

SEMINAR IN ECONOMIC METHODOLOGY

This seminar will cover classical and contemporary debates in the methodology of economics, focusing on questions about the status of economics in relation to ideology, natural science and policy formation, the philosophical foundations of economics (including positivism, realism, pragmatism, postmodernism and feminism), and the sociology of the economics profession, including the post-War rise in prominence of American economics. We will consider issues of power, ideology, rationality, individualism and embeddedness in assessing the epistemological status of claims in economic theory, including mathematical models and econometrics. Readings will include work by Hume, Mill, Marx, Kuhn, Popper, Lakatos, Friedman, Blaug, Mirowski, McCloskey, Lawson, Dow, Hands, Nelson and others. Students will be required to write a final paper and to make a presentation in class. Three books may be useful as background reading and as reference guides. The first is Mark Blaug's 1981 book The Methodology of Economics, or How Economists Explain (Cambridge University Press). The second is The Philosophy of Economics: An Anthology, edited by Daniel Hausman (Cambridge University Press). These two are available in paperback and you should purchase them. The third is The Handbook of Economic Methodology, edited by John B. Davis, D. Wade Hands and Uskali Maki (Edward Elgar, 1998). This is expensive and I will place a copy on reserve at Fogelman. Below I refer to the Elgar volume as HANDBOOK. Two other paperbacks are becoming classics and are worth having on your shelf: Philip Mirowski's More Heat than Light and Wade Hands's Reflection without Rules.

Course Outline and Readings

1. Introduction: Why study economic methodology?

Blaug, M. (2002) "Ugly Currents in Modern Economics," in U. Maki, editor, Fact and Fiction in Economics, Cambridge University Press.

HANDBOOK entry on "ideology".

2. Positivism

Mill, J. S. (1836) "On the Definition and Method of Political Economy," reprinted in Houseman, D. editor, The Philosophy of Economics: An Anthology, second edition, Cambridge University Press, 1994.

Friedman, M. (1953) "The Methodology of Positive Economics," in Essays in Positive Economics, Chicago: University of Chicago Press, reprinted in Hausman, D., editor, The Philosophy of Economics: An Anthology, Cambridge University Press.

HANDBOOK entries on "Mill, John Stuart", "Positivism" and "Duhem-Quine Thesis"

3. The received view: from Kuhn to Popper to Lakatos

Kuhn, T. (1974) "Second Thoughts on Paradigms," from The Essential Tension.

Popper, K. (1961) "The Hypothetical-Deductive Method and the Unity of Social and Natural Science," from The Poverty of Historicism.

Lakatos I. (1976) Proofs and Refutations: the Logic of Mathematical Discovery, Cambridge Press, selection.

Blaug, M. "Paradigms versus research programs in the history of economics," reprinted in Hausman anthology.

Rosenberg, A. (19xx) "Lakatosian consolation for economists" Economics and Philosophy.

De Marchi, N. (1976) "Progress in the Theory of International Trade," in Latsis, S. editor, Method and Appraisal in Economics, Cambridge University Press.

HANDBOOK entries on "Kuhn", "Popper", and "Lakatos".

4. Relation to natural science: Methodological individualism, rationality and causality

Milberg, W (1994) "Natural Order and Postmodernism in Economic Thought," Social Research.

Mirowski, P. (1989) More Heat than Light, Cambridge University Press, Chapters 5-7.

Rosenberg, A. (1983) "If economics isn't science, what is it?" reprinted in Hausman anthology.

Hodgson, G. (1985) "The Concept of Rationality in Economics," Journal of Economic Literature.

Hoover, K. (2001) Causality in Macroeconomics, Cambridge University Press, Chapters 1, 11.

5. Utilitarianism: its rise and staying power

McPherson, C.B. (1962) The Political Theory of Possessive Individualism: Hobbes to Locke, Oxford, Chapter 1.

Hirschman, A. (1986) The Passions and the Interests: Arguments for Capitalism Before its Triumph, Princeton University Press, Part 1, pp. 3-66.

Silberberg, E. (1978) The Structure of Economics: A Mathematical Approach, Chapter 1.

Sen, A. (1977) "Rational fools: a critique of the behavioral foundations of economic theory," Philosophy and Public Affairs.

Mirowski, P. and W. Hands, (1998) "A Paradox of Budgets: The Postwar Stabilization of Demand Theory," in Morgan, M. and M. Rutherford, editors (1998) From Interwar Pluralism to Postwar Neoclassicism, Durham: Duke University Press.

HANDBOOK entry on "utility"

6. The American Imagination in Economics

Mirowski, P. (2002) Machine Dreams: Economics Becomes a Cyborg Science, Chapter 1.

Milberg, W. (2005) "Allegories of Ethnic Assimilation in American Economics," mimeo.

Amariglio, J. and D. Ruccio (2001) "From unity to dispersion: the body in modern economic discourse," in Cullenberg, S. et al. editors, postmodernism, economics and knowledge, Routledge.

Rutherford, M. and M. Morgan (2000) "American Economics: The Character of the Transformation," in Morgan and Rutherford, From Institutionalism to Neoclassicism.

Klamer, A. and D. Colander (19xx) "The Making of An Economist," Journal of Economic Literature.

7. "American" Economics: Mathematical formalism and equilibrium

Krugman, P. (1995) "Models and Metaphors," Chapter 3 in Development, Geography and Economic Theory, MIT Press, Chapter .

McCloskey, D. (1996) "Blackboard Economics" in Vices of Economists, Virtues of the Bourgeoisie, Amsterdam University Press.

Chick, V. (1998) "On Knowing One's place: The Role of Formalism in Economics," Economic Journal, November, pp. 1859-1869.

Woo, H. (1986) What's Wrong with Formalism in Economics? Victoria Press, Chapters 1, 5.

Coddington, A. (1975) "The Rationale of General Equilibrium Theory," Economic Inquiry, V. 13, pp. 539-558.

Weintraub, E. R. (1998) "From Rigor to Axiomatics: the Marginalization of Griffith Evans," in Morgan, M. and M. Rutherford, editors (1998) From Interwar Pluralism to Postwar

Neoclassicism, Durham: Duke University Press.

Krohn, C. Intellectuals in Exile: Refugee Scholars and the New School for Social Research, U. Mass. Press, Chapter 6.

8. Economic Policy Prescription

Milberg, W. (1996) "The Rhetoric of Policy Relevance in International Economics," Journal of Economic Methodology.

Gordon, D. (1994) "'Twixt the Cup and the Lip: Ideology in Economic Policy" in Social Research

Bernstein, M. (2001) A Perilous Progress: Economists and Public Purpose in Twentieth Century America, Princeton University Press, Chapters 3, 4.

9. Econometrics in Theory and Practice

Leamer (1983) "Let's Take the Con out of Econometrics," American Economic Review, V. 73, pp. 31-43.

Mayer, T. (2000) "Data Mining: A Reconsideration," Journal of Economic Methodology, V. 7, No. 2, 183-94.

Summers, L. (1991) "The Scientific Illusion in Empirical Macroeconomics," Scandinavian Journal of Economics, V. 93, No.2.

Keynes, J.M. "Economic Model Construction and Econometrics," in Houseman anthology

10. Economics as Rhetoric: the postmodern turn

McCloskey, D. (1983) "The Rhetoric of Economics", reprinted in Hausman, D., editor, The Philosophy of Economics: An Anthology, Cambridge University Press.

Milberg, W. Chapters 3 and 4 of Economic Theory and the Construction of the Global Economy.

Dow, S., essay on pluralism.

Amariglio, J. and Ruccio (2003) Postmodern Moments in Modern Economics, Princeton University Press, Chapter 1, 7.

11. Dialectical Materialism and Critical realism

Lawson, T. (1994) "A Realist Theory for Economics," in R. Backhouse, editor, New Directions in Economic Methodology, Routledge. Economics and Reality,

Cambridge Journal of Economics, symposium on critical realism.

HANDBOOK entry on “Transcendental Realism”.

12. Feminist economics

Nelson, J. (1993) “The Study of Choice or the Study of Provisioning? Gender and the Definition of Economics,” in M. Ferber and J. Nelson, editors, Beyond Economic Man: Feminist Theory and Economics, University of Chicago Press.

Harding, S. (1995) “Can Feminist Thought Make Economics More Objective?” Feminist Economics, V. 1, No. 1, Spring.

Strassman, D. (1993) “Not a Free Market: The Rhetoric of Disciplinary Authority in Economics,” in Ferber and Nelson, Beyond Economic Man.

Nelson, J. (2003) “Confronting the Science/Value Split: Notes on Feminist Economics, Institutionalism, Pragmatism and Process Thought,” Cambridge Journal of Economics, Vol. 27, No. 1, pp. 49-64.

HANDBOOK entry on “Feminist economic methodology”.

13. Institutionalism

Veblen, T. (1919) “Why economics is not yet an evolutionary science,”

Hodgson, G. (19xx) “The Return of Institutional Economics,”

Mirowski, P. (1987) “The Philosophical Bases of Institutional Economics,” Journal of Economic Issues, V. 21, September, pp. 1001-38.

HANDBOOK entry on “Institutionalism”.

14. The future of economic methodology

Milberg, W. Chapter 7 of Economic Theory and the Construction of the Global Economy.

Colander, D. (1999) “New Millennium Economics: How Did It Get This Way and What Way is It?” Journal of Economic Perspectives, V. 14, No. 1, pp. 121-132.

Piore, M. (1996) Beyond Individualism, Harvard University Press, chapter 1.

Heilbroner, R. (1996) "The End of the Worldly Philosophy," chapter 7 in The Worldly Philosophers, 7th edition.

Hands, W. (2002)