

# Teaching economics for a better world

## Renewal: Teachers from across the world start the CORE Project to enrich economics as a social science

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After the 2008 financial crisis and movements such as *Occupy Wall Street* or the *Indignados* [the Spanish anti-austerity movement], or those of Chilean students, calls to change how economics was taught at university became more frequent. Traditional teaching had not proved useful to understand the crisis.

The CORE Project ([www.core-econ.org](http://www.core-econ.org)) is an empathic answer to these calls, without giving up quality and rigour. The Project aims at making high-quality materials available to teachers in first-year university courses, which update the teaching of introductory economics. It caters to students enrolled on a straight economics degree, as well as students enrolled on mixed degrees who, however, are required to study economics at an introductory level. These materials range from several free ebooks to data for guided empirical projects, videos, exercises and experiments.

### The tools

CORE's objectives are:

- Building a worldwide network of people interested in innovating in pedagogical techniques to teach economics;
- Developing an interactive methodology to teach economics aimed at solving social issues;
- Bringing real-world, contemporary examples of economics research to the class, and providing all students with the tools to understand the big economic questions surrounding us, with strong emphasis on topics such as inequality and climate change.

The online nature of materials allows CORE to quickly adapt to new issues. For instance, it only took a few weeks for CORE to prepare teaching materials on the COVID-19 pandemic and its economic consequences, and make it available online. The fact that it is freely accessible online makes remote teaching (when needed) and the deployment of modern learning techniques easier.

A broad team of economics teachers from across the world, determined to innovate methods and contents of economics teaching, has contributed to the CORE Project. Its leaders have been Samuel Bowles, Professor of economics at Santa Fe Institute (New Mexico) and Wendy Carlin,

Professor of economics at University College London (UCL). Among the Spanish teachers involved, Humberto Llavador from Universitat Pompeu Fabra, and Antonio Cabrales, from UCL and Universidad Carlos III, should be mentioned. CORE's materials are used in many universities throughout the world, such as UCL in the UK, or the Toulouse School of Economics in France.

The CORE ebook is being translated into Spanish, and 8 chapters of the translated version of the 22 of the complete ebook are now available. The translation will be fully available for the next academic year 2020-21. At the Universitat Autònoma de Barcelona (UAB) we are gradually introducing it in the teaching of economics for non-economists.

One of the characteristics of the selection of content in CORE is its inter-disciplinary nature. At the UAB we will use it as the main material in Introduction to Economics of the new degree of History, Politics and Economics that will begin in 2021-22. It is accepted naturally and as a positive thing that the economy must engage humbly with other branches of knowledge, such as history, political science, psychology, natural sciences or computer science.

The organization of the contents in CORE contains significant differences with the traditional textbook of introductory economics. Specifically, issues of income and wealth inequalities are addressed from the beginning, and the traditional separation between microeconomics and macroeconomics is blurred. The market as a resource allocation mechanism is approached as an institution along with other possible ones that act on the really existing social interactions. The typical supply and demand graph does not appear until well into the e-book, once students have been introduced to Game Theory as a toolbox to analyze social interactions in general, which allow us to address real questions such as negotiations on climate change, the provision of public goods such as peace and security, or the existence (or not) of potential conflicts between efficiency and equity.

The market is a powerful institution based on individual interests that has advantages and disadvantages (these are especially visible when there are external effects such as climate change, or when free agreements leave uncovered contingencies and give rise to power relations). Another important institution is the state, with its coercive power ideally legitimized by democracy, and it also has advantages and disadvantages. There is a third block of resource allocation mechanisms, traditionally left aside by traditional economics, which are communities, that is, organized human groups without the need for external coercive power, which are based on social norms as the foundation of cooperation. This set of mechanisms also has advantages and disadvantages: it allows the development of collective projects without the need for a coercive apparatus, but part of the cooperation can be translated into intra-group cooperation to go aggressively against another group.

The CORE project itself, constituted as a non-profit organization financed mainly by foundations, is an example of the work carried out by a community of altruistic professionals interested in renewing the teaching of economics. The great challenges of the present and the future of human societies will require combining the best of markets, state and communities, trying to mitigate their disadvantages.

This is not the only attempt to renew the teaching methods of economics. The freely available video courses of Raj Chetty based on his classes at Harvard, where he progressively introduces the most modern methods of economics and econometrics with real empirical work, or the mobile phone experiment platform that Humberto Llavador and a group of collaborators have launched, are complementary efforts.

All of this is extremely useful for students and teachers. And it is also useful for journalists and policy makers, and for anyone who wants to better understand the economic reality (the economy) and the branch of knowledge that tries to approach it (economics). Not to disseminate slogans, but to better understand the complex social reality in which their activity and life take place.