# Teaching Heterodox Economics

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From January 2023 to March 2023, I was given the opportunity to teach Advanced Microeconomics to postgraduate students enrolled at the SOAS Department of Economics. My aim was to present students to more advanced ideas, concepts and principles of microeconomic theory from a heterodox and pluralist perspective. Unlike standard Advanced Microeconomics courses, I chose *not* to limit my focus on the rigorous proofs and theorems I had been taught over the course of my own education. Instead, my aim was to foster the development of student’s understanding of both the usefulness of and limits to: abstraction, formalism and mathematical models in the field of economics.

Indeed, my first lecture for this course introduced students to the following definition of abstraction: ‘simplifying assumptions that make up the structure of economic theories and the design of empirical studies to prove these’. I then contested this definition by stating that simplifying assumptions will always result in an inaccurate representation of the real-world. So what is modelling good for then?

To answer this question I used Sheila Dow’s seminal book: ‘Foundations for New Economic Thinking (2010)’ in which she compares (mainstream) closed with open system characterizations of the economy in modelling practices. Dow explains that closed system representations result in unified, rigid and law-like explanations of economic behaviour and phenomena. By contrast, the open system representations strictly acknowledge that whatever an economist assumes to be a) the system boundaries, b) the variables of interest, c) the relation between them and d) mathematically derived results ... are all *temporary*. This temporality is informed by the fact that a single theory and set of assumptions (or methodology) is unable to accurately capture the complexity of socio-economic systems in the real-world. This means that mathematical models and the temporary set of assumptions embedded in them should be seen as but one method in a *range* of incommensurate methods. As Victoria Chick mentions in ‘On Knowing One’s Place: The Role of Formalism in Economics (1998)’: *formalisation and mathematical models render themselves useless once they become self-referential and expand results while failing to either demonstrate their applicability or test them against real-world facts.*

All in all, this was the stage I aimed to set for my students at the beginning of my course. Granted, this wasn’t always as easy for each of the topics I addressed. But I did realize that my efforts to ‘bounce back’ equations off of real-world phenomenon was appreciated by my students. There’s three examples where I think I managed to make this particularly clear for my students. One of the topics I addressed in my course was on Exploitation, Oppression and Working Conditions where I introduced students to the classical Marxist notion of exploitation. I also introduced my students to the post-Walrasian abstraction of the social relation between capitalists and workers in terms of a principal and an agent. After explaining the assumptions pertaining to each theoretical framework I discussed news articles on the working conditions at Amazon warehouses and gig-workers employed at Deliveroo and Uber platforms. In this way I managed to highlight the relevance of these phenomena and concepts in the digital era. I explained that various technologies can be said to either a) drive exploitation through the increase of labour intensity or b) facilitate monitoring and desirable effort levels in the work place (e.g. through the storage of data on pick-up rates and delivery times).

In another lecture I highlighted the limited perspective of the theoretical models that explain network goods, network effects and the utility of rating systems related to digital platforms such as Facebook, Instagram, Netflix, Spotify, Youtube etc. By drawing on the real-world example of multiple freelance platforms across the world, I introduced students to the harsh reality of service arbitrage. And to do so, I actually used a platform! I showed my students a YouTube video of a young man that wanted to show how to buy his partner a $1000 steak using the Upwork platform in combination with a virtual job platform used in the Philippines. The young man agreed to do a job on Upwork and then posted this same job on the platform in Philippines at a much lower price than what he was going to get paid on Upwork. Evidently, this resulted in a whopping 200% profit.

Finally, my course has also facilitated students to independently engage in abstraction, formalism and modelling in their assignments. In one of the assignment exercises, I provided students with two news-article excerpts. One on the positive relationship between social media use and pro-environmental behaviour and another on the impact of social media use on mental health. My students were then asked to formalize both of these relations in a post-Walrasian externalities framework and to reflect on the results that this framework provides for these real-world phenomena.

Since this was the first time I was teaching this course a lot of my preparation and design revolved around the content and not so much around alternative pedagogies. This is to say that most of the course was delivered rather traditionally: 2 hour lectures which were interrupted with open questions and discussion rounds. Other sessions involved either modelling exercises in R or required students to engage with interactive tools I had prepared in the open-source software Geogebra. Now that the content of my course is more established, my aim for next year is to improve its interactive element to heighten student engagement. In doing so, I am also taking into account the feedback I have received from my students this year. Hence, I plan to introduce group modelling exercises and ask students to prepare short presentations and questions for some of the topics we address in the course. In this way I hope to go beyond the one-directional pedagogies and accommodate more co-creative sessions. I think this is especially important in economics: instead of limiting learning outcomes to the understanding and usefulness of existing abstraction and modelling practices, students will be given the opportunity to co-create new models based on real-world problems *they* deem to be important.

All in all, I think there’s plenty of ways to teach heterodox and pluralist approaches in the field of (micro)economics and I’m excited to broaden and expand my own practices even further in this direction. Of course, my personal advantage lies with my institution and department where critical thinking and real-world economics are core values.