

# STRATEGIES OF ECONOMISTS' TRAINING AND STATEHOOD SOVEREIGNTY

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“We don't have an order in the world.  
We might call it a fluctuating of fluid  
constellation, but there is no order.  
There are almost no rules being kept now”  
(Schmidt, H., 1988) [1]

**Abstract.** Correlative thinking seems to make it plausible admit marketing researchers' stance, that most difficult issue in their business - problem definition – can be equally uneasy for the economists too, in terms of economic development in general, as key factor, when it comes to discussions about statehood sovereignty perpetuation. The most difficult problem of nowadays is why there is so huge economic disequilibria, at both national and international levels? The economic problems of the contemporary world can be classified in: *cyclical* and *ongoing-pressing* ones, respectively (i) more or less frequent *declines* and (ii) *some type of international business culture, which perceives national boundaries of countries as “nuisance”*. The article discusses the issues that the major problem of nowadays world is the quality of economists' and overall training of economic sciences, when it comes to national security of a country. It also tries to get more insight into the modes how to approach economic *interdependence*, *i.e.* International Economic Integration (IEI) in a way that could make it *advantageous*; what makes the chances of making IEI advantageous for economies of the world, and what does it depend on.

## 1. Introduction and problem definition

The scientific literature already available provides quite a few insightful data about finding the real problems of a nowadays' society. For example, “Defining the marketing research problem is the most important step in a research project. [...] The researcher should avoid defining the marketing research problem either too broadly or too narrow” [2]. The way we approach problem definition is quite relevant for today's global economy too, on broader scale, not least because it is getting more misbalanced. It is quite noticeable given, say, the excessive unsettling rhetoric from, and around North Korea [3]. A major problem of the world is that we may have missed to pay enough attention to ideas that should have been more discussed and deeper understood, by economists first and foremost, such as: “Economics is haunted by more fallacies than any other

study known to man [...] - the special pleading of selfish interests”. [4] Awareness of the “the special pleading of selfish interests” has been in need of more attention and discussion by academics worldwide, in terms of correlation between (i) their role in teaching new generations of economists conjoined with the need of raising *economic culture*<sup>1</sup>[5] among larger layers of society, and (ii) state security enhancement, as cornerstone for peace building and balance.

Somewhat distorted understanding, to various extent, can be traced out in many regards. An example could be the stance of a transnational company exponent, who considers that nowadays “...national boundaries have become a hindrance and a nuisance [and that they] tend to find ways to get around them” [6]. Taking attitude towards the existent statehoods and their sovereignty in this way, does seem to be contrary to the official rhetoric about international security and economic cooperation.

History has provided lessons enough to be learned from the past, and to be used for the good of mankind, about correlation between *economic culture*, *level of welfare* and chances of *keeping peace*. The situation of pre-II-WW Germany, just to mention for an example, could be quite an example. “In 1923, a German housewife burned mark notes in her kitchen stove, since it was cheaper to burn marks than to use them to buy firewood [...] in Germany in 1923, you needed 726,000,000 marks to buy what you’d been able to get for 1 mark in 1918” [7]. A cause-and-effect relationship analysis suggests that the rampant inflation of that time Germany, was a major “driver” for shortly subsequent coming to power of National Socialist Party, later re-named as the Nazi Party. Typically mistakes of economists, proceeded from questionable economic culture, trigger violent confrontations in proportions much bigger than ever possibly anticipated.

Improper quality of economists’ training worldwide is a serious problem. An evidence of this is too many countries being poor, and keep aggravating the economic disequilibria at international level. It is a fact which should be on high agenda of the international bodies’ strategies, conjoined with academics involvement in terms of both (i) quality of economists’ training, and (ii) training of economic theory for students of non-economics departments/faculties.

Questionable understanding of *globalization*<sup>2</sup> and *competition*<sup>3</sup> entails some countries to undertake defensive measures, which eventually become quite a threat to their own economies, to neighboring countries and worldwide community, than common-sense “*protectionism*”. Likewise, improper understanding of concepts mentioned above can be used as improper excuse for violation

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<sup>1</sup> *Economic culture* is proceeded from the concept of *cultural capital* [5], defining assets convertible in certain conditions, into economic capital, and may be institutionalized in the form of educational qualifications, *i.e.*, *economic thinking* of a certain quality.

<sup>2</sup> In the view of the author *globalization* should be defined first and foremost as joint responsibility of all the countries’ care about our planet and environment, as well as innovations, management and resource allocation for this purpose.

<sup>3</sup> In the view of the author, *competition* is an inherent peculiarity of human nature, of human diversity, having nothing to do with so-called “conspiracy theory”, or the like.

of smaller countries' rights. In a bigger extent, in terms of a causal analysis, it seems plausible to admit that between the (i) nowadays' aggravating political crisis and (ii) some businessperson's statement about the national boundaries as "hindrance and a nuisance", the link is quite strong.

In one of his speeches, Helmut Schmidt declared that that: "Normally political leaders of a country have no knowledge of economic interdependence, [...] So we had little success in educating political leaders" [1, p. 83], and that "How good this great communicator Gorbachev may be I don't know, but he doesn't have any economic concept so far." [1, p. 89].

The incidence of awareness raising discussions about mistakes of economists' training have got more frequent recently, with new and more thorough insights, like: (i) "Economics is Broken", (Salerno, J.) [8], (ii) "The Broken State of Modern Economics", (Deist, J.) [9], (iii) "Too much Maths, too little History: The problem of Economics", (LSE Economic History Department) [10], if to mention just a few.

Over and above, the issue touched upon gets more alarming by claims that "Economics loses its importance for advising governments and becomes increasingly less attractive as a field for students" [11], which can trigger worse implications for the longer-run. Despite of that, economic performance in some countries of the world does occur, with examples that deserve due analysis: "During the industrialization of the United States and Great Britain in the 19<sup>th</sup> century, their real incomes per capita doubled in 50 years. China did the same in 9 years" [12]. Also, no doubts have been noticed so far in the international media about a detail, that: "... the annual China-US trade volume has skyrocketed from only 2.5 billion dollars to more than 558 billion dollars last year" [13], *i.e.* a growth of over 223 times.

## 2. Typical *modus operandi* and consequences

In discussion about the problem of the contemporary world, it is plausible to believe that in an eventual higher economic welfare, mass physical unrest and and/or violence/confrontations are far less probable.

Hence, if *economic culture* is taken for equivalent of economic thinking of a certain quality, a future world with higher economic culture has much more chances to be peaceful and mesmerizing, vs. an economically "dis-culturalized" one. Undeniably, a certain degree of "interdependence of the economic functioning of the world" [1, p. 81.] has always been typical to the mankind. "The concept of international economic coordination is essentially a notion in which sovereignty is traded off for economic benefits of an international division of labor" [14], whereas the "*Macroeconomic simulation models consistently yield transmission effects far too small to resolve the current account problem* [emphasis added]" [1, p. 95]. The economists' training and

aims to use their capacities for higher level researches and raising overall economic culture, need more openness to alternatives in order to better capitalize the investments in education, by means of economic sciences.

The debated upon dilemma between “...two much mathematics and too little history...” [10] in teaching economics, too much traditionalism seems to be more of a problem. Excessive focus on history and “telling a narrative [;...] telling a story about what happened in that particular case...” [*ibid.*, min. 15:10], “... and then [...] retelling the [...] same story in maths” [*ibid.*, min. 16:40-16:47], suggests that mathematics has been used also as “semiotic language”, even when calculations and/or metrics were unnecessary. This may have been contradictory to a principle, which is more desirable for getting highest possible returns on economic education - “learning economics should be as uncomplicated as it is informative” [15].

One more detail about maths’ use in teaching economics, could be as follows. Although “... [among] Asian school systems that made it into the top 10 for maths were Hong Kong, Macao, Taiwan, Japan and South Korea” [16], none of those countries were ranking among the top 10 in the world in terms of “Global Innovation Index 2016” [17], only three Asian countries rank among top 25 countries by this index, and roughly same number or less in terms of top 25 countries by GDP (PPP) per capita [18]. This should be a plausible stance to consider mathematics as missing from either major or key science, in terms of building-up economic creativity and innovational capacities of a society/country. Although some observers might claim this data incomparable in terms of age-groups taken for comparison, it is comparable in terms of *educational and research policies’ outcomes* for certain time-scales in various countries, and/or groups of countries.

In training economists time allocation and management for scientific researches, in terms of evaluation criteria, also seems to be quite an issue. Should we compare the need for *empirical researches* (ER) versus *desk studies*, we could agree that too much attention paid to ER is disadvantageous; it declines effectiveness. This requirement takes the role of economists in a country to the level of a *marketing researcher*; the latter is undoubtedly important, but of much less impact as implications, if mistakes are made in decision making. Too much time is spent on sampling, whereas samples comprise many people with low or lack of economic qualifications, based on which economics researcher is supposed to make conclusions and economic decisions for a macro-economic system level. Less time is left for reading scientific articles of highly experienced, renowned economists, and for interpretational/analytical skill development. ERs also curtail the importance of scientific observations and time allocated for developing this skill for a future economist [19], for raising efficiency and better decision making. By requiring ER for doctoral researchers in economics, as utmost form of economic thought development in a country, is a display of improper time management and implies competitive disadvantages. Over and above,

should *efficiency* and *effectiveness* be pursued, in search for welfare by means of economic studies, the policy-makers and governments need to consider time-pressures and need to specifically differentiate between: (i) *educating statisticians* as data producers, and the unavoidable need for (ii) *economist-analysts (EAs) as idea producers* plus *EAs as designers and developers of capacities of idea production, i.e. economics' teaching staff*.

It has been mentioned already the stance of a transnational company exponent with regards to national boundaries as “nuisance”. Some other economist considers that “[... labor market [can be] rigid (*i.e.*, labor market does not adapt to changes in society and economy)” [20]. So, labor market is perceived as “determinant factor” instead of a mere indicator/reflector of a certain quality of economic policies, as outcome of certain quality of overall education and/or economic education. In some other instance a high-level governmental official, graduate of a prestigious school of economic thought, declares: „...we cannot, we have not good indicators, we have no systems, no mechanisms, to measure which is the quality of education, [...] this is why we can judge only through the angle of the business circles” [21], whereas it is so much known that *Returns to Education* has been being an indicator used to measure the quality of education for at least 60 years by now, in all the highly advanced economies. Or, judging quality of education through the angle of the business circles only, can imply a worse economic disequilibria instead of coherent development in a country. The authors of the claims above may have met fully the requirements of doing comprehensive ERs for getting their degrees.

Some other readings, although unrelated directly to economics, one can find that: “...for a significant proportion of children something seems to go wrong once they are “taught” maths. Either they fail to develop their skills further or they lose even those skills which they have” [22, p. 104]. So, could it be possible to “...remedy six or more years of poor teaching [mathematics]” [*ibid.*, p. 105], and narrow the gap of *economic culture*, if focus on maths is excessive in the need to raise chances of economic development? Should this category of learners be disregarded and discouraged in terms of their potential desire to raise economic culture and/or become economists?

### 3. Alternatives and desirable openness

Professor Richard Paul claims that “...there are multiple logics in the world...” [23, min. 3:54]. It is a stance building up the assumption that there is *some difference* between the *economic logic* and *mathematical logic*. *The latter* is about the need for “precise or very precise” measurement such as in engineering and architecture, for example; also very close to science of statistics and data production *for analysis*. Whereas, *the former one* deals mostly with the need to build-up ideas,

creativity and production of economic added value, efficiency, effectiveness, and skills of equitable distribution of economic output in any kind and form of human action; provide for conjunctions of how to make economy functional, dynamic, by using logical combinations of variables and factors to most possible extent; to be motivational, although admittedly, could be with some degree of approximation.

The elementary logic of the aim of economics teaching and training would suggest that we would rather have an *approximately calculated* strong and very strong economic growth, set on a sound ascending trend, rather than a very precisely calculated economic stagnation, or decline. We may not be able to train good economic thinkers by cognitive burdens that “sabotage” creativity and economic logic development, by incautiously scaled use of maths, without due attention to *emotional ergonomics* of the process; we can neither disregard it can “develop” learning disorders to many students, even at post-high-school levels.

The logic of the compensatory effect, *i.e.* “to offset an error, defect, or undesired effect” [24], suggests that economic lagging behind of many countries is caused by improper economists’ training. An alternative and/or complementary approach can be a more focus on a combination of *rhetorical analysis*, *hermeneutic analysis* and *causal analysis* of any economic contents; descriptive articles of a nowadays situation could be quite plausible. Rhetorical analysis, defined as: “a form of criticism (or close reading) that employs the principles of rhetoric to examine the interactions between a text, an author, and an audience; also called rhetorical criticism or pragmatic criticism” [25] is, in essence, a reflection of a certain level of economic thought/culture, which inherently comprises the dimension of content *understanding*, as reflection of *interpretation* of a certain quality. Thus, we could consider it as a derivative of “hermeneutic analysis”, defined as: “... attempt[s] to make clear, to make sense of an object of study/[contents]; [it] must, therefore, be a text, or text-analogue, which in some way is confused, incomplete, cloudy, seemingly contradictory – in a way or another, unclear” [26, p. 42]. An example of a *Rhetorical Analysis Guide* bellow (Box 3.1) is a concise set of items which can be used also selectively, tailored depending on the size of content and time available, as well as on any trainer/teacher’s individuality and creativity horizon:

**Box 3.1. Rhetorical Analysis Guide**

1. *Who is the author of the content?*
2. *Identify several key words in the content;*
3. *Identify several key main word combinations and/or phrases;*
4. *What is the central message the author presents?*
5. *What are the minor supporting details?*
6. *Why did the author choose to study this?*
7. *What is the author’s purpose? To inform? To persuade? To criticize?*
8. *How does the author use diction? (Is it formal, informal? Is it technical or slang? )*
9. *Are there any important terms repeated?*
10. *Is the content declarative, imperative, exclamatory? What effect does it have?*

11. Are there any words or phrases in: italics, underlining or parentheses?
  12. Ask all possible questions and state all possible thoughts/inferences related to the content;
  13. Divide the content into 3 to 4 clusters/specific components;
  14. Do components of the content mostly relate to the beginning or to the end of the text?  
(Note: pay particular attention to the: style, culmination, denouement, major problems, if any...);
  15. Did I pay attention to all possible details I need to provide for a best possible interpretation?
  16. Did I work enough to provide already my own interpretation?
  17. Which way will my credentials and conclusions change as a result of studying this content?
  18. What is the root problem? Why?
- Source: Adapted from: [27] and [28].

In nowadays' reality when "Over 80% of market value in today's global markets is allocated to intangible assets" [29], the historical approach to learning economics may not be relevant enough to make possible develop good logic for economists face the future; nowadays' economy differs significantly from historical theories of economics, although they matter for comparison. The logic of historical economic contents may not be as justifiable as the use of historically developed tools.

During economics training programs, we study and learn various historical time-scales and experiences, but do not focus enough on developing economic logic in terms of how to deal with *unpredictability*. By developing mostly economic models we predispose our minds towards some kind of quasi-"standardized economic situations" and expectations, we rely too much on *ceteris paribus assumption* and the latter rarely matches the reality. The world is much more changeable due to a high level of innovations production, changes of human behavior and lifestyles; due to long-term prevailing intellectual labor.

At least too many, if not most, of the university economics training staff seem to have attended too few courses of educational sciences. *Emotional ergonomics* as science is virtually unavoidable for economists' analytic skills development, and still quite disregarded. This state of affairs does not seem to meet anymore the logic of the need of future economists' training. Over and above, we need to manage quality of the International Economic Relations, in order to make and keep international economic interdependence "advantageous-equitable-coherent" [30, p. 115], and *enhance national sovereignty upon economic assets of a country*, which can be achieved by better quality of economics training, with more focus on on-going development of economic logic among professionals and raising economic culture for vast majority of populations.

"At a time when family and community structures are breaking up, education remains the main instrument that can knit together this fabric (society) into a new humanism; a humanism which recognizes the indivisibility of culture, across the arts and the sciences, the emotional and the rational, the perspective and the analytical, as well as across countries. Developing the concept of such a new humanism and sustaining its practical application is a major challenge for education

in the twenty first century” [31]; the latter thought is not less relevant to economists training for facing the future, particularly in economically disadvantaged countries.

## Conclusions

1. In the attempt to specify the importance of using mathematics by due caution of *emotional ergonomics*, mathematics-education-policy-makers should consider the need to raise returns to money allocated for teaching mathematics in the overall education sector, in the on-going capacity building sector. The importance of numbers, operations, fractions, ratios and percentages calculation(s) for *economic education* and *culture* enhancement will always be undeniable, yet, not to the detriment of developing interpretational skills, as of paramount importance for understanding and better use in economic thought development.
2. The problems about improper quality of teaching mathematics at lower school levels, combined with excess use of mathematics in teaching and training economic sciences to forthcoming professionals and societies at large, seems to become more a factor of economic dis-culturalization, instead of added-value production; it does not work enough for diminishing economic disequilibria and raising the state economic security.
3. Quite a few topics concerning significant aspects of economic performance cannot be subjected to empirical studies, or mathematical simulations, but they may matter a lot and these can be explored by focusing on *rhetorical analysis* and developing *scientific observation* techniques and skills for better decision making.
4. Rhetoric and hermeneutic analysis should pave deeper way in economics teaching and training.
5. Teaching economics should be considering more the importance of motivation, and be treated mostly as *idea production process*, based primarily on real life situations analysis, focused on need of skills to face unpredictable future. Teaching focused on more *training of economic logic* - compared to outdated excessive modelling/simulations, information dissemination and/or reproduction - gets us to the point of acknowledging economists mostly as problem-definers, idea producers and decision-makers.
6. Faculties of economic sciences should significantly build up skills of new generation of professional economists' training to face contemporary economic challenges, by teaching *economics of education* as a course of study, in the contemporary economics faculty/departments curricula.

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