

Economics Exposed by Adaner Usmani

While many members of the class of 2010 may harbor reservations about certain aspects of the Harvard experience, few incoming first-years seriously doubt the credentials of the education it promises. Harvard's reputation for academic excellence precedes it. Certainly, the myth is not without its merits; first-years will find some excellent professors and classes in the years they spend here. However, this fact should not paper over the serious cracks that appear upon closer scrutiny. In particular, first-years ought to engage Harvard's economics department with serious skepticism and a critical eye.

Ec10 and the Economics Department

“Social Analysis 10: Principles of Economics” is Harvard's official introductory economics course. It is consistently one of the most popular classes at the College; the vast majority of Harvard students are first exposed to the study of economics under the tutelage of its experienced professor, Gregory Mankiw. Consequently, we can agree that it is particularly important that the course maintain high standards. At the very least, as an introductory course, it ought to encourage critical thinking and cover a wide array of ideas and theories. Tragically, Ec10 fails miserably, on both counts. First: partly because TFs teach the conceptual content of the course, all lectures and most sections disaffiliate students from their critical capacities. Instead, students answer bland problem sets without ever contemplating the deeper social realities the abstractions supposedly model. Second: Ec10 ignores the immense ideological diversity within the wider field of economics, especially when one looks back through time. Marx, one of history's greatest and most influential economists, does not appear in the course material. In response to this kind of critique, we often hear that students are taught the “consensus” and/or “the tools they need to succeed”. However, first-years ought to demand much more from their education: we deserve a thorough introduction to the science, as well as familiarity with its shortcomings. Thus, when we learn that efficient markets beat inefficient central-planning every time, we ought also to be told that alternative systems of economic organization have been envisioned. When we learn that privatization of companies keeps prices low and quality high, we ought to hear the outstanding benefits of state- or democratic control of those same industries. When we hear that, more or less, the world improves as capitalism is consolidated, we ought to hear the voices of those exploited sets of people for whom the consolidation of capitalism means permanent servitude of the worst kind.

Generally-speaking, this bias in the kinds of perspectives presented to students reflects the composition of faculty in the economics department. The chief economists of the Reagan and Bush administrations, Martin Feldstein and Mankiw, both reside and teach at Harvard today. In fact, with the exception of a few years, one of this pair (mostly Feldstein) has taught Ec10 to most everyone who has taken it in the last few decades. In this vein, few economics classes here will ask students to challenge conventional economic theory. Instead, in direct violation of the college's liberal arts tradition, the department of economics at Harvard molds its concentrators into automatons who uncritically embrace the status-quo, ready for deployment at the nearest investment bank;

economics classes at Harvard reek of pre-professionalism. Again, one could argue that economics courses at other colleges prepare their students for similar goals in similar ways. From a very general standpoint, that fact is indisputable; it illustrates the manner in which our educational systems facilitate the existence of the system in which we live: under mainstream economic theory, privilege is earned and poverty deserved, no ifs or buts about it. People prosper because they make the right decisions, end of story. According to what's taught, free trade and open markets facilitate this process by discovering the individuals that deserve prosperity. Conveniently, mainstream economics refuses (or lacks the capacity) to consider the systemic oppression many individuals have to navigate. In that way, it rationalizes and makes palatable the blatant suffering upon which our Harvardian privileges depend (for example, think of our janitors, our dining hall workers, our security guards, and more)

The “Washington Consensus” at Harvard

Aside from affording mainstream economics uncritical preeminence in its classrooms, Harvard – as an institution – has also played an active role in shaping national policies to embrace free markets, free-trade, and the like. For example: in the early-1990's, following the collapse of the Soviet Union, the United States Agency for International Development (USAID) paid Harvard and its employees to oversee the privatization of Russia's previously state-owned industries. Ideally-speaking, Harvard's team of experts, led by Professor Andrei Shleifer, were appointed in order to make Russia's transition to capitalism painless. In reality, the US government brought a lawsuit charging Shleifer, his wife, his assistant, and his assistant's wife with insider trading (buying Russian stocks while under contract). Harvard and Shleifer eventually settled the lawsuit for a whopping \$26.5 million. Of course, Shleifer, one of former President Larry Summers' close friends, is still a tenured professor at Harvard.

On a related note, it is also worth mentioning that Larry Summers – who will reportedly return to Harvard in the prestigious role of University Professor in the 2007-2008 academic year – oversaw the intensification of the World Bank's commitment to precisely the kind of theory prevalent in Harvard's economics classrooms. In his time as its Chief Economist, the World Bank required countries asking for loans to adopt certain structural adjustments (opening up their markets, lowering their trade barriers, etc.). Yet, apart from the fact that this relationship belies democratic values and creates all sorts of elitisms, structural adjustment plans have been largely unsuccessful, so much so that the Bank has begun to distance itself from them. It goes without saying that this kind of history will remain hidden in the fanfare that will inevitably accompany Summers' return.

The class of 2010 should think very critically about the state of economics at Harvard. It is certainly true that one can learn quite a bit from some of the economics professors here; no criticism of the department or the discipline ought to obscure that fact. However, first-years ought to be very wary of unthinkingly subscribing to the mainstream, as most economics classes will encourage them to do. Our education ceases to be meaningful when it stops asking us to pose challenging questions and permits us to accept comfortable answers.