

NEP Poll 36

Proposition 1: "Professional accreditation for the economics profession would attract more people to economics as a career."

Proposition 2: "The benefits of professional accreditation for current and prospective economists would exceed any possible costs"

Overview by: Professor Ross Guest, Dean (Learning and Teaching) and Professor of Economics, Principal Fellow - Higher Education Academy, Editor in Chief - International Review of Economics Education, Griffith Business School.

Last year, Jacqui Dwyer from the RBA gave an [address](#) on "What Happened to the Study of Economics". She lamented the dramatic downward trend in Year 12 economics enrolments of around 70 per cent over the past 25 years, apparently displaced by Business Studies. It is a similar grim picture at universities. Economics is being displaced by business-oriented subjects and is a declining share of the student population: from 2001 to 2016 enrolments in economics subjects at university have declined slightly (albeit by less than 1 per cent) while total enrolments at university have grown by over 3 per cent. Worrying also is the large and widening gender gap – half as many females as males study university economics. Also, the majority (over 55 per cent) of students come from high socio-economic backgrounds.

The puzzle is that the job market for economics is relatively robust. As Dwyer notes, graduate salaries are higher for economics qualifications than for general business qualifications and employment rates are about the same. Dwyer concludes that "...economics has an image problem. Too few students understand what economics is and how it is relevant to them."

Perhaps also, not only does economics have an image problem but economists have an identity problem. Economics graduates are less likely to be employed in their subject field (a point made by Dwyer). Unlike say bankers, who are employed in banks, economists are dispersed in a range of fields where their broad analytical training is valued. So their occupation or industry category does not define their professional identity.

This identity and image problem is the motivation for the first question the ESA asked in its latest poll: *"Would professional accreditation for the economics profession attract more people to economics as a career?"*

Before turning to the poll results, the idea of professional accreditation is not entirely novel. The Association of Certified Chartered Economists ([ACCE](#)) is a 'global association of economics and finance professionals', certified by the Global Academic of Finance and Management ([GAFM](#)). Claimed benefits of membership of this Association include networking, training through links to institutions worldwide, job matching, and professional designation and post nominals. That said it is hard to find, from their website, a full list of members and linked higher education institutions and any Australian links appear to be scant. But at least an attempt has been made internationally to accredit professional economists and a number of institutions and individual economists have apparently signed up.

The ESA poll returned 19 responses. Of these, 11 (58 per cent) either disagreed or strongly disagreed with the first proposition that accreditation would attract more people to economics as a career.

The response from Lisa Cameron resonated strongly with the comments from Jacqui Dwyer cited above: *“the problem with economics is not the career path but the image of the discipline...boring, middle-aged white men in grey suits who think they have all the answers.”* An interesting alternative to a professional certification is curriculum certification, suggested by Gigi Foster, where the Economic Society of Australia would be contracted to *‘set up and run a system of certification for tertiary curricula based on the National Learning Standards in economics that have already been developed and endorsed by the ESA (<https://www.economiclearningstandards.com/>)’*. This may improve the relevance and quality of the economics curriculum. This focus on the curriculum as the problem, rather than the career identity of economists, was echoed by Fabrizio Carmignani, who argued that *“the key to attracting more people to economics lies... in our (in)ability as economists to explain to the community, employers, and general public what we do and why; in our ability to show that the skills and logic acquired through studying economics can be applied to a large variety of professions and industries”*.

A pragmatic problem with accreditation is what to accredit. This was picked up by Peter Abelson and John Freebairn. Many degree programs have elements of economics, and many professional roles apply economic tools and principles to varying degrees. Who is an economist, and who does economics? Personally I tell all my students that they are economists in a sense because they all make choices about how to allocate their limited resources to achieve many potential goals.

But not everyone disagreed. One interesting argument (Brian Dollery) certainly never acknowledged by professional agencies, including ACCE mentioned above, is to create a barrier to entry and force up remuneration of economists. Although one could respond that remuneration is not the problem – economists are already well-remunerated. Like Gigi Foster, Tony Makin suggested a role for the Economics Society of Australia, which would be to initiate an accreditation process that he believes would *“bolster economics enrolments”*. Geoffrey Kingston argued that accreditation is appealing but as a profession *“we are not ready yet”* – we need to *“lift our game”* in terms of the quality of our analysis, prescriptions and predictions. This sentiment was echoed by Flavio Menzes who called for accreditation *“to improve economic discourse, public policy and business practice”*.

The second proposition in the poll was that *“The benefits of professional accreditation for current and prospective economists would exceed any possible costs”*. Responses were almost all in line with those on the first proposition. Those opposed to accreditation (the majority) believed that the costs would outweigh the benefits. Geoff Kingston was perhaps the exception (cited above).

As to my own views, first a declaration: I chaired the Working Group that developed the [Economics Learning Standards](#) to which Gigi Foster referred (and Gigi was a member of this group) under the auspices of the former Office for Learning and Teaching, the Economics Society of Australia and the Australian Business Deans Council. I suggest that many who rejected the notion of accreditation would also reject the need for economics learning standards. My response is that many disciplines have recognised the need for stakeholders in professional education: employers, governments, taxpayers, prospective students (international and domestic) and their parents, to have a shared understanding of what graduates know and can do. This gives confidence to stakeholders that their various investments in the higher education process and its outcomes have integrity and quality. I feel the same way about professional accreditation for economists – it is about quality assurance. That said, I acknowledge the bureaucratic compliance costs in such a process are an irritant at the very least, so they would need to be kept at a minimum, which draws me to the suggestions of a couple of respondents that the Economics Society of Australia could play a lead role in professional accreditation for economists.