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 ≡ in economy mainstream approach

-In democracy minority group ≡ 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

- High: endorsement of rival ideas

  - Degrowth questions the current growth paradigm

Idea from Environmental Economics fit into the economic mainstream
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Pluralism in Economics

SCARCITY
- Behavioral Economics
- Neoclassical Economics

UNCERTAINTY
- Post-Keynesian Economics
- Austrian Economics
- Ecological Economics

DOMINANCE
- Complexity Economics
- Feminist Economics

CHANGE
- Marxian Political Econ.
- Evolutionary Economics
- Institutional Economics
Two examples of plurality
How can you exclude one idea when they are all connected?

What do we need to save the planet?

DEGROWTH
Reduce GDP incl. consumption and production to respect planetary boundaries

GREEN GROWTH
Keep growing but decouple growth, consumption, production.. from resource use

How can we implement either?

ENVIRONMENTAL ECONOMICS
The environment is a thing within our economy and political system so let’s tax, subsidise, incentivize or privatize to account for externalities

ECOLOGICAL ECONOMICS
The economy exists within the ecological system. One cannot put a price tag on all ecological resources and services especially as they are intricately connected e.g. tipping points
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