

Arts and Humanities: An Economist's Glimpse*

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It is a great honor and pleasure to address the 3rd Annual International Conference on Humanities & Arts in a Global World organized by the Arts and Humanities Research Division of the Athens Institute for Education and Research . I would like to welcome all participants to Athens, Greece. Our participants are really global coming from 5 continents and 17 countries.

This is another manifestation that our world is becoming more globalized. Most economists would agree that globalization (or internationalization of economic relations) has been good for most of the national economies. Most countries have benefited from opening up their economies as is measured by higher per capita incomes and huge wealth accumulation. And beyond any doubt they have! If there is still a problem of poverty, then this is a problem of unequal distribution of wealth and not of its meager production.

Nevertheless, it has not been as good for economics as a science. Undoubtedly, economics as a discipline receives a lot of attention which exerts a strong pressure on academic economists to offer better explanations of how the world economy works. The world mass media ask for answers to the global economic problems and are looking at economists for answers, especially from those who were awarded the Nobel prize who naturally get most of the media attention.

It seems that the traditional economic approaches do not square well with an emerging new economic reality of economic and political instability. Economists themselves have recognized it. It seems that they cannot put up with the burden of offering valid explanations based solely on their own discipline.

Economists look for assistance at other disciplines primarily at social sciences, humanities and arts. I am aware of the definitional problems of the various disciplines. For some humanities is an all encompassing discipline and includes social sciences and arts. In this context, economics is part of humanitarian studies.

The last decade has shown an unprecedented increase of economic studies which emphasize the role of arts (i.e. culture) and humanities (i.e. history) in explaining

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world economic growth and development. In the words of Robert J. Shiller and Virginia M. Shiller (2011, p. 174) both from Yale University:

"After the apparent *failure of economists* to see the possibility of our recent financial crisis, there are emerging signs of greater interest in a balance between *specialization and knowledge of findings in other fields*, including history, psychology, and sociology. What can the profession do to encourage its members to continue this trend? Are there supports or incentives that could encourage young economists to have greater investment in reclaiming the title of worldly philosophers? Those who are in the position to influence the direction of economic research, including those who evaluate research proposals, engage in the hiring and promotion of researchers, or who manage scholarly journals, are in a key position *to encourage broader perspectives which bring together various approaches to allow a more sophisticated assessment of economic problems.*" (emphasis added)

The expression worldly philosophers was used by Robert Heilbroner in his 1953 seminal book to describe what he considers as 'Great Economic Thinkers'. Economists must study arts and humanities if they want to enhance their understanding of how the various world economies grow and develop. A good start is to understand the diversity of cultures and their effect on the accumulation of material wealth.

Culture and the World Economy

Arts and culture are interrelated. Culture is defined as human beliefs and values passed on from generation to generation. It affects the various manifestations of human expressions, in other words arts. Culture can also be affected and changed by arts and establish new beliefs and values. And all these affect the economy.

It has been only recently that culture has been recognized by academic economists as an important determinant of economic growth and development. Culture shapes the future of economic trajectories. And if this is true, then economic prosperity cannot occur without a new culture which can be achieved by the development of arts. This effect of arts on culture is completely ignored by the recent economics literature which emphasizes the role of culture on economic growth and development. I see it as fruitful future area of research for both the arts and economic scholars.

In a recent survey of the economics literature on culture and its casual effect on economic growth and development, Alesina & Giuliano (2015, p. 938) concluded that

"While much progress has been made in isolating the importance of culture and institutions, we need to do more to fully understand their complementarities and how they jointly affect development. To find empirical answers to these questions, researchers will need to assemble a chronology of both cultural change and institutional change and then examine the interrelationships between them."

Humanities and the World Economy

Adam Smith was a moral philosopher. He was also the founder of economic science. Unfortunately today philosophy has little effect on the development of economic science. Very few economists study philosophy and even fewer philosophers analyze economic issues and problems. However, other sub-disciplines of humanities have been studied by economists to explain world economic growth and development. History, not only economic history, has become a useful tool especially the history of institutions and societies.

In a recent paper, Tylecote, forthcoming in the *Journal of Institutional Economics*, reviews three influential books North *et al.* (2009), *Violence and Social Orders*, van Zanden (2009), *The Long Road to the Industrial Revolution*, and Acemoglu and Robinson (2012), *Why Nations Fail*. The author suggests that the propositions in the three books must be illustrated and defended with extensive reference to history.

Apart from history, many economic papers have been published which deal with the role of anthropology, geography, family, gender, law and politics, languages, religion, in determining the long processes to economic growth and development. These publications are surveyed by Alesina & Giuliano (2015).

Arts and Humanities have entered the field of economics. More research is expected in this exciting new field of academic inquiry. I am sure economists have more to learn by listening to what humanities and arts scholars have to say.

But this would be good for humanities studies as well and might be the answer to the alleged crisis in the humanities studies (Gutting, 2013). More and more economic students will enroll in humanities classes. This should be taken into consideration by all those academics who decide on teaching and researching in the area of humanities.

References

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