

Pluralist Economics



What is the Economics?

- The word “economics” derives from the Greek language
- Combination of “oikos” (house) + “nomos” (manager) = “household manager”
- foundation of economics as an independent scientific discipline by the classical national economics middle of the 18th c.
- Before that, economics was a branch of moral philosophy
- There are different definitions that focus on different areas:

“...is the social science that studies the production, distribution, and consumption of goods and services” (Wikipedia)

„...a social science concerned with how societies provision (lat. providere – to provide)“ (Reardon et al., 2018, p. 1)

„...how societies organise themselves to sustain life and enhance its quality“ (Nelson, 2009, p. 61)

What does the term of "Pluralism«mean?





We have all heard about “Pluralism” - but what does it mean?

- In 1787, James Madison, known as the Father of the U.S. Constitution, argued for pluralism.
- People of different beliefs, backgrounds, and lifestyles can coexist in the same society and participate «equally» in the political process.
- Contribute to the “common good” of the -entire society.
- The acceptance and integration of minority groups should be achieved and protected by legislation, such as civil rights laws.
- Pluralists acknowledge that a number of competing interest groups will be allowed to share power. In this sense, pluralism is considered a key element of democracy.
- Especially the last two statements about pluralism show us that we need pluralism in the economy as well. This is a requirement of the democratic system.



Pluralism in society and science

- In democracy majority group \cong in economy mainstream approach
- In democracy minority group \cong in economy pluralist approach
- Majority groups can decide of governments but minority groups also have a rights. For big decision have to be listen.
- Mainstream approach plug one's ears to other approaches but in a democratic system other voices should be heard.



Benefits of Pluralistic Economy as we see it :

- **Different theories make more scientific** (they can contribute while opposing.)
- Mainstream approach couldn't solve previous crises
- Because of the **economy is a subjective science**, different approaches need to now and listen to each other.
- Despite what claims mainstream approach, there is not just one right opinion.
- Integrating new developments such as climate change into mainstream economics may be more difficult than creating new economic approaches
- The substitution and supplementary features of the pluralistic economy are an **opportunity for the mainstream**.



Pluralism in Economics

-*Plurality* as a neutral description “various ideas exist”

-*Pluralism* as a normative state “there should be multiple ideas considered”

Degree of plurality:

Low

tolerating
complementary ideas

Ideas from
Environmental
Economics fit into the
economic mainstream



High

Endorsement of rival ideas

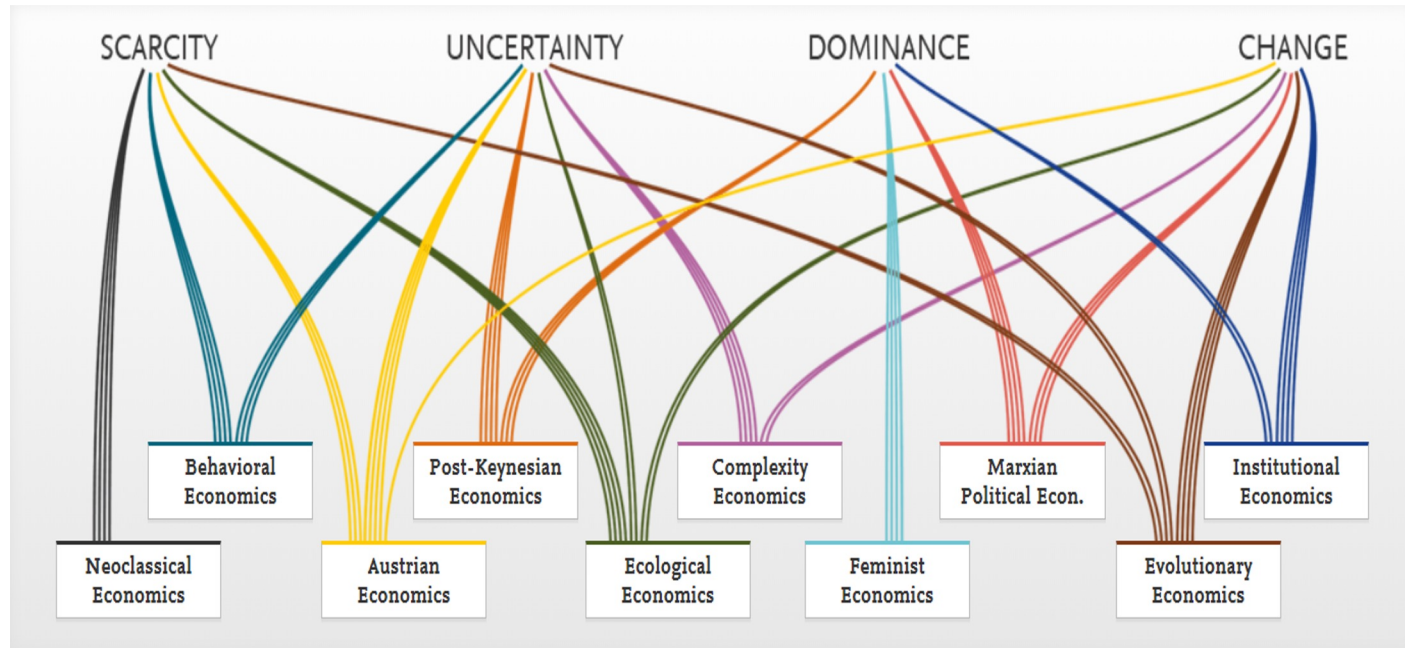
Degrowth questions the
current growth paradigm



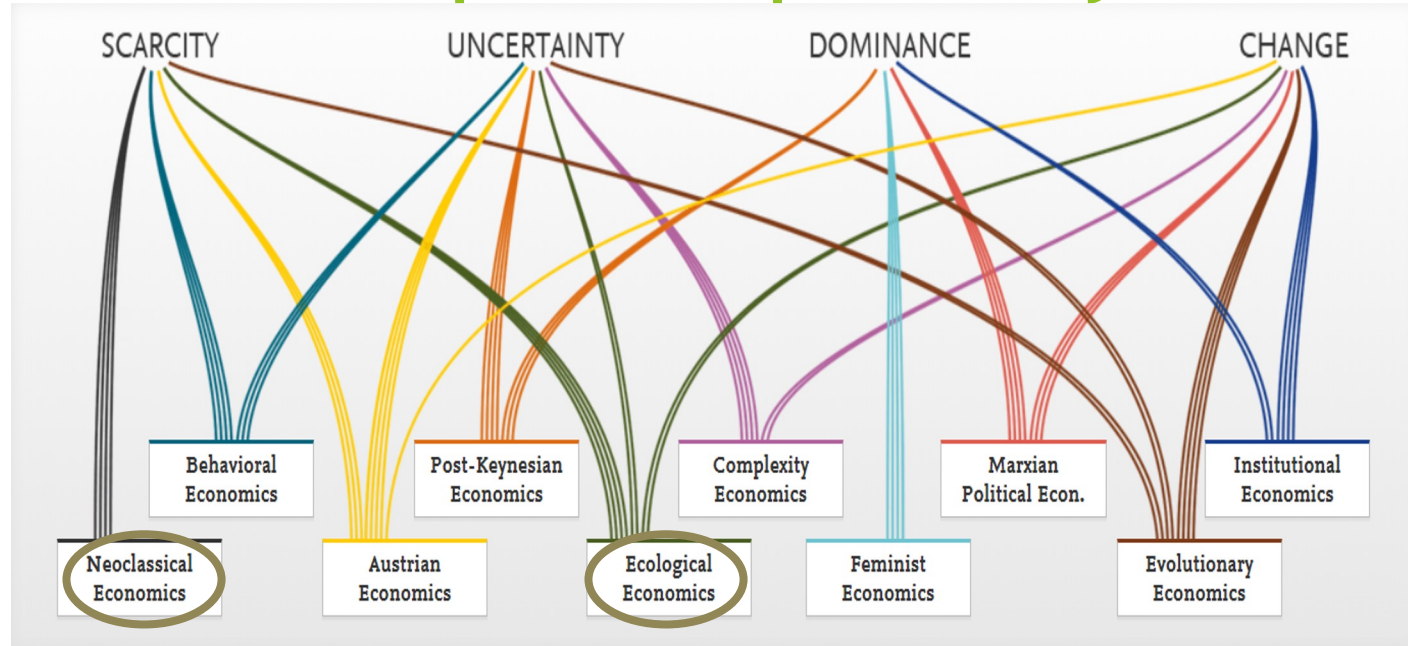
Dimensions of Plurality

Methods	E.g. Randomized Control Trials in Development Economics v.s. Macro Economics
Topics	Economics of Education v.s. Health Economics
Personal	Gender, race, age.... Of researchers and key figures
Ontological	How do we see the world? Homo oeconomicus v.s. “Commoning
Epistemological	What makes “quality science”? E.g. quantitative research, modell
Purpose	What are economists supposed to look at? Describe the world, m find better ways to organize society..
Theorie	Markets find an equilibrium, Growth is unlimited
....	

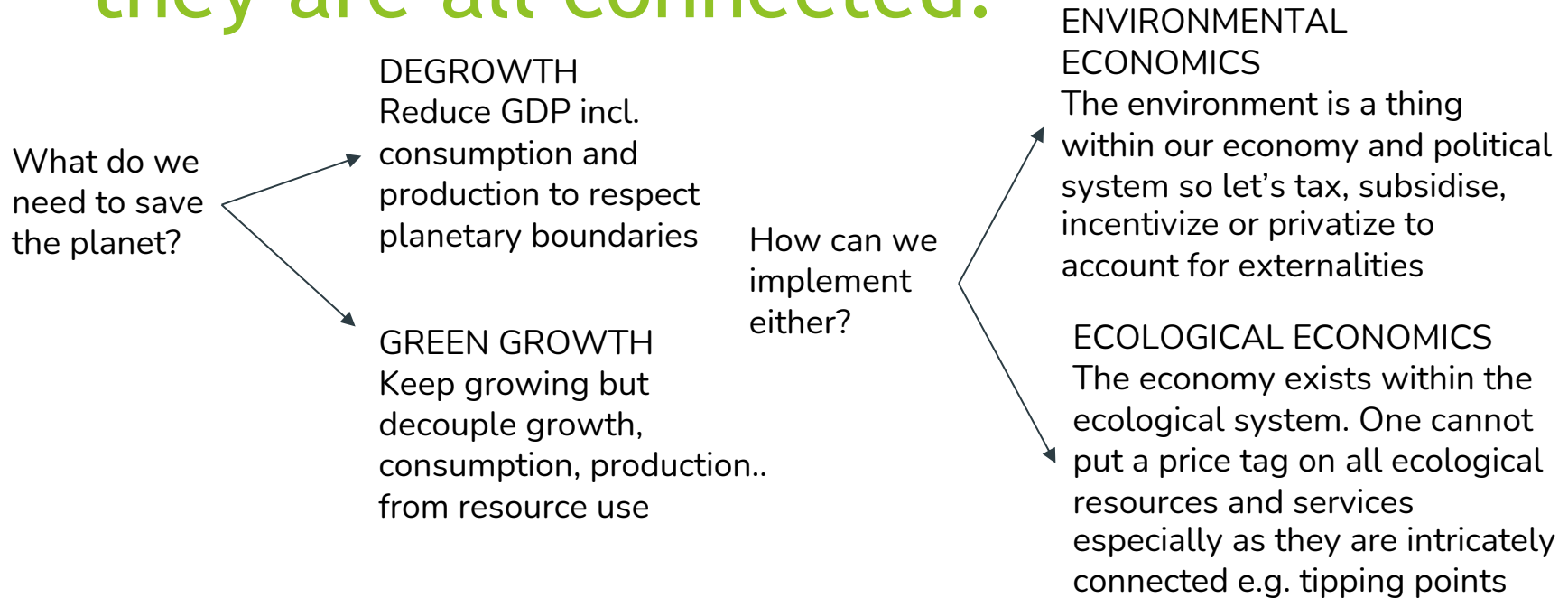
Pluralism in Economics



Two examples of plurality



How can you exclude one idea when they are all connected?





3 criticisms of pluralist economics

1. The discipline is already pluralist
2. If there were a need for pluralism, it would emerge on its own
3. Pluralism means 'anything goes', and is thus unscientific



Claim: The discipline is already pluralist

- Have to be specific about the dimension and degree of plurality
- Topical dimension: yes there is a plurality
 - Applied to a wider range of social phenomena, starting mid-1950s with Gary Becker, Anthony Downs, and others
- Methodological dimension: there's limited toleration
 - Economics still obsessed with the standard optimization-cum-equilibrium framework



Claim: If there were a need for pluralism, it would emerge on its own

- Assumes that the academic institutions provide for a 'perfect market for economic ideas, but this is not true for 3 reasons:
 - Path dependent development of research programs under current scientific institutions
 - Structural obstacles that hinder alternative approaches to enter the mainstream economics discourse
 - Monistic curriculum



Claim: Pluralism means “anything goes”, and is thus unscientific

- previous two (attempted) critiques of the pluralist movement did not question/attack the concept of pluralism itself
- but mainstreamers have also doubted whether pluralist economics itself conforms to scientific standards
 - claim: pluralists want to broaden ‘economics’ to just anything (Feyerabend quote)
- anarchism (= no fixed quality standards) as the opposite of solid science?



Pluralist response(s) to “anything goes”

- Gräbner and Strunk (2020) reply that ‘methodological anarchism without any shared standards [is not] practiced commonly among advocates of pluralism’ (but don’t really back this claim up)
- As a rough guide to scientific practice, Kuhn (1977) defines five standards/values: accuracy, consistency, broad scope, simplicity and fruitfulness
 - but these are neither necessary nor sufficient for good science
 - contradictions are possible without the whole system breaking apart
 - what theory/approach is preferred is at least in part subjective



Scientific robustness of pluralists and mainstream

- What is 'good' (economic) science to you?
- Do you think pluralism should be limited in its scope (e. g. by strict criteria or an ideal amount of pluralism)?
- Do you consider the mainstream to be scientifically solid?



Sources

For pluralism in general:

<https://www.thoughtco.com/pluralism-definition-4692539>

https://en.m.wikipedia.org/wiki/Pluralism_%28political_philosophy%29#:~:text=Pluralism%20as%20a%20political%20philosophy%20is%20the%20recognition%20and%20affirmation,interests%2C%20convictions%2C%20and%20lifestyles

For pluralism in economics & the illustration of its critics

Claudius Gräbner & Birte Strunk (2020) Pluralism in economics: its critiques and their lessons, Journal of Economic Methodology, 27:4, 311-329, DOI:10.1080/1350178X.2020.1824076