

OTHER THINGS EQUAL

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Kelly Green Golf Shoes and the Intellectual Range from M to N

As Bruno Frey among others has shown, academic economics in the United States is narrow. I'm going to preach against the narrowness, of course, or else I would have called it "admirable rigor and focus" or "the shoemaker sticking to his last" or "desirable specialization of the intellect."

Economists disdain learning from others. They want lawyers and political scientists and sociologists to pay attention, but will not listen in turn. Few economists read anything beyond the latest news from their special field. By contrast, a real scholar feels shamefully ignorant because she knows she is only like a girl playing on the seashore, diverting herself now and then finding a smoother pebble or prettier shell than ordinary whilst the great ocean of truth lies all undiscovered before her. The real scholar knows that if he has seen further it is by standing on the shoulders of giants. Economists are not scholars. They are specialists.

When an economist is told she is narrow her reflex is to offer bad economics about "specialization." No one can read everything, so I specialize in two preprints a month from Harvard. The word is used now routinely by deans defending normal science against challenge: leave the Department of Economics alone to do what every one else in economics does, the deans say, because that's Specialization. We need Specialization if the academy is to be productive. We deans, whether from English or economics, are tough, businesslike guys, you understand. After all, the extent of the market is limited by the division of labor. Ooops. Or is it the other way around?

The problem is that no one in academic administration thinks about the market essential to Smith's theorem. Smith said, specialize *and then trade* in the market. "Shoemaker, stick to your last" is good advice only if the shoemaker makes shoes that people want to buy. But if he's piling up Kelly green golfing shoes with chartreuse tassels in his back yard unsold, or more exactly "sold" only to other shoemakers, the advice is bad. It's the advice a specialized economist has been following for some time.

The odd thing about the way the advice has worked out in practice is that it has yielded a drearily uniform economics. You would think that "specialization" would result in some special economics, the way the University of Texas once specialized in institutional economics or UCLA in property rights economics. The trouble seems to be that everyone has the same idea of what we should be specializing in. The Kelly green golfing shoe of economics, on which all the best shoemakers agree, is microfoundations of overlapping generations in a game theoretical model with hu-

man capital and informational asymmetry. To attach a justly honored name to the shoe, it's The Samuelson, a nifty number with those chartreuse tassels, only \$49.95 a pair piled in the back yard of your local shoemaker. Departments like Washington and Virginia that once were special have become typical in this Samuelson way.

There are a few, but very few, exceptions to the "specialization" in Samuelson economics. The University of Massachusetts could still be said to specialize in Marxist economics, and parts of NYU, George Mason, and Auburn in Austrian economics. But these divergences make everyone uncomfortable, and when an assistant professor in an alternative tradition comes up for promotion you will find the other people in the department wondering sagely if it's a good idea for a young person to be reading Hegel or studying economic history or doing any of those other non-Samuelsonian things.

It's a pity, this insistence that we all "specialize" in being a pale imitation of MIT. I know a department with some good economists, but economists terrified that they would not be seen as conventionally competent in the Samuelsonian specialization, who refused to promote a leading young feminist economist in their midst. *Feminist economist!* My Lord, how's *that* going to be brought into a model of constrained maximization?! They were unmoved by the evident truth that she was the best-known economist in the department, and was encouraging economics in others of an entirely new sort. No novelties, please: we're specialists. As Harry Truman almost put it, a specialist is someone who doesn't want to learn anything new, because if he did he wouldn't be a specialist.

A good example of the narrowing of economics by specialization, paradoxically, is *The Journal of Economic Perspectives*. It was founded as the third popular journal of the American Economic Association in the early 1980s with Joe Stiglitz at the helm. (Joe persuaded me to join the original board of associate editors, a decision I almost immediately regretted; a couple of years later we parted company amicably.) The *JEP* has recently been the subject of controversy within the Association, causing some stormy sessions of the Executive Committee in Washington and San Francisco.

The accusation has been leveled that the *Journal* does not encourage contributions outside the mainstream, slighting post-Keynesian or Marxist or Austrian or institutionalist or feminist economics. It is specialized, the critics complain, in Samuelsonian economics. A member of the editorial board (not the working associate editors, but the big-name folks above that level) put it this way: "All *The Journal of Economic Perspectives* lacks is...economic perspectives." Defenders of the *Journal*, on the other side, see the criticism as evil politics. One member of the Executive Committee said with some irritation that to run the *Journal* differently would be to make it into "a political rag."

On the face of it the harsh complaints of the critics don't seem persuasive. People of the intelligence and integrity of the main editors — Joe Stiglitz to begin with, and Carl Shapiro, and most recently Alan Auerbach — are not common. On all sides it is agreed that they have tried with all their considerable energies to run the *Journal* for the members as readers. Surely with such intentions we can rest easy, can't we?

A closer look, though, reveals some unintended consequences of the way the *Journal* was conceived and run. For reasons that are not clear, it was decided from

the outset that the *Journal* would not be run on market principles. Maybe it's somewhat clear, come to think of it. When you're producing Kelly green golfing shoes the market doesn't look like a very producer-friendly institution. Anyway, instead of inviting submissions from all comers and then selecting the liveliest and best written, the associate editors commission articles. The profession is still confused about this policy, and still submits unsolicited about 100 articles a year — 90 percent of which are thrown out by the assistant editor, not himself an active scholar, before being seen by anyone else.

The critics claim that such central planning has not worked any better in the *JEP* than it did in Poland. If the politburo running the show were diverse, maybe the result would be better. Maybe the market test would be applied to the golf shoes. The senior co-editors declared in their published report to the Executive Committee in January of 1995 that "The journal has . . . a diverse group of editors . . . [offering] differing perspectives." This is mistaken. Of the 17 members plus the editor and co-editor in early 1995, no one was at an institution in the South or the Mountain States or the Northwest or Southern California; two were in the Midwest (Hal Varian; and Jim Heckman — though identified as from Yale, Heckman had moved back to Chicago). All except Varian and Heckman and the 5 northern Californians came from the Northeast, north of Virginia, east of Pennsylvania. The *JEP* is the *Journal of Northeastern Economic Perspectives*: 12 out of 19. Or of *Ivy League Perspectives*: 9 of the 19. Or of *Private Institution Perspectives*: 13 of the 19. Or of *Berkeley Perspectives*: an embarrassing three. The representation says, "Mainstream economists from elite institutions within the City Edition of the *New York Times* (heh: except you hep cats in the Bay area) are what we economists are."

The critics, you see, are bitter about the questionable representation, because they think it reflects a provinciality common in American academic life. Coasties find it hard to grasp why there's something wrong with running intellectual life entirely from zip code 02139 or 18540. (I regularly receive mail from Harvard colleagues addressed to "The University of Iowa, Ames, Iowa." We sell a T-shirt on the same theme, "University of Iowa, Idaho City, Ohio.")

Of course, it is possible for a geographically narrow group of associate editors to represent wide interests, beyond Kelly green. Edmund Burke made this argument in the late 18th century about the unreformed British Parliament. Mechanical representation of the sort one finds on university committees does not always work well.

But in the case of *The Journal of Economic Perspectives* the lack of representation does not work well, either. It results in a mainly Samuelsonian "specialization." If associate editors consisting of We Guys at Berkeley produced a magazine that in fact covered a wide range of topics from differing perspectives, no reasonable person would complain. But, say the critics, it does not. It's Kelly green all the way.

In their "Report" the editors claimed that the *Journal* covers "a wide range of topics: from economics in the laboratory to rejected classic articles by leading economists; from core theory to allocation of resources in the presence of indivisibilities; from universal banking to the sale of spectrum rights; and more." That the editors view a range "from core theory to the allocation of resources in the presence of indivisibilities" as "wide" shows what the problem is. As a mainstream economist

myself I am not horrified, outraged, or stunned by the contents. I view universal banking and the sale of spectrum rights as mildly interesting topics. On the other hand I do not find myself being stretched to new economic perspectives, right or left, Austrian or feminist, quantitative or literary. For instance, the editors claim to exhibit "a range of approaches to econometrics," but appear by this to mean additional estimation methods that the falling cost of computation will make obsolete in two years.

I was, like many members of the Association who thought about it, opposed to the founding of the *Journal*, as I told Joe at the time. I believed it would let the *American Economic Review* off the hook in matters of intelligibility and general interest (it has). As a matter of fact in some circles the *JEP* was viewed at its founding precisely as a protective belt for the *AER*. This theory persists. As it was expressed to me by an eminent senior member of our profession, "*The Journal of Economic Perspectives* is a stupid journal for stupid people" (I quote exactly), and in his view it was intended to be so. It was *not*, in his view (a view seconded by other eminent people at the time), *really* meant to be the journal of economic "perspectives." A wink and a sneer. Above all, protect that notion that Kelly green is the hottest fashion idea since supply and demand.

To put it briefly, the *Journal*, like the typical, and narrow, American Department of Economics these days, ranges all the way from M to N. If one stands too close to such a range one can become convinced that it is "wide." But it does not stretch to Israel Kirzner or Barbara Bergmann or Jim Buchanan or Tom Weisskopf. It does not get beyond Kelly green shoes, valued because other shoemakers insist that we specialize in making them.

The situation reminds me of a retort Harry Johnson, notorious for his sharp tongue, made to George Borts, back in the 1970s when both were editors, George of the *AER*, Harry of the *Journal of Political Economy*. George: "Harry, you must have the same problem at the *JPE* that we have here at the *AER*: we get more good articles than we know what to do with!" Harry: "Then why don't you publish a few?" A corresponding joke about the market for the few assistant professors whose idea of an intellectual life extends beyond the Kelly green of modern economics: "We get more assistant professors with ideas for *new* specializations in economics than we know what to do with." "Then why don't you hire a few?"

Other Things Equal, a column by Donald N. McCloskey, appears regularly in this *Journal*.