

Is Economic Science Pluralistic in a Selective Way?

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Abstract. Respectable heterodox economists have been struggling for theoretical and methodological pluralism (that is against exclusion) and insisting on communication inside and outside the boundaries of heterodoxy for more than thirty years. From the other side, however, mainstream economics is not only sensitive, but rather vulnerable to any type of questioning its openness and readiness for critical conversation as well as tolerant communication between different strands of thought. This continual disagreement between them was the main inspiration for this paper. So, its purpose is to analyze whether economics has been transforming to become more pluralist oriented. We shall do it through review of findings lately offered by the literature about theoretical justification of pluralism and the ways of its “reviving” in economics.

Keywords: Pluralism, Heterodoxy, Mainstream Economics

1. Introduction

In the field of economics gaining more knowledge about economic world requires introducing of diverse standpoints (theoretical frameworks, approaches and methods) so that behaviour in different economic and social systems can be understood as much as it is possible [1]. However, perplexities of pluralism (its nature, sources and classifications) are so complex that may produce misunderstandings even among those who supported the standpoint in general [2].

In order to escape this kind of trouble, we would like to precise a few things: a) Pluralism of theories can't be questioned when it is considered to be a direct consequence of scientific autonomy (free choosing of the problem or researching area of interest). In that sense it certainly exists; b) Theories, conceptions and ideas are interchangeably used in this paper, whereas theoretical and methodological pluralism are understood as pretty much interwoven. So, mentioning of either of these pluralisms will refer to different types of “deepening” of economic science (by removing “boundaries” set within the field of economics or around it); c) Defending of theoretical as well as methodological tolerance, although well intentioned, may cause some sort of confusion in the discipline of economics and/or weaken its relative position. And insisting on reconciliation of diverse traditions (through discovering what they have in common) will eventually prevent economics from becoming more pluralistic and probably will enable it to “slip” once again into monistic state.

To be clear and honest to any reader of this article, I must admit not to be an entirely impartial observer here. First of all, I am truly convinced that even partial and sometimes *ad hoc* inclusion of some heterodox ideas could bring valuable perspectives in economics. Also, I am inclined to the views stating that (re)opening of economics to approaches originating from other sciences would not do any harm to economic science. Still, I hope it would not endanger the main purpose of this paper – to find out whether economics is transforming to become more pluralist-oriented. In performing this task I'll take a look at the latest news about this issue in economics literature [3; 4; 5; 6; 7] by sublimating very well known pleas for pluralism and by making critical comments on them (when I considered it necessary and appropriate).

2. Reviving of Pluralism in Economics

The literature generally accepted that flourishing of different theoretical standpoints starting from XIX century to the interwar period in XX century proves that pluralism (as coexistence of diverse theoretical stances) was the feature of economic science at the time [6; 8]. However, after World War II economics has

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dramatically transformed its language and tools, becoming more formal and continued to narrow [8]. Regarding this period economists disagree whether it led to permanent or just temporal establishing of theoretical monism, or all the trials meant to establish monism have failed [3].

The toughest stance against monism was expressed by attitudes of heterodox economists, whose pleas for pluralistic economics started to cumulate (and to multiply) with more or less success for last thirty years [2; 3; 9].

Their story about methodological pluralism refers to “deepening” of economic science itself by considering different (new or more often previously neglected) approaches and research topics. In this sense economics seems to be rigid, particularly in after-war period of its development. At the time dominant paradigm is treated not only as the preferable conception, but rather as absolutely superior one, which set institutional limits to alternative standpoints [9; 10] and traced trespassing invisible boundaries within the discipline. In other words, research approaches belonging to heterodox schools are either subtle excluded or disadvantaged due to economics’ almost exclusive focusing on problems defined within the mainstream.

Repeated appeals for pluralism induced discussions about potential “reconciliation” of opposite “camps”. The fact that neoclassical economics has not being inclined to pluralism is taken for granted. However, heterodoxy’s support of pluralism was also questioned, i.e. they were accused for doing so on monist ground instead of practicing it in theoretical pluralist way [11]. In order to find out what actually happens regarding pluralistic tendencies and motives inspiring them, let’s review just a few points from the literature.

Those favouring mixed methods approach [12; 13] or so-called consensual pluralism [7] defend the stance that different starting points and methods of diverse traditions should not be treated as irreconcilable, but rather as complementary. It is supposed that we can determine the merits of various proposals (although each of them is inevitably partial) and then decide which combination of methods is appropriate for particular purpose. This reduced form of methodological pluralism was suggested by Diamond, who claimed that pluralism can be the short-run alternative (when mix of methods is appropriate and prove superior) until the time (the long-run) “to-be-hoped-for alternative” will be invented [13, p. 199]. It is quite similar to the claim that pluralism is beneficial if exchange of ideas followed by tolerant conversation is present. That is why Van Dalen [14] argues for so-called “bio-diversity of views” as desirable (and at the same time natural) state of affairs in economics. In order to convert this desirable into actual state, pluralism of ideas is to be institutionalized on both levels: in academia and among policy makers. He insists that adopting a common language (of neoclassical economics) represents a necessary condition, while enabling the education of economists to become innovative is understood as sufficient condition for attaining the above-mentioned aim.

Another group of those supporting pluralism insists on competition among paradigms as relevant not only for pluralism itself, but also for the development of economics [15]. No matter whether they treated paradigms as completely incommensurable (fundamentally incompatible) or rather different in their important segments, they stick to traditional dividing of economics into orthodox and heterodox ones (without any intention to work out a reconciliation of conflicting views and/or reaching imaginary consensus of scientific opinion). This pluralism can be classified into antagonist type [7] or some kind of mixture of two sorts of pluralism (antagonist and agonist). So, their mission of establishing pluralistic economics is twofold: aimed at preserving and developing heterodox approaches along with providing the stimulus for new, lively debate within the boundaries of mainstream. The key words this group insists on are critical conversation (within each of mentioned “clusters” or between them) and tolerant communication between diverse approaches (based on the concept advocating free competition of ideas).

One more example of methodological and rational justification for pluralism is presented in the paper recently published by Gala et al [16]. They insisted that only two authors (McCloskey in economics and Rorty in philosophy) can be praised for emphasizing the significance of discussions and debates for progress of science. Scientific has not seeking some imaginary “truth”, but deals with resolution of new (concrete) problems each discipline has been facing with. In doing so, science is supposed to leave the space open to plural methods and approaches which may offer better understanding and coping with reality. And what makes this view non-ordinary one is its determination of pluralism as not long standing tradition, but rather long term alternative.

All of these viewpoints have something in common: constant warning of unsatisfied state of economic science (caused by the lack of theoretical and methodological diversity) and insisting on critical and constructive conversation among and between different approaches. Also, they are good examples how to preach and promote theoretical and methodological tolerance (as the coexistence of different approaches, theories, methods and so on).

However, keeping in mind that pluralism is considered to be more likely transitional (short-term) alternative, most of these standpoints seem to be inspired by the idea of achieving dominance. In other words, they were having, although not explicitly demonstrating, aspirations to replace one type of orthodoxy with some other of different kind [3].

3. “New wave” – Example of Selective Pluralism in Economics

“Deepening” of economic science is not exhausted only with above-mentioned transforming directed to recognizing and accepting valuable insights of heterodoxy. Another type of “deepening” can be achieved by import of content from other fields (of science in general and social science in particular), since it can make useful contributions to research in economic field. And until recently (20-30 years ago), economic science was even reluctant to discuss such tendencies since economists were somehow locked in [17; 18]. It can be explained by the fact that at the height of economic imperialism phase economics was more homogenous since it was dominated by neoclassical economics [5, p. 7]. Under the circumstances when economists shared the same methodological position, pluralistic impulses were somehow silenced. However, after this phase (representing some sort of “incarnation” of temporal monism) economic science experienced continual transformation.

Owing to appearance of collection of diverse and competing research approaches (like game theory, experimental economics, behavioural economics, evolutionary economics, neuro-economics and so on) economics seems to enter a new stage on the development. It experienced a sort of “reverse imperialism” [19], since imported its content from mathematics, natural science, psychology and other disciplines. This way economics became less homogenous – i.e. neoclassical dominance being replaced by more pluralistic mainstream economics [5, p. 8], where those different research approaches competing for dominant position in the sphere of economics.

This new phase is characterized by following things [5, p. 2-3]: 1) there has been a turn in economics, caused by both neoclassical losing its dominant position and the appearance of new approaches; 2) mainstream economics has expanded - it does not refer only to neoclassical one, but also includes already mentioned new approaches; 3) the above-mentioned turn involves not only change in ideas, but rather change in economics’ content.

Elaborating the thesis that neoclassical standpoint is no longer dominant in economics Davis [5, p. 13-14] presented 3 relatively different explanations (breakdown view, outside takeover view and maturity view) why it is happening. I certainly agree with statements of maturity and breakdown views. Precisely, it is true that neoclassical economics fulfilled its role by explaining phenomena under defined (but also limited) scope, reaching this way maturity phase (its zenith). The same goes for the assertion that there are many inherent barriers to further development of neoclassical economics since it contains a lot of contradictory elements. However, the claim that economics might experience takeover from outside does not seem to me as possible outcome, since (as we shall see) new approaches (although originated from other sciences) were warmly welcomed in economic science exactly for their being able to adapt themselves properly [20].

New research approaches can be considered as another type of heterodoxy, or so-called mainstream heterodoxy [6, p. 359-361], on threefold base: it represents a part of the mainstream since it includes professionally successful economists (like, for example, Kahneman and Vernon Smith) supporting unconventional standpoints in economics; new heterodoxy is consisting of really heterogeneous programs having “antecedents in existing heterodoxy” [6, p. 360]; these approaches don’t stick to fundamental assumptions of neoclassic (i.e. they made a certain departure from neoclassical tradition).

Certainly, no one can deny the fact that theoretical developments, which (recently) have been taking place within the mainstream, produced valuable insights. But, what are concrete contributions offered by these improvements? Are they representing the evidence that contemporary economics is pluralist-oriented?

First of all, range of research topics has actually been broadened, which on the surface may seem as a sign of some sort of pluralist orientation. If we consider only movement within the mainstream (leaving traditional heterodoxy aside), new approaches seem to have offered contents which are in some extent different when being compared to neoclassical one [5]. Still, refinements in economics are usually of the kind which treats methodology exclusively in a narrow sense (through changes concerning methods and tools in economic analysis). Furthermore, theories continue to be judged by novel mathematical sophistications [18], instead of “novelty of their empirical implications” [13, p. 196]. This overrated presence of mathematical formalism may somehow jeopardize progress of the discipline itself since economic part (and share) of explanation is becoming of secondary or marginal importance comparing to mathematical one [21]. From the other side, evidence on pattern and speed of diffusion of, for example, experimental technique for empirically testing hypotheses in economics suggests that this spread seems neither straightforward nor especially rapid [22]. On top of everything, contrary to the field of economics - where some pluralism does exist [14; 5], in the sphere of teaching prevails one-sidedness (“dogmatism” of neoclassic covered with the veil of mainstream economics). The process of change within the field of economics has not developing simultaneously in economics instruction (pedagogy) and economics research. The latter precedes and generates (with a certain time lag) changes in the former. That is why nowadays generally accepted neoclassical ideas still dominates economic teaching, although in the area of economic research we have a lot of new, and even divergent, approaches [5]. It takes much time for fresh non-neoclassical ideas to cause a new switch in economic instruction.

These couple of examples can serve as obvious arguments that mainstream economics (being still mostly focused on techniques and mathematical models and deprived of serious engaging either with controversial ideas or with empirical/reality questions) only selectively and on *ad hoc* basis allows pluralistic tendencies.

4. Post-normal or Trans-Science of Economics?

Emergence and proliferation of new research approaches was treated as the evidence of “new wave” of pluralism in economics, which started in last two decades of previous century. Judging by these and other similar tendencies, economics historically has alternated between the phases of dominance of single approach and stages of pluralism which succeeded one another in more or less regular way [6]. Accordingly, each of these phases appears to be transitional rather than permanent state of affairs in economics. What can we expect to be the outcome of current trend and actual (although somehow atypical) pluralist phase: new orthodoxy or even more pluralistic economics?

Having in mind history of economics as well as its relative position as scientific discipline re-emergence of new dominant approach is to be more likely outcome [23; 6].

Kuhn [23, p. 145] explained period of revolutionary science as the time when many different approaches are competing with one another to achieve dominance. After that, period of normal science with one dominant paradigm succeeds. Davis anticipated the same sequence of events: from pluralist period (when heterodox approaches are competing) historically follows appearance of new orthodoxy [6, p. 361]. But, being aware of the fact that continual transformation of economics can not be labelled as revolutionary (since not having extraordinary character), he suggested another solution. According to his opinion, economics may be considered as post-normal science (in the sense opposite to Kuhn’s normal science), if we take into account the fact that it is characterized by high uncertainty and weak consensus about science’s underlying values [6, p. 353]. In fact, complexity and uncertainty of contemporary problems are of specific kind which certainly prevents economists from providing definite answers. In that sense, economics is closer to the state of trans-science (since economists’ capabilities are not up to its challenges) than to the state of post-normal science, which should, according to Scott [24] be characterized by change of scientific challenge.

New economic researches have limited communication with traditional heterodoxy. Sometimes it happens due to the resistance expressed by “old” heterodoxy - in the sense of its not being interested to become more familiar with trends within mainstream. But, more important reason for lack of cooperation follows from other differences between them [6, p. 359-361]. First of all, status of new (mainstream) heterodoxy is much better than status of traditional heterodoxy. Besides, while traditional heterodoxy insists on pluralism in economics, most of new approaches accept possible dominance of a single approach. And

finally, new heterodoxy is opposite to traditional one because it accepts methodological tools of actual orthodoxy (i.e. it has no doubt about necessity of high degree of formalism).

That is why it is more likely that combination of new approaches, rather than cooperation with traditional heterodoxy, will result in new orthodoxy. And according to the degree of departure these approaches can make from neoclassical one, two pathways to a new orthodoxy are possible: conservative and transformational [6, p. 362-365]. On the former pathway there is a limited departure from current orthodoxy and no substantial change in economics, whereas on the latter substantial transformation is aimed at the replacement of neoclassical conception by some alternative. Taking into account “balance of power” within mainstream heterodoxy, Davis made a conclusion that conservative pathway is far more certain [6, p. 364]. And I would like to add one more argument to confirm his claim. Since traditional heterodoxy is inadequately positioned to influence the way on which economics is in fact changing, it neither can impose stronger departure from neoclassical standpoint nor has it a chance to suggest or power to reinforce transformational pathway.

5. Concluding Remarks

According to history of economics, economic science every now and then went through “non-regular cycles” as periods of one approach dominance being replaced by periods of pluralism and vice versa. In the after-war period economics has been dramatically transformed – once again it experienced theoretical monism followed by continual ascent of pluralistic enthusiasm. What really has changed since the time when first critics and warnings of unsatisfied state of economic science were announced?

Speaking of heterodox schools we can say that each of them became stronger in some selected areas (where orthodox theory “failed”) and became louder and more visible; but, as “entity”, heterodoxy in general wasted its efforts on critics of neoclassical standpoint instead of creating own identity. In other words it has not evolved as a whole, but rather stay in a state of “isolated” diversity [25]. Orthodox economics reacted and responded to the critics either in the form of theoretical explanations meant to justify and defend itself or, in more concrete way, trying to make corrections and changes within the mainstream.

Contemporary economics still experiences self-reinforcing cycle by allowing new approaches to be visible only if they conform to the methodological norms espoused by mainstream. This means that conversation between different “strands” of economics will go on under the condition of its being conceptualized as deeply analytical (no matter whether it is interesting, eye-opening, meaningless and so on). In other words, mainstream nowadays accepts pluralistic views in a limited way and it applies so-called selective pluralism. Out of these reasons, relatively pessimistic expectations concerning character of new pluralism were fulfilled. They correspond to findings of earlier research claiming that changes in economics are mostly of evolutionary rather than revolutionary character [26]. In fact, fear from intellectual vacuum will prevail, so that scientific revolution in economics (in the sense of discontinuity with the past) is not even on the horizon [27, p. 85].

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