The Handbook
for Economics Lecturers

Teaching heterodox economics concepts

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1 Introduction

The remarkable uniformity across undergraduate economics programmes (Reimann, 2004) does not reflect the state of contemporary economics. Becker (2004) has bemoaned the way that the undergraduate curriculum has failed to keep pace with developments in economic theory. Authors who have been awarded Nobel prizes for their insights are being ignored. One possible explanation is pragmatic inertia. Undergraduate textbooks have fostered a false sense of an agreed body of knowledge (Ormerod, 2003) whilst lecturers' sunk capital in teaching materials and the opportunity cost (in terms of time for research) of changing teaching generates a conservative attitude towards the curriculum. Students and the future health of the discipline are the losers from this unhappy conjunction. One outcome is a fall in the number of students wanting to study the subject (Knoedler and Underwood, 2003). A survey of students conducted by the Economics Network of the Higher Education Academy in England gathered elicited responses from students; examples are shown in Figure 1.

Figure 1: Undergraduate students who want a more heterodox experience

- 'The basic problem is that the vast majority of economics in [the course] is orthodox/mainstream. Students aren't offered alternative approaches developed by Post-Keynesians, institutionalists and Marxists. But the problem seems to be the same elsewhere: 95 per cent of the economics taught in higher education institutions is mainstream.'
- 'More of historical account of the development ideas I believe would be beneficial to understanding why we believe the ideas we do today, what was wrong (why they failed/are no longer used) with ideas of yesterday, e.g. going from the Gold Standard to Keynesianism to Thatcherism to today.'
- 'I would like to see more empirical evidence used in lectures to support or maybe contradict the economic models. This would help relate what can be some very abstract ideas to the real world. The few times this has happened I have found it very interesting.'
- 'More focus on non-orthodox economics rather than just neo-classical to give a broader perspective.'

Students' responses to the question: Identify one or two aspects of your degree course that could be improved and say why (Economics LTSN Student Survey Report 2002) available at http://www.economicsnetwork.ac.uk/projects/stud_survey.pdf

Even within the economics 'mainstream', a view is emerging that the content of economics teaching is unrepresentative of the subject, robbing it of dynamism and making it less attractive. Becker (2004) noted criticisms of mainstream economics, from academics and from students citing Keen (2000) and the Post-Autistic Economics Movement originating in France. Keen's critique was aimed at the foundational theoretical concepts of textbook economics. The French students' complaints were that economics was far too abstract, unrealistic and irrelevant. In some ways, these criticisms echo Ormerod's (2003) view that economics pays insufficient heed to empirical evidence or the economic history of actually existing economic institutions.

In the light of this critique this chapter examines the rationale and scope for teaching heterodox economics. We continue with a working definition of heterodox economics, a summary of the arguments for teaching heterodox economics and an introduction to strategies for teaching.

1.1 What is 'heterodox'?

Heterodox can mean simply 'non-orthodox' but that definition is problematic. Principally, it begs the further question of whether there is an identifiable orthodoxy. For some economists, the term orthodoxy has been misused or become redundant. It remains associated with the neo-classical economics of Marshall, Hicks and Samuelson. In that way, it ought to be distinguished from 'mainstream' economics, which is not neo-classical (see Colander, 2000) or is splitting up (Colander, Holt and Rosser, 2004). The mainstream includes many diverse strands, one of which is neo-classical economics; however many of the other strands may be inconsistent with each other and with the neo-classical economics that preceded them. Indeed, it could be argued that many of the new strands of the mainstream, such as complexity theory, evolutionary economics, behavioural economics and ecological economics, have non-neoclassical roots; others, such as experimental economics, are generating distinctly non-neoclassical results. In this chapter, therefore, 'mainstream' refers to the current body of work described above, i.e. is not limited to neo-classical economics.

However, many of these theoretical developments have not filtered into undergraduate teaching (Becker, 2004). As a result, 'orthodox' teaching still largely reflects neo-classical economics. Moreover, orthodox modules on, say, microeconomics retain more coherence than is found in mainstream microeconomics: often, the conflicts between the full information individualism of consumer theory, the limited information choice theory, and a game theory of strategic interactions are ignored. Of course, there are commonalities: maximisation of utility is common to the three bodies of theory just cited. In this chapter, the term orthodox refers to the essentially neo-classical material present in the vast majority of undergraduate economics curricula.

Clearly then, defining heterodox as 'non-orthodox' is problematic. Further, that definition of heterodox downplays the heritage of the heterodox theories, which are based in a tradition of alternative theoretical systems, such as those constructed by Marx, Keynes and Veblen. Heterodox theories are considerably more than reactions to orthodox theories. For the purpose of this chapter, heterodox means neither simply 'non-orthodox' nor 'non-neoclassical'. Nor is it defined merely in terms of new versus old, i.e. new economic research versus old textbook theory. Heterodox economics is not merely the process of catching up with scholarship discussed by Becker (2004) and Ormerod (2003) above.

A summary of the key characteristics found in the writings of heterodox economists is presented in Figure 2.

Figure 2: A non-exhaustive series of heterodox principle

1) Methodology (rather than just *method*) is important to understanding economics.
2) Human actors are social and less than perfectly rational, driven by habits, routines, culture and tradition.
3) Economic systems are complex, evolving and unpredictable – and consequently equilibrium models should be viewed sceptically.
4) While theories of the individual are useful, so are theories of aggregate or collective outcomes. Further, neither the individual nor the aggregate can be understood in isolation from the other.
5) History and time are important (reflecting (3)).

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6) All economic theories are fallible and, reflecting (4), there is contemporary relevance of the history of thought to understanding economics.
7) Pluralism, i.e. multiple perspectives, is advocated (following on from (3) and (6)).
8) Formal mathematical and statistical methods should be removed from their perceived position as the supreme method – but not abandoned – and supplemented by other methods and data types.
9) Facts and values are inseparable.
10) Power is an important determinant of economic outcomes.

Figure 2 does not suggest that every example of heterodox economics exemplifies every one of these characteristics. Austrian economists, for example, would not recognise principle 10. Whilst some economists treat heterodox as a single body of theory (or try to create a single theory: Lavoie, 1992; Arestis, 1992), others treat it as a collection of theories (Garnett, 2005). Some argue for a coherence of heterodoxy at a methodological level or even in terms of the nature of reality as involving structures of deep causal mechanisms (Lawson, 1997, 2003) or complex adaptive systems (Potts, 2000). Figure 2 includes assumptions with epistemological and ontological standpoints that are widespread in heterodox literature (and therefore tending towards a potentially unifiable body of theory). Given the scale of these principles, students will only have very limited opportunities to understand the implications within the context of a single module. A more thoroughgoing approach would require a review of the experiences offered to students across a whole degree programme.

1.1.1 Method and history

Some of the points in Figure 2 merit further elaboration. Attention to methodology (1) and to the history of economic thought (5) are hallmarks of a heterodox approach. It is too bold a claim to state that all teaching of orthodox economics ignores methodology and history of thought. However, heterodox economists have argued that these two (arguably key) areas are neglected in standard treatments of economics. As discussed below, the question of what a model is, how it is to be used, how it is to be evaluated, etc. are crucial for anyone wanting to understand economics; and indeed, are useful questions for anyone required to think abstractly. Accordingly, abstraction is a central activity in economics: what does it mean? How are we to think of *ceteris paribus*? In contrast to many standard treatments, a heterodox module would spend longer discussing those methodological issues and would not set them aside. Rather, they would be revisited repeatedly.

Hodgson's (2001) claim that 'economics forgot history' may have a double meaning. First, economic models removed historical time from analysis. Second, the history of thought has been banished to an optional final level module. Heterodox approaches tend to take history more seriously. Partly this is self-serving, because it helps them justify their own existence by pointing to the fact that neo-classical economics was not always the only game in town and by examining critically how economics got to its current state. This approach should not lead to the conclusion that heterodox modules are merely history of thought modules. Rather, it rests on the belief that theories cannot be understood outside their wider socio-historical context. The rise of the *General Theory* is a good example: it reflected past intellectual currents but also the background of economic instability and high unemployment. The struggle between Monetarists and Keynesians is inexplicable outside of its economic context of what was actually happening to inflation. Heterodox economics precludes an a-historical approach to theorising and asserts that students should be introduced to this way of thinking.

1.1.2 Micro/macro distinction?

In addition to these two general principles, another is worthy of discussion. Principle 4 has implications for what sort of modules one would offer on a heterodox course. From several of the approaches called 'heterodox', the very concept of a micro/macro split along conventional lines is meaningless.[1] Whereas orthodox treatments see the individual as the fundamental object of economic theory, Institutionalist economists, for example, see the institution as the basic unit of analysis, and as operating through and on individuals. In that sense, the notion of an aggregate economy is rather empty. Institutions operate at both the micro and macro levels. Similarly, Marxist analysis takes class as its basic unit and, as such, again the micro/macro split disappears. Further, where one might be able to identify a micro level and a macro level – for instance, of 'firms' and 'economy' – these levels are intimately connected: for example, the labour theory of value explains firm behaviour on the use of factors (or *means*) of production. In Keynesian analysis, a key argument is about the fallacy of composition and how it affects the behaviour of markets. Students could also benefit from it being pointed out that economists such as Smith, Marx and Marshall saw the whole economy but were able also to abstract from the whole to see its parts and *crucially* the relations between the parts. All of these arguments suggest that shoe-horning the heterodox approaches into micro or macro modules will rob them of some of the depth which they have to offer. In terms of curriculum design, abandoning the micro/macro split has minor implications at the introductory or survey level but, at higher levels, whole programmes would have to be redesigned away from the traditional format.

1.2 Why teach heterodoxy?

Some reasons for giving students opportunities to develop an understanding of the principles of heterodox economics are presented in Figure 3.

Figure 3: Reasons for giving students good opportunities for understanding the principles of heterodox economics

1) Students will understand the orthodox better if heterodox principles are also taught.
2) It is not possible to develop an informed understanding of 'mainstream' economics without understanding heterodox principles (e.g. behaviouralism is part of the mainstream but it reflects heterodox principles).
3) Heterodox principles have exerted an important influence on policy.
4) Students should be prepared for the long run. Today's orthodoxy might be tomorrow's heresy. Today's heterodoxy could be tomorrow's mainstream.
5) An appreciation of heterodox traditions encourages greater understanding of the history of thought and thereby the heritage of concepts taught in the classroom.
6) 'Integrating these (heterodox) theories into the economics curriculum will expand the domain of economics, including the relation of economics to other aspects of human life normally excluded from conventional economic analysis (e.g. culture)' (Barone, 1991: 18).
7) The complexity of the world and humans' limited ability to understand it suggest that one perspective may not be sufficient (see various contributions in Salanti and Screpanti, 1997). Thus, heterodox as well as orthodox economics should be taught.

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1. Of course, in some ways, orthodox treatments also imply that a micro/macro split is inappropriate. Orthodox economics is methodologically individualist and tries to rest explanations of aggregate phenomena on microfoundations of individual behaviour. Arguably, a "macro"economics is irrelevant.

8) Heterodox approaches are more realistic than orthodox ones, which makes them better for understanding real-world concerns.

9) The dominance of orthodoxy (or indeed the mainstream) is not a reflection of the superiority of these ideas. It reflects social pragmatism, seeking to increase the esteem of the profession by conforming to a dominant political ideology (liberalism) and by adopting the methodology used in 'hard science' and the use of this criterion to raise the value within the discipline of a particular kind of sunk human capital through mechanisms such as the Research Assessment Exercise in the UK.

10) By analogy with biodiversity, in a complex world economics should have more varieties if it is to survive.

11) Drawing on the philosophy of education, Clarke and Mearman (2001, 2003) argue that theoretical concepts and methodological approaches from heterodoxy, either in general or from specific schools of thought such as Marxism, encourage the development of key cognitive skills as well as open-mindedness and tolerance. These faculties are, according to (Bridges, 1992) the mark of an educated mind; but additionally they may be transferable capacities useful and attractive to employers.

Currently, there is only sparse evidence on whether teaching heterodox economics can deliver the outcomes suggested in Figure 3. Barone (1991) makes several claims in his analysis of (his institution) Dickinson College's move towards contending perspectives. In terms of intellectual development, Barone claims that the college's students 'as a result of heterodox integration… moved from dualistic to relativistic to critical forms of thinking' (Barone, 1991: 22). He claims that students' understanding is enhanced by the exposure to a wide range of phenomena. Further, he claims, students are better prepared to engage in policy debates because they are used to dealing with multiple perspectives.

Barone acknowledges that he has no objective data on student performance on neoclassical material, but there was no noticeable fall off either. Indeed, Barone claims that performance may have improved: for example, the number of students going on to graduate study in (orthodox) economics increased after the curriculum change. Overall, Barone (1991: 21) says:

> *'Our students' response to heterodox economic theory has been overwhelmingly positive. They have found it both intellectually challenging and stimulating. There have been lively and healthy classroom discussions comparing and contrasting different perspectives. Students are developing a greater appreciation for the complexity of economic issues and problems. They are more critical and want to know how they are to choose among these contending perspectives. This, of course, has opened the door to a discussion of the nature of explanation and how to evaluate the strengths and weaknesses of a theory. The different value orientation of each theory generates discussions of values and ethical issues and their relationship to theory.'*

Thus, according to Barone, the experiment at his college managed to achieve the key aims of the approach: intellectual development, sophistication of argument, and understanding of economics and the economy.

A different case is also illustrative. Bucknell University, USA, has a tradition of teaching heterodox economics to undergraduates. Bucknell introduces heterodox theory at level 1, runs parallel streams of orthodox and heterodox modules at level 2, and offers a range of heterodox options at level 3. Economics is the second largest major on campus. Moreover, many students go on to postgraduate economics study. The Bucknell case suggests that heterodox content can aid student recruitment.

1.2.1 Student feedback

Module evaluations provide a routine source of information about students' experience of teaching. When the module evaluation gives students an opportunity for a free response the results are usually instructive. Figure 4 presents a selection of student comments in their written evaluations of a heterodox module taught by the author. These are indicative of possible outcomes of heterodox teaching and could be followed up by anyone interested in investigating the likelihood of these outcomes.

Figure 4: Examples of student feedback on their experience of heterodox economics teaching

1. *'I like a mixture so you can get a feeling from both sides of an argument.'*
2. *'[o]rthodox is easier to learn because heterodox tries to incorporate too many outside factors. I like different opinions, though, so hearing both sides is good.'*
3. *'I think to begin the [module] comparing overtly is very difficult but it is much better to know the facts like that. I feel more informed.'*
4. *'Towards the end I feel my paper was better and I was able to have better opinions on the topics and more able to put my thoughts together.'*
5. *'I learned how to write an argumentative paper.'*
6. *'I learned to form more concrete opinions and argue them.'*
7. *'The papers have improved my way of thinking about certain topics.'*
8. *'[m]ost of my papers in high school did not want my opinion so it is nice to have an outlet for my thoughts.'*
9. *'I feel I know my own opinions more'; '[m]y writing skills definitely improved as well as my thinking skills.'*
10. *'[t]he papers were my favourite part of the class. I actually told my mom that the two papers you had us write made me think the most out of any papers I have ever had to write.'*

There is evidence here of the challenge posed to students. One student complains that the heterodox approach was too open. Another cites the difficulty that is inherent in contrasting theoretical perspectives. These comments reflect Earl's (2000) concerns, that comparative analysis at the beginning of a module is difficult for some students. However, challenge can also be seen as a good thing, driving students towards higher levels of achievement, particularly in their critical thinking. This is apparent in the frequent reference to argument and argumentation. A number of students remark that hearing two sides of an argument is beneficial. A number of students also believe that their ability to construct arguments has improved.

1.3 Three strategies for teaching heterodoxy

There are three main strategies for incorporating a heterodox perspective in a course or programme.

1 Enriching an orthodox module

This approach uses heterodox concepts to shed new light on orthodox concepts essentially following a standard textbook treatment augmented by heterodox material. This 'orthodox-plus' approach is probably the most common form of 'heterodox' module, given that most

undergraduate teaching is orthodox and opportunities to teach exclusively heterodox material are limited. This approach is described in section 2 and a more detailed example is described in section 6.1.

2 A module that focuses on an alternative system of thought

For example, a module might aim to provide students with a rich understanding of the way of thinking found either in a specific school of heterodox thought, such as Marxism, Post Keynesianism; or in a synthesised heterodox approach to, say, microeconomics. An example of such a module is shown in Table 2. However, these modules are rare in the UK and remain unusual in other countries, such as the USA. This approach is described in section 3 and some examples are discussed in section 6.2.

3 Teaching orthodox and heterodox economics in parallel

A series of topics of interest or theoretical concerns are taught first from one perspective, then from the other, allowing comparison. Barone (1991) describes an entire programme organised around this principle. This approach is described in section 4 and examples are summarised in section 6.3. Table 3 shows contrasted 'orthodox' and heterodox concepts. Tables 4a and 4b outline modules of parallel perspectives.

Option (1) is perhaps the most practical and the most commonly used. Option (2) means that justice can be done to heterodox ideas, but is often restricted to specialist, optional 'ghetto' modules, where the development of a critical understanding may be limited. This chapter argues that, pedagogically, option (3) is the most beneficial, because it is based on comparative, critical treatments of both orthodox and heterodox. Also, by committing to comparative treatment, the parallel perspectives approach can prevent the confusion which can occur when students are faced with different perspectives only occasionally. However, it *may* mean that fewer topics are covered in a module.

This chapter considers the three strategies, suggest activities which can be used in such programmes, outline possible module programmes and discuss examples of each.

2 Enriching an orthodox programme

2.1 Summary

The strategy of adding heterodox concepts into an otherwise orthodox programme might be called (if somewhat controversially) 'orthodox-plus'. Of the three strategies for teaching heterodoxy discussed in this chapter, this is the simplest to implement. The essence of the approach is that orthodox concepts should be interrogated critically; and that heterodox criticisms and alternative concepts can assist this process. Note that the previous sentence was

split into two: assess orthodox concepts critically, and use heterodoxy to do so. The first part is crucial. Of course, economics educators could always do better in looking critically – and encouraging their students to look critically – at the concepts they are studying. This neglect is understandable: time constraints mean that tutors are under pressure to move on to the next topic; and, particularly at lower levels, it is incumbent on tutors that their students merely pass through that stage successfully and that core, underpinning concepts are *learned*. However, they may not be *understood*. Critical examination can increase understanding. All of that could be achieved without using heterodox content but using heterodox work could assist the process of critical teaching. Further, according to the variation theory of learning, thinking comparatively – from a number of perspectives – about an object of learning improves understanding of it.[2]

2.2 Examples

An example of how heterodox criticisms can be valuable in the process of critical teaching involves consumer theory. This may be studied at either introductory or intermediate level. Particularly in the latter case, the treatment often involves noting the assumptions underpinning indifference curve analysis, including rationality, transitivity and completeness. The assumptions are covered in most textbooks. A lot can be gained by critically examining the assumptions. Heterodox texts can be crucial in this regard. For example, Himmelweit, Simonetti and Trigg (2001) discuss whether the assumptions hold in reality. Significantly, they examine experimental evidence which throws doubt on the assumptions (Becker, 2004, cited above, also notes this example). In so doing, the authors introduce students to a body of work of growing importance in economics.

Another piece of heterodox work which is accessible to lower level undergraduate students is Tomer's (2001) critique of 'economic man'. Tomer examines 'economic man' from a particular psychological perspective. Economic man is self-interested, rational, separate from his environment, unchanging and unreflective. Tomer argues that economic man applies to only a minority of humans, for a small portion of their lives. Again, the orthodox concepts are interrogated – and understood – and an alternative body of theory is introduced.

Consumer theory is a particularly rich area for drawing on heterodox critiques and enriching the teaching of orthodox material. Veblen's concept of conspicuous consumption allows the assumption of independence of preferences and prices made in orthodox consumer theory to be questioned. Galbraith's thoughts on advertising (1958, 1967), which echo some contemporary mainstream work by, for example, McCloskey (1994) on rhetoric, and Mullainathan and Shleifer (2005) on finance, are an engaging and accessible source for evaluating advertisements. A similar approach can be taken throughout the module.

Tables 1a and 1b show suggested content and key questions for introductory and intermediate level microeconomics modules. (See over).

2 Space precludes full discussion of variation theory. Essentially, the theory holds that there is no discernment without variation. To understand a part, one must grasp the whole. Thus to understand orthodoxy, one may benefit from examining other parts of economics. See Runesson (2005) for further discussion.

Table 1a: Introductory Micro module ('orthodox-plus')

Topic	Heterodox angle
What is economics?	Question positive/normative distinction; note variety of definitions of economics
S&D and markets	Note: markets as institutions
Demand curves	Note: up-sloping demand; question law of demand; Veblen; Figure 10: biscuit experiment
Elasticity	How do firms calculate elasticities? Can they? Do demand curves exist?
Production and costs	Does the law of diminishing returns hold? Question shape of average cost curve; Figure 7: paper aeroplanes
Profit maximisation	Goals of the firm? Mark-up pricing
Factor markets	Workers getting their marginal product? Marx
Structure–Conduct–Performance	Stress barriers to entry. Austrian school
Market failure	Question distributional fairness
Government intervention	Political arguments for intervention; distribution; Figure 6: Kemp/Wunder market game

Table 1b: Intermediate Micro module ('orthodox-plus')

Topic	Heterodox angle
Consumer theory	Tomer on economic man; Galbraith on advertising; Example 5: TV watching exercise; persuasion; experimental evidence
Household choice theory	Critique of Becker; altruism; cooperative and non-cooperative equilibria (Himmelweit *et al.*)
Analysis of choice under risk	Problem of non-probabilistic uncertainty? Question the value of the expected utility hypothesis under uncertainty
Analysis of long-term decision making	Assumptions made? Discounting and the environment?
Isoquant theory	Figure 5: Brokken and Bywater (1982)
Labour markets	Query about exploitation; labour market discrimination
Market structure and efficiency	Austrian critique; contestability; monopoly capital
Game theory	Limitations of? Implications of game theory for conventional theory?
Price discrimination	Question informational assumptions
General equilibrium analysis	Institutional analysis of markets; question assumptions; social markets (Himmelweit *et al.*). Figure 6: Kemp/Wunder game

Both the introductory (Table 1a) and intermediate (Table 1b) modules look standard in their list of topics, except, perhaps, for the addition of household choice theory. The emphasis remains on communicating the key orthodox concepts, but this is assisted by employing the heterodox angle. Of course, given time constraints and the abilities of the students, the content will vary, as will the extent to which one can engage with the critical literature. However, note that in many cases, the critical literature will assist in learning the key concepts. Two examples of this are shown in Figures 5 and 6.

Figure 5: The Brokken and Bywater (1982) article on cattle feed

The authors ask whether in the case of cattle feed isoquants are convex. The extent and depth to which this is explored is the choice of the instructor. For example, in a one-lecture/one-seminar model, it is quite feasible to devote half a seminar to the article. The students are asked to read it beforehand and therefore should have some understanding of it but, in the seminar, points of confusion can briefly be clarified. Most of the time is taken drawing out the implications of the article for economic theory. For instance, discussion focuses on the value of the convexity assumption. This assumption resonates with students from studying indifference curves, and it is useful when the students consider general equilibrium analysis later in the module. The author has found that by reading the article, students deepen their understanding of isoquants, learn about a practical case, and are exposed to empirical analysis and techniques. The article also provides the opportunity to discuss the nature of assumptions, models and theory more broadly.

Figure 6: Kemp and Wunder market game

A simulation developed by Kemp and Wunder demonstrates how an apparently conventional classroom experiment can enhance knowledge of orthodox concepts whilst being enriched by a heterodox perspective. The game essentially runs as follows: scarce factors of production (including, importantly, entrepreneurship) are allocated equally amongst individual students, except that land is allocated on a first come, first served basis. No capital is distributed, because it must be produced through labour. Students must trade their labour and land (if they have any) in order to (get capital and) produce enough for material subsistence. Any surplus can be spent on luxury goods. The winner of the game is the one who accumulates the most commodities (goods). Money is introduced through the State (played by the instructor) purchasing privately owned factors of production.

Like the majority of these market experiments, this one attempts to demonstrate the functioning of competitive markets and their outcomes. However, there are some differences from the ordinary. For example, entrepreneurial units are introduced to the game, allowing inventions to enter the market and either succeed or fail. This introduces a dynamic element to the game. This can be interpreted as a heterodox augmentation of the game: dynamics and entrepreneurialism are key tenets of Austrian economics. All production involves capital, but capital must be developed, showing that it does not merely exist as if on trees.

The game attempts to demonstrate several important concepts. First, it shows how resources, market interaction and politics work to produce and distribute resources throughout the community. The role of the State in allocation decisions is significant in this regard. The first two of these notions are conventional, and the third a little more controversial but in principle can lead to a treatment of market failure in terms of, for instance, rent seeking. Further, it could prelude a discussion of the role of legal systems in conditioning economic activity. That could be said to reflect a Commonsian tradition within institutionalism, as well as the recent literature by, for example, Posner.

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Second, the game aims to demonstrate the role of innovation on economic development and performance. Again, this is something of a departure from a standard microeconomics module and suggests an Austrian influence.

Third, the game demonstrates how initial allocations affect final allocations. As Kemp and Wunder report, a crucial element of the game is that students are required to discuss their feelings about it. In particular, they are encouraged to give their opinions about:

1) the workability of the economic system;

2) what they considered to be their important learning experience;

3) whether they felt that the system was just;

4) whether the simulation changed any of their attitudes about economy and society.

This process of reflection is a significant element of the educational process.

To make space for the inclusion of heterodox perspectives in an orthodox module, something must be omitted, but what? This is significant precisely because an objection to the above proposal is that key concepts are omitted. There is no single model for an introductory or intermediate microeconomics module, so it impossible to state categorically whether the modules in Tables 1a and 1b match such a standard. However, the author would argue that in terms of topics and concepts covered, they do. Comparing the module structures to the Economics Benchmarking Statement[3] reveals no relevant omissions. What may be sacrificed is some detail, for instance in some of the technical details of the concepts being studied. Salemi (2005) <date changed to conform to ref citation in refs section> argues that for an introductory economics module, some standard diagrams – he cites cost curves – can be omitted in favour of more reinforcement and application of key concepts. His approach is similar to arguing that 'threshold concepts' – concepts which once understood change the way the person thinks (see Meyer and Land, 2005) – should be targeted in order either to underpin higher level study or give a basic summary of economics for a non-economist. The same argument could also be applied to the extent of mathematics used in a module.

In the cases of Tables 1a and 1b a few comments can be made on omissions. For example, in Table 1a, possibly some of the time normally allocated to deriving long-term cost curves, repeatedly calculating elasticities or practising the perfect competition diagram will be sacrificed. However, the concepts and key implications of those topics would be retained.

2.3 Evaluation of the 'orthodox-plus' approach

- A critical examination of assumptions is encouraged. As Sutton (2000) notes, assumptions are something which students question (perhaps naturally) but the discussion of which is often postponed – often indefinitely. Referring to questions raised by students about (or against) the practice of reducing complex human actors to simplified mathematical representations of rational maximisers, Sutton (p. xv) claims: 'By the time that students have advanced a couple of years into their studies, both these questions are forgotten. Those students who remain troubled by them have quit the field; those who remain are socialised and no longer ask about such things. Yet these are deep questions, which cut to the heart of the subject.' This situation is problematic from a pedagogical point of view.
- A discussion of the role of assumptions in economics is provoked. This is not 'orthodoxy-bashing': on the contrary, a discussion of the realism of assumptions leads naturally into one about their role and possibly a *justification* for unrealistic assumptions. That in turn leads to

3. Viewable at http://www.qaa.ac.uk/academicinfrastructure/benchmark/honours/economics.asp#3

a consideration of models and a greater understanding of how they work and how to think about them. That can be vitally important in understanding economics and in offsetting the apathy many students feel when studying economics.

- Third, the heterodox conception offers an alternative for students to consider. Again, that should be done critically. There are two principal benefits of doing this. First, students are introduced to ideas which have played a formative role in the history of economic thought. Second, the heterodox views are a basis for comparison and examination of orthodox theory, and in line with variation theory cited earlier they provide a background for crystallising the orthodox views. This is the value-added of using the heterodox concept to examine the orthodox – compared with, say, simply drawing on the conclusions of experimental economics, as Becker (2004) suggests.

3 Teaching a heterodox module

3.1 Summary

As discussed above, exactly what comprises a heterodox module will depend on the approach of the instructor and its level. There are essentially three alternatives in constructing a heterodox module. One way is to try to teach a single heterodox approach, such as Post-Keynesianism or Marxism. In that case, considerable depth would be achieved. Most of the examples discussed in section 6.2 are of this type. In each case, consistent with heterodox principles, the module would begin with a discussion of Post-Keynesian or Marxist, or whichever school's methodology, and its place in the history of economic thought. Thereafter, the topics covered will depend on the school being considered. Different heterodox schools have had different concerns and thus their literatures are skewed towards those issues. Space precludes a full discussion of all of these options here. However, reasonable guides to content can be based on treatments of the schools in any texts dedicated to them, history of economic thought texts and recent editions of journals devoted to the school.

The other ways to teach a heterodox module is to draw on the diversity of heterodox perspectives. One way is to anticipate the parallel perspectives approach discussed below and teach a series of topics, in each case considering a variety of heterodox perspectives. So, on successive topics of, say, methodology, the individual, firms and competition, the aggregate economy, the role of government and income distribution, one would consider the work of each of the heterodox perspectives chosen on those topics. In that way, the benefits of teaching heterodox material is achieved, as are the advantages of teaching multiple perspectives in parallel.

3.2 An example

A third way is to attempt to teach a fairly unified heterodox perspective, not based around one school of thought, but by combining elements of different heterodox schools. The main benefit of this is that one chooses the heterodox school which deals best with specific topics. For example, if one wanted to deal with the question of money, one *could* examine a range of heterodox perspectives on it but it may be equally useful to consider Keynes' work, which is arguably the most important contribution available. One might also discuss the issue of 'macroeconomics' and use that as a reason to discuss the contribution of Keynes to economics. Alternatively, one could use Keynes to talk about uncertainty, or even, at the introductory level, about markets. The Keynesian beauty contest, in which stock markets are compared to a particular type of newspaper competition, in which entrants are asked to pick the beauty contestant whom they think others will choose, is a good example. That story is a good one: it encourages examination of the notions of the market, its efficiency, its outcomes and the market as an institution, rather than as a quasi-natural phenomenon.

Similarly, one might focus institutionalism on consumer theory, Post Keynesianism on distribution, and Austrian Economics on competition (and policy). There is also a rich heterodox literature on production. Smith on the division of labour, Marx on exploitation, and Bowles and Gintis (1985) on work organisation are all excellent sources for discussing actual production processes. It is this third approach which will be discussed here. A sample module outline is shown in Table 2. The module content is applicable to a number of levels. In developing the module outline here, a higher level module is in mind but it is easily employed at level 1 when suitable adjustments are made for background, technical competence and maturity.

Table 2: Heterodox intermediate microeconomics module

Topic	Detail
What is heterodoxy?	Single unified approach or plurality of approaches?
Theories in microeconomics	What is a theory and what makes it good?
Key concepts in heterodoxy	Should microeconomics exist? Individualism or social? Class and power. Systems versus atoms. Uncertainty. Equilibrium
Theories of individual behaviour in consumption	Behavioural and institutional theory; conception of 'economic man'; Veblen, Galbraith; Example 4: biscuit experiment; Example 5: TV watching
Households as consumption and production units	Marx; institutionalists; feminist theory
Firms	Why do firms exist? Responses to uncertainty (Galbraith); more effective exploitation (Marxists)
Firms as production units	Exploitation; Marx; Sraffa; modern Marxists; ecological implications; Figure 7: paper aeroplanes
Firms and pricing	Post Keynesian theories; evidence on pricing and costs
Competition and markets	Classical/Marxian 'globules of capital' approach; Post Keynesian monopoly capital approach; Austrian theory
Markets	Institutional approaches. 'Real markets'. Keynesian beauty contest. Markets as failing mechanisms. Capital markets and efficiency. How markets and ecology interact. Figure 6: Kemp/Wunder game
Government policy	Rationale? Income distribution. Ecological issues.

Immediately, that approach raises the concept of pluralism, which in section 1.1 was offered as a key tenet of heterodoxy. Thus heterodoxy advocates a range of perspectives and does not require that they are consistent. This is an interesting claim in itself. What do students think of it? What do their responses to that question tell us? Thereafter, the focus is on substantive areas. Space precludes a full discussion of these but an exercise discussed in Figure 7 allows us to see the heterodox approach in action. This example is one which could be used in an orthodox-plus module, a parallel perspectives module or a heterodox module.

Figure 7: Production of paper aeroplanes

A useful exercise – which needs to occur in seminars – is to ask students to design a simple product and then its production process. A good example is a paper aeroplane (see Rubin, 2002). Students could form groups – or firms – and be invited to compete with each other on how much to produce.

This is an interactive tool that students find enjoyable. Several lessons can be learned from the activity, such as the connection between design complexity and productive complexity, and the possible trade off between complexity and productive volume. In this sense, the paper aeroplane exercise is richer than moving flowerpots or tennis balls. Different students will choose different production methods: some will opt for individuals making entire aeroplanes; or teams; or production lines. If the exercise is done in stages – for example by gradually increasing the number of people involved in the production process – students can reflect on past performance, learn, and make judgements about what is effective. In many cases, students will change their production methods.

The results from the different rounds of production, with different amounts of labour employed, could easily be used to discuss marginal productivity (and whether it diminishes) and economies of scale. That could then lead to the theory of diminishing marginal productivity and of the U-shaped average cost curve. Equally, though, the results could suggest that diminishing marginal returns fail to occur; similarly, diseconomies may not occur.

All of the outcomes described in Figure 7 could be achieved on any module. Indeed, the exercise could be employed on a standard introductory microeconomics module. What is the heterodox value-added? Actually, the exercise illustrates several of the heterodox principles discussed in Figure 2. What if the game produces cost curves which do not form nice U-shapes and instead exhibit economies but not diseconomies of scale? That illustrates a theoretical point but also principle 3, on the unpredictability of economic cases. It also illustrates principle 6 on the fallibility of theories. Further, if different groups produce different results, principle 5 is illustrated: that history and time are important in determining economic outcomes.

In terms of theory, a finding of continuous economies of scale allows the L-shaped average cost curve to then be introduced. That curve has implications for the firm – for instance, it does not have an optimal size and is limited only by the amount it can sell (as Adam Smith noted). The L-shaped cost curve also has effects on pricing. There is a wealth of empirical literature on economies of scale and on the processes by which firms set prices. It is easy to go from the simple example of a paper aeroplane production process into discussion of heterodox pricing theories, such as Andrews' normal cost theory and Means' administered prices. Both of these theories are based on distinct theories of production and industrial organisation. This opens up new avenues for the students. The story of Hall and Hitch and their investigations into pricing offer an interesting case study of real research and an example of the case study method in economics. That illustrates heterodox principle 1, on the importance of methodological understanding.

Heterodox principle 5 stresses the importance of the history of economic thought. The paper

aeroplanes exercise allows historical references to be made. One example is Smith's discussion of the division of labour. For example, by examining and reflecting on the data the students have produced, one is led to examine concepts such as the division of labour. To what extent did students engage in specialisation, or did they manufacture complete aeroplanes? What are the implications for the level of production, the firm and – reflecting Smith's own concern – the workers within the division of labour? Do the students prefer to see individually fulfilled workers, or the highest production possible?

The question of the ethics of the firm is then relevant. That reflects heterodox principle 9 in Figure 2: facts and values are inseparable. While that topic cannot be discussed in great depth it is another hallmark of a heterodox approach that questions of value are not banished to a normative box. For instance, can we say what a worker ought to receive from labour? Veblen, for one, says we cannot, except that such questions have social contexts. Marx, on the other hand, argued that workers should receive the fruits of their labours and that when they did not, they were being exploited. Do students agree? What is the potential for exploitation in the production processes they have designed? Marxists Bowles and Gintis argue that production can be increased simply by increasing monitoring and, thereby, effort levels. Were the students producing more aeroplanes because their production methods were more *efficient*, or were they simply being forced to work harder? That discussion highlights heterodox principle 10, on the importance of power in economics.

3.3 Evaluation of the heterodox module approach

When one is trying to present a summary of heterodox microeconomic concepts, drawing on extensive literatures, not everything can be included. In terms of omission, the list of heterodox concepts not covered would be potentially long but the module as shown attempts to provide an overview and introduction. It also aims to achieve cognitive capacities, such as the ability to think about an issue from different angles. This anticipates the parallel perspectives approach discussed in section 4. Obviously, given the nature of the module, compared to standard introductions, it is very different. Some tutors may be concerned that a heterodox module deviates too far from the Economics Benchmarking Statement and that concern is examined in Figure 8.

Figure 8: Heterodox modules in relation to the Economics Benchmarking Statement

In some significant ways, the heterodox module differs from the description of Economics in the Benchmarking Statement. Concepts identified as core theory may be omitted or even rejected. Take, for example, the position that economics is concerned with choice under scarcity (Robbins, 1932). From a heterodox perspective, that view is problematic, for several reasons. Some heterodox economists question whether scarcity is applicable to contemporary capitalist economies (Galbraith, 1958). Others argue that where scarcity occurs, it has been created, rather than simply existing: capital is a good example (see Lee and Keen, 2004, fn. 21). Others accept absolute scarcity of such things as water, but doubt that the value of water is determined by its scarcity (Lee and Keen, p. 192). Others simply would argue that even if we acknowledge scarcity, that is not what economics is *about* (Knoedler and Underwood, 2003).

Clearly, several of the other core concepts listed there are de-emphasised, neglected, questioned, rejected or even omitted in Table 2. However, naturally, whichever ones are omitted, they are replaced by new ones. Thus, side B of Table 3 is easily converted from a set of principles into learning outcomes. In addition, though – and this theme should be clear throughout this chapter – learning outcomes *are* achieved in terms of student capacities and skills.

...continued over

Significantly, many of these are consistent with the Economics Benchmarks: abstraction, induction, deduction, analysis, quantification, design and framing – the identification of important variables – are all achievable in the module outlined in Table 2. Clearly, some of the conclusions reached about those skills – for example on the appropriate use of mathematical models – *may* be different from a heterodox viewpoint. However, in addition, skills of criticality, comparison and concrete, realistic thought may also be developed.

The above concerns also apply in different ways to the orthodox-plus and parallel perspectives approaches. In both, the emphasis will be slightly different to a standard module and potentially some standard material will be omitted or less time will be given to it. However, equally, the development of critical and comparative skills will be enhanced to compensate, as in the case of the heterodox module.

The benefits of teaching a heterodox module are to some extent very similar to those of teaching heterodox material *per se:*

- The heterodox module structures laid out above offer opportunities to discuss methodological and historical questions.
- They confront students with different ways of thinking of the world and about economics.
- Students may consequently understand the orthodox material better, because they have been forced to question it, to examine objections to it, and to consider an alternative.

Additionally, teaching an entire module of heterodox material allows more depth and breadth of material to be achieved, and thus the benefits of teaching that material are amplified. Further:

- The benefits of studying heterodox material are achieved at a *programme* level. For example, students have space to confront 'normative' questions usually confined to policy analysis or philosophy. Indeed, that is a feature of the heterodox approach.
- Students are invited to question whether the heterodox approach is superior or inferior to – or perhaps just different from – the orthodox material they have been learning.
- They have the opportunity to study an entire system of thought and attempt to employ it.
- *If* heterodox theory is more realistic than orthodox, then students develop a useful applicable toolkit of concepts which cannot feasibly be learned in a brief one- or two-week treatment.

4. The 'parallel perspectives' approach

4.1 Summary

Arguably, the best way to achieve the development of comparative and critical capacities is to combine the two approaches above into a 'parallel perspectives' approach. This approach brings together the elements of the other two approaches and its essence is summarised in Figure 9.

Figure 9: Characteristics of a 'parallel perspectives' approach

1) Core economic concepts or problems are examined from an orthodox perspective (as would be done in an orthodox module).
2) The orthodox perspective is criticised from a heterodox perspective (as in the orthodox-plus design discussed above).
3) The concept or issue is discussed from a heterodox perspective (as in the module design discussed in Section 3).
4) Any orthodox rebuttals of the heterodox position and debate that has occurred are examined.
5) Students are invited to evaluate the debate and argue for a position. In some ways, this may have already been done in the heterodox module, if issues were dealt with in turn from multiple heterodox perspectives. However, the parallel perspectives approach does this more explicitly and systematically and allows both orthodox and heterodox positions to be examined.[4]

In terms of learning outcomes, students will gain awareness of a variety of substantive concepts (albeit possibly slightly narrower in scope than on any individual orthodox or heterodox module). However, the key to using the approach successfully is not to compromise on the need to be critical and comparative. The contrast between the perspectives is utterly crucial and must pervade the presentation and assessment of the module being taught.

4.2 Examples

In this section, a parallel perspectives approach is outlined. Section 4.2.1 presents some general discussion of the distinction between orthodox and heterodox economics, based on a model of ten competing principles. The two sets of ten principles are presented in Table 3 below and are offered as a useful teaching device. In that discussion, particular focus is placed on the purpose of economics, the methods of economics, and the role of values in economics. Section 4.2.2 then goes on to discuss a particular Introductory Microeconomics module structured around parallel perspectives.

4.2.1 Contrasting orthodox and heterodox principles

At whichever level a parallel perspectives approach is applied, a crucial first step is to get students thinking comparatively as early as possible and about fundamental issues. A useful device to assist that process is to employ Table 3, adapted from Knoedler and Underwood (2003). The principles shown there are not meant to be exhaustive but are an example which individual tutors can adjust according to their modules. The principles shown apply well to a microeconomics module.

4 In theory, one could start with heterodox concepts. In an introductory module that makes most sense. In higher-level modules, in which students have most likely already studied some orthodox economics, the orthodox is most easily taught first.

Table 3: Ten Things Every Student Should Learn
(adapted from Knoedler and Underwood, 2003)

Orthodox (Side A)	Heterodox (Side B)
1. Economics is the study of choice under conditions of scarcity.	1. Economics is about the social processes of providing for people's needs, not merely choices and scarcity.
2. Economic actors are motivated by rational self-interest to maximise their satisfaction from consumption (based on a given set of preferences).	2. Both scarcity and wants are socially defined and created.
3. Economics, practised correctly, is a 'positive science' premised upon value-free, objective knowledge. The role of the economist is to engage in the science of 'positive' analysis of the economic processes described above.	3. Economics is not 'value-free' and ideology shapes our analyses and conclusions as economists.
4. The history of economic thought is a specialist subject inessential for the study of contemporary economic theory.	4. The history of economic thought is critical to the study of 'basic principles' of economics.
5. The individual – understood as an entity separated from others – is the principal unit of economic analysis.	5. The individual should be understood, but as complex and connected to others – and as a means to understanding the operation of the whole economy.
6. Economies and markets tend to equilibrium. Equilibrium is a foundational concept in economics.	6. Although equilibrium can be a useful concept, economies generally do not tend to equilibrium; indeed, there may be no equilibrium to tend to and thus, economics should focus on dynamic processes rather than equilibria.
7. The market values (prices) established in a 'free market' economy are the critical guide to economic efficiency. Anything that 'distorts' free market values reduces efficiency, thus imposing costs on society.	7. Valuation is a social process.
8. Although a free market is believed to be the ideal way to achieve efficiency and maximum social welfare, there are many failures in the market requiring intervention by government.	8. Markets are social institutions which could never work as posited by the orthodox theory. Many of the failures described by orthodoxy are essential features of markets.
9. Distribution of wealth and income rests on marginal production of individuals, determined by their characteristics.	9. Distribution is shaped by membership in groups according to race, gender and class, and the relative power exercised by those groups.
10. The natural world, the source of all energy and materials and the repository for all waste, is not a necessary (complementary) element in production.	10. Ecological literacy (economy–ecology interface, unity between biophysical first principles and economic sustainability) is essential to understanding the economic process.

One useful way to employ the table is to print it on two sides of a sheet, with the orthodox principles as side A, the heterodox side B. This resource has been used successfully at Principles level.[5] It is one of the first resources given to students. They may immediately read it all – and if this stimulates their thinking that would be desirable – but it may also introduce too much early confusion. Thus it may be better just to have students refer to it as directed by the instructor. The initial segment of the module must be devoted to creating the impression of a division and making students comfortable with that. For beginning students, without preconceptions, it is straightforward to argue that there are simply two competing views, and then to explain them. Certain points from the ten things sheet are desirable and indeed necessary to establish the orthodox/heterodox distinction.

The first issue to discuss is 'What is the prime focus of economic analysis?' Immediately students see the standard scarcity view contrasted with other views. As Table 3 shows, a heterodox economist might regard the economic problem as one of social provisioning – of needs, not wants. By questioning whether their wants are indeed unlimited, and whether their resources are scarce, students understand better what the orthodox postulate of scarcity means, and how it applies to real-world situations. Some students may reject the scarcity postulate as static and too geared towards selfish satisfaction; for others though it will resonate with their own budget management concerns.

After discussing the purpose of economics, the author finds it useful to consider the methods of economics. As outlined in section 1.1, heterodox approaches contrast with textbook models in their recognition of history. Orthodox models tend to be framed in logical time, which is reversible. This is clearly unrealistic and excludes much apparently significant historical detail. However, students quickly realise that models must exclude. That leads into a contrast between abstraction and idealisation. Abstraction is the ignorance of some factors in order to focus on the essence of a phenomenon. Idealisation is the creation of idealised entities which deviate strongly from reality. Abstraction is necessary in economics because of the complexity of the world. However, arguably, idealisation is more common in orthodox models. Thus, economic man is a device which does not represent any real humans. However, that may not matter in terms of good theories. With some students, it may even be possible to discuss Friedman's (1953) view of theories as predictive devices.

Point 3 on the sheet is also essential for the parallel perspectives approach. It concerns the positive/normative distinction. The orthodox side A presents the positivist view that analysis should be value-free and objective. It is relatively simple to ask students whether they think this is a desirable aim and, if so, whether it is possible. Having the students read Stretton (1999: ch. 5) on ideology assists that discussion. For Barone (1991) it is a major benefit of parallel perspectives that they allow value bases to be made clear and evaluated. In so doing, he argues, parallel perspectives stop sneering and encourage healthy conversation and co-operation.

Stretton's (1999) book also facilitates the consideration of the role schools of thought play in economics. His early discussion of the development of economics is useful because it hints at point 4 of ten things, on the role of historical context, but also establishes that there are several schools of thought out there and that they are worthy of consideration. Indeed, Stretton's approach is to examine briefly the history of economic thought, examine Smith and the classical

5 In terms of its content, some points about the sheet should be noted. In general, it presents a workable set of heterodox principles: it is similar to the principles listed in section 1.1. However, Knoedler and Underwood come from the institutionalist tradition and some of their alternative principles will reflect that. Nevertheless, the tables can be tailored to reflect a particular perspective, or to suit the needs of a particular module. For example, number 7 on the heterodox side, 'valuation is a social process', is quite vague. It probably reflects the concern expressed in a number of institutionalist texts and modules about instrumental valuation (the notion that value is ascribed only in terms of its consequences). However, it could also be interpreted as reflecting the Marxist labour theory of value and the (social) determination of the surplus. Or it could be explained via the Keynesian beauty contest, in which social-psychological factors determine share prices.

growth model first, and then to show how the neoclassical economics took on only one part of the classical approach, namely distributional concerns. By reading these extracts from *Stretton*, students learn:

1) that there are several perspectives on economics;

2) about key figures in the heritage of economics;

3) that current theories are the latest in a long line of theories, some of which they develop, others they reject or change fundamentally

Some of the distinctions in Table 3 may appear rather stark but that is intentional. The stark distinctions serve as a vehicle to bridge them. For example, take point 8. In fact, perhaps no orthodox economist would argue (as strongly as that) in favour of the notion of free market capitalism, and perhaps many heterodox economists would not subscribe to the notion of a completely managed capitalism. In reality, there is more of a continuum of views. However, the two extremes serve as an entry point into a discussion amongst the students of markets and the role of government. This would most likely occur later in the module (see Table 4a). It allows the free market view to be put across, examined and then contrasted with the view that all markets are institutional creations and therefore managed (which would also be evaluated). When those notions are presented simply, they become accessible to students. A case study such as the marketisation of health care is topical, relevant and an effective vehicle for understanding and discussing the two views as presented. Such a discussion could then lead on to more complex considerations and theories – for example, the new institutionalist approach.

4.2.2 Module descriptions

Once the initial distinctions have been established, it is possible to move into a discussion of various economic concepts. That is where a discussion of module structure becomes relevant. Table 4a shows a module structure (plus readings and selected activities) for an Introductory Microeconomics module taught over one semester at a US college. Table 4b provides a contrast between the structure of a parallel perspectives module and a conventional module.

Table 4a: Introductory microeconomics module (parallel perspectives)

Topic	Heterodox resources (orthodox resources assumed readily available)
Introduction to economics What is economics? How is economics done? Some views on economics	Stretton, Chs. 1–3, 5, 7
Orthodox and heterodox perspectives on economics	Heilbroner, *Teachings from the Worldly Philosophers* (TWP), Chs. I–II, pp. 333–336, 208–211, 219–235, 297–330 Stretton, Chs. 7–10 Heilbroner, *The Worldly Philosophers* (WP), Chs. 1–2, 10
Demand Basic principles of demand; elasticity	Heilbroner, WP, Ch. 8 Heilbroner, TWP, Ch. V, pp. 247–263 Agia, *et al*, Chs. 7–10 Stretton, Chs. 19–27 Veblen Figure 10: biscuit experiment

…continued over

Table 4a continued

Demand and advertising Informational advertising vs. persuasive advertising	Example 5: TV watching exercise
Firms and production Costs, revenues and production	Agia, *et al*, Chs. 11–14, 42 Stretton, Ch. 31–35 Smith, Book I, Ch. 1 Heilbroner, WP, Chs. 3, 6 Heilbroner, TWP, pp. 73–86, 90–95, Ch. IV Marx, Karl (1867) *Capital*, Vol. 1, Chs. 1 (sections 1, 2 and 4), 7 Figure 7: paper aeroplane experiment
Firms and competition Competition, monopoly, oligopoly and mergers	Agia, *et al*, Chs. 15–19
Profits Mechanics of profitability	
Profits Consequences of profitability	
Markets Supply and demand analysis	Heilbroner, WP, Chs. 3, 9 Heilbroner, TWP, pp. 55–98, 235–238 Stretton, Chs. 40–42 Market experiment
Markets The free markets approach. How free are 'free markets'? Do markets work? Stock markets	Agia, *et al*, Chs. 1–6, 20–27, 41 Stretton, Ch. 36–9 Keynes, Chs. 12 and 19 Figure 6: Kemp/Wunder
Markets and government Various views on the market–government relationship. Public goods, etc.	Agia, *et al*, Chs. 36–40 Heilbroner, WP, Chs. 5–6, 10 Heilbroner, TWP, pp. 98–105, 275–296

Table 4b: Parallel perspectives module contrasted with a standard module (introductory microeconomics)

Parallel perspectives	**Standard**
Introduction to economics What is economics? How is economics done? Some views on economics	**Introduction to economics** What is economics? How is economics done?
Orthodox and heterodox perspectives on economics	**Markets** Supply and demand analysis
Demand Basic principles of demand; elasticity	**Demand curves**

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Table 4b continued

Demand and advertising Informational advertising vs. persuasive advertising	**Elasticity**
Firms and production Costs, revenues and production	**Production and costs**
Firms and competition Competition, monopoly, oligopoly and mergers	**Profit maximisation**
Profits Mechanics of profitability	**Factor markets**
Profits Consequences of profitability	**Structure–Conduct–Performance:** Perfect competition
Markets Supply and demand analysis	**Structure–Conduct–Performance:** Monopoly
Markets The free markets approach. How free are 'free markets'? Do markets work? Stock markets	**Market failure** Public goods and externalities
Markets and government Various views on the market–government relationship. Public goods, etc.	**Government intervention**

One benefit to the teacher of such a module is that allows flexible thinking about the order of topics. A teacher could in theory adopt the conventional ordering of topics and begin with markets. The students learn the supply and demand diagram in order to grasp the concept of scarcity and its relation to price movements. Indeed, the first time the author ran the module, that was the path chosen. However, it is unnecessary to teach supply and demand first; moreover, that order is in many ways strange. For instance, we know that markets are where buyers and sellers meet yet we discuss markets well before buyers and sellers are discussed. Further, in a traditional introductory microeconomics module, we begin with markets and often end with them, i.e. through market failure and the role of government. It may make more sense to group those topics together.

Alternatively, we treat the level 1 micro in the same way as we do at level 2: we begin with the consumer rather than with the market. One way of introducing the topic of demand is to run an experiment. That experiment is discussed in Figure 10.

Figure 10: Chocolate chip biscuit experiment

One student volunteers to eat chocolate chip biscuits. They are asked to eat a biscuit and to rate the satisfaction they get from it as ten, as a standard by which to gauge further biscuits. They are then asked to eat successive biscuits. The objective is to test the principle of diminishing marginal utility. In most cases when the author ran this experiment, the resulting marginal utility curve was anything but smooth, but about half the time it was generally downward sloping. The students are then asked to consider what the results mean for the theory that demand curves are smoothly downward sloping. Some students will respond that as an approximation it is good enough. Others will simply argue that the results refute it. For example, the heterodox concern with history, discussed already, and concern that *ceteris paribus* is an unreasonable assumption, *...continued over*

brings into question the ability to plot a demand curve at all. These objections in turn are countered, for example, by the argument that the demand curve need not be fact, but is illuminating. The ground for this discussion has been set by the discussion of economic method earlier.

The biscuit experiment is useful in another way. It illustrates the usefulness and difficulties of classroom experiments. In a typical American classroom, the invitation to eat biscuits would invariably be accompanied by a query as to where the milk was, given that usually biscuits and milk are eaten together. The author had to explain that the milk might corrupt the experimental conditions and could not be allowed. The fact that eating biscuits without a drink may cause less satisfaction for successive units was significant to the experiment. Some students also picked up on the fact that chocolate chip cookies were being used. Chocolate chip cookies can never, of course, be assumed identical: the obvious variable being the volume of chocolate in each biscuit. Good students realise that the experimental results may simply reflect the chocolate content of successive biscuits. Further discussion can illuminate that students' responses to the results may be conditioned by their prior beliefs about orthodox/heterodox and concepts such as *ceteris paribus*. The biscuit experiment is therefore a good exercise in any microeconomics module, but it is particularly effective in a parallel perspectives framework because it follows from and leads into differences between the orthodox and heterodox approaches.

At level 1, it is possible to discuss constrained maximisation, even without the formal framework or indifference curve analysis. By introducing the orthodox approach first, in which maximisation is a key element, the notion of constrained maximisation is intuitively more understandable. Similarly, though, by being made aware of heterodox objections, the student is already primed to criticise the notion. As shown above, they are thus able to raise objections to the demand curve itself.

The discussion of demand may lead into a discussion of the formation of preferences. Again, at introductory level, there need be no detailed discussion of the assumptions underlying demand theory. However, it is possible to state that choice is a product of prices, preferences and income; and that preferences are unexplained in the orthodox approach. Students may ask what the sources of preferences are. Stretton's (1999) book highlights several factors, including the law, peer groups, families, religion and other traditions. This discussion leads into a heterodox theory of persuasion. At this point, as above, a discussion of Veblen can be slotted in, and students will become familiar with the concept of conspicuous consumption. At higher levels, one can examine at length heterodox critiques of the orthodox model of the consumer. However, at introductory level this is not necessary. Nevertheless, one can take the simple contrast that in the orthodox approach, advertising is informative, and in the heterodox approach, advertising is persuasive. This can lead to an interesting lecture and classroom discussion of a selection of advertisements. A way of exploring advertisements is to give students an assignment which involves watching television. It is assumed that students would enjoy this. The assignment is described in Figure 11.

Figure 11: Television watching assignment

The essence of the assignment is that students watch a specific 30-minute commercial television programme and note its time, channel and content. They then note all the advertisements shown during the programme. From that list they are then asked to infer what audience the programme's advertisers believe is watching it and what message(s) the advertiser is attempting to send. They are then asked to analyse in detail one of the advertisements in a similar way to that done in class. This is often the subject of a student presentation.

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> Further, the analysis of advertisements can be a good examination or test question: present the students with an advertisement (or several) and ask them to analyse it from an orthodox and heterodox perspective and to contrast the two. The student should first be able to explain the essential points about the orthodox and heterodox perspectives on the consumer. Thus, their retention of the material is assessed. But their understanding can also be tested. The student should be able to identify what about the advertisement is informative and what is persuasive. Further, the student should say how the advertisement seeks to persuade and which social norms or pressures are being appealed to by the advertisement.

That form of assignment illustrates the key elements in assessment using the parallel perspectives approach. First, ascertain that the material has been understood. Second, apply the knowledge to an issue. So far, so conventional. Third, ask the students to compare the two approaches; and fourth – perhaps most difficult of all – ask them to reach a reasonable, argued position on the merits of the theories. Another way to do this is simply to ask the students to write a paper on which theory of the consumer is best. The weak student will merely express their understanding of the theories. A better student will be able to compare the theories and identify their weaknesses. A good student will understand what is meant by 'best' in the context of a theory and reach a clear conclusion which weighs up the pros and cons of each approach. This assessment method might be called 'opinion essays', but essentially, the essays are reasoned arguments towards a particular view. The student's ability to present a clear structured argument and, where necessary, evidence, will be crucial.

The pattern of the module described so far continues throughout. From Table 4a, we can see that the next topic covered is the firm. The paper aeroplane exercise (Example 3) above is useful here. Again, as with the biscuits experiment, it can be used simply to test an orthodox precept. It can also be useful as an experimental method for discussion by the students. Further though, as outlined above, the experiment leads into a discussion of production, costs, prices and profits. Orthodox U-shaped average costs can be compared with their heterodox L-shaped counterparts. Marginalist pricing can be compared to mark-up pricing. At higher levels, more detailed treatments of full-cost and normal-cost pricing theories can be undertaken. Again, the students' understanding of the topic can be assessed by an essay in which they are asked to reach a position and construct an argument for it. It may be the case that as in Salemi (2005), less detail is presented on cost curves; however, their critical analysis means that the concepts are being reinforced. Again, private study allows for practice and revision of key diagrams or formulae.

The treatment of market structure in this module is less detailed than in an orthodox module. Nonetheless, those concepts are covered. Furthermore, the length of time discussing profits, their origin and their effects, is an stimulating and useful addition. The students exit with a much broader concept of profit and of the firm in its social environment than otherwise would have occurred. As noted already, the structure of this module is different from a standard introductory framework because, thus far, there has been little if any formal discussion of markets. Markets is the final main topic covered. Again, the basic supply and demand analysis can be considered. This could even be applied, in a very basic way, to labour, which is a topic not covered in the module although usually it would be. Now, of course, students are more primed to be critical of markets and to enquire whether the supply and demand formulation is correct. Some students may even question the notion of equilibrium. This is another crucial concept in economics, which is often taken for granted: economists think in terms of equilibrium – why? Students who have already questioned *ceteris paribus* may be less likely than others to merely accept the importance and validity of equilibrium. Once again, the student is encouraged to interrogate that concept in order to understand and justify its use.

The market exercise (Figure 6) discussed above may be useful at this point in the module. To reiterate, that exercise can be run as a simple game of seeing markets clearly. However, with the additional heterodox material, students can see that the process towards equilibrium is complicated by a number of factors. The questions raised in the game about the role of the State, the institutional features of markets and the distributional (and other) outcomes of markets lead nicely into a comparison between the free market approach and its criticisms, and into a discussion of market failure and the role of government. It is even possible to cover general equilibrium, if only conceptually, at this point, because the students have seen the necessary component parts, such as perfect competition; but they are also more likely to understand the use of a model such as general equilibrium and to be able to reconcile its apparently fantastic assumptions with the need to model, because that issue has already been covered several times. The heterodox value added can also be shown in a discussion of market failure, which to many heterodox economists is a misnomer, since many of the so-called rigidities in markets are in fact features which make markets function. An example is long-term contracts. Students are able to see an orthodox model in which long-term contracts are a distortion, but also understand from a heterodox perspective that such contracts may be a response to uncertainty. That thought process could then lead into a consideration of risk. If done at level 1, the discussion may be necessarily brief.

4.3 Summary of the parallel perspectives approach

Overall, the module offers a thoroughgoing parallel perspectives approach, which manages to cover all the required orthodox concepts as well as heterodox concepts. The comparative and critical approach starts on day one and is reinforced through the entire module, in exercises, class discussions and assessment (see below). Although the author has not formally tested whether this approach generated better marks for students, it certainly improved student perceptions of the introductory microeconomics module and seemed to attract more students to opt for economics. The author employed a similar method in modules on intermediate microeconomics, industrial economics, and economics of the environment. In the first case, orthodox and heterodox were contrasted in the same way as in the level 1 module, but considering higher-level material. In the second case, three perspectives were used: neo-classical, Marxist and new institutionalist. In the third case, environmental economics was contrasted with ecological economics. In all three cases, the contrast began almost on day one of the module and was pursued throughout.

4.4 Objections to the parallel perspectives approach

There are several objections offered to teaching heterodox economics. Space precludes a full discussion here, but some of these objections are worthy of mention. One is that heterodox economics is pointless and that students should merely learn orthodox economics. Hopefully the arguments in section 1 refute such claims. The other main objections are that:

- It is too much to expect of students to cope with multiple perspectives as well as take in complex economic material.
- Students will find competing perspectives approaches too difficult and unattractive *per se*.
- Including heterodox material will reduce the intellectual depth of the economics programme.

The first two arguments rest on the belief that criticism and scepticism breed nihilism, and that students will learn nothing if they are taught to criticise. Even those who accept the need to criticise the orthodoxy claim that the basics need to be learned first. The danger of course is that once learned, the basics are impossible to question, and that the aims stated above of open-

mindedness and critical thinking can be thwarted if students embrace the basics too vigorously. One way round this is to teach alternative basics from the beginning. One way to get students used to being critical is to immerse them in a programme in which criticism and comparison is endemic.

However, it is a genuine concern that students will be discouraged if they see only fallibility of theories and alternatives and see no hope of reaching answers. Earl (2000) shows that an instructor who tries to push students too quickly will come unstuck and lose them. As Earl notes, the comparative or relativistic way of thinking does not occur overnight: nor can students be dragged to that level. Most start off as what Earl calls 'dualistic', i.e. right and wrong, thinkers: one theory must be the whole Truth, or it is useless. A tutor should be able to demonstrate their expertise by delivering the Truth to students. It is difficult for students to move from dualistic to relativistic thinking. Even when students are at higher levels of thinking in their everyday life, for instance when discussing football, music or other aspects of popular culture, they can revert to lower levels in academic life, leading them to demand 'right' answers and to feel uncomfortable answering anything other than narrow technical questions.

As Earl (2000) notes, it is imperative to communicate to the students early on – and to repeat the message – what you as a lecturer are trying to do. This can also be achieved through the design of assessment. As outlined below, essays of increasing length and significance in terms of marks can ease students into the habit of thinking critically and openly. A stress on the need to make an argument and develop a position can be similarly beneficial. Therefore, when teaching parallel perspectives in particular, it is essential that students are treated carefully. Attempts to force students into thinking comparatively, etc. too quickly can lead to them attempting to escape from the process, or taking easy options.

On the question of intellectual depth, the arguments of section 1 should show that teaching parallel perspectives may actually increase intellectual standards. The students' ability to think critically and open-mindedly is a crucial intellectual capacity. As Earl notes too, students' ethical capacities may also increase, as they learn to show respect for other views yet find ways to criticise them and make tentative commitments to a position (see also Barone, 1991). Barone also notes that when heterodox modules and contending perspectives were introduced into the curriculum at Dickinson College, USA, the 'neoclassical' content was strengthened: technical subjects, such as quantitative methods and applied calculus, were made compulsory for economics students.

In short, there appear to be many barriers to teaching a pluralist approach. However, as Earl (2000: 23) notes: 'Most academic economists do not try to find out whether all these barriers really exist and are insuperable; they simply take them for granted.' This section has demonstrated that in fact the barriers can be overcome if lecturers are prepared to try. Further, there may be many benefits to students of doing so.

5 Assessment strategies

In terms of assessment, in principle any type of assessment could be used on the modules discussed above. Like all forms of assessment, whatever is set should assess:

- understanding,
- the ability to structure an answer,
- criticality,
- writing and other stylistic features,
- ability to gather evidence and
- essay writing skills.

However, some specific elements of the heterodox perspectives discussed above should be assessed:

- the ability to establish a position and offer an opinion supported by some evidence, be it theoretical or empirical;
- the ability to compare perspectives;
- reflexivity;
- evidence of having thought about method.

5.1 Assessment schema

Clearly, the extent to which those elements are assessed depends on the level and type of the module. For example, a first-year student may have less expected of them in terms of reflexivity, writing style and research skills, given that these are transferable skills developed during the higher educative process. Similarly, a student on an orthodox-plus module would have less stressed placed on comparison. The assessment scheme will also affect what is assessed: obviously, a scheme comprising only multiple choice tests will not improve essay writing skills or the ability to develop an argument. However, tests are good ways of quickly testing understanding.

Tests can be very useful in particular on parallel perspectives modules. As Earl (2000) notes, students need to be eased into thinking comparatively. One way he suggests is to ask students to write essays and to provide extensive feedback on them. That process is very time consuming. Tests create space in the tutor's time and can be conducted in-class, for ease of organisation. An alternative of course is to use on-line tests, for instance programs which create unique sets of questions, and which are self-marking. Some examples of these are available at the *Economics Network* website. Both elements of those tests – the setting and marking of questions – remove an administrative burden from academic staff. Self-managed use of computer software can also assist learning. The only limitation in a heterodox or parallel perspectives module is that most of the existing tests are geared towards orthodox content. A final examination can be a way of testing all the skills simultaneously, through a mixed question format, incorporating short answer, data-response, medium-length and essay questions, all of which types the student would be expected to attempt. The short- to medium-length questions may be compulsory with students given a choice of essay question. Short answer questions may require simple factual

responses – for instance to identify which of a list of economists could be regarded as either orthodox or heterodox. Other questions require slightly longer, more detailed answers – for instance to explain a particular model.

5.2 Essays

Perhaps best of all essays test the ability to develop a position or opinion as well as conceptual understanding. Essays can be used as one element in a multi-method strategy. They can also form the main component of assessment. It may be that more than one essay is assigned. In that case, it may be wise to require shorter essays earlier on and give these less weight. That allows students who are unaccustomed to essays to adjust to them and is particularly important in the case of contrastive or position essays.

In this section, some examples of essay questions are presented. The examples can in principle be used on any of the module types discussed in this chapter, but some of the questions are more applicable to the types than others.

5.2.1 Mixed competence/criticism questions

All essays should demonstrate criticism and understanding, of course. However, some questions can be explicitly aimed at establishing that a student understands some theory before then explicitly asking them to engage in criticism or comparison. An easy way to construct the separate elements of a question is to write it in multiple parts. For example, students may be asked to deal with a specific problem in consumer theory, before being asked critically to evaluate three of the assumptions underlying it. In the first part of the question they would be rewarded, as they would on any module, for technical correctness and logic of their answer. In the second part, the student is expected to elucidate the assumptions (indicating their understanding) before criticising them. They would be credited for drawing on the critical literature they may have been assigned. Exam questions could be a mixture of a similar type of questions. Clearly such questions target understanding and criticism, but also the ability to structure answers in a well-written way. They are most useful on orthodox-plus modules.

5.2.2 Critiques

Whilst we expect all essays to display criticality, some questions can explicitly ask for it. Criticality can be of oneself: for example on econometrics modules, it is useful to ask students to complete a project and then ask them to raise objections to their own method. On modules covering theory it is easier to ask students to directly criticise theoretical claims. For example, one might ask students to: 'Evaluate the usefulness of game theory in understanding real-world phenomena such as cartels or arms races'; or 'Evaluate whether neo-classical consumer theory is useful in explaining consumer choices'. Clearly, in both cases, if the question forms part of one of the module types described here, there would be an expectation that heterodox material is drawn upon. Similarly, one might ask students to: 'Critically evaluate Galbraith's claim in Affluent Society that advertising creates demands in consumers (Galbraith changed his own position later)'. That question would be suitable at either an introductory or higher level. It would sit well on any of the module types discussed, but obviously would be very much at home in a heterodox module.

Good answers to all of these questions will be able to identify weaknesses but contextualise them in the general nature of models.

5.2.3 Comparative questions

Comparative questions explicitly ask students to compare two (or more) positions. For example, on a heterodox module, one might ask: 'Is competition good? Contrast competing heterodox positions on this question.' Principally the students should compare the Marxian, Post Keynesian and Austrian theories of competition, which all define and evaluate competition differently. This is a higher-level question. Clearly, the question could be adapted to any module type, for instance by inviting students to compare orthodox and heterodox views on a specific topic. In this type of question, understanding is expected, as is the ability to organise a response. Crucially, comparative skill is assessed directly. Also, a good answer would identify crucial criteria by which to compare the positions. For example, when asked to compare orthodox and heterodox positions, it is necessary to consider what are the crucial criteria in assessing each theory!

5.2.4 Position papers

The assessment issues are most interesting on the parallel perspectives approach. A strategy has already been hinted at of using comparative essays to encourage students to reach a position by a reasoned argument. An extension of that is aimed at assessing – in addition to the other criteria for assessment discussed above – whether students could reach a position based on competing perspectives. In one microeconomics module taught in this way, the author asked students to write three position papers: one on consumers, one on firms and one on markets. As an example, the three papers from one run of the module were:

1) How do consumers make choices?

2) How do firms increase their profitability? Are these methods good or bad for society?

3) Should markets or government be relied upon to organise economic activity? Explain your answer.

Clearly, understanding of concepts was an important criterion, but equally, indeed perhaps more importantly, the ability to construct an argument to reach a position – while doing justice to both sides of the debate – was highly significant. Of course, it was perfectly possible – and indeed often happened – that a student reached the conclusion that the right answer was to be found by synthesising the insights of both perspectives and bridging the gap between them. For example, although students accepted the persuasive effect of advertising, rejected the notion of unexplained preferences, and acknowledged the importance of social factors in individual choice, they would maintain that the choice remained individual, and that some sort of calculation of prospective well-being informed it.

6 Cases

The modules discussed above are a mixture of the hypothetical and the author's experience. However, they also reflect examples of modules which have been offered around the world. In this section, we elaborate on some of these examples. They are grouped into the three categories explored in sections 2 to 4.

6.1 'Orthodox-plus' modules

Two modules at different levels which attempt to enrich an orthodox module with heterodox content are presented in Figure 12. Both are fairly general modules.

Figure 12: Two 'orthodox-plus' modules

Bucknell University, USA, has for many years promoted the teaching of heterodox and pluralist approaches, through its own syllabuses and the production of resources (see below). A Principles module taught there recently illustrates well how a standard module can retain its coherence and cover the material necessary, whilst incorporating heterodox material and concerns. The module in question is a 'survey' module of microeconomic and macroeconomic topics. However, before any of these are considered, the module discusses economic approaches, philosophies and systems, offering an overview of economic development from feudalism to the present, taking a chronological look at significant economic thinkers, principally Smith, Marx, Veblen and Keynes. After this unusual beginning, the module takes on a much more traditional appearance, considering supply and demand, firms, market failure and government intervention on the micro side. An extra twist is added by considering income distribution and poverty as special topics. On the macro side, the module considers unemployment (and underemployment), inflation and GDP, before considering Keynesian, Classical and Monetarist models of the macroeconomy, and international trade and finance. Another novel addition is the discussion of feminist and democratic socialist treatments of macroeconomic policy.

A module on Economic Theory at Curtin University, Australia is a particularly interesting case of an orthodox module being enriched by heterodox content. The module appears orthodox: it covers economic psychology, welfare economics, behavioural economics, game theory, business cycle theory, information economics, economics and the family, and institutional economics. However, the module content is noticeably up to date. A novel feature of the module is that it is taught via the readings of Nobel Prize winners (which anticipates Becker's (2004) criticism of current modules, discussed above). For example, to discuss business cycle theory, students are asked to read selections from Kydland and Prescott's work; similarly, the economics of the family is introduced through Gary Becker's work. This approach allows the students to develop reading skills, read recent high-impact literature, but also, for example through reading Kahneman and Tversky, develop a critique of the orthodoxy. As another example, students are invited to read the feminist economist Julie Nelson in conjunction with Gary Becker's contribution.

More specialist modules can offer further opportunities for 'orthodox-plus' formulations. Often this is necessary given a lack of orthodox material in certain areas, and/or significant heterodox contributions there. For example, a module on economic growth would look rather bare if it comprised only classical models, such as the Harrod-Domar, plus the neoclassical Solow model.

An adequate module must also include so-called 'endogenous growth theory', which some regard as being post-neoclassical. Indeed, arguably the theory of cumulative causation – and therefore of Veblen (the originator of the term) and the family of Kaldorian growth models – ought be included in any growth module, given that it is in many ways a precursor to endogenous growth theory. A module at Trinity College, USA, does do so. Drawing on the heterodox theories does not reduce the module's content or technical level.

Other examples include:

- A module on banking and finance at Stirling University draws on neoclassical theory but, because of the nature of the literature and the relative paucity of orthodox treatments, necessarily draws on heterodox theories of banking and (other) financial institutions.
- A module on urban planning and design taught at University College, London utilises standard concepts (such as externalities and rent) but does so critically and contrastively.
- A module on health economics at Aberdeen University although concentrating on orthodox concepts such as markets for healthcare and their failure, healthcare systems and health valuation methods, also introduces heterodox criticisms of those notions plus alternative conceptions.
- A module on modelling and forecasting the macroeconomy at Wartburg College, USA, is interesting in a similar way. It simply introduces heterodox topics without fanfare. The module focuses on topics and issues and deals with the different theoretical perspectives as necessary. It is mainstream in a sense, but open to different views at different stages. Indeed, its tangible outcomes are technical and (ostensibly) orthodox: students are required to build a macroeconomic model and use it to make forecasts.

6.2 'Heterodox' modules

There are several ways to run heterodox modules. One way is to discuss a specific paradigm. An example of this approach is discussed in Figure 13.

Figure 13: A single-paradigm heterodox module on Post Keynesianism

One example of a coherent module based on one paradigm is a module on *Post Keynesian Economics* run at Trinity College, USA. The module opens with a discussion of what is Post Keynesianism: this is a key question because this school has been accused of incoherence. The module then considers methodology at some length, focusing on issues surrounding uncertainty, time and equilibrium. Specifically, Post Keynesians hold that the world is fundamentally non-probabilistically uncertain. They hold that economic theories should be predicated on historical (irrevocable) time, rather than the reversible, logical time in orthodox models. They are sceptical about the existence of equilibrium, partly because of history and uncertainty (Robinson, 1980). However, many Post Keynesian models do use equilibrium concepts. Again, there is a conundrum for students, which can generate classroom discussion. The remainder of the module focuses on three main areas of theoretical concern for Post Keynesians: pricing, inflation and money. Throughout the module, the critical reading of articles is stressed and reinforced by the assessment scheme, which includes critical reviews of readings, presented orally to class.

There are other examples of single paradigm modules, particularly on Institutionalism, in the USA. Such modules tend to have specific characteristics:

- Methodology underpins the institutionalist theory. John Dewey, for example, was a pragmatist philosopher on whom institutionalists draw extensively. Dewey embraced a dialectical method. Similarly, Veblen and others stressed key distinctions in the economy,

their maintenance, effects and their breakdown. Other key methodological tenets are the stress on systems, evolution and change, valuation, and the complex nature of the individual. These concepts can then be applied to theoretical issues. A commonly chosen issue is the analysis of work, as developed in particular by Juliet Schor.

- Material from other disciplines, such as social psychology, is crucial. Students on these institutionalist modules are encouraged to read other disciplines', which is useful for a discussion of human nature, a common feature of institutionalist modules.
- A historical approach is adopted, usually involving a historical account of economic development, in chronological order, beginning with pre-modern, through modern, on to contemporary economies dominated by large corporations. As institutionalist modules, they focus on the development of institutions over time. Also, their definition of institution is typical of the tradition, being much broader than simply defining an institution as a corporate body; rather, an institution includes habits of thought and of mind.
- Many courses also involve the integration of ecological concerns into the economics syllabus.

Other angles to take are:

- *Political economy:* The *Foundations of Political Economy* module formerly taught at Michigan State University also adopts a historical approach, and highlights institutions, but focuses more on policy-making. Policy relevance and focus is another heterodox tenet. It partly reflects that in heterodox thought, the distinction between fact and value (positive/normative) is rejected, or at least held less strongly. Economic theories are held to contain value judgements, and even though scientists do attempt to be objective, they are not neutral. This is an important point and one which is raised by Stretton (1999) early in his textbook for principles students. That is discussed below.
- *Parallel heterodox perspectives:* A module in *Alternative Approaches to Macroeconomic Analysis* at Manitoba and a module in Comparative Economic Thought at Galway offer a different way to deliver a heterodox module. Both modules begin with a brief critical presentation of the neoclassical approach, and then proceed into a series of alternatives, including Post Keynesian, Cambridge, Marxian and Institutionalist. There is no attempt here to offer a single, unified heterodox approach. Rather, the different schools of thought are offered individually and students are invited to compare them. The only formal way in which schools are compared and reconciled is the way in which, in the Manitoba module, there is some grouping of alternative theories, such as those which focus on class conflict or policy critique. In both modules, the emphasis is on literature and on critique. The comparative analysis involved is clear, not least from the title of the Galway module.
- *A single coherent heterodox approach:* Goodwin and Harris (2001) present a heterodox microeconomics module, based on a microeconomics text called *Microeconomics in Context*. They are advocating a new paradigm: contextual economics, which combines elements of ecological, feminist, institutionalist, Marxist, radical, and even (reconfigured) neoclassical economics which attempts to synthesise elements of those parts. Their position is that orthodox micro systematically ignores issues of context, particularly ecological issues (a common complaint). When the text presents standard microeconomic concepts, they are always positioned in the relevant contexts. Thus, the module structure focuses on a series of topics: the relationship between wealth, consumption, well-being and ecological balance; historical perspectives on capitalism; markets, industrialisation and culture; household labour and child rearing; trends in corporate growth and market power; wage differentials and income inequality; and environmental externalities and intergenerational equity.

6.3 'Parallel perspectives' modules

A module on the Economics of Social Issues at Eastern Illinois University is discussed in Figure 14.

Figure 14: A Parallel perspectives module

The module begins with a discussion of alternative economic perspectives. The first topic considered is reasons why economists disagree. In discussing sources of disagreement, the module achieves several goals immediately: it establishes different bases for disagreement, such as logical coherence or evidence; it considers ideological bases for disagreement; and it suggests that disagreement is possible and perhaps desirable. The module then considers three competing perspectives: conservative, liberal and radical, which are then taught in parallel throughout. The choice of paradigms in this case reinforces the political economy feel of the module; however, in principle the paradigms chosen may be conventional economic schools of thought. The choice will depend on the student cohort.

The module then moves on to consider issues. It first considers whether agriculture should be protected or left open to free markets. This question was asked of American students, but given the Common Agricultural Policy and the welter of literature on it, translating the discussion to European students is easy. Choosing topics such as that one, or indeed, as the module goes on, consumer sovereignty, environmental issues, regulation, income distribution and welfare reform, engages students in a way which traditional theory-based teaching may not. More than that though, the parallel perspectives approach enlivens each topic by showing students that the issues are contested, and the many sides of the debate; and also that each side of the debate may have good points to make and some logical and/or evidential basis. But it also encourages students to identify different perspectives and to offer criticisms of them. That activity is encapsulated in the writing assignments used in the module. In those assignments (one per topic), students were expected to find a newspaper article on the specific topic and present a critique of it. That critique should include the identification of the writer's perspective; the recognition of the bases being used to make the argument; an examination of whether the writer interrogates counterarguments to his or her own; and the highlighting of emotive or persuasive language used by the writer. What the student presents is a sophisticated analysis of the writer's rhetoric. This is a clear benefit of the parallel perspectives approach.

7 Top tips

- Encourage the students to write essays in which they have to argue for a position.
- Stress the role of history in economics and economic thought.
- Comparison is difficult so students must be guided through the process: explain the teaching strategy you are using.
- Structure the module/course so that competing perspectives are reinforced: start early and repeat often.
- Use/construct readers as a substitute for or complement to textbooks.
- Use autobiographical accounts to show how economists change their mind and why.
- Offer extensive feedback on assignments – perhaps create space for this by refusing to give advanced guidance.

8 Resources

8.1 Single textbooks appropriate for heterodox modules

A common problem on all modules is that students often demand that their lecture and seminar material be supported by a single textbook. Using a single textbook can have advantages: students can get more out of a book with which they are familiar and a single textbook is generally cheaper than a range of books. This demand presents a problem for modules teaching heterodox content, because unsurprisingly most textbooks – or books able to play that role – are written from the orthodox perspective. However, a few exceptions stand out:

- Dow (1996) takes a methodological approach to examining schools of thought in macroeconomics. The advantage of this is that many of the differences between schools are methodological; and compare/contrast questions are often answered well if they address key methodological themes, such as predictive capability, the nature of the individual, etc. rather than merely expositing the two views and then attempting a contrast.
- Snowdon, Vane and Wynarczyk (1998) is another text aimed at higher-level macroeconomics students and, like Dow, it outlines different schools of thought.

Neither book attempts to reach conclusions about which school of thought is 'best'; rather they allow students to make up their own minds.

However, heterodox concepts are most effective when the student is exposed to them early and often. Thus, some introductory texts would be useful. Again, most of the textbooks on the

market tend to be written from a neoclassical perspective, even when attempts are made to address other views and other ways of thinking. There are some exceptions, however. Stretton (1999) is a book aimed at an introductory level student. It is interesting in a number of ways, principally because of the order of its chapters.

- Rather than adopt a structure similar to that shown in Table 1a or the right side of Table 4b, the book comprises sections (each containing several chapters) on 'studying economics', economic growth, demands, productive institutions, distributive institutions and economic strategy.
- Crucially, Stretton places an early emphasis on method and on the history of thought. This immediately impresses on the reader that economics is a changing subject. This encourages the student not to think of theories as fixed and correct forever.
- Significantly also, Stretton introduces schools of thought: not as objects to be studied in depth, but as ways of thinking which can be applied to different problems.

Earl and Wakeley (2005) offer another resource, designed specifically with parallel perspectives in mind. It is explicitly practical, pragmatic and pluralist. Its focus is on business decision making and it deals particularly with dynamic problems of firm start-up, maintenance and rejuvenation. It embraces both orthodox and heterodox, where heterodox is defined as a synthesis of behavioural, Post Keynesian and evolutionary approaches. Its main resource is a set of applied contemporary-real world examples. Significantly, like the Kemp and Wunder simulation discussed above, the book develops an analysis on entrepreneurship. In other ways, the book reflects both traditional courses and heterodox concerns. For instance, one of its first topics is markets; however, the same chapter also deals with the nature of economic models. That then reflects the traditional order of modules but embraces the heterodox concern with methodology.

8.2 The multiple resource approach

The utility of a single textbook approach can be questioned, of course. Using only a textbook can discourage students from reading widely, and to think that they can rely on one text – no matter how many times they are told the contrary. A single book can also encourage the belief that there is only one way of thinking; in the context of this chapter that is a serious problem.

An alternative approach could require students to buy several key texts. Barone (1991) reports that students were expected to buy one book per perspective studied, for example Dugger (1984) on institutionalism and Littlechild (1978) on the Austrian approach. Such a strategy will usually come up against a cost constraint.

8.3 Using a reader

An alternative is to adopt a reader. Snowdon, Vane and Wynarczyk (1998) is one such readymade reader. Heilbroner's *Teachings from the Worldly Philosophers* (1997) is another. However, another option is to construct a reader from key texts. Although the readings in Table 4a suggest that Stretton is being used extensively, the author did not require students to buy the book. Certain key parts of the book were placed in a reader and many copies were placed in the library for reference. Other key readings, such as short handouts and newspaper articles, were placed in the reader. This has the disadvantage of being a little labour intensive but has the distinct advantage, assuming that all copyright issues have been resolved of providing the students with key material in a manageable format. A danger is that the students will regard this as an exhaustive list of readings, but nonetheless it might constitute more reading than they

would otherwise have done. Using readers is one strategy advocated by Earl (2000) and adopted by Bucknell University. One of their readers is available as Schneider et al. (2005).

In the author's parallel perspectives module, there were two recommended texts: *Real World Micro* (Agia, et al., 2002), which encompassed a heterodox slant on real-world issues connected to consumers (such as credit card companies' marketing schemes), firms (such as price gouging), markets (living wage movements), government policy (such as welfare reform), plus environmental and globalisation articles; and Heilbroner's *Worldly Philosophers*. As Earl discusses below, it may be useful to explain how economists came to their own views; but in any case, Heilbroner's book adds some colour to the thoughts of famous economists in terms of their personal backgrounds and their historical context. Thus, engagement is achieved, as is the heterodox attention to history of thought. As shown in Table 4a, the readings from Heilbroner are interspersed into the programme as appropriate to invigorate certain topics. An alternative is to teach a block of history of thought at the beginning of the course (Barone, 1991).

Websites

Bucknell University links on teaching institutionalist economics
http://www.orgs.bucknell.edu/afee/afit/teaching_institutionalism.htm

Institutionalist market model experiment (Kemp and Wunder, undated): description and commentary
http://www.orgs.bucknell.edu/afee/afit/teaching_institutionalism_exercises.htm

Heterodox syllabuses: collection
http://www.orgs.bucknell.edu/afee/afit/teaching_institutionalism_syllabi.htm

Module on Economic Theory
http://handbook.curtin.edu.au/units/10/10540.html

Forecasting module
http://www.wartburg.edu/business/syllabi/EC317syl-F04.htm

Economics of Social Issues module
http://ux1.eiu.edu/~erhake/2800syllabus.htm

Economics Network Tests and Exams Resources
http://www.economicsnetwork.ac.uk/teaching/exams.htm

Virtual Classroom Experiments
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