaticals, illnesses and class size fluctuations are likely to mean that we will at times need to hire temporary faculty. The same issues that pose a challenge when hiring tenure track faculty will pose an even greater challenge when it comes to recruiting temporary faculty where we will be faced with a smaller pool of candidates. To address this difficulty, we will need to carefully consider to which classes temporary faculty might best be assigned. For example, temporary faculty are perhaps more likely to be prepared to teach Economic Statistics or a topical elective course than core theory courses. Regardless of where we fit temporary faculty in, we will also need to give thought to mentoring and monitoring them. We may even find it desirable to prescribe a particular syllabus or the use of particular teaching materials. This would deviate from our historical practices, but a more interventionist approach may be warranted and even appreciated because temporary faculty lack the time and/or skill set to develop appropriate materials of their own.

Implications for Advising

As a department we have established a reputation for effective and responsible advising. With our proposal for a revised major in Economics we need to strengthen and reinforce our advising efforts in the following ways:

- Work with new advisees to make certain they recognize the goals of our program and understand how the program is designed to achieve them.
- Work to help students understand the tightly structured nature of our major, and ensure that they will be able to complete the sequence of required courses in time to be eligible for the senior research seminar. This may require that students file a plan for completing the major at the time they formally choose economics as a major.
- Work actively with advisees to explore career goals, and to advise appropriate elective strategies for those seeking graduate school opportunities in economics, law, business, or public policy programs.
- Help students understand the ways in which a liberal arts education in general and an Economics major in particular can be instrumental in achieving their career goals. Work with advisees to identify appropriate opportunities for internships during the junior or senior year which will build upon their prior work in economics and enable them to see potential career applications.
- Identify students who aspire to a PhD in Economics and steer them to begin in-depth mathematical training as early as possible.

Implications for Departmental Assessment

Over the past six years, we have developed a departmental strategy in which we periodically review senior theses and senior essay exams to assess student progress toward the student desired learning outcomes. This strategy will continue to be useful after we adopt the new program.

However, it will be useful to revise our assessment rubrics before the next assessment so that they better reflect the revised articulation of program goals and student learning outcomes. Experience with two cycles of evaluation also suggests that it would also be useful to engage in a norming exercise in which we all read the same thesis (essay exam), score it, and then discuss the results. This should help us calibrate our responses and will provide a useful venue for ongoing discussion of our evolving program goals.

APPENDICES

APPENDIX 0:**PREVIOUS ARTICULATIONS OF CURRICULAR GOALS****Goals Statement From 1997 self-study:**

The overriding goal of our curriculum is to instill in our students the capacity to “*think like economists.*” What follows is a outline of the skills and proficiencies that define what that means in the context of a liberal arts education. Graduates of Willamette with a degree in economics should be able to:

- 1) *Apply deductive reasoning and simplified models to help understand economic phenomena.* “Thinking like an economist” involves problem solving (e.g., minimize the cost of achieving a goal), analytical reasoning (e.g., deduce conclusions from a set of assumptions and postulated relationships) and critical thinking (e.g., rigorously examine economic analyses for faulty logic or unrealistic assumptions). These fundamental skills transcend the discipline of economics and are at the core of the capabilities we aspire to cultivate in all Willamette students.
- 2) *Identify public policy questions that involve some dimension of scarcity and apply the analytic tools of economics to illuminate the tradeoffs among alternative courses of action.* In this regard, students should be able to characterize efficient allocations of scarce resources and explain how markets might, or might not, achieve efficiency.
- 3) *Analyze complex problems using the analytical framework of economics.* This framework typically involves developing and/or interpreting models of human behavior that help us to isolate, identify and clarify important economic phenomena. Creating or interpreting economic models involves: deductive and abstract reasoning, making assumptions to simplify complex relationships, and use of deductive reasoning to draw implications from a model. Moreover, students should understand the advantages and limitations of economic models. Students should be able to put abstract models in the context of a more complex reality by carefully evaluating the model’s implicit and explicit assumptions.
- 4) *Understand aggregate measures of economic activity.* This includes the ability to evaluate the relative merits of these measures.
- 5) *Understand the ways in which government policies (e.g., government spending, taxes, monetary policy and foreign trade policy) can affect aggregate economic activity, growth, and the distribution of income and wealth.* Moreover, students should be able to evaluate competing theories of how policy tools influence economic activity.
- 6) *Organize, summarize and present data to illustrate or clarify economic phenomena.* This skill focuses primarily on the effective use of descriptive statistics to illustrate economic problems, issues or policies. Students should be able to identify data relevant to the issue or thesis and organize and present the data in a way that effectively supports an argument.
- 7) *Understand and apply the scientific method to test and verify economic theory.* This skill includes the ability to empirically test hypotheses generated from economic theory. The scientific method involves (1) developing models that capture the important economic features of a problem or policy issue, (2) generating testable hypotheses from the model, (3) gathering empirical evidence that bears on the validity of the hypotheses, and (4) testing the hypotheses using formal statistical techniques. In economics, this last step often involves the use of regression analysis. All students should be able to read and interpret the more accessible empirical studies in the

literature. Advanced students, those qualified for graduate school in economics, should be able to generate their own testable hypotheses and conduct empirical tests using regression or other inferential techniques.

- 8) *Communicate economic concepts effectively* both orally and in writing so that a college graduate who has no formal training in economics could understand the concepts.
- 9) *Comprehend, interpret, and apply quantitative analysis.* Economic relationships typically have both graphical and mathematical representations. A facility with quantitative methods is a necessary component of economic literacy.

In the broader context of a liberal arts education, the economics curriculum should also (1) identify and highlight connections with other disciplines, (2) carefully examine the philosophy and values inherent in the economic analysis, (3) put economic analysis and institutions in a historical context, and (4) promote responsible citizenship and life-long learning.

Goals Statement From 2010 Accreditation Report:

The overarching goal of our curriculum is to instill in our students the capacity to “think like economists.” Such thinking involves problem solving (e.g., minimize the cost of achieving a goal), analytical reasoning (e.g., deduce conclusions from a set of assumptions and postulated relationships) and critical thinking (e.g., rigorously examine economic analyses for faulty logic or unrealistic assumptions). These fundamental skills transcend the discipline of economics and are at the core of the capabilities we aspire to cultivate in all Willamette students.

In an effort to facilitate the development of such skills, the Economics Department has identified the following five student learning outcomes emphasized in the department’s curriculum:

- 1) The student can interpret statistical evidence to analyze economic phenomena. A successful student will be able to construct and interpret statistical evidence, including estimating economic relationships and hypothesis testing;
- 2) A successful student will understand the definition and computation of basic economic indicators. In addition, the successful student will understand the limitations of such indicators and possible remedies to these limitations;
- 3) The student can communicate economic concepts both orally and in writing to a non-technical audience. A successful student will be able to effectively communicate his or her analysis of economic phenomena in an accessible way to the non-major
- 4) A successful student will be able to understand the construction of and predicted outcome of a perfectly competitive market. In addition, the successful student will understand the limitations of the market model, as well as the limitations of efficiency as a criterion for evaluating market outcomes
- 5) The student can use economic analysis to analyze the predicted impact of policy. The successful student will be able to choose the appropriate theory to analyze the predicted effects of economic policy. In addition, the successful student will be able to draw on related economic concepts in their policy analysis

APPENDIX 1:**PLURALISM DISCUSSION AND SYMPOSIUM MATERIALS****Outline of Pluralism Exploration Discussions
Fall 2011****Some important questions for our discussion:**

- What are/should be our goals for our major program?
- What is meant by pluralism and what is the case for pluralist education?
- What are the pitfalls/challenges of pluralism?
- What does it look like to pluralize a single course?
- What does it look like to pluralize a curriculum?
 - What are the major schools of thought/models/perspectives/traditions?
 - Do we want to present particular schools of thought/models/perspectives/traditions in a “core” theory sequence?
 - If so, which of these schools of thought/models/perspectives/traditions do we want to we want to present?
 - How do these core theory courses relate to more topical courses?

Outline of the discussions this fall, including homework assignments:

I hope we will find ways to talk about all of the questions above and any others that arise along the way as well. While there is some natural sequencing in these questions, I don't think they entirely separable. So I propose that rather than identifying a particular subset of these questions to focus on in a particular discussion, we instead identify a group of relevant and interesting papers to read and discuss on a particular day, keeping all of these questions in mind. With that in mind, here is a proposed schedule for the fall. More extensive reading lists related to each question are included below. There is a lot of good stuff out there, so I encourage you to explore beyond this short list:

1. Discussion of Goals – 8/8/2011 (*see summary document*)
2. September
 - Barone, Charles A. 1991. “Contending Perspectives: Curricular Reform in Economics,” *The Journal of Economic Education*, Vol 22. , No. 1, pp 15-26.
 - McCloskey, Donald N. 1983. “The Rhetoric of Economics.” *Journal of Economic Literature*, Vol. 21, pp 481-517.
 - Peterson, Janice and McGoldrick, KimMarie. 2009. “Pluralism in Economic Education: a Learning Theory Approach,” *International Review of Economics Education*, Volume 8, Issue 2, 2009.
3. October

- Earl, Peter E. 2000. “Indeterminacy in the Economics Classroom,” in *Economics as an art of thought: Essays in memory of G. L. S. Shackle*, Earl, Peter E. and Frowen, Stephen F. eds. Studies in the History of Economics, vol. 36. London and New York: Routledge, pp. 25-50.
- Mearman, Andrew. 2007. “Teaching Heterodox Economics Concepts,” in *The Handbook for Economics Lecturers*. The Economics Network, June 2007.
- Negru, Ioana. 2010. “Plurality to pluralism in economics pedagogy: the role of critical thinking” *Int. J. Pluralism and Economics Education*, Vol. 1, No. 3, 2010.
- Nelson, Julie. “The Principles Course,” in Reardon, J. (ed.), *The Handbook of Pluralist Economics Education*. Advances in Heterodox Economics, Routledge Press: London, UK and New York, 2009

4. November

- Chapter 2 from Clark, Berry. *Political Economy: A Comparative Approach*. Praeger: Westport, Connecticut.
- Adam Smith chapter from Hunt, E. K. 2002. *History of economic thought: a critical perspective*. M.E. Sharpe.
- O’Hara, Phillip Anthony. “Principles of Institutional-Evolutionary Political Economy – Converging Themes from the Schools of Heterodoxy” *JOURNAL OF ECONOMIC ISSUES* Vol. XLI No. 1 March 2007

Partial bibliography by question:

In addition to the papers listed above there is an extensive literature on pluralism in economic education. Here is a very partial bibliography made up of papers and books that I have found to be interesting in my explorations over the past year.

Curricular goals:

- 1997 Self-study, especially articulation of goals.
- Colander, David and McGoldrick, KimMarie. 2010. “The Teagle Foundation report: the economics major as part of a liberal education” in *Educating Economists: The Teagle Discussion on Re-evaluating the Undergraduate Economics Major*, David Colander and KimMarie McGoldrick, eds. Edward Elgar Publishing. January, 2010.
- Hansen, W. Lee. 2001. “Expected Proficiencies for Undergraduate Economics Majors” *Journal of Economic Education*, Summer 2001, pp. 231-242.
- Heilbroner, Robert L. 1984. “Economics and Political Economy: Marx, Keynes, and Schumpeter,” *JOURNAL OF ECONOMIC ISSUES* Vol. XVIII No.3 September 1984
- Marglin, Stephen. 2010. “The Economics Major as Illiberal Education” in *Educating Economists: The Teagle Discussion on Re-evaluating the Undergraduate Economics Major*, David Colander and KimMarie McGoldrick, eds. Edward Elgar Publishing. January, 2010.

- McCloskey, Donald N. 1983. “The Rhetoric of Economics.” *Journal of Economic Literature*, Vol. 21, pp 481-517.
- Wight, Jonathan B. 2010. “Moral Reasoning in Economics” in *Educating Economists: The Teagle Discussion on Re-evaluating the Undergraduate Economics Major*, David Colander and KimMarie McGoldrick, eds. Edward Elgar Publishing. January, 2010.

Case for pluralism

- Barone, Charles A. 1991. “Contending Perspectives: Curricular Reform in Economics,” *The Journal of Economic Education*, Vol 22. , No. 1, pp 15-26.
- Denis, Andy. 2009. “Editorial: Pluralism in Economics Education,” *International Review of Economics Education*, Volume 8, Issue 2, 2009.
- Dow, Sheila. 2009. “History of Thought and Methodology in Pluralist Economics Education,” *International Review of Economics Education*, Volume 8, Issue 2, 2009.
- Freeman, Alan. 2009. “The Economists of Tomorrow: The Case for a Pluralist Subject Benchmark,” *International Review of Economics Education*, Volume 8, Issue 2, 2009.
- Garnett, Jr., Robert F. 2009. “Rethinking the Pluralist Agenda in Economics Education,” *International Review of Economics Education*, Volume 8, Issue 2, 2009.
- Groenewegen, John (ed.), *Teaching Pluralism in Economics*. Edward Elgar Publishing: Cheltenham, 2007
- Ormerod, Paul. 2003. “Turning the Tide: Brining Economics Teaching into the Twenty First Century,” *International Review of Economics Education*, volume 1, issue 1, pp. 71-79
- Peterson, Janice and McGoldrick, KimMarie. 2009. “Pluralism in Economic Education: a Learning Theory Approach,” *International Review of Economics Education*, Volume 8, Issue 2, 2009.
- Reardon, J. (ed.), *The Handbook of Pluralist Economics Education*. Advances in Heterodox Economics, Routledge Press: London, UK and New York, 2009.
- Wilson, David and Dixon, William. “Performing Economics: A Critique of ‘Teaching and Learning,’” *International Review of Economics Education*, Volume 8, Issue 2, 2009..

Pitfalls/challenges of pluralism

- Earl, Peter E. 2000. “Indeterminacy in the Economics Classroom,” in *Economics as an art of thought: Essays in memory of G. L. S. Shackle*, Earl, Peter E. and Frowen, Stephen F. eds. Studies in the History of Economics, vol. 36. London and New York: Routledge, pp. 25-50.
- Earl, Peter E. (2002) “The Perils of Pluralistic Teaching and How to Reduce Them ”, *post-autistic economics review* : issue no. 11, January, article 1.
http://www.btinternet.com/~pae_news/review/issue11.htm
- “Overview of the Perry Scheme” <http://www.perrynetwork.org/schemeoverview.html> accessed 6/8/2011.
- Negru, Ioana. 2010. “Plurality to pluralism in economics pedagogy: the role of critical thinking” *Int. J. Pluralism and Economics Education*, Vol. 1, No. 3, 2010.

What does a single course look like?

- Borg, J. Rody and Borg, Mary O. 2001. “Teaching Critical Thinking in Interdisciplinary Economics Courses.” *College Teaching*; Winter2001, Vol. 49 Issue 1, p20, 6p
- Goodwin, Neva R and Harris, Jonathan M. 2001. “Better Principles: New Approaches to Teaching Introductory Economics” GLOBAL DEVELOPMENT AND ENVIRONMENT INSTITUTE WORKING PAPER NO. 01-05.
- Knoedler , Janet T. and Underwood, Daniel A. 2003. “Teaching the Principles of Economics: A Proposal for a Multi-paradigmatic Approach” JOURNAL OF ECONOMIC ISSUES Vol. XXXVII No. 3 September 2003.
- Lee, Frederic S. 2010. “A heterodox teaching of neoclassical microeconomic theory” *Int. J. Pluralism and Economics Education*, Vol. 1, No. 3, 2010.
- Mearman, Andrew. 2007. “Teaching Heterodox Economics Concepts,” in *The Handbook for Economics Lecturers*. The Economics Network, June 2007.
- Reardon, J. (ed.), *The Handbook of Pluralist Economics Education*. Advances in Heterodox Economics, Routledge Press: London, UK and New York, 2009.

What does a pluralist curriculum look like?

- Barone, Charles A. 2004. *Radical Political Economy: A Concise Introduction* ME Sharpe.

- Clark, Berry. *Political Economy: A Comparative Approach*. Praeger: Westport, Connecticut.
- Garnett, Jr, Robert F. 2005. "Whither Heterodoxy?" post-autistic economics review Issue no. 34, 30 October 2005 article 1
- Hunt, E. K. 2002. *History of economic thought: a critical perspective*. M.E. Sharpe
- O'Hara, Phillip Anthony. "Principles of Institutional-Evolutionary Political Economy – Converging Themes from the Schools of Heterodoxy" JOURNAL OF ECONOMIC ISSUES Vol. XLI No. 1 March 2007

Potentially useful textbooks:

- Barone, Charles A. 2004. *Radical Political Economy: A Concise Introduction* ME Sharpe
- Hahnel, Robin. 2002. *The ABC's of Political Economy: A Modern Approach*. Pluto Press: London, Virginia.
- Himmelweit, Susan; Simonetti, Roberto; and Trigg, Andrew. 2001. *Microeconomics: Neoclassical and Institutional Perspectives on Economic Behavior*. Thomson Learning.
- Hunt, E. K.; Sherman, Howard J. 1990. *Economics: An Introduction to Traditional and Radical Views*. New York: Harper and Row. (through 6th edition, later editions from different publisher)
- Pluta, Joseph E. 2008. *The Market: Mainstream and Evolutionary Views*. KENDALL HUNT, 2008
- Stretton, Hugh. 1999. *Economics: A New Introduction*. Pluto Press: London, Virginia.
- Samuel Bowles, Richard Edwards, Frank Roosevelt. 2005. *Understanding Capitalism: Competition, Command, and Change*. Oxford University Press: New York, New York.

Framing Questions for Symposium on Pluralism

Overarching Question(s):

- What should we learn from your experience with a pluralist curriculum?
 - What has worked well?
 - What has been difficult?
 - What would you do differently?

More specific questions that have arisen from our discussions:

Conceptual questions:

- How do you conceive of/articulate the goals of the economics major?
- How do you conceive of pluralism within your curriculum? That is, how have you decided what to include in the curriculum and how to organize/present it?
 - Have you chosen specific schools of thought to introduce? If so, how did you select those specific schools of thought?
 - Have you identified/adopted a framework that groups various schools of thought together? Examples of this approach might be (but are not limited to):
 - Grouping by ideology/conclusion (a la Berry Clark, *Political Economy A Comparative Approach*)
 - Focus on exchange vs focus on production (a la Hunt & Sherman, *Economics: An Introduction to Traditional and Progressive Views*)
 - Orthodox principles vs Common heterodox principles (a la Knoedler and Underwood, “Teaching the Principles of Economics: A Proposal for a Multi-paradigmatic Approach” or O’Hara “Principles of Institutional-Evolutionary Political Economy”)

Curricular structure questions:

- Does the traditional structure of a required core of theory courses and elective topical courses work well in the context of a pluralized curriculum?
- How have you altered the Principles course?
 - Do you offer a combined (single-semester) micro/macro Principles course? Or separated?
 - To what extent do students encounter multiple perspectives within the Principles course(s)?
 - Is it possible to offer a single-semester Principles course that introduces multiple perspectives?
 - Do you offer a separate general education course nonmajors? Or does Principles serve this function?
- How have you altered the intermediate theory courses?

- Do students encounter multiple perspectives within each intermediate theory class?
Or does each course develop a
- What is the relationship between the intermediate theory and principles courses?
 - Are the same set of perspectives/schools of thought/approaches developed with greater depth/rigor?
 - Are new perspectives/schools of thought/approaches introduced?
- What is the relationship between core theory and topical courses?
 - What are the prerequisites for topical courses? Principles? Intermediate theory? Some of each?
 - Do these courses primarily continue to develop the same perspectives/schools of thought/approaches introduced in the core theory sequence?
 - Do they introduce new perspectives/schools of thought/approaches?
- What is the senior capstone experience?

Logistical questions:

- How did you effect the transition?
 - Was significant faculty development/training necessary?
 - If so, how did you accomplish it?
 - What resources were necessary?
 - To what extent did you develop or redevelop courses in common? Individually?
 - What resources are available that might useful to us in redeveloping our courses?
 - Did you introduce the curricular changes in stages or all at once?
- How do adjunct faculty fit into the system?
 - Has it been difficult to find adjuncts who are willing/able to teach in the pluralized curriculum?
 - What courses do they teach?
 - Do you require them to teach from materials designed/selected by the department?

What other important questions have we failed to ask?

Symposium Itinerary:

Friday, 2/10:

~2:30 Guests arrive in PDX
 ~4:30 Guests arrive in Salem
 5:30 – 7:00 Dinner at Bentley's

Saturday, 2/11:

8:00 – 8:30 Breakfast (Bon Appetit)
 8:30 – 10:00 Discussion I: Conceptual Questions
 10:00 – 10:20 Break

10:20 – 12:00 Discussion II: Curriculum & Pedagogy, part 1
12:00 – 1:00 Lunch (Bon Appetit)
1:00 – 2:00 Discussion II cont: Curriculum & Pedagogy, part 2
2:00 – 2:15 Break
2:15 – 4:00 Discussion III: Logistics
4:00 – 4:15 Break
4:30 – 5:30 Discussion IV: General Reflection, tying up loose ends
6:00 – 7:30 Dinner
7:30 – 8:30 Guests return to PDX Radisson

Sunday, 2/11:

~9:00am Fly out of PDX

Discussion I: begin with ~10-15 minute prepared comments by each presenter, leaves 15-40 minutes for discussion.

Discussion II: begin with ~20 minute prepared comments by each presenter, leaves 1 hour for discussion.

Discussion III: begin with ~15 minutes prepared comments by each presenter, leaves 45 minutes for discussion

Discussion IV: Open. Opportunity to return to earlier conversations left unfinished.

APPENDIX 5:**NEW INTRODUCTORY COURSE (PROTOTYPE)****INTRODUCTION TO ECONOMIC INQUIRY
IN HISTORICAL CONTEXT****Course Goals:**

- Introduce students to economic inquiry.
 - What kinds of things do economists ask questions about?
 - How do they go about trying to answer those questions?
 - Why do economists disagree with one another?
 - How does this inquiry/discussion connect to current public discourse?
- Introduce students to the two major traditions of economic analysis as developed by E. K. Hunt in *History of Economic Thought: A Critical Perspective*.
- Introduce students to economic thought in its historical context.

Course Content:**I. *Begin with questions:***

The purpose of this section of the course is to help students generate economic questions that will be explored for the rest of the course. In this section, we begin with observation, presenting data intended to characterize some aspect of economic life, then move immediately to the public discourse, asking students to read and discuss a selection of articles from popular press (editorials, columns, blog posts etc.).

It may be useful to discuss this structure with students explicitly, explaining the way it intentionally mimics the process of economic inquiry. Even foreshadowing independent work Economics Majors will do further along in the curriculum may be worthwhile.

Since the purpose is primarily to generate questions, this part of the course need not be comprehensive and might be more successful if it is relatively narrowly focused. As a concrete illustration, we offer wealth and income distribution because it has been so much in the public conversation recently. However, we believe that other topics might successfully be used to frame the course and accomplish the stated goals (eg, healthcare, labor unions, climate change).

A. *Characterizing income, wealth and poverty in the US (or Worldwide).***Example Sources:**

- Census Bureau. *Income, Poverty, and Health Insurance Coverage in the United States: 2010*. [Updated Annually]

- Economic Policy Institute. *The state of working America*. <<http://stateofworkingamerica.org/>>
- The world top incomes database. <<http://g-mond.parisschoolofeconomics.eu/topincomes/>>
- The IRS <<http://www.irs.gov/taxstats/>>
- The Census Bureau, Wealth and Asset ownership statistics <<http://www.census.gov/hhes/www/wealth/wealth.html>>
- Emmanuel Saez's website: <<http://elsa.berkeley.edu/~saez/TabFig2010.xls>>
- Heritage Foundation <<http://www.heritage.org/issues/poverty-and-inequality>>

In-class:

Talk about different ways of trying to communicate about the income, wealth and poverty in the US. Help students think about putting the statistical information in context. Discuss student reactions to the characterization. Focus on eliciting some questions based on student interactions with this data. Specific examples include:

- Lectures explaining data sources and characterizing tools (quintile distribution, gini coefficient, etc).
- For each try to get students to predict some values without giving them information, then.
- Exercises to provide context:
 - Rice bags
 - Generate living wage/poverty budget together
- Small group discussion: What questions or concerns does this generate for the students? (eg. among other things, it has led to the Occupy Wallstreet movement)

B. *Income, wealth, and poverty in the public discourse.*Example sources:

- Russ Roberts – *The Top 1%* (CafeHayek.com)
- Paul Krugman – *We are the 99.9%* (New York Times)
- Irina Tcherneva – *Poverty, Joblessness, and the Job Guarantee* (New Economic Perspectives)
- Raghuram Rajan – *Is inequality inhibiting growth?* (Project Syndicate)
- Nouriel Roubini – *The instability of inequality* (Project Syndicate)
- Robert Skidelski – *The bad society* (Project Syndicate)
- Joseph Stiglitz – *The price of inequality* (Project Syndicate)
- Matthew Schoenfeld – *Air Jordan and the 1%* (Wall Street Journal)

In-class:

Put students in small groups for discussion. After these small group discussions, follow up by having groups report back to the class at-large. Again, focus on eliciting some questions both from the students themselves and from the authors of these pieces. You might frame the small group discussing with these questions:

- Who seems to disagree with whom? About what?
- Who seems to agree with whom? About what?
- What do you think about these arguments? Why?
- What would you like to understand better?
- What questions emerge from this public dialogue/debate?

C. *Example questions that might arise from these discussions:*

- Where does income inequality come from?
- What does it mean/indicate?
- Should we enact policies aimed at redistributing income?
- What might the impact of such policies be? Would they necessarily come at a cost to the efficiency of our system, for example?
- What causes recessions/depressions?
- Does inequality cause/contribute to economic instability? Inhibit recovery from a recession/depression?
- How can/should we respond to recessions/depressions?

II. *What is capitalism?*

To answer the questions above, economists develop arguments about the way capitalism works. Before turning to the way economists have analyzed capitalism, it is important for students to develop some sense of capitalism as a particular economic system. That is the purpose of this section of the course.

We suggest readings in economic history as a way of:

- introducing the notion of an economic system as a system that provides for survival and divides surplus;
- getting a sense of the different modes of production, relations of production, and institutions consistent with different economic systems;
- developing the evolution of capitalism as a particular economic system.

Example sources

- Sahlins, M. D. (1972). *Stone age economics*. Chicago: Aldine-Atherton. [Chapter 1]
- Hunt, EK. Chapter 1. *History of Economic Thought*. [Chapter 1]

III. *Developing the two analytical traditions*

The purpose of this section of the course is to develop the two analytic traditions. Students should leave the course with a sense of:

- how capitalism is analyzed within the two traditions;
- how each style of analysis might be employed to make an argument about (at least some of) the framing questions generated in section I; and
- how these arguments connect to those made by authors of the popular press articles introduced in Section I.

Note 1: In what follows, we illustrate developing these two traditions, using *history of thought* approach. We believe that the analytic traditions might be successfully developed in other ways. For example, one might develop them according to more *conventional textbook approach*, using a text that accumulates distills the insights of many contributors into a consensus theory for each tradition and focuses on presenting that consensus theory in a coherent and seamless way¹⁶.

This latter approach (traditional textbook) has some advantages. It is probably more familiar to our students and to us too. The development of techniques and tools is probably cleaner and clearer.

However, we believe that the history of thought approach also has some advantages.

- Focusing on the work of *particular* people will help students see that economic theory did not emerge fully developed from an egg somewhere. It was worked out over time by people who lived in particular historical circumstances.
- This will help students understand the *process of economic inquiry better*. The authors were inspired in part by observing events of their times. They asked particular question, read other authors, and wrote in response to them—sometimes agreeing and extending, sometimes disagreeing.
- It will help students see *economic theory as a series of arguments* that can be critiqued and extended, rather than as received knowledge that is to be mastered and applied.
- It will help students focus on the way that key concepts/tools are linked together to form an argument rather than taking the concepts/tools as important in and of themselves.
- It will help students see the way that economic theory is shaped by the values of the people who are developing it.

All of which contributes to our curricular goal of encouraging critical thinking about economic issues.

Note 2: What is presented below is not a *chronology* of the course. Rather it is an outline of the course content, an indication of what we might be trying to help students pull together out of the suggested readings. An example chronology of the course is included in the next section.

A. Adam Smith as the foundation of both traditions

Because Adam Smith is often identified as the originator of mainstream economic analysis, it is particularly useful to begin with him and identify in his work the source for *both* traditions.

¹⁶ For example, Hunt and Sherman's *Economics: An Introduction to Traditional and Radical Views* or Wolff and Resnick's *Economics: Marxian versus Neoclassical* might serve. Alternatively, Hahnel's *The ABCs of Radical Political Economy* or Barone's *Radical Political Economy: A Concise Introduction* might be paired with a standard Principles textbook.

Example readings

- Hunt, EK. Chapter 1. *History of Economic Thought*. [Chapter 3]

B. *Basic micro* –

- Where does income inequality come from?
- What does it mean/indicate?
- What is the impact of redistribution?

Exchange/Utility/Harmony approach*Argument/ideas:*

- Individual's income is a product of: their prefs; their endowment of resources; and the technology available to them.
- The more we sacrifice (labor vs leisure, saving vs consumption), the more we contribute to production (value to society), and thus, the more we can and should get to consume (income).
- The relatively affluent do not and cannot earn their income at the expense of the poor.
- Income plays an important role in creating incentives for resources to be invested rather than consumed.
- Income differentials play an important role in creating incentives for resources to be put to use in the most socially valuable ways.
- Market imperfections may create distortions from the optimal incentive structure.
- The only reason to intervene in the market distribution of income is to correct these market imperfections
- Efforts to go beyond these limited interventions will lead to a loss of wealth/social welfare.

Example readings:

- Adam Smith [Hunt ch3]
- Bentham, Say & Senior [Hunt ch6]
- Bastiat & Mill [Hunt ch8]
- Jevons & Menger [Hunt ch10]
- Marshall & Clark [Hunt ch11]
- Possibly supplemented with parts of standard econ texts

Class/Production/Conflict approach*Argument/ideas:*

- People within a capitalist society belong to different classes: capitalists, who own the means of production; and laborers, who do not.
- Division into these classes largely took place as the prior to the establishment of capitalism in a process called primitive capital accumulation.
- The source of profit is surplus value ($M - C - M'$).
- The source of surplus value is the production process ($M - C \dots P \dots C' - M'$)

- The source of surplus value is labor.
- The acquisition of profit requires no sacrifice on the part of the capitalist
- Capitalist appropriation of surplus value is exploitation—getting something for nothing.
- Since exploitation exists in capitalist system even if market imperfections are removed, dealing with market failures is not enough. The underlying class relations need to change.
- Moreover, since profit income (and wealth) derives from exploitation, redistribution of income and wealth could occur without significant ill effects.
- However, it is unlikely that a government in a capitalist society would be willing and able to undertake these kinds of reforms because of the influence of money.
 - Capitalists will control the government and thus systems of formal and informal education.
 - Thus, they will be able to reproduce the social structure that supports the distribution of wealth and income via a capitalist economic system.
- So, a just distribution of income is possible only if we transition to a different type of economic system.

Example readings:

- Adam Smith [Hunt ch3]
- Ricardo [Hunt ch5]
- Marx [Hunt ch9]
- Veblen [Hunt ch12]

C. *Basic macro* –

- What causes recessions/depressions?
- Does inequality cause/contribute to economic instability? Inhibit recovery from a recession/depression?
- How can/should we respond to recessions/depressions?

Note: The macro arguments do not divide as neatly by approach as the micro arguments. For example, within each approach you can find authors who argue that the market will self-correct as well as those who argue that it will not. However, while the authors from different approaches reach similar conclusions, they may do so using different arguments and conclude with different policy recommendations. These distinctions will be useful to draw out.

Exchange/Utility/Harmony approach

Markets will self-correct, laissez faire (modern conservative/classical liberal):

- Say's Law: Any supply of a good calls forth its own demand, because of the circular flow of money.
 - Production turns results in sales.
 - These revenues are returned to households as income

- Household income becomes effective demand for goods and services.
- Thus production creates demand.
- While there could be overproduction of a particular commodity or within a particular industry in a capitalist economy, there would not be a general glut. The market will self-correct to full employment.
- Unemployment is either temporary (frictional), voluntary (job hopping, looking for better wages that don't exist), or caused by external shocks (natural disaster, wars, government interference with market mechanisms, government mishandling of the money supply, inexplicable waves of psychological pessimism). In the first and third cases, the market would self-correct to full-employment.
- Governments should not intervene to cure unemployment.
- Income inequality plays no role in causing or prolonging a recession/depression.
- If unemployment is voluntary, government safety nets and policies designed to redistribute income may cause or prolong recession/depressions by making voluntary unemployment attractive.

Example readings:

- Say [Hunt ch 6]

Markets will not self-correct, government action may be needed to stimulate aggregate demand (modern liberal):

- Say's Law does not hold in a capitalist economy because people may choose to hold onto money rather than investing it.
- In this situation aggregate demand may fall short of aggregate supply, leading to increasing inventories and decreasing profits.
- The decreased profits lead firms to cut production and fire workers, which leads to further decreases in aggregate demand.
- The economy may thus reach an equilibrium at a low level of supply where vast numbers of workers are unemployed.
- Income inequality may play a role in creating recessions/depressions because, as income inequality increases, there is more money being saved but the opportunities for profitable investment do not keep pace.
- Safety net and income redistribution programs will help move the economy out of depression/recession by increasing aggregate demand.

Example readings:

- Malthus [Hunt ch4]
- Keynes [Hunt ch 15]

Class/Production/Conflict approach

Markets will self-correct, laissez faire (modern conservative/classical liberal):

- Ricardo makes essentially the same argument as offered above.
- “No man produces but with a view to consume or sell”
- “money is only the medium by which the exchange is effected”

- “Too much of a particular commodity may be produced...but this cannot be the case with respect to all commodities.”
- Thus no intervention is necessary or useful “..wages should be left to the fair and free competition of the market, and should never be controlled by the interference of the legislature”

Example readings:

- Ricardo [Hunt ch 5]

Markets will not self-correct (radical):

- A “reserve army” of the unemployed is a part of capitalism
- This surplus labor creates competition among workers that will keep wages at a subsistence level.
- Thus, all or almost all of workers’ wage income goes to consumption.
- Capitalist income derives from wage income and property income. While capitalists consume part of their income, part is always saved.
- The economy can be divided into two sectors, one producing consumer goods and one producing capital goods.
- As economic growth takes place, the labor surplus is depleted and capitalists are forced to pay higher wages. Thus, in the early stages of expansion, income inequality is decreased and aggregate demand increases, which reinforces the expansion.
- The rising wages create an incentive for the innovation/implementation of labor-saving technology.
- Implementation of this technology temporarily increases the demand for capital goods, leading to a temporary expansion in that sector.
- However, successful inclusion of this technology in the consumer goods sector decreases the demand for labor and relieves capitalists’ problem of higher wages.
- As workers’ wages decline demand for consumer goods will decline because of the different marginal propensity to consume for laborers and capitalists.
- The decrease in demand for consumer goods, will lead capitalists to cut production and lay off workers, further reducing aggregate demand.
- Moreover, as production of consumer goods decreases, the demand for capital goods likewise decline as capitalist’s choose not to invest their savings in additional unprofitable production.
- The decline in demand in the capital goods sector sets off a series of similar adjustments (production decreases, worker layoffs) in that capital goods sector.
- The self-reinforcing nature of this declines leads to an economic depression with wide-spread unemployment, replenishing the “reserve army” of the unemployed.
- Since the decline is precipitated and perpetuated by declining aggregate demand: i) income inequality plays a central role in creating the crisis; and ii) government intervention that stimulates aggregate demand may help break out of the downward cycle.

- However, since the crises are created by the fundamental relationships between capitalists and laborers, this kind of intervention will only temporarily address the problem as the cycle is bound to repeat (internal contradiction of capitalism).

Example readings:

- Marx [Hunt ch 9]

D. *Additional elements that might (or might not) be useful*

- Nature of economic argument: Hunt is pretty good on the relationship between ideology and analysis and also on the rise of scientific thinking in economics, but it might be useful to include some philosophy of science/epistemology readings as well.

Example sources:

- Stretton, Hugh. *Economics: A New Introduction*. Pluto Press. [Chs 1-6, especially 2,3,5, 7]
 - Wolff & Resnick. *Economics: Marxian versus Neoclassical*. Johns Hopkins Press. [Ch 4, especially part d, pp. 256-268.]
 - McCloskey, Donald N. 1983. “The Rhetoric of Economics.” *Journal of Economic Literature*, Vol. 21, pp 481-517.
 - Hunt, ch 19, pp 514-521
- Perry learning theory: Peter Earle talks about the way student expectations of the teaching-learning process can be a significant challenge to teaching pluralist economics courses. To help mitigate this disconnect, he recommends talking explicitly with students about their expectations and about the nature of the current course early in the semester. One way to do that might be to have students read and discuss something about Perry’s stages of learning.

Example sources:

- Rappaport, William J. 1984. “Critical Thinking and Cognitive Development,” *American Philosophical Association Proceedings*, 57:5. Pp 610-615.
- Rappaport, William J. *William Perry’s Scheme of Intellectual and Ethical Development*. < <http://www.cse.buffalo.edu/~rapaport/perry.positions.html> >
- *Overview of Perry Scheme*. < <http://www.perrynetwork.org/schemeoverview.html> >

Course Chronology:

<i>Week</i>	<i>Topics</i>	<i>Readings</i>
1	Characterizing income, wealth & poverty Income, wealth & poverty in public discourse	See suggested sources in 1.A See suggested sources in 1.B (~ 20p)
2	Income, wealth & poverty in public discourse Can economic analysis be value free? What is capitalism?	See suggested sources in 1.B (~20p) Hunt Preface & pp. 514-521, Mankiw pp. 17-26 Hunt, Ch 1; Sahlins, Ch1 (~32p)
3	Adam Smith	Hunt Ch 3 (~26p)

4	Malthus	Hunt Ch 4 (~26p)
5	Ricardo	Hunt Ch 5 pp 92-104, 113-124 (~25p)
6	Bentham, Say, Senior	Hunt Ch 6 (~28p)
7	Bastiat & Mill	Hunt Ch 8 (~29p)
8	Marx	Hunt Ch 9 pp 204-224,233-237, 240-247 (~34p)
9	Marx	Hunt Ch 9 pp 204-224,233-237, 240-247 (~34p)
10	Jevons & Menger	Hunt Ch 10 pp 248-265 (~18p)
11	Marshall & Clark	Hunt Ch 11 pp 286-310 (~25p)
12	Veblen	Hunt Ch 12 (~32 p)
13	Keynes	Hunt Ch 15 (~28p)
14	Bringing it all back together	Review public discourse readings Wolff & Resnick Ch 4.d pp 256-268

Assessments:

Graded assignments in this course could take a variety of forms, and we will provide some examples below. Two observations are worth making before presenting the examples. First, numerical problem-solving exercises seem less likely to for the approach we have outlined here (history of thought) than they would for a traditional Principles class. By contrast assessments that require students to analyze arguments and make arguments themselves seem more likely to be useful. Second, this approach provides very natural opportunities for us to ask students to write.

Examples of assessment devices that seem particularly useful to us include:

- *Essay exams and quizzes:* Part of what we are asking students to do in this course is engage with the arguments of selected authors and think about the relationships between the arguments. Essay exams and quizzes may therefore be useful ways to assess student comprehension of these arguments. Quizzes can also be used to help structure class conversations of a particular chapter/author. We will provide an example of this at our meeting on the 8th.
- *Papers:* Because an important overarching curricular goal is for students to think critically about economic, a longer paper seems like a very useful assignment. Given the particular way we have structured the class above an example of a writing assignment might be:
 - Choose one of the pieces from the public discourse that we read in the early part of the course and write a paper that analyzes it.

Your analysis should include two parts:

- *An interpretation:* The author of the piece you selected is making an argument. Underlying that argument is a logical analysis of capitalism (an economic theory) that leads them to a particular conclusion. However, given the length and the nature of their piece, the connection between their argument and the theory that justifies it probably isn't very explicit. In the interpretation section of your paper, you should draw from course readings to make this connection for them. You can think of your goal in this section as answering the questions: What is the author arguing? Why would anyone who thought carefully about economics make this argument?

- *A response:* In this section of the paper, you will make your own argument in response to the piece you selected. Do you agree with the author? Disagree? Why? Again, you should draw on the class readings as you make this argument. If you agree, how would you answer the critics? If you disagree, how do respond to the analysis you developed in the first part of your paper?