

Criticism of the field comes not only from outsiders but also big name academics.

CHAPTER 16

EVEN A WORLD BANKER RIPS OTHER ECONOMISTS

“Don’t tell my Mom I’m an economist. She thinks I’m a pianist in a brothel.”

BOTH SIDES SHARE THE SAME BLIND SPOT

At least one conventional voice howls in the academic wilderness (we howl *at* the academic wilderness). Lars Peter Hansen, who in 2013 was granted the ersatz Nobel Prize (actually, the global bankers’ prize), said, *“I believe that the recent financial crisis exposed gaps in our knowledge.”* His colleagues’ response was, itself, a gap. Mainstream economists seem nonchalant about their own colleagues critiquing them.

Recall Karl E. Case, one half of the go-to team for housing prices – the Case-Shiller Report – noted a specific gap in academic knowledge, the one with reference to land rent totals (Ch 10), never mind the specialists tabulating a good number for the worth of Earth in America. Both Albouy writing about metro land and Larson about all land (Ch 13) make the usual plea for collegial follow-up. Yet their monumental works go uncited by their peers. (We mention their figures to insiders every chance we get.)

Everywhere you look, land, land everywhere, but not a plot to count. Yet land’s rent is big and powerful – everything you’d want in an economic phenomenon; it is many trillions and it drives the business cycle. But economists don’t measure it and don’t theorize with it. That’s two strikes – one away from being an out.

While we find economists asleep at the wheel – most of them overlook land, one of the only three factors in production – actual members of the discipline find many more faults. According to those economists, their cohorts get nearly everything wrong, from basic assumptions to technical writing. Yet ironically, even the critics miss land, the discipline’s most blinding blind spot, just as the “complacents” do.

Are the two phenomena – absent land and crippled economics – linked? Is the reason why economics frustrates even economists the

fact that they lost land as a factor? So that now they founder and devote themselves to distractions? And code their claims in impenetrable jargon? Thereby facilitating the adoption of mistakes as gospel?

WHAT'D THEY SAY?

Insider critics of jargon can occupy lofty positions – at least for a while. Paul Romer, Chief Economist of the World Bank, criticized “Bankspeak,” the jargon of his underlings, and typical of practitioners of the discipline in general. Romer’s own boss, the head of the World Bank, responded forcefully and, instead of supporting more clarity in exposition, stripped away some of Romer’s job duties.

In 2015, Stanford University’s Literary Lab found the Bank’s writing was “codified, self-referential, and detached from everyday language.” They’re the ones who coined “Bankspeak” for the lender’s “technical code.” They also noted that Bank authors would link long chains of nouns with the word “and,” thereby producing mind-numbing lists.

Among his sins, Romer:

- imposed a quota on the conjunction “and,”
- canceled a regular publication by the World Bank that didn’t have a clear purpose,
- insisted that presentations get straight to the point, cutting staff off if they talked too long, and
- let his subordinates know it’d be a good idea to dive right into public debates and align their work with the goal of the Bank – ending extreme poverty and reducing inequality.

The Development Economics Group (DEC), the research department of the lender, issues reports composed in a dense, convoluted style. Romer urged researchers to write more intelligibly, using the active voice to be more direct.

He erred in focusing on precision in communications and not on the feelings of economists. The more than 600 DEC employees pushed back and the Bank president sided with them. Now Romer no longer oversees the DEC. Nor, if you’ve been waiting for the other shoe to drop, does he work there at all, after speaking frankly in an interview.

The clipping of Romer’s wings reminds economists that even prominent ones – they awarded Romer the so-called “Nobel” Prize – cannot rock the boat without consequences. If they can’t even raise the bar for communica-

tion, how could they consider doing something as fundamental as researching a basic factor in production, i.e., land? It seems they can't.

Bad as it is, what World Bank economists crank out is as good as it gets. Members of the discipline rank the World Bank as tops in development research. In terms of the number of times its output is cited, they're first, ahead of the London School of Economics, Brown University, and Harvard University.

JARGON JUSTIFIABLE?

Another economic institution has dealt with the jargon problem not by handcuffing a critic but by revising its writing. That's the World Economic Forum's Global Agenda Council on Space Security. They're publishing a book to explain in plain language how space-based technologies and services can help society face its greatest challenges.

The Guardian's John Lanchester lists his favorite (least favorite?) jargon. One is "quantitative easing." It's a euphemism to cover up the fact that the biggest central banks create brand new money from nothing and hand it over to lesser banks and friends until they can pay it back. One main way the recipients avoid bankruptcy and amass funds to repay the gift is to buy government debt and ship the interest to the central banks. Able to count on banks to always buy their bonds, governments slide (or rush) deeper and deeper into debt.

A more colorful phrase was the chairman of the Fed's suggestion, citing libertarian Milton Friedman, to toss cash out of helicopters.

Outside the helicopter, we find professional presentations of their findings to be tough sledding, hardly packaged for we laypeople. Our being uninitiated non-specialists on the DIY kick, we strain the eyes peering at tables and reports and articles. We wade through all the numbers, jargon, and faulty reasoning, sparing others this initiation rite.

Sure, jargon can be used to convey thoughts to other specialists. Yet writing for peers means not writing for we lay readers. Given the caution with which economists must tread, being obtuse is a way of flying beneath the public's radar, and thus the elites'. Writing in jargon is better suited to cover-thy-butt than to revealing important truths.

Jargon serves as a code to exclude non-specialists. It creates insiders and outsiders, becoming a badge of belonging. Every generation and every discipline does it. Humans are wired that way. And cliques are fine for teens, but for those supposedly adding to society's storehouse of knowledge? Most academics are paid – directly or indirectly – from members

of society paying taxes. If taxpaying lay people cannot understand their tax-paid academics, how's that fair?

More irony, besides insiders objecting to their discipline's jargon, is that pointedly ignoring land could be the root cause of corrupt economics. Without land rent to include in their calculus, economists cannot calculate logically – i.e., distinguish between spending for the produced and the non-produced. Without much of importance to say, they still say much, and say it guardedly. Academic economists can't shake themselves free of the habit of expressing themselves in ways to avoid impolitic mistakes.

CLARITY, A *SINE QUA NON*

Not only do they speak mainly to each other, but they have few outlets through which to speak to each other in. If they can't get published in one of less than a half dozen journals, then they cannot advance. And the journals get to control the debate and the topics debated. Well, if denied by their superiors, maybe they should be talking to we of the *hoi polloi* anyway. Figuring out how to make sense to the intelligent uninitiated could do economists good.

Life in the cloister insulates one from having to deal with challenges affecting a majority of humankind. To reach the goal of sensible specialized writing, "*we also need to connect our academics to the real world rather than trying to free them from it,*" suggests Jack Stilgoe, a Senior Lecturer in the Department of Science and Technology Studies at University College London.

Scientists going at each other, debating opposing points of view, is par for the course. It's one way theories and hypotheses get tested and perhaps proven; part of the scientific method. Fortunately for real scientists, they can slug it out in the laboratory or in the field. Unfortunately for economists, they can't. Unable to run experiments, they need to write clearly in order to think clearly.

Writing non-clearly allows and reinforces muddled thinking, which helps explain why economics in particular and social studies in general are such a mess. So, universities make scholars study statistics and other things that their phones can do for them. What if, instead, they made students study writing? How to compose a clear sentence, and how to write intriguingly. If academics wrote more clearly, would they think more clearly? I bet they would. You should've seen my thinking before I started writing.

Awful writing is just the tip of the iceberg; the mass of ice itself is the morass of "data." If any discipline needs sound data and logical argumen-

tation, it's one which cannot conduct experiments. Real sciences pinpoint quantities and take measurements quite seriously (maybe because they can). Economists, on the other hand, cite "statistics" that are far from foolproof (next chapter). Hence economists can believe and espouse anything – and do.