



Transcript of IMF podcast:

Women in Economics: Diane Coyle on Making Economics Better

Diane Coyle:

Really, if you only have half of humanity wanting to become economists, there really are questions that you are not going to know are important.

Bruce Edwards:

Welcome to Women in Economics, a podcast series produced by the International Monetary Fund. In this episode, how the lack of diversity within the economic profession is costing all of us.

Diane Coyle:

Understanding, for example, productivity in the link with demography, is that really a question that only men should be asking and answering?

Bruce Edwards:

This is the third episode in a series that showcases extraordinary women in economics. Diane Coyle is indeed one such woman, a champion of different approaches and out-of-the-box thinking throughout her career, not only of economics, the practice, but of how it's taught. Coyle is also a big believer in making economics accessible to more people, and her books, many of them, do just that. Rhoda Metcalfe sat down with Diane Coyle to talk about her work.

Rhoda Metcalfe:

You have a very impressive CV as an economist, in both the world of public policy and academia. Through your books and writings, you've helped the wider public understand economics better. Your latest book, *Cogs and Monsters*, which just came out last month, looks at the role economics could and should be playing to help solve the huge problems that the globe is facing. But to do that, you say the world of economics needs to change. You argue, for example, that economists need to get out of their single track and start working with other disciplines. Why is this so important?

Diane Coyle:

One of the reasons is the kind of challenges that economists ought to be facing up to now. There's been the COP26 discussions in Glasgow about climate change. There are issues about

There's been the COP 26 discussions in Glasgow about climate change. There are issues about global instability in supply chains, and whether globalization is unraveling or whether it's going to change shape. There are questions of inequality and productivity in many different countries. And I don't think we can answer these in any satisfactory way if we stick with what has become quite a dominant habit of asking quite small questions with quite a narrow range of techniques. To think about any of these big problems, we have to work with other disciplines. We have to work with the climate scientists or the engineers or the sociologists to be able to live up to the influence that we have in public policy and help to deliver solutions to these very pressing and tightly interconnected challenges.

Diane Coyle:

And actually funders themselves are quite interested now in working across different disciplines, but the structures of promotion and appointments in universities make it quite hard to overcome these disciplinary boundaries. Because if you want to get appointed in the first place and promoted in your department, then you will have to publish in your discipline, and in a list of journals. Other disciplines have a longer list. We have a top five, or possibly even a top three. And I think this is a problem for universities, because we're not going to be living up to our civic purpose and serving taxpayers well, who fund us partly, if we don't figure out how to overcome these silos and do work that addresses the big challenges that our society faces.

Rhoda Metcalfe:

And you point out, too, that when it comes to the kind of research that a lot of funders are looking for, they like very narrow questions and not broader questions.

Diane Coyle:

Well, it's easier to answer the narrow questions in a way. If you are starting on a piece of research, and you want to get some results out of it that you can publish and it will increase your status in the profession, then you'll think about, well, how am I going to do this? Are the data available to do it? Can I figure out the techniques I need to use? And everybody has trained in certain kinds of techniques and feels comfortable with them. And so it's quite scary to say, well, actually I really want to work with computer scientists and philosophers to think about how we are implementing machine learning systems in public policy, because you've got to learn a different language. People talk about the same things and using different words, or they use words to mean different things.

Diane Coyle:

You risk making a fool of yourself by missing out on something that seems obvious to other people. And you don't get rewarded for it, because your own department won't rate it as particularly valuable research. So it's high risk. And I find it really interesting and rewarding, but it does take a lot of time, and I'm somebody who's now quite senior and I don't need to worry about these promotion and publication pressures in the way that younger researchers do. The really encouraging thing though, is that the young people have a huge appetite for working in this broader way and asking the big questions, and I'm just hugely encouraged by that.

Rhoda Metcalfe:

So, organizations that are focused on the economy, like the IMF, for example, do you think they should be broadening their hiring practices, so they're not just employing economists?

Diane Coyle:

I do. I think they should take a leaf out of the book of the big tech companies, which now probably have some of the largest economics departments in the world, but they also hire anthropologists and psychologists and sociologists, all the other social scientists, alongside their computer scientists and data engineers. The other aspect of this that worries me, and the book starts with this, is the quite narrow social makeup of the economics profession itself, the low representation of women. And this decreases at every stage of the pipeline, from undergraduate

representation of women. And this decreases at every stage of the pipeline, from undergraduate study all the way through to being a full professor. But also where the figures are less good for people of color, people who come from low income backgrounds.

Diane Coyle:

And the reason this matters is that if we claim to be social scientists addressing social challenges, there's just so much that you don't know, that we can't know, if we have such a narrow social base ourselves. We won't be asking the right questions or understanding how the data sets that we use come to be constructed the way that they are. So, really, I'm making an appeal for a much broader approach to economics, and also a much broader and more inclusive economics profession.

Rhoda Metcalfe:

Although some people would say, well, what difference does it make who solves the problems as long as they get solved? So, why does it really matter that women economists are so few and far between?

Diane Coyle:

Well, for two reasons, I think. One is that really, if you only have half of humanity wanting to become economists, there really are questions that you are not going to know are important. And understanding, for example, productivity and the link with demography, and what's happening to fertility rates over time, is that really a question that only men should be asking and answering? There's a very strong body of evidence that diversity, in the broadest sense, diversity of experience and ways of thinking about things, makes for better problem solving. And it's also completely intuitive that any of us know what we know, and imagination is limited. So, of course you can try to put yourself into other people's shoes, but there are going to be limits to the extent to which you can do that. And the professional associations have really started to understand the need for diversification.

Diane Coyle:

And there are a lot of great initiatives in this. What worries me slightly is that they divorce this from the character of the economics profession itself. But it's also the culture, particularly in academic economics, which is very Silicon Valley bro, to be perfectly frank about it. Aggressive, favors a certain kind of brilliance, and it's very off-putting to people who don't have that kind of confidence and aren't trained in that kind of way. It does tend to be a male pattern, and a middle-class male pattern at that.

Rhoda Metcalfe:

And you point out, too, that for example, with female PhD candidates, that sometimes the bar is higher for them than for their male colleagues.

Diane Coyle:

There's a growing body of literature on this, the profession scrutinizing itself, and I find it quite persuasive. But my view is that this has become embedded over time. It's the way you get on, and that's very self-fulfilling. If you want to get on in a mainstream economics department, you do a certain kind of work, you publish in a very narrow range of journals, and you behave in certain kinds of ways. And people get very quickly socialized into acting like that.

Rhoda Metcalfe:

Right. For some years now, you've been writing about the inadequacies of the measurements that economists use, especially GDP, in terms of reflecting true human welfare. Now you write that the digital economy is forcing us to rethink how we measure our wellbeing and our progress towards a better society. Can you expand on that?

Diane Coyle:

Diane Coyle:

Yes, of course. So, economists download GDP data from all those readily accessible data sets that organizations like the IMF and the World Bank provide, or other data, and don't think very much about how it's constructed and what it means. And so when I started writing about GDP, it was a revelation to me that the constructs that we've grown very familiar with, which were a good enough indication of economic welfare for many decades after the Second World War, when the concepts were created, are just becoming a less and less good fit. Some of the reasons have been known about for a long time: environmental externalities, or depletion of resources, or not counting home production, unpaid work in the home. But I think it's the way that digital is really, I suppose, stepping up a gear in making the concept not fit so well.

Diane Coyle:

If you think about the fact that we get on our smartphone, so many apps that replace things that we used to pay for. And then if you think about the broad economic welfare implications of big digital services, it's very complicated, isn't it? Because we get these services we use all the time, they have transformed the way we lead our daily lives as consumers and the way that production occurs. That's not very visible in the statistics. And there are complicated issues, like taking account of the fact that I do my banking online instead of using a teller in the bank. And where does that boundary shift lie, and what does that imply for the productivity figures?

Diane Coyle:

And should we as economists then think about the online harms, the fake news and the toxic trolling that goes on online? Is that part of our calculus? Or is that something that we say, we'll leave that to somebody else to worry about? Is that related to market power in digital markets? So, I think it's throwing up a lot of questions to which we don't have good answers at the moment. And it ought to cause us, as economists, to introspect about how we think we're measuring economic progress.

Rhoda Metcalfe:

If we were able to do a better job of integrating some of these digital services and products into the numbers, what kind of implications might that have for public policy, do you think?

Diane Coyle:

I don't think it's easy to say what the implications would be. This is new territory and people are asking lots of questions without answers. But for example, if you think about data use, which has rocketed everywhere, and we tick a box of terms and conditions that go on for pages and we haven't read them, and the data is then owned by a company, and there are implications for data flows, both within national boundaries and globally, and that data is one of the things that cements market power, or alternatively might be useful for new entrants into the market. Well, we're just really at the starting line, in terms of thinking about the appropriate public policies of that. Because we don't even have measures of where the data flows are and what the volumes are and what the economic values to attach to that are.

Rhoda Metcalfe:

Right. And I suppose what the impact of having or not having these services are to various people, around the world, especially.

Diane Coyle:

Indeed.

Rhoda Metcalfe:

I'm interested to know what brought you to this focus on how well or how badly economics is doing in terms of solving the world's big picture problems. What brought you to this?

Diane Coyle:

Well, for many years, I've been really frustrated by criticisms of economics. I love the subject, I've been trained as an economist, I count myself as a fairly mainstream person. And there are lots of criticisms that I think are just completely misplaced. And they might, for example, focus on the rational choice assumption, which is a kind of thought experiment more than...

Economists don't really believe that humans all think like that, because we are, believe it or not, humans too. Or people criticize the use of algebra, mathematical models, and yet every discipline uses models, they just don't always use algebra to set out the logic. That set me thinking about what I thought the real criticisms ought to be, because we're very influential, lots of economists work in government and international organizations, have a great influence over public policy. And that influence has actually been really profound in shaping the kind of world that we live in.

Diane Coyle:

So, the ideas of economists, as Keynes famously said, are very powerful at shaping the world. And if you think about a kind of extreme version of free market economics that was in its heyday in the late 1970s and early 1980s, got implemented into policy because of the way politics went at the time with the Reagan and Thatcher revolutions, and has shaped the thinking of subsequent generations of economists working in government. The academic world has moved on incredibly far from 40 years ago, and that richness of how academics think wasn't translated into the curriculum. And so we still have this quite reductive and, I think, quite damaging public philosophy of economics that's implemented by governments. And I would like to see the best of the academic world become the benchmark for thinking about how we devise economic policies.

Rhoda Metcalfe:

Do you think economists believe that their job is to look at these broader problems, or do you think that a lot of them have a very narrow focus?

Diane Coyle:

I think they've been very narrow. I do think it's changing. And for example, Daron Acemoglu wrote an article recently saying we must get our act together and start to address climate change in a way that we haven't so far. And it's very encouraging when such prominent economists start to talk like that. So I think it is changing.

Rhoda Metcalfe:

This sort of brings me to my final question, which is about education. You've been very involved in developing a new curriculum for economic students, which is, as you say, very different from the Economics 101 of old. Can you tell me how this new curriculum came about, and what makes it so different?

Diane Coyle:

In 2012, I helped organize a conference, hosted by the Bank of England and the Government Economic Service, looking at why employers thought that the economics graduates they were getting were not good enough. And the complaints from employers were, they're technically great, but they didn't know there was a depression in the 1930s, and how can we expect them to be able to cope with the aftermath of the financial crisis if they didn't know that? And around the same time, Wendy Carlin at University College London and Sam Bowles at UMass Amherst had also started thinking about the failings of the economics curriculum, post-financial crisis. And at the same time, there were student movements in countries from the UK to Chile, to India, complaining about what they were getting in the classroom, compared to what they could see happening in the world around them. These came together, and Wendy and Sam led a group of economists internationally to develop a new course.

Diane Coyle:

It's called CORE, The Economy. It's free online. Even the physical version is much less costly than many economics textbooks. And it starts from real world issues and observations. So, it includes inequality, it includes climate change and environmental problems, it includes issues with power in the workplace and gender inequalities, and it includes economic history, and history of thought as well, so that students get some idea of the interplay between events in the economy, crises, how economists think about things, and how that in turn affects policies, so that feedback loop between the world and the ideas. It's been really successful.

Diane Coyle:

It's taken up now by, I think, about 800 universities around the world, and growing in number. And I think it's a much better grounding as a first-year undergraduate course than the conventional Economics 101 that I, and so many others, learned over the years. And so we'll see. The results so far are very encouraging about the quality of the work that people who go through it turn out, and how well they go on to do. But it is a slow business, because the first CORE graduates will be early in their new jobs. And it's when they get to be senior policy makers we'll really see whether it's had a big impact or not.

Rhoda Metcalfe:

Does this new generation that's coming up make you feel more hopeful about the future of economics?

Diane Coyle:

I think so, because there does seem to be a real generational shift in attitudes to some of the issues that we've probably not paid enough attention to. Climate change is the obvious one, an incredibly powerful motivator for today's students, and school students as well. And employers say this also, that part of their motivation for embracing green is so that they can retain their best young workers, because it matters so much to their employees. So that's a really significant change, and is the thing that gives me the most optimism at the moment. We're in quite a fraught time and all kinds of bad things are going on in the world, including extreme weather events, which are probably climate-related. So it's just very encouraging to see this shift in generational attitudes.

Rhoda Metcalfe:

Well, Diane Coyle, your work is really inspiring. And I thank you so much for speaking with me today.

Diane Coyle:

It's been a pleasure. Thank you, Rhoda.

Bruce Edwards:

Diane Coyle is Bennett Professor of Public Policy at the University of Cambridge. She was speaking with journalist Rhoda Metcalfe. Look for other podcasts in this Women in Economic series, including episodes with Dr. Lisa Cook and Jayati Ghosh. Subscribe to IMF podcasts wherever you listen. You can also follow us on Twitter at IMF_podcast. I'm Bruce Edwards.

Rhoda Metcalfe:

And I'm Rhoda Metcalfe. Thanks for listening.

