

# Beyond Misbehaving Teaser Material

From the Preface:

The idea of writing this book came to me in December 2020, almost exactly a year before I started writing it. I was about to retire from the University of Queensland and was therefore getting ready to vacate my office. The task of emptying my filing cabinets was akin to an archaeological exercise, as I uncovered documents that in some cases dated back to the late 1970s. Among the items that surfaced was a 2002 contract from the University of Michigan Press (UMP) for a book that would have been called ‘Survival Strategies for Heterodox Economists’.

I had put together the proposal for the UMP book after being approached by the late, great heterodox economics activist, Fred Lee, who was advising on a series of books for the heterodox economics market. The proposal file was still on my computer, and it revealed that I had introduced the book’s rationale as follows:

Many academics embark on their careers on the basis of intrinsic motivation, a belief that they have something worthwhile to offer to their subjects, rather than out of a desire for fame and fortune, which, for economists, can be far more readily achieved in the corporate sector. Such motivation seems particularly likely to drive the efforts of heterodox economists. Unfortunately, it is ultimately rather difficult to have a satisfying career without job security, a work environment conducive to doing research on the things about which one feels passionate, and prospects of a good pension, possibly one that might permit early retirement if continued faculty membership becomes too frustrating or exhausting. Achieving such a situation has become increasingly difficult over the past couple of decades for academics in general but particularly so for heterodox economists, as the processes of increasing resource pressure in academic environments have worked in favour of the mainstream. As well as policy-driven pressures, such as research and teaching audits, there are more subtle hurdles for the heterodox economist to surmount, such as the commodification of business education and the related McDonaldization of teaching processes.

Would-be academic heterodox economists may be poorly aware of the hazardous environment they are getting into, whilst established ones may, like slowly boiled frogs, be struggling to survive without a clear appreciation of the subtleties of how things have gradually changed since they embarked on their careers. Those heterodox economists, both young and mature, who are already wise to the fact that things are now tough, may have trouble seeing what to do in the face of it. All could benefit from the proposed book.

However, I had not signed the contract due to the demands of the role that I then had as co-editor of the *Journal of Economic Psychology* and because, by the time the proposal was accepted, I was also planning a radical pluralistic business economics textbook with Tim Wakeley (published as Earl and Wakeley, 2005).

Digging up the unsigned UMP contract gave me pause for thought on two fronts. First, I wondered whether I should have written the book to which it referred, rather than the one with Tim, for although the latter yielded us some useful career lessons, its sales had been very disappointing. Secondly, there was the question of whether I had been qualified to write it back then and/or whether I would be qualified to write such a book two decades later, as heterodox economists faced an even more challenging academic environment. How well had I survived in my own career as a heterodox economist, and insofar as I had survived, was my knowledge of how to survive relevant for upcoming generations of heterodox economists?

Certainly, in material terms, my career had eventually turned out beyond the wildest dreams that I had in the early 1980s. This came largely because of my decision in 1984 to leave the UK and move to Australia. Yet that move was not without consequences for where I had got to academically. At the time that I was clearing my office, I was not about to transition to an emeritus chair in the way that I anticipated decades earlier. Instead, I was merely an associate professor and was putting together a set of key performance indicators (KPIs) that my head of school had requested as part of the process of making a case for me to be offered a three-year post as an honorary associate professor, with my

performance in terms of these KPIs potentially to be used in deciding whether the post would be renewed. How had it come to this, especially since I had started out seemingly with a bright academic future after I had achieved a double-first in economics at Cambridge, had been offered my first academic position early in the second year of my PhD studies, and had concentrated in a field – behavioural economics – that had become very popular? Compared with Richard Thaler – who had started working on a behavioural approach to economics around the same time as me but who went on to a chair at the University of Chicago and to be awarded the 2017 Nobel Memorial Prize in Economic Sciences, despite his PhD supervisor Sherwin Rosen reportedly (see Thaler, 2015, loc. 254) not expecting much of him – I appeared largely to have ‘blown it’ in career terms.

As I read what I had proposed to do in the book for UMP, I realized that, given what had happened in academic economics in the ensuing two decades, the project had probably become even more worthwhile to bring to fruition. In retirement, I would have time to write such a book once I had finished work on projects to which I was already committed. However, although uncovering the UMP contract rekindled my interest in writing a career self-help book for heterodox economists, I decided that I would write something different from what I had proposed in 2002. It would be a much more substantial, much more confessional kind of work and would be my equivalent of Herbert Simon’s (1991) *Models of My Life* and Richard Thaler’s (2015) *Misbehaving*. However, it needed to be written in a very different way from the intellectual autobiographies of Simon and Thaler so that it could yield career lessons as well as explaining how I came to develop my ideas and what these ideas are. Despite it being the work of an academic also-ran who some might view as having frittered away a bright future, I hope this book will prove to be an interesting read and give younger generations of readers a sense of how much has changed in academic economics in the past half-century.

Unlike the book proposed in the UMP contract, this book is not intended purely for those who view themselves as heterodox economists. It should also be interesting to mainstream behavioural economists who face rather smaller career challenges. I hope that they will see that the less-travelled road in behavioural economics that I travelled complements the one with which they are familiar and provides new avenues for analysis. I also hope that the ‘heterodox behavioural’ juxtaposition in the book’s subtitle will not deter heterodox economists from reading it if they have reservations about behavioural economics of the kind for which Thaler is known and if they are not familiar with my work: as will become apparent, the kind of behavioural economics that I have practised has its roots in my pluralistic Cambridge education in the mid-1970s and it weaves in ideas from institutionalist, Post Keynesian and neo-Schumpeterian/evolutionary economics, as well as from marketing, organization studies and psychology.

#### From the Introduction

This book is an unusual contribution to the literature on economic method and the history of economic thought. It is an intellectual autobiography addressed primarily to those who think of themselves as ‘behavioural’ or ‘heterodox’ economists. However, it may also be of interest to students of economics and academic economists in general because of the insights it offers about how academia has changed over the past half-century. It should also help to satisfy any curiosity they might have about what it is like to have an academic career that entails decades of operating without giving due thought to dominant ways of doing things or knowingly defying them. In writing this book, I am continuing to misbehave: I am well aware that intellectual autobiographies are normally the preserve of those who have had outstanding careers and become very well-known and very extensively cited. My career did not come into these categories. But it might have done if I had played the academic game differently, and that is the point of writing this book.

To set the scene for what follows, it is probably best not to begin at the beginning but on Monday 2 July 2001. It was a typical, gloriously sunny and pleasantly warm winter’s day in Brisbane, Australia, and it was the day that I started work as a senior lecturer in the School of Economics at the University of Queensland, the institution at which I spent the rest of my career. Taken in isolation, this might seem rather unremarkable. Set in context, it had greater significance. On that day, I was less than two months from turning 46. Almost exactly 22 years earlier, I had started my first lecturing position on a cooler summer’s day at the University of Stirling in Scotland. I first became a senior lecturer at the start of 1987, at the University of Tasmania, Australia, and I was first offered a senior lectureship at the

University of Queensland at the end of that year. On that occasion, I had declined the offer, in no small part because I discovered during the interview visit that Brisbane's summer weather was far too hot and humid for me to enjoy. So why had I moved to Brisbane in July 2001? Given my age and climatic preferences, why was I not moving to a much better job in a city with a more temperate climate? And why did I stay there, hankering for a different climate, for the rest of my career, despite not being promoted beyond the associate professor grade at the University of Queensland?

It was not that I was lazy, had a mental illness or allowed addictive forms of consumption to hold back my achievements. Nor did I lack the brains to do better: I graduated from Cambridge in 1977 with a double-first in the Economics Tripos and went on to complete my PhD there. Such qualifications usually open the door to a stellar career. Yet in early 2002, when my former PhD student Jason Potts and I applied for an Australian Research Council Discovery Grant, one of the referees questioned whether I was a worthy applicant since I had 'failed to live up to [my] initial promise'. I had been embarrassed to be a liability to Jason, and I doubted that the referee knew what had gone on in my career beyond the details provided in our application. But I knew that the referee's assessment of my achievements was well aimed. Eight years later, I succeeded in winning an ARC Discovery Grant, sharing the Chief Investigator role with my colleague Lana Friesen, and during the decade that ensued my work would have seemed much more consistent with the promise I had originally shown. The trouble was that what I did between 55 and 65 years of age was what I should have done when I was between 35 and 45 years of age and should have continued to do in the ensuing two decades.

It is precisely because of my failure to have the kind of career success and impact that I might have had that I decided to write this intellectual autobiography. I hope that, by sharing the secrets of my under-achievement, I may help some academic economists to limit the extent to which they fail to achieve as much as they might be capable of achieving in their careers. What follows is the tale of an unusual career from which I have been able to extract many lessons. I hope it will encourage readers to reflect during the rest of their careers on why they are doing what they are doing and whether they could be doing something better. It will become apparent that such reflection can be done not merely in relation to one's choice of economic method and where to apply it but also in relation to how one's mind works and the impact that this may be having on how one behaves – or misbehaves.

I will explain shortly why this book is called *Beyond Misbehaving*. However, before I do so, it is necessary to say a few words about the three areas to which the book's subtitle refers. First, let us consider the 'changing universities' theme, which has a double meaning in this book. One meaning of it pertains to the importance of being aware just how different universities can be from each other if one is considering making career moves from one institution to another. But the term also refers to how some of the things that universities have in common changed over the course of my career. Early- and mid-career academics may not realize how much universities in many countries have changed over the past half-century or the extent to which the career success and satisfaction of academics is contingent on their awareness of the nature of the system in which they are operating and how well they keep abreast of changes in that system. Much of what follows is a cautionary tale that illustrates how the context in which we choose affects the consequences of our behaviour and the extent to which we can 'get away with' not behaving in line with established norms. When the context in which we are behaving changes, actions that had once been career-enhancing may become problematic. However, I hope that the 'changing universities' theme will be stimulating in another way. The changes to how the university system operates have made some aspects of academic life better but in other respects they have made academic careers much less attractive than they used to be. I hope that, by drawing attention to the upsides and downsides of how academia was in the 1970s and 1980s and what it had become by 2020, this book may help today's academics to appreciate both the upsides and downsides of the system in which they operate and that they will be prompted to reflect on what might be done to recapture some of the desirable things that have been lost.

The second recurring topic in this book is the pursuit of pluralism in the teaching of economics. In many chapters of this book, I consider diverse ways in which students can develop their expertise in economics by being exposed to contending perspectives on the discipline and by having to get used to dealing with open-ended problems to which definitive answers are not possible but for which actions need to be recommended. It is challenging to teach in this way, rather than from a bible-like textbook and with closed problems that have definite answers, and it has become increasingly difficult to ensure that students receive a pluralistic learning experience. Despite this, I managed to operate as a pluralistic

teacher throughout my career. Writing this book provides me with an opportunity to share how I did this, so that others may have a more straightforward time as pluralistic teachers than I sometimes did.

Last, but certainly not least, a recurring topic in this book is what it means to be a ‘behavioural’ economist and how I developed the behavioural perspective that, along with pluralism, became core to my identity as an economist. When I started out on my behavioural economics odyssey in the mid 1970s, the field had none of the popularity that it has today. But when it became a hot research area, I was puzzled to discover that those who called themselves behavioural economists were operating in a different way from me and seemed rarely to refer to sources that had informed my early work. In other words, I had developed a ‘heterodox’ approach to behavioural economics, and behavioural economics was itself a field amenable to teaching in a pluralistic manner. My approach includes elements from what has become accepted as ‘the’ behavioural approach to economics, but it has a more extensive and more radical agenda.

I hope that, by charting how I arrived at my heterodox approach to behavioural economics, I can help two audiences to get closer to fulfilling their potential. Naturally, orthodox behavioural economists are one of my target audiences: by reading this book, they may discover insights and research possibilities that they would otherwise not have considered. The other target audience consists of those who view themselves as ‘heterodox economists’ but who have hitherto paid little attention to behavioural approaches and/or have viewed the dominant behavioural approach with suspicion, seeing it as a means of rescuing orthodox ‘neoclassical/general equilibrium’ economics. I hope that those who call themselves heterodox economists will read this book and thereby discover that the approach to behavioural economics that I use grew out of concerns that I had about the neoclassical/general equilibrium way of doing economics before 1980, the year that Richard Thaler sowed the seeds of the dominant behavioural approach. Like Geoff Hodgson (2019), I believe that taking a behavioural turn is key if heterodox approaches are to survive and their proponents are to thrive in an environment that has become increasingly challenging for them.

I have set out my alternative vision of behavioural economics elsewhere, both at length (Earl, 2022) and as a Lakatosian research programme (Earl, 2023a), but its key elements also figure in the chapters that follow, with the background to how I arrived at them. If heterodox economists practise it, *and if they do so without branding it as ‘heterodox’*, they have a good chance of enhancing their career prospects without compromising their core academic beliefs. They should also feel less besieged by practitioners of orthodox economics, and they may have a bigger chance of being able to succeed in winning over those from mainstream backgrounds who have been looking for new ways forward. Some of the latter may view the dominant behavioural economics as potentially leading to a dead end in terms of scope for novel research contributions, and yet may be concerned about the potential career damage of openly practising economics that is tagged as ‘heterodox’.

The heterodox behavioural view of economics that underpins this book requires me to challenge the view of the history of behavioural economics that is presented by the 2017 Nobel Laureate Richard Thaler (2015) in his book *Misbehaving*, his account of how economics ‘became behavioural’. The success of Thaler’s book could readily be taken as consistent with the idea, often attributed to Sir Winston Churchill, that history is written by the victors. In reading Thaler’s book, one gets a delightfully engaging account of his career and contributions but other approaches to behavioural economics are glossed over, if mentioned at all. It feels rather as if alternative visions of behavioural economics have been airbrushed from the history of economic thought. ...

... The rest of this book is divided into nine chapters. The first two chapters explore how my pre-university experiences affected the kind of economist that I became. Chapter 1 covers childhood and teenage experiences that gave me an early sense that people do not always take wise decisions, along with a sense of how innovation and imitation are central to how the competitive process works. This came because I tended to pay close attention to what my parents did and because of the hobbies that I had when I was young. I was thereby primed to resist abstract, equilibrium-focused approaches to economics and to be interested in how people deal with the challenges of everyday life and why they differ in the lifestyles that they build for themselves. Chapter 2 covers my pre-university education in economics, which was historically grounded, pluralistic, and greatly dependent on experiences that I had at school.

Chapters 3 and 4 deal, respectively, with my undergraduate and postgraduate years as a student at the University of Cambridge. In writing the account in Chapter 3, I have tried to give a sense of the form that a pluralistic economics education can take when it is being delivered without the budgetary constraints that afflict the academic world of the twenty-first century. During Chapter 3, I set out my first encounters with behavioural economics and the Post Keynesian training that I received in macroeconomics, and how I started envisaging the two approaches as complementing each other.

The key theme of Chapter 4 is the difference between the experience that I had as a research student trying to get a Cambridge PhD and the kinds of experiences that deans of today's graduate schools hope that their research students will enjoy. My pathway to a PhD was very problematic, lasting almost seven years. Yet I was in residence in Cambridge as a research student for only the first two years, as the difficulties I was having set in motion events that led me to move on to an academic position elsewhere without even having achieved confirmation of candidature as a PhD student. Indeed, I ended up in the unusual position of having achieved tenure as a lecturer before I was confirmed as a PhD student. However, in many respects, my postgraduate experience entailed struggles that were common in the late 1970s in the UK doctoral system. Modern PhD programmes are designed to preclude the kinds of difficulties that I experienced. Amid these challenges, I was nonetheless able to form some key ideas that have stayed with me, though I also failed to spot important intellectual opportunities that seem, with hindsight, to have been lying there for the taking.

Chapters 5 to 8 cover my experiences in the period from July 1979, when I commenced my first academic position, to my retirement from paid, full-time academic work at the end of 2020. During this period, I worked at four universities that all were very different from Cambridge and differed from each other in ways that often came as a surprise to me as I moved between them.

Chapter 5 is devoted to my time at the University of Stirling in Scotland from mid-1979 to mid-1984. When I commenced work there, the University of Stirling was a small institution that had been running for barely a dozen years. During my time there, Brian Loasby was my intellectual mentor. I also worked closely with Sheila Dow, who is now rightly regarded as one of the world's top heterodox economists. It was a formative time for Sheila and me in terms of developing our thinking on monetary economics and economic method, and we both managed to complete our PhDs and write books and papers while we were doing so. However, Sheila spent the rest of her career at Stirling, whereas I moved 'Down Under'. An obvious question is whether my career strategy was a mistake. Chapters 6 to 8 provide some food for thought for answering this question.

Chapter 6 covers my seven years at the University of Tasmania, Australia, from mid-1984 to mid-1991. This period was not blighted by the kinds of resource constraints that I had experienced in Scotland, but there were two major challenges that I had to address. One was how to teach non-mainstream economics within a curriculum that was the most conservative I had yet encountered. The other issue was what to do as a researcher now that I no longer had to worry about getting a PhD but was geographically remote from researchers who were on a similar wavelength to me when it came to thinking about economics. What I opted to do delivered rewards rapidly in terms of academic advancement, earning me promotion to senior lecturer at age 31. Multiple interviews for more senior positions followed and the process culminated in me being offered the position of Professor of Economics at Lincoln University, near Christchurch in New Zealand. I accepted the offer, not merely because it seemed to be a better job but also because it would enable me to live in Christchurch, which I viewed as one of the most attractive cities in Australasia. I was only 35 when I took up the position in mid-1991.

Chapter 7 reveals how, in the decade that I held the chair at Lincoln, my career ran into difficulties that were compounded by some of the decisions that I made as I tried to deal with the problems I encountered. However, working there gave me my first experiences in PhD supervision, with evolutionary economist Jason Potts (who is now Distinguished Professor of Economics at RMIT University in Melbourne) as my first start-to-finish doctoral student. Working with Jason was a joy, in sharp contrast to the challenges that Lincoln posed for me in relation to maintaining teaching standards, cultivating a commitment to pluralism among my colleagues, and for keeping my research going even as communicating with far-off scholars became easy due to the spread of email and growth of the Internet. It proved to be a challenging environment from which to escape, too. I eventually bailed out by moving to the senior lectureship at the University of Queensland (UQ) that I mentioned earlier. With

this shift to a very large, well-ranked institution, I felt I had a very clear idea about what I was getting into in academic and lifestyle terms, as I had spent the second half of 1999 at UQ as a visiting professor.

However, as Chapter 8 reveals, my time at UQ from mid-2001 to the end of 2020 came with another set of challenges. I had hoped that, during my career, I would get a chance to test my ability to deal with pretty much all the kinds of tasks that an academic economist might undertake. Two boxes remained for me to tick when I took up my position at UQ, namely serving as head of department (which I had mistakenly expected to get to do at Lincoln but which I correctly anticipated I would not be likely to do while at UQ) and being a principal investigator in a large grant-funded project. The latter box was indeed ticked while I worked at UQ, with an expensive study of how, and how well, people deal with the difficult task of not wasting money on connection service plans for their mobile phones. This project was very much in the territory of behavioural economics, as well as of obvious interest to heterodox economists concerned with the extent to which corporations can succeed in, as Akerlof and Shiller (2015) put it, ‘phishing for phools’, but the project also left me with knowledge, shared in this chapter, about the challenges of this kind of work.

The period covered in Chapter 8 was long enough also for me to do the following:

- Witness the processes by which pluralism can wither away as an economics department evolves in the face of changing external pressures.
- Have a major role in PhD administration and participate in systems designed to prevent students from suffering the kind of protracted experience that I had gone through with my Cambridge PhD.
- Clarify my vision of behavioural economics and its relationship with heterodox economics.
- Experience the challenges of trying to pursue a Cambridge-style teaching philosophy as resourcing levels and the norms of colleagues evolved and as teaching transitioned toward online methods.

All these areas are covered during Chapter 8, after which Chapter 9 brings together the wide variety of career lessons that were scattered through the book, along with some that are not covered in earlier chapters. Although Chapter 9 can be viewed as a conclusion to the book, it is much more extensive than a typical concluding chapter and has been written in a way that enables it to be read as a stand-alone contribution for those who merely seek career advice.

Chapters 5 to 8 have identical overall structures, as follows:

1. An introductory overview of the institution in question, in time and space.
2. Reflections on my teaching experiences, the extent to which the curriculum was conducive to pluralistic and open-ended teaching, and the forces that constrained my efforts to implement teaching methods that made it possible for students to experience something as close as I could engineer to what I had enjoyed in Cambridge. The reflections on teaching often include material on my writing activities, for what I learned while teaching fed into several of my most important publications, some of which were also written to facilitate the kind of teaching that I was trying to do.
3. Reflections on the administrative and service roles that I experienced. These roles grew progressively as time passed, with consequences for the research that I was able to undertake.
4. An account of how my thinking as a behavioural economist evolved. Taken together, these accounts, plus material in the first four chapters, provide my equivalent to the intellectual autobiography that Thaler provided in his book *Misbehaving*.
5. An account of my experiences as a conference participant, with critical reflections on the value of conference participation.
6. An audit of the published output that I achieved by working at the institution in question. Here, I provide commentary on how some works originated (where they have not been discussed in earlier sections), and I reflect critically on the (lack of) value of some of the publications that I achieved and what I might have been wiser to produce instead. Early career researchers should find plenty of food for thought here about how to manage their own research activities.
7. A reflective account of the process by which I came to leave my job at the institution in question and move on to the next stage in my life. In each case, it was not job insecurity that led me to want

to move on: the moves were self-inflicted crucial experiments, from which I hope others may get food for thought about how they seek to run their own careers.

I adopted this section structure for these chapters – as well as using aspects of it wherever possible in other chapters – mindful of the possibility that some readers will be interested only in particular topics (for example, pluralism and teaching, or how my behavioural perspective evolved). For a time, I explored the possibility of structuring the book in a topic-based way rather than historically. In the end, I opted for a historical chapter structure because of the interconnections between my experiences in relation to the key topics. The standardized structure of Chapters 5 to 8 is intended to make it easy for readers to navigate through the book if they want only to focus on a particular area.