Reforming Economics –
A Macroeconomic Perspective

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Where Macro 101 sets the wrong stage

- Private Wealth, Debt and Income Distribution (impossible to analyse with representative agent)
- Role of Government, Institutions (rigidities, fix to market failures. Innovation? Power?)
- Fat Tail Distributions, Path Dependency (severity, persistence, frequency of extreme events, multiple equilibria impossible with linearized stochastic GE models)
- Behavioral Assumptions (How: rationality vs. bounded rationality, learning, satisficing. What: Wellfare?)

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Appeal of Pluralism

- Constructive discussion of questionable axioms and assumptions
- Deviate in more than one dimension from the core model allows to search for global optima, not only local ones
- Alternative ideas are already there, but all too often students do not get exposed to them
Opening the Orthodox Box

Lecturers / Researchers

Students

Think Tanks

Politics

Media

Hans Böckler Stiftung

INTERNATIONAL STUDENT INITIATIVE FOR PLURALISM IN ECONOMICS

Box Clipart Source: 4vector.com
Student Initiatives

- Building Networks
- Self-organized lectures, online-courses, reading groups, conferences and workshops
- Developing alternative syllabi
- Exerting pressure on media and faculty
- Pluralowatch
- …
Faculty Initiatives

- Establishing alternative journals
- Establishing alternative rankings
- Change appointment and tenure track procedures (politics?)
- Circumvent the core orthodoxy, interdisciplinary departments
Böckler Initiatives

- Supporting critical thinkers (grants, stipends)
- Own research (IMK, WSI)
- FMM Research Network (Annual Conference, Summer School, EJEEP Journal)
- IMK Workshop „Pluralism in Economics“
- Supporting student initiatives (Pluralowatch, …)
A history of (counter-)revolutions?

18th-19th century
- Feudalism
- Enlightenment
- Classics

1890s
- Neoclassics
- Class Struggle / Legitimation

1930s
- Keynesianism / Neoclassical Synthesis
- Great Depression

1970s
- Monetarism / New Classics
- Stagflation, Profit Squeeze

1990s
- New Keynesianism / New Consensus
- Policy Ineffectiveness Hypothesis???

2010s
- Great Recession

???
The Road Ahead

- What can we learn from historic paradigm changes?
- True pluralism vs. exchanged hegemony vs. niche of own dogmatism?
- What strategies can we learn from each other?
- How to efficiently join approaches?