

# Pluralism versus Heterodoxy in Economics and the Social Sciences

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**Abstract:** Pluralism is the concept that there is no single methodology that is always the correct one for discovering scientific truths, so multiple approaches and methodologies are required for a complete scientific understanding of a subject. Heterodoxy refers to those approaches to a subject that are outside of the generally accepted mainstream. While pluralism and heterodoxy are not necessarily inconsistent, heterodox economists tend to follow one particular methodology or school of thought rather than taking an eclectic approach to economic understanding, and heterodox economists often criticize approaches other than their own. Thus, in most cases, heterodox economists, by defending their own schools of thought and critiquing other approaches, are not pluralistic. The paper advocates a pluralistic approach to the social sciences over the more narrow approaches typically promoted by heterodox schools of thought.

**Keywords:** heterodox economics, orthodox economics, pluralism, open systems

## Introduction

Methodological pluralism "...takes as its starting assumption that no universally applicable, logically compelling method of theory appraisal exists." (Caldwell 245) Thus, if one adopts the precepts of pluralism, a variety of methods and approaches are appropriate for understanding economic and social phenomena. Heterodoxy refers to methods or schools of thought that lie outside of the mainstream, or orthodoxy. Landreth and Colander (Landreth and Colander 7) say that "... one defining characteristic of a heterodox school is 'revealed illegitimacy.' If the mainstream sees little or no value in a group's views, we define that group as heterodox." While pluralism and heterodoxy are not necessarily inconsistent, heterodox economists tend to follow one particular school of thought or

methodology rather than taking an eclectic approach to economic understanding. Indeed, heterodox economists are often openly critical of methodologies and schools of thought other than their own. Thus, in most cases, heterodox economists, by defending their own schools of thought and critiquing other approaches, are not pluralistic. This creates an inherent tension between pluralism and heterodoxy.

The "Call for Papers" for the 2006 Association for Heterodox Economics conference is interesting in this regard, referring to the previous year's conference that produced "...papers on pluralism in economics, in opposition to the currently non-pluralistic dominance of the neoclassical mainstream."<sup>[1]</sup> Two things are noteworthy in this sentence. First, it sets up pluralism in opposition to the neoclassical mainstream, rather than embracing the neoclassical mainstream as a part of a pluralistic approach to economics. Second, it paints the neoclassical mainstream as non-pluralistic, but as this paper argues below, there are at least three distinct methodologies within the mainstream, making that mainstream more pluralistic than many heterodox schools of thought.

One thing heterodox schools of thought in economics have in common is that they are critical of the mainstream orthodoxy, but heterodox schools do not embrace each others' ideas or methodologies, and are not pluralistic in their approaches. While pluralism and heterodoxy are not necessarily inconsistent with each other, in fact heterodox schools of thought promote their own ideas and methods as superior to others and do not embrace pluralism.

## **Is heterodox economics pluralistic?**

The question asked by this section's heading is, perhaps, inappropriate, in that some heterodox economists may be pluralistic in their approaches to economics while others may not. Nevertheless, in general the members of heterodox schools of thought do not argue for an eclectic approach to economics that includes their ideas along with the ideas of others; rather, they argue that their ideas and methods are preferred to competing ideas and approaches. Some examples can illustrate this point.

The web site for the Union for Radical Political Economists (URPE) states that "URPE's core purpose is to be an alternative professional organization for left political economists and an intellectual home for academics, policy-makers, and

activists who are interested in participating in a left intellectual debate on theoretical and policy issues.<sup>[2]</sup> URPE does “promote a new interdisciplinary approach to political economy which includes also relevant themes from political science, sociology, and social psychology.” Further, “URPE has attempted to maintain a broad community of left academics and intellectuals among its membership, despite individuals’ diverse political and theoretical perspectives.” Thus, URPE accepts pluralistic views – but only when they conform to the left political orientation of the group.

The URPE web site for URPE’s journal says “The *Review of Radical Political Economics (RRPE)* publishes articles on radical political economic theory and applied analysis from a wide variety of theoretical traditions: Marxist, institutionalist, post Keynesian, and feminist.<sup>[3]</sup> The examples listed here include what some might argue are closely related schools of heterodox thought, and they obviously exclude both more mainstream areas of inquiry and other heterodox schools of thought.

The *Journal of Post Keynesian Economics* makes no mention of the hallmarks of post Keynesian economics in its description, saying it is “A scholarly journal of innovative theoretical and empirical work that sheds fresh light on contemporary economic problems.<sup>[4]</sup> While the journal description gives no indication of a uniformity of ideas in post Keynesian economics, the school is dedicated to promoting and developing the ideas of John Maynard Keynes (as opposed to the Keynesian framework that rose to prominence in the 1950s and 1960s), such as the fundamental uncertainty (as opposed to risk) that is inherent in economic activities, and the development of macro outcomes without reliance on micro foundations. More relevant for current purposes, post Keynesians reject the neoclassical general equilibrium approach to macroeconomics that has risen to prominence, displacing Keynesianism as the dominant orthodox macroeconomic paradigm. While no school is homogeneous, in the sense that all of its members think exactly alike, post Keynesianism clearly takes a particular approach to economic issues, and the school is anti-pluralistic in that it is antagonistic toward other approaches – especially those that are now considered mainstream in macroeconomics.

*The Quarterly Journal of Austrian Economics* lists as its mission “to promote the development and extension of Austrian economics and to promote the analysis of contemporary issues in the mainstream of economics from an Austrian

perspective.<sup>[5]</sup> Clearly, that journal promotes a heterodox viewpoint on economics, but not a pluralistic one. Similarly, the *Journal of Institutional and Theoretical Economics* advertises, "Over the last decades there has been a remarkable expansion of research in the field of modern institutional economics. Not only is the volume of new writing growing rapidly, but modern institutional economics now has wide recognition as a distinct field of study. The *Journal of Institutional and Theoretical Economics* provides a specialized forum for the publication of this research."<sup>[6]</sup> Again, the journal provides a forum for a particular heterodox approach to economics, but explicitly admits that it publishes articles using a particular approach to economics and is not pluralistic.

Examples serve to illustrate the point that in general, heterodox schools of thought are not pluralistic, but the point is almost self-evident without the examples. Any economists who identify themselves with a particular school of thought are essentially saying that they think that particular approach to economics is superior to the alternatives. Economists who say, "I am a Marxist," or "I am a post Keynesian," or "I am an Austrian," are saying that they accept the tenets of that school of thought over those of other schools. Indeed, schools of thought only make sense within this context. Otherwise, the school of thought would just be a component of a larger economic doctrine.<sup>[7]</sup>

In this context, it is interesting to note the range of heterodox journals – some mentioned above – that have been designed for the specific purpose of publishing work within a particular school of thought. Some specialty journals, such as the *Journal of Macroeconomics*, *The Journal of Public Economics*, and *The Journal of Labor Research*, are intended to publish articles within a specific area of inquiry, in contrast to general journals such as *The American Economic Review* and the *Economic Journal*, which are nominally open to economics articles in all areas of inquiry. The heterodox journals are like the general journals in that they are open to articles covering all areas of economic inquiry, but only publish work written from the viewpoint of a specific school (or group of related schools) of thought.

Heterodox journals arose in response to the perception that mainstream general journals and field journals are not receptive to articles written from a heterodox viewpoint, and this is obviously true to varying degrees (but, see the following section). For example, one might consider the *Journal of Political Economy* to be a general journal, but it is equally easy to view it more narrowly as an outlet for

work done in the tradition of the Chicago school.[8] This view would suggest that the *Journal of Political Economy* is not pluralistic either. While one could hardly object to the adherents of a heterodox school of thought maintaining their own journal to promote the ideas of that school of thought, much as the *Journal of Political Economy* promotes the ideas of the Chicago school, heterodox journals are not pluralistic by design.

The larger point is that these heterodox journals show the inherent tension between heterodoxy and pluralism in economics. Heterodox journals are not pluralistic; rather, they promote a particular school of thought or point of view over other alternative approaches. This mirrors the larger community of scholars who read and write for those journals. All serious academicians are open to good ideas, regardless of their origins. Nevertheless, after serious study heterodox economists share the common trait that they find significant flaws in the economic orthodoxy. In preferring a different approach to economic analysis, however, they typically also find equally serious flaws in other heterodox approaches. Despite common elements that link some heterodox schools more closely to each other than to the orthodoxy, a Marxist, for example, is likely to be at least as critical of the Austrian school as the mainstream, and similarly, an Austrian is likely to be at least as critical of Marxism as the mainstream.

Of course, one could accept the validity of many heterodox schools of thought by taking a pluralistic approach to economics, but then one would not be a member of any one of the schools. There are economists like this – Bruce Caldwell advocates methodological eclecticism, placing him in this category – but people who declare themselves to be members of some school of thought are not pluralistic precisely because they accept and promote the ideas and methods of one school of thought over others. Because most people who identify themselves as heterodox economists also identify themselves as members of some specific heterodox school of thought, heterodoxy in economics is in general antagonistic to pluralism.

## **Is orthodox economics pluralistic?**

Heterodox critics of the mainstream argue as if mainstream economics is not pluralistic, yet there are at least three distinct methodological approaches that are generally accepted in mainstream economics, even though they are methodologically inconsistent with each other. Methodological positivism is one

clearly identified methodological approach to economics, thanks to Milton Friedman's famous 1953 essay advocating it. A competing methodology is the axiomatic general equilibrium approach to economic analysis. Yet another competing methodology is strictly empirical. The empirical approach argues that theory does not make clear predictions about the effects of human behaviour, so everything in social science is an empirical question. Therefore, the only way to understand economic reality is through an examination of the data. In addition to these three contrasting approaches that are in the mainstream, other approaches (such as experimental economics) are also accepted by the orthodoxy even though they conflict with other mainstream methodologies. But it should be sufficient to show that if there are at least three different methodological approaches to economics that are readily accepted by the mainstream, the mainstream orthodoxy is, in fact, pluralistic.

Methodological positivism, following Friedman, has provided a widely accepted framework for mainstream economic research for more than half a century. Following this methodology, the researcher puts forward a model with empirically testable (that is, in principle falsifiable) predictions. The model is then tested empirically to see if the data of the real world conform to the model's predictions. While tests can never prove a model to be true, they can falsify a model by contradicting the model's predictions.

The positivism promoted by Friedman has been subject to substantial criticism. For example, McCloskey argues that economic research does not, in fact, follow the dictates of positivism, despite the claims of the researchers, and furthermore, that the way economic research actually is done is superior to the way researchers claim they are doing it. Other critics (e.g., Blaug, Boland, Caldwell, Holcombe) note that at the time that Friedman was promoting positivism, the sciences were rejecting it because of methodological problems, and that ultimately positivism is inherently unworkable.[9] Despite a huge literature commenting on and criticizing Friedman's positivism, it is interesting to note that Friedman never responded to his critics and never wrote another word on the subject. Nevertheless, methodological positivism remains firmly entrenched in the economic orthodoxy. Article after article in mainstream journals lay out theories that generate empirically testable hypotheses, and then claim to test those theories against real-world data, following the positivist methodology advocated by Friedman.

Axiomatic general equilibrium theory offers a different approach to economic methodology which is inconsistent with positivism but equally accepted in the

mainstream. Its modern embodiment can be traced back to Hicks and Samuelson ("Foundations"). In this axiomatic approach, models start with particular assumptions which, contrary to the positivist approach, are not subject to test. Conclusions are then logically deduced from the theoretical models which are, following this methodology, irrefutable. For example, Arrow and Debreu proved the existence of a unique and stable competitive equilibrium, not as a hypothesis that is subject to empirical testing, but as a logical and untestable conclusion that follows from their axiomatic framework. This laid the foundation for neoclassical welfare economics, as elegantly described by Bator and Graaf, which in turn has laid the foundation for a substantial literature on market failures of all types. Many public policy prescriptions have been drawn based on a comparison of real-world conditions to the inherently unobservable and untestable theoretical optimum allocation as described by competitive general equilibrium. This methodology not only is different from methodological positivism, it is inconsistent with it.

It is not uncommon for contemporary general equilibrium models to contain a substantial empirical component, as the parameters of the models are calibrated using real-world data. However, this empirical work is fundamentally different in its underlying philosophy from the positivist approach to economics. The model is not being tested by the data; rather, in order for the calibrated model to be descriptive of the real world, the underlying structure of the model must by assumption be accepted as an accurate model of the structure of the real world. That theoretical structure is axiomatically accepted as accurate, and is not subject to testing or verification.

Yet another approach to economic methodology, generally accepted by the mainstream, is wholly empirical. In this approach, theory does not constrain real-world outcomes in any way, so any real-world outcome is possible. One must then look to the data to discover regularities in economic behaviour. For example, Kagel et al. show in an experimental setting that in general, it is possible to manipulate the choice set of an individual consumer such that goods become Giffen goods with upward-sloping demand curves. Whether demand curves slope up or down is an empirical question, following this line of reasoning. Real-world outcomes are so unconstrained by economic theory that essentially all economic questions about the real world are empirical questions. Similarly, Kahneman, Knetsch, and Thaler argue that there are systematic anomalies in human behaviour that can be discovered through empirical investigation. These

behavioural anomalies call into question the axiomatic foundations of general equilibrium theory, so this empirical methodology finds itself inconsistent with the axiomatic general equilibrium approach to economic analysis. Smith argues that a wide range of economic questions do not have unambiguous answers based on theory, requiring empirical investigations to uncover answers.

Much of the literature in experimental economics starts with the premise that there are questions that are unanswerable in theory, so empirical investigation is required to uncover economic regularities in the real world. However, this same approach extends well beyond experimental economics to articles that uncover empirical patterns in data not to test a theory, or even to claim that those empirical patterns must hold in all circumstances, but rather to show that in some particular circumstance an empirical regularity has been uncovered. One of the more famous cases is the Phillips curve, discovered by A.W. Phillips. Interestingly enough, in a substantial abuse of methodological positivism, Samuelson and Solow criticize Phillips for offering readers evidence of an empirical regularity without any theoretical foundation behind it – and remedy this shortcoming by presenting a theory that is consistent with the data.

The point of this section is to show that despite heterodox criticisms of the orthodoxy as being inhospitable to alternative methodologies and schools of thought, that orthodoxy contains within it at least three mutually inconsistent methodologies that are generally acceptable to the mainstream orthodoxy. That is, the mainstream orthodoxy in economics is pluralistic. Methodological positivism, axiomatic general equilibrium theory, and empiricism that looks for empirical regularities in economic phenomena that can be uncovered by statistical analyses are methodologically inconsistent with each other. An examination of methodologies commonly found in mainstream economics journals reveals (at least) three different methodologies that are routinely accepted by orthodox economists and published in orthodox journals. The orthodoxy appears to be more accepting of pluralism than its heterodox critics.

Furthermore, over the last half of the twentieth century, approaches that were at one time heterodox – that is, not generally accepted by the orthodoxy – have increased their acceptance among the economics profession to the point that they are now a part of the orthodoxy. Public choice is one example. The economic analysis of political decision-making once was considered by economists to be outside the bounds of economic analysis and a part of political science by the



orthodoxy, but now it has been assimilated into the mainstream. Similarly, the new institutional economics was outside the mainstream a few decades ago, but now is increasingly accepted as a part of mainstream economics. Experimental economics has seen the same change in status, from being viewed by economists as a branch of psychology examining economic behaviour to a part of the mainstream orthodoxy.[10] Surely an orthodoxy that accepts approaches formerly considered outside the mainstream must be considered pluralistic.

Tony Lawson ("Nature") offers the insightful counterargument that despite a variety of approaches in the mainstream, the mainstream only accepts ideas that are structured in a mathematical framework. Based on Lawson ("Reorienting"), he argues that this requires the acceptance of a closed system, which is ontologically opposed to the open system approach of heterodox schools. Thus, orthodoxy in economics is characterized by a closed system view of the world presented within a mathematical framework, whereas heterodox schools have in common an open system ontology and accept theoretical frameworks that do not have mathematical models as their foundation. Thus, the mainstream in fact not pluralistic, because it rejects non-mathematical analysis.

Lawson's analysis may explain why heterodox economists find it difficult to join in a debate with mainstream economists and get their work published in mainstream journals, but it does not refute the observation that the mainstream is pluralistic, because the mainstream accepts many pluralistic approaches to economics. Pluralism does not have to mean accepting the ideas of every school of thought, and the arguments in the previous section that the mainstream is more pluralistic than heterodox schools of thought still hold. And while Lawson ("Nature" 500-503) suggests that all heterodox schools are linked by a common ontology and are subdivisions of a common larger research program, this argument hinges critically on what schools of thought are considered heterodox. Lawson lists both Marxism and Austrianism as heterodox schools, and they do share the same open system view of the economy and are critical of the required mathematical formalism in mainstream economics, yet it would be hard to argue that they are pluralistic, in the sense of being receptive to the ideas of the other school.

The previous section argued that heterodox schools of thought, and their journals, are not pluralistic, using as evidence their explicit statements that they focus on the work of members of their own schools, to the exclusion of others. The argument in this section is symmetric, in that not only do mainstream journals

not make any explicit statements that they cater to a particular school, they actually publish work from a variety of incompatible methodologies and approaches. The orthodox mainstream readily accepts work based on different approaches with methodological foundations that are inconsistent with each other, and has assimilated previously heterodox approaches into the mainstream despite their inconsistencies with other parts of the mainstream. The orthodox mainstream is pluralistic. For the most part, heterodox economists maintain the superiority of their schools of thought over others – both orthodox and other heterodox schools – so heterodox economics is not pluralistic.

## **Are orthodox economists pluralistic?**

The argument that the orthodoxy is more pluralistic than heterodox schools of thought does not imply that orthodox economists embrace pluralism or are more open to considering the ideas of other methodologies and schools of thought than are heterodox economists. That is almost surely not true, for several reasons.

First, most economists have given relatively little thought to methodological issues. Methodological debate within economics has been relatively rare and confined primarily to those who specialize in studying the methodology of economics. As Paul Samuelson ("Life" 7) said, "Those who can, do science; those who can't prattle about its methodology." Although mainstream journals publish articles with varied and potentially inconsistent methodologies, economists typically do their research without considering its methodological foundations, or the degree to which their work is methodologically consistent with the work of other economists.

Second, to the extent that they have given some thought to their methodologies, most orthodox economists – like heterodox economists – believe their methodology is superior to other methods. For example, Stigler and Becker argue for a positivist approach to economic understanding by creating testable hypotheses, whereas Smith argues for experimentation in a laboratory setting where any outcome is possible in theory, to see which outcomes emerge in practice.<sup>[11]</sup> Orthodox economists, like heterodox economists, support their approach relative to others.

A third argument has to do less with the merits of various approaches but rather with the advantages of being a part of the mainstream. Rosen argues that

neoclassical economics has demonstrated its merits in the marketplace of ideas. Backed by the bulk of the profession, mainstream economists can believe, "This is how economics is done," and can pay little attention to heterodox ideas, simply because they are outside the mainstream. Yeager's reply to Rosen does an excellent job of discussing why the marketplace of ideas is not a true market, and why the best ideas are not necessarily the most successful, but Yeager's insights notwithstanding, economists tend to cite – and familiarize themselves with – the ideas that are most prominent within the profession. Mainstream economists are not rejecting heterodox ideas; they just see no reason to become familiar with them.

Academics tend to cite work that shows the origins and foundations of their ideas, and that shows familiarity with the relevant literature. When publishing in mainstream journals, the "relevant literature" tends to be viewed as earlier work that also appeared in mainstream journals, and work published by the most frequently-cited scholars in the area. For those reasons, the work of heterodox economists tends to be cited infrequently. As Lee notes, this is true not only of heterodox work, but also of mainstream work that does not appear in the highest-ranked journals. What is excluded from consideration by mainstream economists is not heterodox work, but all work that does not appear in the highest-ranked journals.

There is no mainstream agenda to purposefully exclude heterodoxy; rather, mainstream economists give little recognition to any work – orthodox or heterodox – that is not published in the top mainstream journals. The previous section described the mainstream orthodoxy as pluralistic in the sense that mainstream journals publish work using a variety of mutually inconsistent methodologies, but this does not imply that individual mainstream economists are pluralistic.

## **An argument for pluralism**

While economic schools of thought differ in important ways, their methodology has the common element that in every school of thought conclusions are drawn from models that are simplified depictions of reality. Simplification is the ultimate purpose of modelling. The real world is too complex to understand by observation alone, and if this were not true, there would be no reason to construct a model. Because many features of the real world – and in particular, of social interaction – cannot be understood just by observing them, a model that is a

simplified depiction of reality is useful. The model is designed with the idea that the model's components are related to each other in a manner analogous to their real-world counterparts, so that if the relationships among the model's components can be understood, then by analogy, this aspect of the real world can then be understood.

While the mainstream economics profession thinks of models as mathematical formulations, models do not have to be mathematical, and sometimes features of the real world make the creation of a mathematical formulation of a model problematic. When uncertainty exists, when people can choose their actions rather than being deterministically led to behave in a certain way, and when there are path dependencies that may be the result of nondeterministic features of the model, a non-mathematical formulation may more accurately depict the model's ideas. But economists do not present facts in a theoretical vacuum. Even which facts are relevant depends on the model one uses to analyze the facts, and on that basis, some facts are incorporated into a theoretical framework while others are left out. There are so many real-world facts that it would not be possible to mentally comprehend them, and their relationship to each other, without a theoretical framework – a model – within which those facts can be understood.

The reason for employing the model is that it is simpler, and therefore easier to understand, than the real world. There would be no point in designing a model with all the complexities of the real world, even if such a model could be constructed, because the model would be no easier to understand than the real world, so would shed no light on real-world phenomena. While at first it may appear that models are not as complex as the real world because nobody has the skill to design such a model, it is also important to understand why there would be no point in building such a model anyway. The model's virtue is in its simplicity. If the model's processes are analogous to the real-world phenomena they model, then by understanding a simpler model one can come to understand aspects of a more complex world.

Because models are always simpler than the real world, any model necessarily assumes some things away – and for good reason. The idea is to assume away those features of the real world that are irrelevant to the problem to be analyzed, and to model relationships among the model's components that depict the essential features necessary to understand the issue at hand, without bringing relationships into the model that are irrelevant to the problem being analyzed. For example, one

does not need a complex general equilibrium model to understand why a price ceiling will cause a shortage, and indeed such a model is undesirable for this type of question because it needlessly brings in complexities that unnecessarily obscure the effects of setting a price below its market equilibrium level.

Because all models are simplified depictions of reality, no model can be used to understand or explain every aspect of reality. Those things that are assumed away, or that are incorporated into the model with unrealistic assumptions, cannot be analyzed within that model. Because of the very nature of models, no model is appropriate for analyzing every aspect of the real world. Models cannot be expected to shed light on issues that are eliminated from them by assumption. Dow makes the distinction between analysis within a closed-system mode of thought and an open-system mode of thought. Neoclassical general equilibrium theory is a closed system in which every aspect in the modelled world is contained within the model. Thus, the model depicts every implication of the phenomena being modelled. This can help to illuminate phenomena that are deterministic, but surely some effects of the modelled phenomena will occur outside the model, making the world an open system even if some specific phenomenon can be explained within a closed system model.

An open-system mode of thought recognizes that there are relevant aspects of reality outside the model, and that no model – regardless of how complete – can predict the non-deterministic aspects of reality, leaving open the possibility that other complementary models might shine additional light on phenomena being analyzed. If the nature of the model admits of effects outside the model, using a different approach to uncover those effects may be reasonable (even though the modeller may argue that the reason those things are left outside the model are that they are not relevant to the question at hand). A closed-system mode of thought suggests that all effects of the phenomenon in question are captured within the model, but one does not have to examine such models very closely to identify potentially important aspects of reality that are left out of the model. Here again, a different approach with different initial assumptions – about what to include in the model and what to leave out, about the nature of individual behaviour, and about how individuals interact with each other – could shed additional light on the question at hand. This is the argument for pluralism.

When one wants to understand some economic phenomenon, one should use the best model: the model that sheds the most light on the phenomenon being

examined. Sometimes the best model will be from a heterodox school of thought. While this argument suggests using "one model at a time," one also must recognize that many phenomena can be analyzed from different angles, and that different aspects of a phenomenon might be illuminated by analyzing it using different models and different approaches. True pluralism comes from understanding phenomena from many different perspectives by simultaneously developing insights from many heterodox approaches to the issue.

Looked at in this way, pluralism means that because all approaches to understanding assume some things away, a more complete understanding of a phenomenon can be gained by combining the insights of many different approaches. As Fullbrook notes, methodologies correspond to points of view, and different methodologies allow a greater understanding by allowing people to see things from different points of view. Pluralism starts with the recognition that because the world is complex, simplifying assumptions are required to describe relationships in an understandable manner, and that because of that, all approaches to understanding necessarily leave out some aspects of reality. A pluralistic approach, that accepts as valid the conclusions of many heterodox approaches to understanding, offers more insight than an approach that only accepts the validity of a single methodological framework.

One can debate whether practitioners of mainstream economics actually buy into a closed-system and anti-pluralistic mode of thought. Indeed, it is likely that most economists have never considered their methodological foundations that carefully. They just carry on their intellectual inquiry using the same methods they learned as students, never questioning the validity of their methodological approaches. Mainstream economics is pluralistic in the sense that several competing methodological approaches are widely accepted in the mainstream, and that the mainstream is willing to accept insights from a diverse array of methodologically inconsistent approaches. This does not imply that any individual mainstream economists are pluralistic. Each individual could view his or her approach as the only valid one; yet, as noted earlier, many different methodological approaches coexist within the pages of mainstream journals.

## **Economic imperialism**

A vibrant community of heterodox economists notwithstanding, there is widespread agreement among economists on the basic behavioural foundations of

economic behaviour. This has not been as true of other social sciences – political science and sociology in particular – where economic methodology has been creeping into the discipline under the name rational choice. The rational choice approach has been quite controversial in the broader social sciences.

Coleman is an excellent example of using rational choice theory applied to sociology. Coleman discusses individual behaviour by laying a foundation in which individuals make choices based on utility functions with indifference curves right out of neoclassical microeconomics, and where individual interactions are modelled within the exchange framework of an Edgeworth box. Coleman (31) notes, "For some social scientists (depending in part on the norms and assumptions of their discipline) my insistence on beginning a theory of action using as elements persons who are assumed to be not only rational but also unconstrained by norms and purely self-interested may appear to be a serious error." He then goes on to defend his introduction of the rational choice framework into sociological analysis, and to temper it by acknowledging that people's behaviour is influenced by factors outside their narrow self-interest, including group norms, which can lead to group behaviour that appears inconsistent with the utility-maximizing behaviour of the group's members. The noteworthy feature of Coleman's introduction of the rational choice framework into sociological analysis, however, is its explicit foundation in the neoclassical economic theory of utility-maximizing behaviour subject to constraints.

While the rational choice approach to social science has not completely infiltrated sociology, it has become a well-established component of mainstream political science. The "public choice" revolution has transformed what now appears in mainstream political science journals, and rational choice models of the political process, built on the foundation of Downs and Olson, are the basis of the theory of democratic decision-making. Not every political scientist is enthusiastic about this rational choice approach to the analysis of political decision-making. For example, Kelman criticizes the public choice approach as teaching its students to act selfishly in the public policy arena, rather than acting in the public interest. The theory, he argues, can change behaviour and turn otherwise public-spirited individuals toward using the political process to further their own narrow self-interests, making rational choice theory akin to a self-fulfilling prophecy. People study it as a description of public sector behaviour and then change their behaviour to more closely resemble the self-interested behaviour of the people in the rational choice models rather than the public-spirited behaviour that political

scientists attributed to voters, politicians, and bureaucrats before political science was infiltrated by rational choice theory.

For present purposes, what is most interesting about the spread of the rational choice paradigm into the other social sciences is that it is viewed not pluralistically, as another productive approach for analyzing social science phenomena, but rather as a competitor to the status quo paradigms. Scholars in the other social sciences – both those practitioners who champion the rational choice approach and those who oppose it – view it as a competing paradigm that threatens to displace the prior foundations in the social sciences. In political science this has already largely occurred; in sociology there is more resistance. Still, the rational choice framework of economics is seen as imperialistically trying to displace the existing paradigm, not pluralistically trying to coexist with what has gone before.

This fits closely with Kuhn's view of scientific revolutions. One paradigm dominates a field of inquiry, and competing paradigms attempt to displace the dominant paradigm by doing a better job of explaining anomalies in the dominant paradigm. In the Kuhnian framework, heterodox approaches are competitors, not pluralistic alternative ways of viewing phenomena. The Kuhnian framework is anti-pluralistic, and is descriptive of the economic imperialism that characterizes the social sciences outside of economics. And, as argued earlier, it is also characteristic of heterodoxy in economics. Yes, there are some who argue the merits of a pluralistic approach to economics, but for the most part, heterodox schools of thought are not offering their ideas as complementary to the mainstream, but rather as a superior alternative.

## Conclusion

Heterodox economics is not, in general, pluralistic. Members of heterodox schools of thought tend to promote the ideas and methods of their schools and be critical of other schools – especially the neoclassical mainstream. As Lawson ("Nature" 486) notes, "the one widely recognised and accepted feature of all heterodox traditions is a rejection of the modern mainstream project." If that is true, it would be difficult to say that any heterodox tradition is pluralistic if it rejects the work that is being done by 95 percent of the profession.



While the dominant mainstream is often attacked by the adherents of heterodox schools of thought as standing in the way of pluralism, mainstream economics is in fact quite pluralistic. Within the mainstream orthodoxy, methodological positivism coexists with axiomatic general equilibrium theory, and with an empirical methodology that treats all economic questions as empirical questions. Furthermore, areas of inquiry that only a few decades ago were considered heterodox and outside of mainstream economics – such as public choice, the new institutional economics, and experimental economics – have become a part of the orthodoxy, further illustrating the pluralistic nature of orthodox economics. The mainstream economic orthodoxy is pluralistic, in that it embraces a variety of methodological approaches and schools of thought, while heterodox schools of thought tend not to be pluralistic in that they are openly critical of methodologies and schools of thought other than their own. While it is true that the mainstream in economics is not equally receptive to all heterodox approaches, it does appear that there is more acceptance of pluralism in the orthodox mainstream than within various heterodox schools of economic thought.

This tension between pluralism and heterodoxy has played out more broadly in the social sciences beyond economics as economic imperialism has brought economic methods to other social sciences – political science and sociology in particular. While economic methods are increasingly being accepted in those social sciences, this does not appear to be an example of pluralism. Rather, it more appears to be a case of competing methodologies and schools of thought, as is the case in economics. The Kuhnian framework of competing paradigms, with one paradigm displacing another, appears more descriptive of methodology in economics and in the social sciences than does pluralism.

Despite the lack of true pluralism in the social sciences, there are strong arguments for taking a more pluralistic approach. Models lie at the foundation of social science, and any model, by its very nature, is a simplified depiction of reality. Some elements of reality are assumed away to make the model more tractable, and some elements of reality are incorporated into models in an unrealistic way to better focus on certain questions. These simplifying features of models enable their users to better understand some phenomena, but this simplification also means that models are unequipped to illuminate other phenomena. Things that are unrealistically depicted in models, or that are assumed away altogether, cannot be explained by those models, and because all

models are simplified depictions of reality, no model will be the perfect model for explaining everything. This argues the merits of taking an eclectic approach, using different theoretical frameworks and different models to aid in the understanding of different phenomena. Even a single phenomenon may have different aspects to it that could be more insightfully understood by analyzing the phenomenon using several approaches. This is the argument for a more pluralistic approach to economics and to the social sciences more generally.

Superficially, pluralism appears to be an ally to heterodox schools of thought because a more pluralistic discipline would be more accepting of heterodox approaches. Yet when examined more closely, it is apparent that except for rare exceptions, heterodox economists are not pluralistic in their approach. They are at least as insistent as mainstream economists that their approach to economics is superior to others, and deserves to replace the orthodox mainstream rather than to peacefully coexist with it as one of many valid pluralistic approaches. Heterodox economics as it exists today is antagonistic to pluralism.

## Endnotes

[1] [http://I.web.umkc.edu/leefs/htn18.htm#Call\\_for\\_Papers](http://I.web.umkc.edu/leefs/htn18.htm#Call_for_Papers), accessed May 6, 2006.

[2] [www.urpe.org/history.html](http://www.urpe.org/history.html), accessed March 28, 2006.

[3] [www.urpe.org/rrpehome.html](http://www.urpe.org/rrpehome.html), accessed March 28, 2006.

[4] [www.mesharpe.com/mall/results1.asp?ACR-PKE](http://www.mesharpe.com/mall/results1.asp?ACR-PKE), accessed March 28, 2006.

[5] [www.mises.org/qjaedisplay.asp](http://www.mises.org/qjaedisplay.asp), accessed March 28, 2006.

[6] [www.mohr.de/jrnl/jite/jiabout.htm](http://www.mohr.de/jrnl/jite/jiabout.htm), accessed March 28, 2006.

[7] Lawson (2006: 500-502) argues that heterodox schools of thought have a common ontology and are distinguished by the various aspects of the socio-economic world they examine. The ontological argument Lawson offers is persuasive, but by his accounting Marxist economics and Austrian economics share the same ontology (I agree with Lawson's analysis on this point), yet they are obviously antagonistic to each other in many areas. Further, while some heterodox

schools – perhaps post Keynesianism and feminism – might be best identified by the socio-economic issues they tend to focus on, schools of thought such as Marxism and Austrianism claim a broader applicability that even extends beyond the bounds of economics more traditionally defined as studying people's material well-being and the production of income and wealth.

[8] It is hard to object to the *Journal of Political Economy* being oriented this way, because its editorial board is composed of members of the economics department at the University of Chicago, and the journal is published by the University of Chicago Press. They certainly have a right to publish a journal that promotes Chicago school economics, but unlike the *Review of Radical Political Economics*, the *Journal of Political Economy* is rarely viewed as promoting a particular school of thought.

[9] In a sentence, the essential problem is that when a test does not support a theory, researchers tend to discard the data rather than the theory, and mine the data until empirical evidence supporting the theory is found. The references in the text supply a more detailed explanation about the inherent unworkability of positivism.

[10] In each case, at least one of the pioneers in those areas who helped them achieve mainstream acceptability has won the Nobel prize in economics: James Buchanan for public choice, Douglass North for the new institutional economics, and Vernon Smith for experimental economics.

[11] As another example, a colleague of mine argued over lunch, "If you haven't shown it in a general equilibrium model, you don't know it's true." Lunchtime conversations do not carry the same weight as journal articles in print, so this observation is relegated to a footnote; however, undoubtedly many readers could relate similar stories.

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