

Opinion **Free Lunch**

## Economics and its identity crisis

More economists are probing for gender and ethnic biases in their own profession

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There are many aspects of racism and misogyny that economics is uniquely well-equipped to address © AP

**Martin Sandbu** AUGUST 20 2020

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Two sociocultural phenomena have swept the world in recent years: Me Too and Black Lives Matter. By challenging how we think about social relations and power structures, the moral reimagining they demand also extends to how we understand the economy. The organisation of work, the creation and accumulation of wealth, and the causes and effects of inequality, just to mention a few core economic topics, are all potentially illuminated by a better understanding of misogyny and racism.

It was inevitable that economics as a profession, too, would be swept up in this questioning — and in part accused of being part of the problem. It would be a mistake to dismiss criticism by caricaturing it as complaining economics is not “woke” enough. There are (at least) two aspects of the profession that bear serious examination and are, on the face of it, problematic. First, does economics pay appropriate attention to misogyny and racism as they relate to the economy? And second, does what economics pay attention to in turn relate to pathologies in its own professional culture?

To start with the second question, an increasingly harsh spotlight is being shone on the culture of economics. A particularly searing *j'accuse* comes from Claudia Sahn, former Federal Reserve economist and now [director for macroeconomics](#) at the Washington Center for Equitable Growth. In a blog post last month [entitled “Economics is a disgrace”](#), she denounces a tightly controlled hierarchy for jobs and publications, bullying and a toxically combative intellectual culture that disadvantages women and minorities in economics as well as triggering mental health problems with many economists. She is far from the first to raise these concerns; it is several years since Alice Wu’s [analysis of gender stereotyping](#) on a popular website for gossip in the profession helped bring concerted attention to the values and conduct that dominated economics.

And while Sahn may be a particularly outspoken critic, many share her views. Her post has been commented on approvingly by some of the world’s leading policy economists, including [Isabel Schnabel](#) at the European Central Bank’s executive board, and [Laurence Boone](#), the OECD’s chief economist. Increased awareness of an aggressive culture has led professional bodies to survey their members’ perceptions of the state of economics and work towards new [codes of conduct](#).

Does a hostile culture towards women and minorities in the economics profession also give it a blind spot to the economics of hostility towards women and minorities in society? The [long and winding road to publication](#) of a paper by Lisa Cook on how violence against black people hindered innovation is a recently noted illustration that this may be so. And there is broader evidence that these topics may receive scant attention.

A [survey](#) from the Institute for New Economic Thinking has probed the degree to which themes associated with “wokeness” and critical theory are approached in mainstream economics teaching. The authors find that only just over a third of economists in mainstream departments cover “European colonisation” or the racial dimensions of inequality in their courses, but many more in self-avowed heterodox economics departments, or economists in non-economics departments, do so.

Meanwhile a [study](#) presented this week to the Econometric Society World Congress called “What Can Economics do for Racial Justice” documents that the share of published economic research touching on racial issues lingers at just above 1 per cent. Like in sociology and political science, this share has increased since the 1990s, but unlike them, it has only increased enough to return to the level prevailing in the 1970s. Interestingly, however, the reason does not seem to be that gatekeepers to top journals are particularly unwilling to publish such research. The share of race-related research in the top five economics journals is higher. And working papers from the National Bureau of Economic Research, a US network of elite academic economists, are slightly *more* likely to be published when they are about a race-related topic than otherwise.

It seems the paucity of research has to do with a paucity of interest among researchers. Rather than publication bias, we may look for the cause in the underrepresentation of economists with backgrounds likely to instil a personal interest in the economic aspects of racism or misogyny.

Is this a problem if economists overwhelmingly choose to focus on other things? It can be, if it feeds the [disenchantment with economics](#) that we also saw after the global financial crisis — the sense that the subject does not help students make sense of the most pressing issues in the world. This applied to inequality and financial instability a decade ago; it applies to racism and misogyny today. Taking this lack of usefulness seriously has prompted work to [redesign undergraduate curricula](#) for the better.

Above all, economics has [a lot to bring to the table](#) to understand these problems. Inequality (including its ethnic and gender dimensions) and the legacy of colonisation are of self-evident economic interest. There are many aspects of racism and misogyny that economics is uniquely well-equipped to address — from possible self-fulfilling prophecies when it is rational to expect discrimination to the long-term effects of obstacles to wealth accumulation, such as [redlining](#).

For economics to ignore these questions as irrelevant to it is for economics to punch far below its weight.

## Coronanomics readables

- Jonathan Portes explains precisely why [furlough schemes must not go on for too long](#) — but that as they are withdrawn, other policies to create jobs to replace those lost must be put in place.

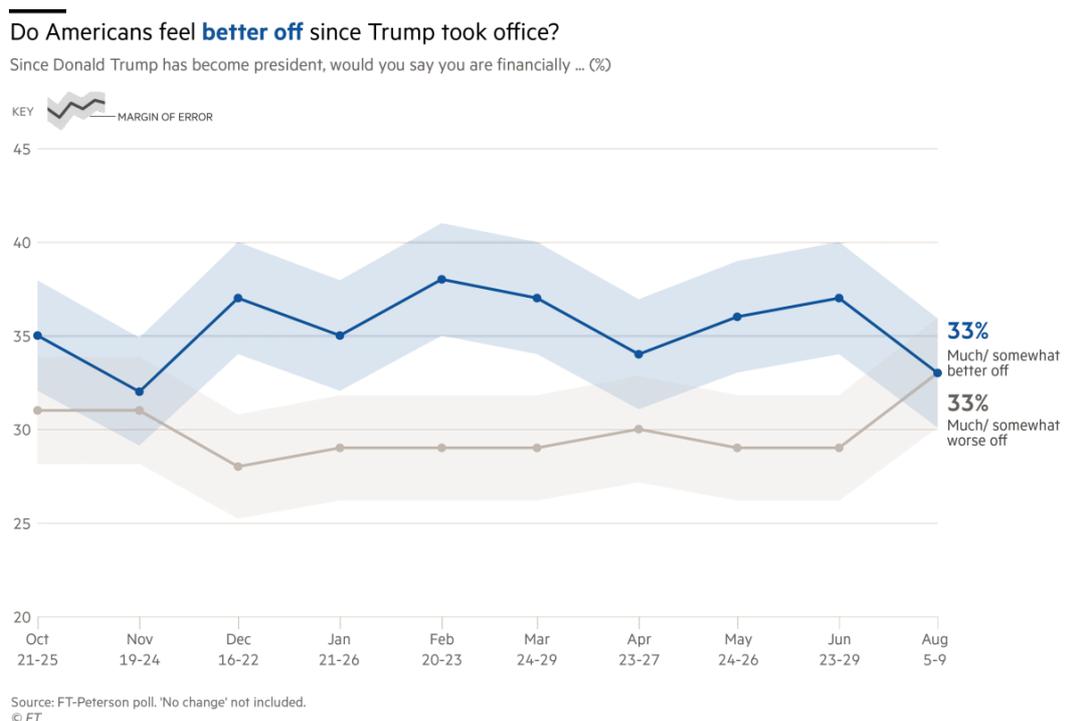
- A new [McKinsey report](#) forecasts a big reordering of cross-border supply chains. Supply chain worries are also fuelling greater interest in [high-tech vertical farming](#).

## Other readables

- The race to develop central bank digital currencies is speeding up, as an [FT leader highlights](#) — the Federal Reserve is now [getting in on the game](#) and has started a [technical collaboration with MIT](#).
- Two important markets are ripe for upheaval. Car manufacturers are moving into [direct online sales](#) to customers, threatening car dealerships. And the ultra-popular *Fortnite* games app is challenging the Apple App Store's [30 per cent commission](#) on in-app purchases.
- In the French town of Angers, local businesses have set up an online retail platform as an [alternative to Amazon](#), encouraging a focus on local economic activity and reducing the extraction of profit from the town's economy.

## Numbers news

- As the election approaches, [fewer Americans](#) feel they are better off than four years ago.



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