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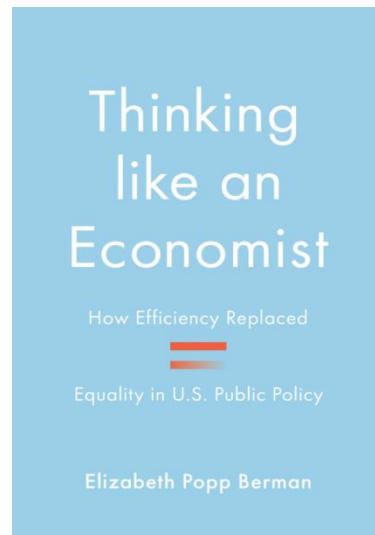
Berman, E. P. (2022). *Thinking like an economist: How efficiency replaced equality in U.S. public policy*. Princeton University Press. <https://doi.org/10.2307/j.ctv1vtz8n7>

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Higher education professionals, both faculty and administrative staff, must have at minimum a basic understanding of how U.S. policy influences their institution, their field, and education generally. For some, grasping frequently convoluted processes and concepts of policymaking may seem a daunting task; yet, policy formation is the foundation of higher education and therefore must be understood, even if only at the most fundamental levels. Elizabeth Popp Berman's *Thinking Like an Economist* provides an in-depth view into the role of economics in U.S. policymaking and its applicability to higher education and beyond. While she goes into the trenches of economic reasoning in policymaking, the average non-economically minded higher education professional will be able to glean meaningful takeaways.



Although the concept of “efficiency” sounds appealing and a likely goal for organizations and individuals alike, Berman presents a more ominous side of efficiency, with more than 60 years of deepening roots in American policy making. Using strong historical evidence from the 1960s through the 1980s, the author argues that public policy has become so entrenched with an aim for efficiency that many political pursuits are now nearly impossible to launch unless they contain at least some key principles of the economic style of reasoning. The economic style of reasoning emphasizes allocative efficiency and is now at the foundation of federal policymaking. Yet, Berman notes, this focus on “efficiency, incentives, choice, and competition” may frequently

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“conflict with political claims grounded in values of rights, universalism, equity, and limiting corporate power” (p. 4). As a result, and oftentimes to the detriment of equality and moral principles, the economic style of reasoning has inherently limited the abilities of the progressive left to propose any policy that is not dripping with economic logic.

The author presents a case so strong that once you see it, it cannot be unseen. As someone who works with federal policy and advocacy daily in higher education, I see clearly how the economic style of reasoning is in the forefront of policy decision-making. Many of the examples provided by Berman on political administrations’ decision-making processes parallel the decision-making of higher education administrators. Competition, a key concept in economics, is also well established in higher education culture, in part due to the federal government’s interest and financial contributions to higher education. For example, Mumper et al. (2011) demonstrated that the U.S. federal government typically only intervenes in higher education when it sees an opportunity to contribute to a “greater good” type effort, such as advancing and maintaining a sense of global competitiveness on a world stage.

Another strength in this volume is Berman’s attention to the Academy’s role in redefining how policy is influenced by the economic style of reasoning. Before its spread to public policymaking, the economic style of reasoning first seeped into academic fields like public administration; however, different schools of thought developed early on. For example, Harvard University and the University of Chicago held differing approaches to the economic style of reasoning, with Harvard leaning more liberal politically, and Chicago more conservative. Harvard, which encouraged more government intervention, and Chicago, which opposed Harvard’s stance, argued over how much regulatory control the government should have in markets and social policy. Applying these differing schools of thought to higher education institutions in general, Schmidtlein and Berdahl (2011) wrote that “unstructured competition reduced diversity and increases costs through program duplication, while excessive regulation restricts the ability of competent institutional leaders to take expeditious advantage of new opportunities and adjust to new circumstances” (p. 76). Berman notes this persistent debate on government intervention and market control continues to impact higher education-related policy directly. The examples of Harvard and University of Chicago serve as a reminder that the institutional influence of higher education is far reaching; and higher education professionals must ethically consider how actions, ideas, connections, and implementations affect the world outside of academic silos.

As one who has never received formal training in economics, I longed for more context behind some of the economic terms or phrases. The volume would have benefitted from a glossary for the non-economist with definitions of commonly used economic terms and lists of the myriad of acronyms found in the text. For example, the book lacks a clear definition of “efficiency,” although it should be noted that this is not necessarily the fault

of the author. Rather, this slippery conceptualization stems from the field of economics, in which each scenario is completely circumstantial with inconsistent reasoning as to whether it will be morally contemplated or economically measured. I was left wondering how we can even measure efficiency since each situation's "efficient" output remains so unique and challenging.

Yet another concept in need of greater definition, albeit also formidable because of its fluidity, is the notion of "the economists' moral compass." Most of Berman's examples emphasize an allocative-efficient output that makes little moral sense. In one of her many environmentally focused examples, she describes a situation in which communities of Color were being affected by pollution more severely than predominately white communities. Rather than setting a goal to reduce pollution entirely through regulation of the polluting industries, the more "efficient" response was to reduce the pollutant levels in communities of Color to match white communities by using competition and incentives among industries to control the pollution outputs. While an issue of racial injustice may have been resolved, the overall problem persists: pollution is now affecting everyone equally.

A second example of the shortcomings of the economist's moral compass relates to the debate around healthcare as a basic human right. In the United States, universal healthcare creates contention in the public mind. Berman observes that the economically efficient response to the universal healthcare debate is to reduce government intervention and encourage competition to keep consumer costs low and avoid consumer overuse – a concern of the Reagan administration back in the 1980s. While the federal government subsidizes healthcare for low-income families and individuals, generally healthcare is associated with tremendous costs despite competitive insurance choices. I was pleasantly surprised that Berman offered an example where cost-benefit analysis, that is, the economically efficient approach to policy, was morally inappropriate: Access to facilities for individuals with disabilities (p. 169). Yet, after reading this singular example of moral goodness trumping efficiency, competition, and incentives, I was left uncertain as to how and when morality is able to enter or guide discussions in public policymaking.

Despite its seemingly uneven moral stance, economic reasoning does have value and is easily transferrable to work in higher education. For non-economically minded individuals, rather than becoming overwhelmed by the deep analyses of economic reasoning, simply glean the themes and overarching message about the conundrum of whether efficiency and morality can both be served or if they are inherently in conflict. Berman describes how economic reasoning may be used to affect change, but also notes how it can be an ominous foe for the progressive left to overcome in policy and funding decisions. Left-leaning readers should focus on the empowerment allowed by this knowledge and channel it toward more

meaningful approaches and solutions. In conclusion, Berman's presentation of economic style reasoning should inform higher education practitioners, if not to make them more effective, at least to deepen their understanding of how policy decisions are made.

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About the Reviewer

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