



Maeve Cohen on why traditional economics are broken and what needs to change

Access the podcast at:

<https://doi.org/10.1787/a84f5cb2-en>

Please cite this podcast as:

OECD (2018), “Maeve Cohen on why traditional economics are broken and what needs to change”, *OECD Podcasts*, Duration: 13:33, OECD Publishing, Paris, <https://doi.org/10.1787/a84f5cb2-en>.

Host: Kate Lancaster

Speaker: Maeve Cohen

Duration: 13:33

Date: 13 October 2018

All podcasts express the opinions of the interview subjects and do not necessarily represent the official views of the OECD and/or OECD Member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.

Maeve Cohen on why traditional economics are broken and what needs to change

Intro [00:00:02] Thank you for choosing OECD podcasts.

Kate Lancaster [00:00:08] Welcome to the OECD podcast. I'm Kate Lancaster, and I'm speaking with Maeve Cohen, director of Rethinking Economics, an international network of economics students, academics and professionals.

Kate Lancaster [00:00:19] Hello, Maeve. Thank you so much for joining us. You're at the OED today to take part in our conference. Ten years after the failure of Lehman Brothers, what have we learnt? That seems like a great question from which to start. So you were born in the late 1980s, I think, and therefore you became a young adult during the crisis years. What did you learn from that? What did that teach you before the crisis?

Maeve Cohen [00:00:41] I left school at 16, which was not uncommon where I was from, and went into work in cafes and bars. And I travelled a lot and I could save up money working in cafes and bars to travel. And then the crisis happened and I couldn't do that anymore. The money that I was earning in cafes and bars wasn't going very far at all. And I'd already been familiar, all been deeply interested in how economic decisions made far away from people can affect the lives of people on the ground. So I'm from a mining community in the northeast of England and the mining strikes of the 1980s destroyed the Northeast. And these economic consequences were very rarely felt by people throughout my childhood and early adulthood. So I was already very interested in the effects of economic decision making. I travel a lot, as I say, and in places like India, Southeast Asia and Kenya, you could see the impact of economic decisions. And so when the crash happened, that was sort of my my first experience of it personally. So wake up call. Yeah, exactly. So I could no longer do the things I could do before the crash. My father's business went down and which obviously had a massive impact on our family. And suddenly these economic decisions that were being made far away I'd been vaguely academically interested in were very real in my life as well.

Kate Lancaster [00:01:55] So how did you get then from that to rethinking economics?

Maeve Cohen [00:01:58] So I decided that I wanted to understand the world better. And I wanted to go and study economics. And so I did that. At 25, I went to university and was just absolutely astounded by the economics that I was learning. And I studied it in conjunction with politics. So I did like political philosophy. And they taught me about many different ways of looking at it society and depending on the values that you use, how that taints what your policy outcomes might be or what you view is right and wrong and fair and just and all of those sorts of things. But in economics, we were just taught this is economics. This is how people behave. There was no room for critique. There was no room for saying, well, that doesn't represent what my view is. And we were just told this is exactly how it is. And this is why people behave like this and they do behave like this. And these are the outcomes.

Maeve Cohen [00:02:51] Mathematical. It's mechanical. It's predictable. Exactly. So obviously, rethinking economics is about challenging that. Yeah, I understand. I have read that you said traditional economics are broken. It's time for new economics. So what I'd like to know is what would that look like? Both as a practise of economics and in terms of policy.

Maeve Cohen [00:03:11] So we focus on economics curricula at university. And our whole thrust is we want to create the future policymakers and the future economists that are able to deal with the challenges that we face in the 21st century. And we feel like our education system currently is in producing those future economists that we need. So what I knew economics is for students to go to university and exactly like I was talking about with politics, to lend different schools of thought and different ways of looking out the economy, exposing the values that you're using, exposing the assumptions that you're using and talking about what the consequences of those values and assumptions are and the policies that you produce. And it's not about championing one school of thought over another school of thought. It's about jokes, just posing different ideas to create those critical facilities in students so that when they go on in later life and become the future leaders and the policy makers, they have this host of tools that they can use on the challenges that they're faced. And also they have some humility and understanding that, whereas some things work, in some instances they don't work in other instances. And it's very possible that you could be wrong.

Maeve Cohen [00:04:20] And you need to be flexible about how you think about things.

Kate Lancaster [00:04:23] So giving critical thinking skills and helping people to appreciate that they're plural viewpoints, that there's more than one way to skin a cat.

Maeve Cohen [00:04:30] Yeah, like hopefully nosegay.

Maeve Cohen [00:04:34] Yes, the social world is incredibly complex and nuanced and it can't be condensed down into this one way that works and everything. I think we need to be humble about and and listen to different the poverty. Sari's listening to different disciplines. I love a lot of people in disciplines outside of economics get incredibly frustrated because sometimes economists come up with something that I offer. This is some bright new idea and sociologists have been talking about it for decades. And yeah, listening to the disciplines. Listening to each other, listening to people from different schools of thought and just being a bit more holistic about how you look at the world, what's important.

Kate Lancaster [00:05:13] And so then that translates into policy through giving the tools to the future policymakers.

Maeve Cohen [00:05:18] Yeah. Yeah. So we're not prescriptive in any way. We don't say mainstream economics is awful. We should all become post Keynesian economists or feminist economists amongst US economists. Rethinking economics job is not to give the answers is to create our future leaders that can then discover those answers themselves.

Kate Lancaster [00:05:36] So future leaders sounds a bit. Well, future term. So.

Kate Lancaster [00:05:40] So between then and now, what else are you what other projects do you have going on to bring more people to economics in a critical and an open way?

Maeve Cohen [00:05:49] Well, yes. One of our main critiques of economics is the lack of diversity within the discipline. So it is overwhelmingly white and it is overwhelmingly male. And we're not going to get an economic system or economic systems that represent the society they're supposed to be serving unless we do something about this lack of diversity in economics. So one of the tangible things we are trying to do at the minute is to unfortunately only in the UK. That's all we have capacity to do, is to go into underprivileged schools and talk about economics, are going to talk about it in a way that people can relate to, in a way that it talks to their lived experiences and try and encourage people who necessarily wouldn't think of economics as something that is for them or that is about them. Show them that economics is actually an integral part of their lives. This is how it relates to them and try and encourage them to go on to study economics at university and then in turn campaigned for change, for curriculum reform at university and become future leaders. Again, it's a future thing, but in economics as well.

Kate Lancaster [00:06:49] I also imagine the community crash course project that you've been a part of. That's a way of engaging the wider community and perhaps even parents who think about how economics are taught or not taught in schools. I can imagine so many different ways you can be active and that you are doing, in fact.

Maeve Cohen [00:07:03] Yeah. So the the community crash course was something that we came up with a few years ago that we've now passed onto our sister charity economy who do a lot of things around making economics accessible. But that was just noticed this issue that we have, particularly in the UK. And though we are an international campaign, most of our funding is from UK funded. So we have up until recently been very UK based. We've luckily been giving we've been able to expand recently, which is exciting. But in the UK, there's a problem of working class people not getting into politics and not getting into economics, which I'm sure is across the board in many, many different countries. And one of the main reasons for that is because working class people will come home from school and their parents aren't talking about it and they're not learning it at school because curriculums in school aren't talking about either. So with this lack of understanding, there's lack of learning happening at school and this lack of learning happening in the home. It's just they're excluded from it, whereas more affluent students will go home and their parents will be engaged in these things. And we'll talk about these things so they get their education there. So makes it much easier for affluent students to go on and study economics and become economists. Whereas, I mean, I was in the UK, there's only nought point eight percent of state educated girls go on to study any kind of economics at university compared to my state educated.

Kate Lancaster [00:08:21] You mean people who don't go to private school?

Maeve Cohen [00:08:23] Exactly. Are not. Yeah, yeah, yeah.

Maeve Cohen [00:08:25] And in comparison, nine point eight percent of privately educated boys go on to study economics and that is incredibly stark. And the only way to overcome that is to get people talking about it in the home. And that was one of the main drivers behind doing the crash course. And the other major driver behind the crash course is so that people can actively engage in the policies that are being presented to the most policies are backed up by economic reasoning these days, because economics, the influence of economics, is insane in the world of politics. So we have economic policies are backed up by economic reasoning, and nobody understands the economics behind it, so nobody knows what they're

voting for. So the crash course is another that's a really important aim of the crash course, is to improve our democracy as well.

[00:09:10] So through inclusiveness, increasing engagement and bringing many people to economics along those lines you mentioned before, feminist economics. Can you talk a little bit about that?

Maeve Cohen [00:09:19] Yes. And feminist economics is one of my very favourite schools of thought, obviously, for obvious reasons.

Maeve Cohen [00:09:26] So the idea being that in mainstream economics, we just look at individuals that agenda less and that as if such a thing as if such a thing exists. And actually in reality, gender imbalances are a major part of our economy and different genders do different work. And that work is valued in different ways. And it's about acknowledging the power relations between the genders and acknowledging that the work that the different genders do contribute to the economy in different ways, and then being able to incorporate that analysis into your economic analysis so that you come up with different policy solutions. So, for example, when our economy is in crisis and we decide that we need to. Increased productivity. So we invest in infrastructure. We tend to invest in trains, in roads and all these things in the construction industry that men build. We tend not to invest in social care, health care, education, that women tend to work. And even though we know that.

Kate Lancaster [00:10:21] But wait, aren't those sectors growing? We hear a lot about how the service economy is increasing and increasing.

Maeve Cohen [00:10:26] Yeah, yeah, that's true. But if you're so, for example, austerity over across Europe after the financial crisis, the first services that got cut during that time, the first thing that government cut their expenditure on is healthcare, social care.

Maeve Cohen [00:10:39] And these are the areas, yes. As I said, that predominantly dominated by women. And we know that well educated, healthy and mentally well people are more productive. So if the idea is that we want to increase productivity, why not invest loads of money into those sectors rather than investing? Not rather than as well as obviously infrastructure spending and physical infrastructure is incredibly important to get our economies going. But as is investing in social infrastructure, and it just does not get discussed around the policy table, I would argue, because a lot of women around the policy table.

Maeve Cohen [00:11:12] Well, we need all voices around the policy to make that clear. Yeah. Just a last question for you. So we've talked about how economics has this reputation for being difficult, for being for other people, people not like you and I. Well, we're women. So there you go. But you've told us a little bit about how rethinking economics is tackling this.

Kate Lancaster [00:11:31] How do you think organisations like the OED should take this on? What can we do to help citizens become economically informed, engaged with policymaking, particularly economic policymaking? What's your advice to us?

Maeve Cohen [00:11:42] Well, first and foremost, get rid of all the jargon. Economics and economists speak in a language that nobody else understands. And to be able to engage with economic discourse, you have to learn into the language. And that makes it impossible for ordinary people to engage with it. So, first of all, must strip the jargon.

Maeve Cohen [00:11:59] It also helps you to understand what you're talking about more. And, you know, hiding behind really difficult words. If you can speak in plain language, then everybody, including you, understands what you're talking about. And so, first and foremost, strip the jargon. And secondly, people are going to come to the OCD to learn things. You have to reach out to them. And I think and the Bank of England have been doing a lot of work in this in recent time, particularly under Andy Haldane, that chief economist. This is a big focal point of his. And he's been going into town halls across the UK and talking to ordinary people and recognising that it's a two way thing. Yes, people can learn from economists, but economists can definitely learn from people and having those open conversations with people. So I think going out there and having staff at the ACTU going off and speaking to ordinary people is another large part of that. And then I would obviously say social media and all of those things in podcasts like this and the videos you making. Yeah.

Kate Lancaster [00:12:54] Thank you very much. So new jargon, get out there and talk to people. And of course, for those of you listening, listen to our podcasts.

Kate Lancaster [00:13:01] And again, thank you for your time. It's been great. Listeners, I hope you've enjoyed it, too. You can find out more about the issues we've discussed today at Rethink. Economics doesn't work and it really doesn't work. Thank you for choosing. Obesity podcast.