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Using Alternative Paradigms to Teach About Race and Gender: A Critical Thinking Approach to Introductory Economics

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Critical thinking is an important pedagogical goal. As discussed below, by critical thinking we mean the exercise of higher-order cognitive skills: rather than "define," "list," and "solve," critical-thinking tasks include "interpret," "criticize," and "evaluate." The former tasks demand only knowledge and application of logic; the latter, however, virtually require that students confront competing theories, and confront them as theories rather than immediate appropriations of reality. While there are fundamental issues of interpretation within the mainstream paradigm, more obvious and intellectually challenging ones arise through the juxtapositioning of competing-paradigm approaches. In this paper we present a sketch of a stylized "classical/surplus" approach to the teaching of introductory economics, stressing its divergence from the mainstream on issues concerning race and gender. In the interest of encouraging critical thinking, we hope to stimulate professors of introductory economics to rethink the curricular relationship between standard and heterodox economics and between a raceless/genderless economics and an explicitly multicultural economics.

Three initial disclaimers are in order. First, the alternative paradigm presented is one we favor, but our purpose here is not to discuss or defend it, only to illustrate its pedagogical usefulness. Second, the models of critical thinking employed are two of several, and we acknowledge the important contributions of those not considered here. Third, critical thinking, the classroom climate, and active student-centered pedagogies are connected, but we focus on the first in the belief that critical thinking per se is an educationally worthy objective.[1]

I. What Is Critical Thinking?

Benjamin Bloom (1956) distinguishes six levels of cognition, ranging in order of escalating complexity from knowledge, comprehension, and application to analysis, synthesis, and evaluation. William Perry (1970) also taxonomically distinguishes "dualistic" thinking (every statement is either "right" or "wrong") from a developmentally more complex understanding of the way values underlie every evaluative statement, positive as well as normative. Critical thinking, as we use the term, refers to the more complex levels of understanding discussed by each; it is inherently comparative and self-consciously value-laden (cf. George Thoma, 1993; Neil Browne and Stuart Keeley, 1994).

Introductory economics courses rarely go beyond application of received "tools"; indeed, complexity is typically viewed not in developmental terms, but as a function of the level of mathematics employed. Moreover, the traditional "positive/normative" divide often functions to preclude discussion of the values and commitments associated with different analytic and prescriptive

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[1]See Feiner and Roberts (1995) for a discussion of the ways that critical thinking, the classroom climate, and student-centered pedagogies interact, and more generally for elaboration of arguments made in condensed form here. Feiner (1994) presents readings from conservative, liberal, and radical perspectives about race, gender, and economic policies, to facilitate critical thinking about these issues in introductory courses.

statements. In our view, then, even success in fulfilling the usual and valid goal of introductory economics (mastery of the logic of the mainstream approach) does not in itself tend to foster critical thinking.

Of course, one can promote critical-thinking skills from within a mainstream paradigm; virtually all the perennial issues of policy involve competing sets of deeply held values and the interpretive consequences of holding those values. But we have found that explicit uses of alternative paradigm visions of the economy, and particularly the competing perspectives on race and gender issues they present, provide students with a well-defined opportunity to interrogate their own values and commitments and thereby gain the critical-thinking benefits of dealing with issues for which there are no "right" or "wrong" answers, only well or poorly argued, more or less compelling positions.

II. A "Classical / Surplus" Approach

The alternative sketched here incorporates elements of neo-Ricardian, Marxian, feminist, institutional and post-Keynesian analyses. It is "classical" in affirming Ricardo's focus on distribution as both a central problem in itself and a theoretical precondition for the adequate posing of other problems (pricing, growth, etc.). The premise is that every society produces a surplus (output beyond physical replacement and normal remuneration for labor) which is distributed according to the particular structure of social rules, customs, and institutions present and utilized in different ways as a consequence of its distribution. That utilization then shapes and typically changes the conditions for subsequent surplus generation. The central concept of surplus opens up a terrain of potential conflicts of interest and social struggles over the basic questions of how, by whom, for whom, and to what purpose the surplus is generated, distributed, and allocated. Unlike mainstream analysis, however, there is no necessary equilibrium outcome toward which events naturally move; in particular, distribution, while obviously affected by market pressures, is never conceived as determined by a market-clearing process based on marginal-productivity considerations. Instead, distributional outcomes are viewed as contingent historical events, the product of evolving social custom as modified by the exercise of economic and political power.[2]

The stress on historical analysis and the attention paid to the exercise of power help explain this paradigms different vision of race and gender as variables in economic analysis. Race- and gender-based disparities in economic status have a complex history, in that they both result from and contribute to differentials in power—the power of property, access, and influence, permitting control of the surplus (in Marxian terms, "exploitation"), and the powerlessness of dispossession and choicelessness. Neoclassical economics rarely employs an explicit concept of power; instead, neoclassical theory prefers the familiar language in which the power / powerlessness of ones membership in certain social groups is subsumed into endowments and preferences, choice sets differing in particulars but not in form for different individuals. Yet students know that economic asymmetries based on race and gender are in significant part issues of power; they are willing to set that knowledge aside to confront the immediate tasks posed by a (neoclassical) theory which does not use the term, yet they are prepared to respond if presented with an analysis that explicitly considers power and the history of its uses. We have found that students are stimulated by these contrasts: different "positive" visions of what the world *is* offer fruitful opportunities for critical thinking.

III. Microeconomic Example

Textbook considerations of income distribution typically have both empirical and

[2]See Feiner and Roberts (1990) for an extended discussion of the alternative paradigm sketched here, including citations and explicit comparisons with mainstream approaches.

theoretical components. Every text presents data on family earnings by income quintile and on the significant gaps when income is broken down by gender or race/ethnicity, and all note the variety of potential causal factors which may impact on an individuals income, including discrimination. What is missing in most cases is a sense of the history that underlies current distributional patterns. In the absence of explicit historical consideration, the implicit history tends to be largely a story of "progress," in which the benefits of productivity gains are competitively allocated to reward innovation, entrepreneurship, human-capital accumulation, risk-taking, and so on. With regard to distribution, references to government policy are generally restricted to recent efforts to mitigate income inequality or to reverse the effects of overt discrimination.

The various heterodox alternatives see a more complex history in which the success of one group is often predicated at least partly on constraints imposed on others. Prior to the 1950's, African-American income and employment opportunities were deformed by culture, laws, and policies which reinforced and institutionalized economic as well as political inequality. "Jim Crow" laws in the South and de facto urban segregation in the North were mechanisms of social differentiation constraining black earnings while institutionalizing the advantages enjoyed by whites. The current structure of resource and skill endowments still bears the stamp of that history, just as the attitudes and preferences of both blacks and whites are still in part the residue of a cultural past based on the assumption of a hierarchy of racial fitness (it is part of the repressed history of our discipline that the AEA and many leading economists were active proponents of eugenics laws based on the "scientific" racism of the early 20th century). Similarly, womens opportunities were constricted by 19th-century legislation "protecting" them from free occupational choice. These protections contributed to the evolution of a "family wage" structure in which white males (initially mostly those of western and northern European descent) earned enough to support nonworking wives, while working women and other males were crowded into job categories with constrained opportunities and consequently lower wages.

Even minimal exposure to these rich historical literatures allows two key points. First, history is alive: the past is present in the form of the data taken as exogenous by standard microeconomic models. Second, government at all levels has always been in the business of brokering conflicting interests, supporting or impeding the power of different groups to claim shares of the social surplus, with the thrust of policy until relatively recently favoring greater, not lesser, race- and gender-based inequality.

Juxtapositioning these different approaches provides a richer context for considering current debates over policies to affect distribution, like "affirmative action" or "comparable worth." Interventionist policies evoke strong feelings, but students cross a major barrier to critical thinking when they understand how different theories shape ones attitudes toward both "is" and "ought." If theory posits a world in which, social factors notwithstanding, distribution is largely a matter of market-clearing pressures toward a necessary equilibrium, then one may be predisposed to regard interventionist policies as fraught with potentially unacceptable costs and inefficiencies. Alternatively, if theory posits a world in which, market pressures notwithstanding, distribution is largely a matter of social custom as modified by the exercise of economic and political power, then one may be predisposed to regard inaction in the face of inequality as acquiescence to the living consequences of past discriminatory outcomes. Moreover, critical thinking presupposes the ability to understand opposing positions well enough to argue for (or against) each, and that sort of intellectual versatility is only learned through exposure to alternatives. Proponents of interventionist policies should understand the potential consequences stressed by critics, but equally, proponents of laissez-faire should understand why their opponents regard pure market models as historically as well as morally beside the point.

IV. Macroeconomic Example

Introductory macroeconomics texts often say surprisingly little about the causes of cyclic instability; nonetheless, a familiar consensus exists. Business cycles represent oscillations about an underlying trend expressing long-run equilibrium growth; deviations from trend are temporary, the products of shocks, whether of the exogenous sort resulting from policy shifts or foreign events, or more naturally occurring shifts in supply. Adjustments in response are often complicated by information asymmetries and market rigidities. Aside from statistics on differential rates of unemployment, race and gender typically do not appear in the analysis.

There is no single alternative theory of the cycle, yet there are commonalities among alternative explanations. Since distribution is viewed as having no natural equilibrium, it does not passively respond to changes in objective conditions. Rather, each distributional shift provokes responses that alter employment, output, and pricing, and each such response then drives further distributional adjustments: the surplus is "up for grabs." Following a recession, lingering unemployment disciplines workers, and the chastening effect on wages and on on-the-job behavior contributes to the typically buoyant profitability of the early phase of each expansion. Yet historically, whether growth is fast or slow, the regular recurrence of a "profit squeeze" late in the expansion suggests than even an expanded surplus sooner or later becomes inadequate to satisfy the increased claims being made upon it. Such a profit squeeze typically has many causes: wage and productivity effects on unit labor costs, materials-cost inflation, the rising interest cost of debt service, import competition, and so on. Still, the very regularity of the distributional shifts over the course of the cycle suggests both that prolonged growth sooner or later undermines the profitability on which investment (and growth) depends, and that declining profitability is itself sufficient to provoke the symptoms—accelerating inflationary pressure, rising borrowing and declining quality of debt—which, with or without an overt shift in monetary policy, herald the onset of a recessionary "cold bath."

Cyclic growth is, in short, the means by which an inherently unstable and conflict-prone distributional structure "solves" the recurring problem of excess claims on the social product. Alternating episodes of inflation and recession have in common the fact that each creates "losers," eliminating or devaluing some sorts of income claims. And given the need for such "losers" in the face of a contested distributional process always prone to unsupportable claims, if moderate inflation fails to do the job, full-fledged recession then becomes necessary as the only equilibrating mechanism available. In this context, race and gender represent "fault lines" along which periodic shifts occur. Individuals experience considerable social mobility, yet the existing structure of group differentials in income, wealth, and power remains largely intact. In effect then, in this view, gender, race, and ethnicity have become institutional allocation mechanisms for the benefits and costs imposed by unstable capitalist growth.

In our experience students often find this "conflict-of-interest" approach intuitively appealing but also disturbing, since it implies that distributional outcomes have consequences: distributional inequities are not merely morally troubling, but also potentially analytically significant. More important, though, are its implications for critical thinking concerning policy. From the alternative perspective, the very real dilemmas of monetary policy stem from the necessity for choice between patterns of growth with consequences favorable to different groups with different interests. At present, the merest hint of declining unemployment is sufficient to provoke shifts in bond yields and exchange rates that tie the hands of policymakers, leaving only the choice of when and how much to restrain growth and job creation in order to preserve the real returns to financial capital. It is, of course, rational for asset-holders to prefer the predictable set of losers in a low-growth, low-inflation economy, and the Fed thus must respect the power of actors in international financial markets. But realism of this sort does not in the least deflect the conclusion that the interests of financial capital are inconsistent with those of the majority of the population whose incomes have stagnated absolutely and relatively in the post-Volcker era. There is a curious irony here: long ago, Marx argued that the logic of capital requires preservation of a sufficient level of unemployment (the "reserve army of the unemployed") as a necessary condition for profitable capital accumulation. That argument is rarely considered on its own terms in standard macro courses, yet one need only substitute the term "noninflationary" for profitable in the above statement to describe the de facto policy of the Fed. Thus, current policy can be understood as both a prudent response to market reality if inflation is to be controlled and, from another perspective, the acceptance of the interests of financial capital as dominant over those of the bulk of the working population. Students able to comprehend both sides of this opposition have begun to engage in critical thinking.

V. Conclusion

Promoting critical thinking in this fashion is neither "business as usual" nor "PC" economics. Some programs now face declining enrollments and a shrinking number of majors, and we suspect that these trends are related to content as well as pedagogy. The familiar complaints of students who do not become economics majors—that the subject is "technically difficult" and boring—contain a disturbing kernel of truth: economics has become more preoccupied with analytical and empirical technique, in the process becoming more homogeneous and less open to the (to students, enticing) dialogue of different voices. Indeed, if "PC" means an artificially imposed narrowness, excluding views other than those deemed appropriate on a priori grounds, then the economics curriculum is *already* the most "correct" of social-science disciplines. Fortunately, the intellectual marketplace remains diverse, even within economics, and it is our experience that students respond enthusiastically when presented with theoretical alternatives and challenged to be...free to choose.

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