

I am pleased to be the student discussant at such an important event, with distinguished speakers, and briefly share my background with you, the reasons I decided to enter the New School, my expectations after I graduate, and pose a question for discussion here.

I am a third-year Ph.D. student in Economics at The New School for Social Research, and I expect to enter the academic job market this Fall. I hold a Masters' degree from the University of Sao Paulo (in Brazil), a mainstream program despite having a heterodox department. Following most economic departments worldwide, the program's core courses heavily rely on mathematical frameworks, such as DSGE and individual choice models, which many mainstream economists would argue are among the few valid macro and microeconomic approaches after the Lucas critique. Among many unrealistic assumptions, the existence of either atomistic profit-seeking firms and consumers or representative agents with the capacity to optimize intertemporally imply that neither social relations nor human behavior would be required to understand the economy.

In most universities, mainstream economics is presented as "true" economics. The general equilibrium theory, for example, although not falsifiable, is taken for granted. Reality should fit the textbook frameworks and not the other way around. Critiques to those models could only be contemplated if overcoming their limitations is possible in the same framework. For instance, debates such as distributional conflicts and financial crises, which would violate crucial assumptions of those models (the equality between earnings and marginal productivity and the transversality condition, respectively), affect their mathematical tractability and thus cannot be addressed in that literature. The only alternative is using an empirical approach – namely, frequentist econometrics. Moreover, any research that did not use this math rigor would be considered "soft" science, which is ultimately relegated to the category of "not-real economics".

In my job experience back in Brazil, working both in the financial sector and economic consulting firms, the mismatch between economic textbooks and reality became more striking. First, every economy in the world could be explained with only three equations: the IS curve, the Phillips curve, and the Taylor Rule for monetary policy. The influence of mainstream economics ideology is not only verified for the private sector but also policymaking. For example, I came across many influential economists debating economic growth and development based on models in which the only relevant variable is the saving rate. Fiscal policy was addressed in frameworks that assumed that fiscal policy had no impact on economic activity, not even in the short run. Labor market policies, in models that presuppose full employment in equilibrium. Monetary policy, in models that assumed money neutrality, perfect competition, and the impossibility of financial crises. Those policies were designed for Latin American economies right after the 2007-08 crisis and affected the lives of millions of people.

I decided to apply for the Ph.D. program in Economics at The New School, mostly influenced by my academic supervisor and other professors from that small heterodox department at the University of Sao Paulo – some of them, such as Laura Carvalho and Fernando Rugitsky, are New School alumni. I came here looking for methodological pluralism. I was not expecting to find a single “true” economic approach and get rid of my mainstream background. Instead, I was looking for an academic environment to discuss the relevance and shortcomings of different approaches – including mainstream economics.

After I graduate, I expect to go back to Brazil and contribute to academia and policy debate. Although I understand the difficulties of being a heterodox economist in environments dominated by mainstream ideologies, for instance, regarding the acceptance of alternative approaches, I carry with me some values promoted at the New School, such as the relevance of methodological pluralism, economic history, human behavior, social relations, and epistemology for assessing economic problems.

As a third-year Ph.D. student, I have some questions about the job market for heterodox economists that I would like to bring here for discussion. First, the requirement of many universities that professors publish in top economic journals, most of which refuse methodological pluralism, leads many researchers to choose methodologies and research agendas preferred by those journals. How to follow a research agenda that you consider relevant and thrive as a researcher in economics in the face of those incentive mechanisms?

Besides, regarding the mainstream literature, many heterodox economists mention mainstream studies in their research – most of the time, in a dismissive manner. However, mainstream literature is not static. To what extent should a heterodox economist keep up with that literature, especially considering that most mainstream economists do not follow the heterodox literature? Should heterodox economics always develop in contrast to the mainstream literature, or can it follow its own path?

Thank you all for the great debate today and your contributions.