How to bring economics into the 3rd millennium by 2020[1]

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Introduction

This paper argues four theses and outlines an action plan.

1. The Global Financial Collapse has created a climate among the intelligentsia - left, right and centre - that strongly supports fundamental changes in economics as a discipline, but this climate is unlikely to have significant effect.

2. Six basic and interconnected categories of institutions comprise the economics profession: university departments, associations, journals, classification systems, economics 101 textbooks, and its basic narrative. The institutions currently filling these categories are together closed to major change and capable of resisting all attempts at serious reform.

3. The combination of digitalization and globalization has rendered economics' existing institutions in five of the six categories anachronistic and vulnerable not to reform but to being superseded by new institutions within ten years. The exception is university departments, but the existing ones would be reformed as a consequence of the ascendancy of new institutions in the other five categories.

4. These new institutions will emerge only if their linked realization becomes the goal of informed, co-operative, non-profit entrepreneurial pursuit. A rough outline of how these goals could be realized is offered.

[1] An earlier version of this essay was presented at the *Imitatio* Economic Forum, in Paris at l'École Normale Supérieure on 13-14 June 2010. I am grateful to *Imitatio* and its sponsor, the Thiel Foundation for their financial support and for the opportunity to test-fly these ideas in special conditions. An account of this experience, including analysis that pertains to this essay, may be read here: The Glass Wall.
[http://rwer.wordpress.com/2010/06/25/the-glass-wall/]

Economics after the Global Financial Collapse

Post-crash outsider views of economics

In modern times no respected discipline has ever suffered such a radical and widespread decline in its public credibility as has economics since the Global Financial Collapse. Outside of economics itself, support for fundamental reform of economics has become nearly universal. The titles of articles that have appeared in mainstream English periodicals since March 2009 illustrate this point. Here are examples, most of which come from publications usually identified with the preservation of the status quo.

From the *Financial Times*
"How economics lost sight of real world"
"Academics languish behind the curve set by journalists"
"Needed a new economic paradigm"
"Sweep economists off their throne"

From *Business Week*
"Why Economics is Bankrupt"
"What Good Are Economists Anyway?"

From *Atlantic Magazine*
"Will Economists Escape a Whipping?"
"Why Economics Failed"
"Have economists gone mad?"

From the *New York Times*
Seduced by a Model
"Vested interest in an analytic structure "
"The Return of History"

From the *New York Times Magazine*
"How Did Economists Get It So Wrong?"

From *The Guardian*
Rescuing economics from its own crisis
The Nobel prize for economics may need its own bailout
It's possible to subtract mathematics from economics
Praying for a revolution in economics

From *The Economist*
Whither the efficient market hypothesis?
The State of Macroecnomics

From the Foreign Policy Journal
Bought-and-paid-for-economists

From *Newsweek*
Blame the Economists

From the *Vancouver Sun*

> Economics: Dismal Science or Science at All?

From the *Korea Hearld*

> Economics is a religion, not a science

From the *Huffington Post*

> How the Fed Bought the Economics Profession

From *tpmcafe*

> Should We Bury Macroeconomists at Ground 0?

From *Money Magazine*

> How to rebuild a shamed subject

The articles themselves tend to be even more vitriolic and condemning than their titles. Here are some examples. The first is from *Business Week*.

> The rap on economists, only somewhat exaggerated, is that they are overconfident, unrealistic, and political. They claim a precision that neither their raw material nor their skill warrants. Too many assume that people behave like the mythical homo economicus, who is hyperrational and omniscient. And they take sides in quarrels that freeze the progress of research. Those few who defy the conventional wisdom are ignored. ["What Good Are Economists Anyway?"]

From *Atlantic Magazine* the conservative Richard A. Posner begins

> It is remarkable how economists have been able to deflect blame for the economic crisis that erupted last September with the sudden collapse of the international banking industry and that continues to afflict the world's economies.
>
> [Economics] failure was I think due in significant part to a concept of rationality that exaggerates the amount of information that people have about the future, even experts, and to a disregard of economic factors that don't lend themselves to expression in mathematical models, or are intractable to formal analysis.

Posner concludes:

> . . . the control of the business cycle had until the present crisis been regarded as a principal triumph of modern economics and justification for regarding economics as the queen of the social sciences. . . . The urgent need is for the part of the profession that concerns itself with business cycles to acknowledge its inadequacies and reorient its training and research.

Another *Atlantic* article says:

> . . . the concept of rationality even exaggerates rationality. Even with good information, people often make stupid decisions based on emotion. I would even argue that generally people are more emotional than rational -- and that's a huge problem for modern economics.

But of all the economics-bashing journalism read since the GFC, the one perhaps most satisfying appeared more recently (March 26, 2010) in the *New York Times*, a thoughtful piece by Republican commentator David Brooks titled "The Return of History". He divides the history of modern economics into five acts: scientism, splintering and slowly emerging sophistication, exposure of the shortcomings of the whole field by its "causing untold human suffering", soul-searching (today), and the blowing up of the whole field to become a subsection of history and philosophy. Acts I, IV and V are especially apropos.

> Act I in this history would be set in the era of economic scientism: the period when economists based their work on a crude vision of human nature (the perfectly rational, utility-maximizing autonomous individual) and then built elaborate models based on that creature.
>
> Act IV, the period of soul-searching that we are living through now. More than a year after the event, there is no consensus on what caused the crisis. Economists are fundamentally re-evaluating their field. . . . are taking baby steps into the world of emotion, social relationships, imagination, love and virtue.
>
> In Act V, I predict, they will blow up their whole field.
>
> Economics achieved coherence as a science by amputating most of human nature. Now economists are starting with those parts of emotional life that they can count and model (the activities that make them economists). But once they're in this terrain, they'll surely find that the processes that make up the inner life are not amenable to the methodologies of social science. The moral and social yearnings of fully realized human beings are not reducible to universal laws and cannot be studied like physics.
>
> Once this is accepted, economics would again become a subsection of history and moral philosophy. It will be a powerful language for analyzing certain sorts of activity. Economists will be able to describe how some people acted in some specific contexts. They will be able to draw out some suggestive lessons to keep in mind while thinking about other people and other contexts — just as historians, psychologists and novelists do.
>
> At the end of Act V, economics will be realistic, but it will be an art, not a science.

Post-crash insider views of economics

Alas, the "soul-searching" that Brooks says mainstream economists are now undertaking appears more cosmetic than real. If "[e]conomists are fundamentally re-evaluating their field", it remains publicly invisible and most likely not happening. Let us begin with those establishment economists whom we might most expect to be contemplating a fundamental re-evaluation.

In recent years Paul Krugman has been the most strident and publicly vocal of insider critics of the state of economics. So when his long article with the promising title "How Did Economists Get It So Wrong?" appeared in the *New York Review of Books* last September, one might have expected to find therein recommendations for strong and even radical reform of the economics profession. But after six or seven thousand words of bashing his perennial enemies -- Friedman, Fama, Lucas and Prescott -- Krugman concludes with only three short paragraphs addressed to reform. And only one contains substance. It is as follows.

> So here's what I think economists have to do. First, they have to face up to the inconvenient reality that financial markets fall far short of perfection, that they are subject to extraordinary delusions and the madness of crowds. Second, they have to admit — and this will be very hard for the people who giggled and whispered over Keynes — that Keynesian economics remains the best framework we have for making sense of recessions and depressions. Third, they'll have to do their best to incorporate the realities of finance into macroeconomics.

This is hardly radical stuff. Krugman has pushed stronger reform measures at times when economics enjoyed broad uncritical support among the intelligencia. One senses that like maverick members of political parties at election time, Krugman is showing his loyalty now that it might be needed.

What about Joseph Stiglitz and George Akerlof? In a joint article in the *Guardian* [October 28, 2009] they speak not of a need for a revolution in economics but merely of explorative thought. They write:

> Just as the crisis has reinvigorated thinking about the need for regulation, so it has also given new impetus to the exploration of alternative strands of thought that would provide better insights into how our complex economic system functions – and perhaps also to the search for policies that might avert a recurrence of the recent calamity.

They then go on to identify the "Research grants, symposia, conferences and a new journal" to be financed by George Soros as the means by which this exploration may be realized.

At the end of March 2010 in a video
http://www.youtube.com/watch?v=DEqk8HLeiFA&feature=related
for Soros's new institute and titled "Economics Trapped in an Old Paradigm", Stiglitz speaks of economics' need for "more diversity of ideas" and identifies the existing journals with their peer review process as the collective institution by which a monopoly of ideas is maintained. But noticeably and sadly he appears to have no substantive ideas about how that monopoly might be broken up so that economics would cease to be trapped.

David Colander is another insider economist (and past contributor to this journal) who, long before the GFC, was publicly saying that our house needs repair. In July of this year he submitted written testimony to a US Congressional committee considering the economics profession's part in the recent calamity. In his introduction Colander identifies himself as "the Economics Court Jester because I am the person who says what everyone knows, but which everyone in polite company knows better than to say." So what is it now that "everyone knows" but dares not speak?

Colander says that there are two ways in which the economics profession has gone astray and thereby "failed society":

1. "it over-researched *a particular version* of the dynamic stochastic general equilibrium (DSGE) model", [emphasis added] and
2. "by letting policy makers believe, and sometimes assuring policy makers, that the topography of the real-world matched the topography of the highly simplified DSGE models".

This diagnosis suggests that the profession's affliction should be easy to cure, and Colander spells out the remedy. Two measures will do the job:

1. increase the "diversity of the reviewer pool" for "the reviewing process of NSF [National Science Grants] to the social sciences, and
2. "increase the number of researchers explicitly trained in interpreting and relating models to the real world."

Colander calls these "structural changes". Perhaps so, but at best they are equivalent to putting in patio doors. His testimony also appears to presume that Economics, like the Ozark Mountains, belongs to the USA. Sadder still, Colander gives the false impression that new research is needed before GFCs can be foreseen and avoided. He scrupulously avoids any mention of Keen, Roubini, Baker or any of the other economists who, working outside the neoclassical box, analytically foresaw and warned of the coming collapse.

Krugman, Akerlof, Stiglitz and Colander are of course part of the mainstream, but they occupy its outer edge and therefore are now, no less than before -- even with grants, symposia, conferences, a new journal and the benevolence of a billionaire -- unlikely to have the power needed to free economics from the monopoly of the neoclassical paradigm, assuming that that is what they want. Meanwhile the generals of that mainstream status quo show no signs of giving ground or even of feeling the need for appeasement. Here are two examples.

Gregory Mankiw, who's textbook *Economics* is the current world gold standard in introductory level textbooks, wrote a short article for the *New York Times* titled "That Freshman Course Won't Be Quite the Same". (24 May 2009) But the title, mild as it is, overstates Mankiw's case. The four changes he points to and which he emphasizes are the only ones needed are at best miniscule: the role of financial institutions should "become more prominent in the classroom", likewise for "the effects of leverage", ditto again for the "tools of monetary policy" and, finally, students must be taught that economic events like the Global Financial Collapse cannot be foreseen.

Robert Lucas in an article for *The Economist* is even more intransigent. He sneers at "people who have seized on the crisis as an opportunity to restate criticisms they had voiced long before 2008", and he stands by what he calls the "main lesson" from the Efficient Market Hypothesis: "the futility of trying to deal with crises and recessions by finding central bankers and regulators who can identify and puncture bubbles."

The voices coming from the mainstream's middle ranks echo those of the generals. *The Economist* on 17 September 2010 published the invited responses of fifteen economists to the question "How has the crisis changed the teaching of economics?" With the exception of the China-based Michael Pettis who wants history placed "at the heart of economics instruction, all of them recommend a fresh coat of paint rather than structural changes – "adjustments but no paradigm shift" as one respondent puts it. Mark Thoma's expectations are typical:

> In the short run, the way in why [sic] we teach economics won't be very different from the way it was taught in the past because the basic analytical tools and the models that we use won't change all that much.

And in the long run and at the graduate level?

> The reliance on micro-based, rational agents operating in a dynamic, stochastic, general equilibrium (DSGE) environment will persist, and our teaching will reflect that.

Meanwhile economists who publicly do not identify with the mainstream, and there are thousands, are enjoying their days of recognition and of being listened to by the mainstream media. Ego-wise, heterodox economists have never had it so good. But our new-found, and probably short-lived, public esteem in no way threatens economics' status quo. To understand why we must look at the institutions that rule economics as presently constituted.

The power structure of the economics profession: six categories of institutions

Three years ago James Galbraith, in a piece for tpmcafe.com, wrote as follows:

> The neoclassical trick is to insist that all "real economists" adhere to an arcane and limited set of techniques. The focus on conformity, on a bizarre hierarchy of journals, the dominance of the AEA [American Economics Association] at the annual meetings, all serve to define who is in the tribe, and their rank. Mainstream economics . . . is defined by who accepts the discipline of the cult.

I broadly agree with Galbraith's quick sketch of how the economics profession is structured, but we must grasp that sociology in greater depth and detail before we can think seriously about engineering its change.[2] To that end I want to focus attention on six categories of institutions, each with its internal hierarchy, by which the economics profession as a power in the world is presently comprised. These are as follows:

1. university departments,
2. associations,
3. journals,
4. classification systems,
5. economics introductory level textbooks, and
6. the discipline's basic narrative, which structures its introductory textbooks and is, unless stated otherwise, presumed in most of the conversations that economists conduct among themselves and initiate with the wider world.

Contrary to everyday belief, the institutions currently filling these categories are together closed to major change and capable of resisting all attempts at serious reform. This intransigence and insuperability stems from the fact that as institutions, although independently constituted, they are interlocking and their characteristics inter-determined.

The interdependency between the hierarchies of the **departments** and the **journals**, including its determination of who teaches at and publishes in them, is much appreciated and often discussed. Similarly everyone in the profession knows that all of the economics **associations** in the world take at best third place to the American Economics Association, that it owns three of the five or six journals offering the most kudos and that virtually all of its officers are or have been affiliated with one or more of ten American universities. Because these three sets of institutions interlock so securely, attacking them individually, either from within or from out, will bring no results. Moreover, although the AEA has elections, the slates of candidates nominated by the existing leadership are traditionally rubberstamped by the members.

[2] Galbraith's then frontline approach to changing economics was essentially fatalistic. "My hope is that the neoclassical ghetto will continue to build its walls, and that universities, who hold the power in these matters. Will eventually just shrink those departments and let them wither away."

It seems likely that most economists, including heterodox ones, look upon the *Journal of Economic Literature* (JEL) **Classification System** as a neutral piece of intellectual equipment. But it exists as a powerful device for maintaining the status quo. It exerts power in three ways. It quietly conditions economists to approach economics and the economy through a hierarchy of boxes whose permanence rivals the Periodic Table of Elements. It quarantines the papers of dissident but hardy groups like Marxist, Austrians and Feminists. And it silently disappears papers that break all moulds, rather like the secret police in the middle of the night disappear dissenters in dictatorships. Here is an example.

Looking at the contents of *Intersubjectivity in Economics*, a book I edited about intersubjective phenomena among economic agents and the macro structures they generate, one or more homes could be found for each of its seventeen chapters in the JEL Classification System. But in so doing the general topic, the one that lies behind the creation of the book, disappears without trace *and with it also the significance of the individual papers*. As will be shown later, classification systems do not need to be like this.

The importance of economics' introductory level **textbooks** tends to be under appreciated. In the United States alone more than a million young minds annually take a year long introductory course. For over 90 percent of them this experience is dominated by a textbook little changed from Paul Samuelson's 1948 text *Economics*. With few exceptions, their textbook fundamentally shapes how they think about economics and economic issues for the rest of their lives. As such, these books are a powerful and long-lasting cultural and political force. And of course their influence extends to the economics profession itself, because these textbooks also serve as the formative introduction to economics of that small minority of students who go on to become economists.

A dominant characteristic of these textbooks is that they treat all economic agents as subjectively autonomous from one another. This is a basic axiom upon which the economic reasoning taught the students and the exercises they are required to perform depend. Alternative textbooks exist but are rarely used. As things stand, there is no known way of getting economics departments to use for their first-year courses non-Samuelson textbooks.

The most powerful institution of all in economics is the **basic narrative** that shapes the conversation called "economics", including its textbooks, papers, departmental meetings, and perhaps most important of all, its dialogues with the rest of the world. It is all that which by convention is presumed to be true unless explicitly stated otherwise. This paper's final section will roughly sketch the main points of this narrative and point to how its overthrow could come about.

The vulnerability of the existing institutions

The American Economic Association has long reigned as the world's undisputed supreme ruling body of the economics profession. In influence and membership it outranks all other economics associations. In 2009 the AEA had 16,944 members. That compares to the 3,300 members of the Royal Economics Society, perhaps the AEA's closest rival.

However, membership in the AEA is in steady long-term decline. It reached a peak of 22,005 in 1993, since when it has been decreasing almost year by year. Its membership level is now below what it was in the late 1960s.

What does the AEA offer its rank and file members? Basically two things, journals and an annual meeting. Membership in the AEA includes a subscription to seven academic journals. Four of these are new publications beginning this year, introduced perhaps as an attempt to stop the loss of members. The traditional three journals, the *American Economic Review*, the *Journal of Economic Literature* and the *Journal of Economic Perspectives*, are generally regarded, along with perhaps two or three others, as the most prestigious economic journals in the world. Their prestige of course derives from many factors, but the overriding one is the size of their subscriber list, the 16,944 AEA members plus 3,383 institutional subscribers. The latter it should be noted are also year by year decreasing in number and even faster than members. Together they total to 20,327 subscribers.

I do not know what percent of those members are not based in the United States, but presume that their number is significant although not nearly as high as the 60 percent non-UK members for the Royal Economics Society. The AEA annual conference, traditionally the first week in January, attracts on average about 8,000 members. The meeting provides them with an opportunity to present papers, look for jobs and network in a pre-internet fashion.

There are two aspects of the way in which the AEA is constituted that make it highly vulnerable to having its power and influence in the wider world, including that of its journals, usurped by a new organization.

Firstly, what is most remarkable about the American Economic Association's global hegemony in this globalist age is its nationalist character. Membership may be open to economists from all countries, but the organization is run and tightly controlled by a small and unchanging segment of American educational society. Its nationalistic conception, which its name shouts, juxtaposed to its global power and aspirations, not only goes against the internationalist ethos of science that has prevailed since the Renaissance, but also, and more significantly for us, defies the globalist trends and sentiments of our age.

The second aspect of the AEA that makes its pre-eminent position in the world highly vulnerable is its business model, which was invented in Victorian times when hard copy and postal services were the only options, a whole century before the advent of email and broadband internet. Of course the AEA and other long-established economics associations have adapted themselves so as to employ the new technologies. The AEA's membership transactions are now primarily WEB and email based and it offers online access to its journals. But there remains a strategic difference between adapting a model from the past to cope with a new world and inventing a new model from scratch in light of present and future conditions.

By hard-copy standards, the AEA basic membership fees (which remember are also subscription fees) are extraordinarily good value. They range from $35 dollars for students to $98 for people with an annual income above $88,000, plus $15 per print title for people living outside the USA. By current standards the fees the AEA charges institutional subscribers are also excellent value. A print subscription to a US address to the seven journals is $455 and a print subscription plus an electronic site license is $910. Measured against other academic journals these prices are unbeatable. But let us have a look at how today, if one were starting from scratch, one might go about setting up an organization whose aim was to become the world's largest and most influential economics association and with journals with more subscribers and bigger readerships than any other in the world.

Firstly, it is important to focus on seven basic technological parameters.

1. Virtually all highly educated people in the world have email and broadband.
2. The cost of sending an email anywhere in the world is nearly zero.
3. The cost of replying to an email is also close to zero.
4. The times it takes to deliver an email is virtually instantaneous.
5. The unit cost of enabling a free downloading of a 10,000 word academic paper is virtually zero.
6. The time required for uploading a paper to a server is less than five minutes.
7. The time lapse between deciding to obtain a paper freely available online and having both an onscreen and a printed copy is usually less than ten minutes.

Secondly, the WEB has changed and continues to change the culture of organizational processes. These changes include the following:

1. The significance of nationality and national boundaries is greatly reduced.
2. Likewise geographical location.
3. The base of people actively participating is widened.
4. The moral authority of tradition and hierarchy are much reduced, which
5. opens the door to new and often previously unthinkable developments.
6. People expect things to be accomplished at a much faster pace.

Thirdly, there have been changes is cultural practices and expectations regarding the access and use of knowledge.

1. Internationally there is a fast growing belief that taxpayer and charity funded research, e.g., research papers authored by university staff, should be freely available to the public. Recently various top institutions, e.g. Harvard, have made it mandatory for staff to make all their papers, including those published in.......... journals, freely and immediately available online. It seems likely that this practice will become widespread, especially as governments force the issue, as in Scotland where all university staff must now comply with this practice.
2. Authors have learned that when referring to other people's papers, especially when quoting, working from online copies rather than hard copies is faster and less open to error.
3. Increasingly young academics do not use libraries.
4. Young people generally expect information to be free and instantly available from home and work desk.

In light of these contemporary background factors, the next section outlines a rough plan that a small group of people might use if they did not know that achieving great things is impossible.

Rough plan for launching world association and journals

1. Compose an email summarizing intentions which will then be used to

2. Form a committee of 100 economists endorsing this plan for forming the **World Economics Association** and launching three journals.

3. Membership initially will be free, but donations will be encouraged at the time of joining and as needed periodically thereafter. A nominal membership fee, e.g. $15 might be considered after two years.

4. Membership drive

   Compose emails for soliciting members. Obtain commitments from various existing economics associations, journals, and newsletters to send emails to their members and subscribers informing them of the formation of the WEA and its plans for three quarterly journals, etc. In excess of 15,000 people should be directly reached this way. Repeat mailings at intervals, each telling of the growing membership. This project will quickly become a topic of conversation among economists, especially on economics blogs. Given that the Real-World Economics Review has 11,600 subscribers and that the appeal of the WEA will be much wider and stronger, it seems probable that a membership, and thereby subscribers to the journals, in excess of 20,000 can be reached within two years.

5. Draw up a rough constitution which includes guarantees that no country or continent can come to dominate the organization.

6. The journals

   -- Make rough plans for the three journals. One to be called *World Economics Review*. What is to be their focus? Line up editors and editorial boards. In their first year each journal would have only two issues, but four in the second year.

   -- Each time an issue of one of the journals is published, all members of WEA will receive via email the contents page with links for downloading the whole issue and/or individual papers as pdf documents. (Experience with the RWER shows that under this setup the immediate downloading rate is surprisingly high.) Each issue will also be available for a fee either as an ebook or as a hardcopy. These would be printed and distributed through a print-on-demand publisher. This means merely emailing to the publisher the pdf document for the whole issue, paying a set up fee, probably about $600, and deciding on the cover price of the issue. Orders would be directed to the print-on-demand publisher who will then post the hardcopy, and collect payment of which roughly 60% would be remitted to the WEA. The publisher would also be expected to market issues through Amazon.

7. Website: worldeconomicsassociation.org (This domain name has been reserved for the WEA)

   The three journals
   Access would be free to all WEA journals

   Continuous online conference
   In addition to the three journals there would be a section where members could post papers. The idea would be to simulate paper giving sessions at conferences, but ongoing and *on a larger scale*. Each section would have a leader or leaders who vetted papers and perhaps a list of members. There would be provision for

people to comment and respond to comments on the papers. Subject perhaps to some vetting, individuals would be free to start up new sections that defined new topics at any time. They would be free to define them with relation to other topics as they see fit rather than fitting them into the JEL Classification System. In this way, through the continuous online conferencing and the three journals, a new and continually evolving classification system would emerge

Job Ads
There would be a classified section for economist employment openings of all kinds (academic, government, business and think tanks) and organized by country.

Classification system
See above.

Possibly a textbook section

8. Finance

Grant
The possibility of getting a grant to get the operation up and running could be explored. However, in the age of the internet grassroots funding is, as Obama's campaign showed, more than adequate and comes free of hidden agendas and obligations.

Revenue streams
There are at least three eventual revenue streams: one, from donations and membership fees; two, advertising; and three, the sale of print copies of the journals, most likely mainly to libraries.

Changing the textbooks and the basic narrative

The sociology or social structure of heterodox economics and the current neoclassical mainstream are radically dissimilar. The cohesiveness of the latter should never be underestimated, but often is because the solidarity of the enterprise means its practitioners have little inhibition against displaying their differences in public. By contrast heterodox economists are today loath to criticize each other publicly and until recently rarely communicated with each other, even on a socio-tactical level.

By definition, each heterodoxy has a major quarrel with orthodoxy, with each having its own point of divergence, and from which, even if it was not the origin of its founding, it now forms its primary self-identity. As a consequence not only does each heterodox school begin in isolation from other ones, but its primary point of reference remains the neoclassical mainstream. Historically there has been little interchange between different branches of heterodox economics, instead where inter-school exchange has taken place it has been mostly between neoclassical economics and individual heterodox schools. Upon reflection this is not as surprising as it sounds. Because the members of the various schools come to identify themselves in terms of their points of divergence from the dominant school they retain a working awareness of the common ground, usually quite large, that exists between them and neoclassicalism. Between heterodox schools, on the other hand, their common ground is their outsider status, so that their commonality relates mainly not to economic ideas but to the position of those ideas and their holders in a socio-cultural-economic structure. It is my experience that nearly all heterodox economists are more conversant with neoclassical economics than they are with any heterodox school other than their own.

A recent bit of history shows that this characterization of heterodoxy's disparateness is far from being an exaggeration. In the mid-1990s some heterodox associations came together to create a pressure group named Confederation of Associations for the Reform of Economics. They did so under the banner "to promote a new spirit of pluralism in economics, involving critical conversation and tolerant communication among different approaches". That phrase "tolerant communication" is so telling because no groups would ever think to come together to for the purpose of endorsing that who were not accustomed to mutual enmity. When the post-autistic movement was internationalized and placed emphases on pluralism, the leaders of CARE took a keen and supportive, albeit initially somewhat incredulous, interest. And not long after that they changed the name of their organization to Confederation of Associations for *Pluralism* in Economics.

Pluralism, both its ethos and epistemology, is extremely important, but no matter how robust it may become among economists it will never be a sufficient basis for breaking the hegemony of neoclassical economics. That will require a new cohesion of underlying economic ideas other than the neoclassical ones and which heterodox schools will in the main accept and, even more importantly, which their members will become in the practice of relating to their particular school of thought as they currently do with neoclassical ideas. It is at this macro level of the project for which much ground work needs to be done. It is also this need for a shared common ground and a sense of community, a bottom-up one preferably, which makes the founding of a world association essential.

This journal's editing initially focused attention on the need and possibility of strategic alliance between heterodox groups. Later the journal especially sought papers which developed the idea, particularly its epistemology, of pluralism. One reason for doing so was the expedient one of satisfying a readership. From early on website statistics showed that papers **not** focused either on attacking neoclassical economics or in some way on the economics profession as a whole were by comparison little read. In other words, in the main readers would read a paper centred on their school but not ones on others. It is only in recent years that by seeking out papers from a range of schools that apply economic ideas to recent economic events that the whole readership appears to have become at least momentarily involved with trans-school sets of ideas. More recently still, and this for me is the most encouraging thing yet, one hears rumblings about the need for a common set of ideas that frames the broad heterodox or post-neoclassical project.

Knowing what this would entail requires an understanding of and appreciation of the force of the central ideas that underlie the neoclassical project, most especially as redefined by Samuelson's 1948 textbook *Economics*, which amazingly continues to serve as the model for all the introductory level textbooks in wide use today. Prior to Samuelson's book, Alfred Marshall's *Principles* (1890) had been the leading prototype for introductory economics textbooks. Its first page offered this definition of the subject and which underpinned the basic narrative that developed through the long book.

> 'Political Economy or Economics is the study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely

connected with the attainment and with the use of the material requisites of wellbeing.'

In 1932 the British economist Lionel Robbins in his *Essay on the Nature and Significance of Economic Science,* in effect redefined economics for the English speaking world as the "science" of individual choice, the individual being conceived atomisticly, i.e., as a determinant self-contained entity. Samuelson then adopted Robbins's redefinition of economics in his textbook, using it as the reference point from which he constructed a new narrative for academic economics, and with the result that it became and remains the standard narrative approach to economics. Because it is inculcated into the student's mind from the first week and every week thereafter, many economists, including heterodox ones, seem unaware of its hold on and significance for their thought. It is this idea – which pervades the economist's mindset – that economics is the "science" of the choices of *isolated individuals with fixed and quantified preferences* that, on the one hand, enables economics to proceed in a formalistic manner and, on the other, justifies its ignoring economic phenomena that do not fit its methodology and this narrow agenda.

Any broad and lasting redevelopment of economics requires an introductory level text that redefines economics no less radically than did Samuelson's and that restores the socially formed *and continually reforming* individual not just to the perimeter of economics but to its centre. It is the conception and eventual acceptance of such an individual that is needed to provide a point of narrative orientation for all or most of the heterodoxies, rather than, as now, their diverse disagreements with the neoclassical mainstream.

This new prototype textbook, that will provide a unifying narrative for 21st century economics, is probably yet to be written. Oddly, until recently textbook publishing editors, who are unaccustomed to such static disciplines, have been more aware of the need and opening for a new Samuelson that have economists. Correspondences tell me that that now is changing. And anything that can be done that draws heterodox economists together, like a world association and multi-school or pluralist journals, will bring the post-Samuelson era forward. In the period of the world association's initial founding, that is, in its first two years with its first 20,000 members, the membership will be overwhelmingly composed of economists who, if not strictly heterodox themselves are nonetheless disenchanted with the neoclassical orthodoxy. The new organization's existence, therefore, will bear witness to the need for a new underlying narrative and for new textbooks with which to educate the young and re-educate the old.

Because of the tenure system and the longevity of staff, changes in the programs of university economics departments would be slower to come. But not nearly as long as actuarial tables suggest. Despite their atomist ideology, economists are, even more than most academics, herd animals. The site of a global organization larger than the AEA and with more subscribers to its journals will split the old herd, making the new one, with all its inherent diversity, economics' new mainstream.

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