

STUDENTS EDUCATION IN THE GRADUATE ECONOMIC SCHOOL

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In every country there is a strong trend to imitate the British and American curricula for Graduate Economic School. Some people justify this trend saying that economic theory — as physics or chemistry — has a universal validity. This thesis is correct only if we identify economic science with economic theory, that is with the logical-mathematical deduction. But, as contemporary literature demonstrates, economic investigation gives also a lot of importance and dignity to empirical and to historico - institutional research. A great theorist, as Paul Samuelson, says that "eclecticism in economic science is... not so much a desirability as a necessity" (1974). If empirical and historico-institutional researches give different results in each country, it is neither correct nor convenient to adopt the same teaching programs in every country.

For instance, economics students must know the multiplier theory, but they must also know that the multiplier effects of public spending have a different timing in each country, according to the administrative procedures, the efficiency of Civil Service, the geographic and demographic conditions, the economic structure and the economic development, the civil servants and private managers morality, and other factors — some of which unforeseeable as labour conflicts, climatic conditions and so on.

Investigations carried-out in Italy on the multiplicative effects of a public spending in houses building showed that the building programs were realized at different speed in each region. However, this type of public spending — as showed by this investigation — is not able to support the effective demand in due time.

Other scholars think that it is necessary to standardise the economic

education in order to form a homogeneous class of managers who will operate in international markets and in the Economic European Community as well. This thesis could be accepted if it could be possible to prove that economic theory has an operational character. Actually there are many great businessmen, stockbrokers, and also central bankers, — not to mention many good ministers of economy — who never studied thoroughly economics, and many economists who never dealt with practical problems. Personalities as David Ricardo, John Maynard Keynes and few others, who were great theorists and successful businessmen as well, represent exceptional cases. It must be remembered, however, that for Ricardo and Keynes — especially for the first — the business experience was the basis of theoretic work, and not viceversa.

Anyway, even taking into account the trend towards internationalization of markets, in my opinion a good knowledge of technical aspects of economic activities is a necessary part of economics education, together with the functioning of the sectors in which young graduate will operate. In economics it is a common pattern to assume as a *datum* the technical aspects of problems and to develop analyses on the basis of premises derived from superficial observations of reality. We suppose, for instance, very simple and abstract production function or we take technical coefficients matrix as a *datum*. We assume that technical problems are pertaining to engineers, to agronomists, geologists etc. On the contrary technical aspects are important positive data and, often, the only data that determine solution of economic problems.

I share the opinion of Angelo Messedaglia (1820-1901), one of the founders of modern economic thought in Italy, who rejects the idea that economist can “talk about taxes on land without knowing exactly how land office works; or, in turn, talk of the land office without knowledge of exact technical operations carried out by its surveyors and experts; talk of banks without knowing the technique of banking operations; of the stock exchange or speculation without knowing how the stock exchange works, in what form and with what contracts speculation takes place; talk of rent without knowledge of agriculture; formulate a theory of taxation without knowing the mechanisms of tax legislation (1987).

A scholar at the beginning of this century, J. Riesser, maintained that it was impossible to be a good economist without having worked for some time in a firm or in a bank (1916). And an Italian scholar, Umberto Ricci, said that the laboratory of the economist, his observation field, are all the economic activities of the country. The economist, in

Ricci's opinion, should research into agricultural, industrial, import-export, transport firms, banks, insurance companies etc. Only in those places, in fact, it is possible to examine closely specific production processes, different types of work organisation, costs structure, techniques of inputs buying and outputs selling, degrees and ways of interdependence between a firm and others or between a firm and its clients. Ricci concludes that economist work consists in applying general principles to particular cases and, to do so, it is necessary to know the specific production techniques (1917).

All these contributions lead to the conclusion that an important place in economic education must be reserved for the teaching of technologies and economic techniques typical of each country. The economic problems of a raw materials producing country are completely different from those of a country that imports and transforms raw materials. The same importance must be given to the study of environment, physical and economic geography, law and administrative organisation.

I want to underline that, in spite of these pragmatic assertions, I think it is necessary to study economic theory. In fact economic theory is useful for the understanding of problems and it is also very effective in order to train the mind to the scientific rigour. But along with the theory it is necessary to study history of economic thought because, as Schumpeter notes, the only theory will present "a sense of *lacking direction and meaning* from spreading among the students, or at least the majority of students. This is because, whatever the field, the problems and methods, that are in use at any given time, embody the achievements and carry the scars of work that has been done in the past under entirely different conditions. The significance and validity of both problems' and methods cannot be fully grasped without knowledge of the previous problems and methods to which they are the (tentative) response" (1954).

In additional to these two general subjects it is also necessary to study the economic history of one own's country. The U.K. industrial development history may certainly be interesting and formative, but it must be said: that Italy's economic history is quite different. Economic problems of present Italy are inherited from the past; therefore you can't pretend to solve them without any knowledge of the way they have been developping. And this, obviously enough, applies to every country.

In conclusion, people think economics to be interesting because it is a solving problems science, like medicine or engineering. A science that concerns closely our interests, very different from other subjects like

philosophy or mathematics. Actually, reading international economic literature and looking at courses taught in many Italian universities, I often have the impression that economics is becoming more and more abstract and moving from the problems it should face.

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