

Master Program Pluralist Economics, University of Siegen

## MA-B 2.1: Philosophy of Economics

Winter term 2020/21

Last updated: 20 October 2020

Lecturers: Jun.-Prof.in. Dr. Svenja Flechtner and MA Kevin Rösch

Office hours

- Svenja Flechtner: Thursday 9:15-10:15 until 17 December 2020; on maternity leave in 2021. [Please sign up online.](#)
- Kevin Rösch: by appointment, please contact via email (kevin.roesch@uni-siegen.de).

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### Learning outcomes of the course (s. *Modulhandbuch*):

- Kenntnisse und Reflexionskompetenz wesentlicher wissenschaftstheoretischer Ansätze erwerben.
  - Ökonomische Theorien und Texte wissenschaftstheoretisch analysieren und hinsichtlich ihrer paradigmatischen Annahmen, ihrem Methodenideal und ihrer jeweiligen Erkenntnisstärken und Handlungsanleitungen beurteilen können.
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### Final examination and grading (s. *Modulhandbuch*)

Written examination (*Benotete Prüfungsleistung*), 60 minutes

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### Course and topics overview

27.10.20	Introduction to the course   What is philosophy of economics about?
03.11.20	Basics of epistemology
10.11.20	Karl Popper's falsificationism
17.11.20	Milton Friedman's legacy in the philosophy of economics
24.11.20	Prescriptive philosophy of science vs. scientific practice: Thomas Kuhn's paradigms
01.12.20	Prescriptive philosophy of science vs. scientific practice: Imre Lakatos' research programmes
08.12.20	Objective vs. subjective judgment and power in economics
15.12.20	The use of models in economics
05.01.21	Pluralist economics: conceptualizing dimensions, motives and degrees of pluralism I
12.01.21	Pluralist economics: conceptualizing dimensions, motives and degrees of pluralism II
	Pluralist economics: Structured pluralism
19.01.21	Pluralist economics: Interested pluralism
26.01.21	Pluralist economics: Current debates I
02.02.21	Pluralist economics: Current debates II
09.02.21	Final discussion

## Detailed Syllabus

**Compulsory reading:** For class discussions and the written examination, you are required to read and prepare this literature. For class preparation, see details of what do prepare before online sessions on moodle.

**Further readings:** These include full references to material I have referred to on lecture slides, as well as suggestions for those who might be interesting in going deeper into a topic.

### 1. Class: 27 October 2020

<b>Introduction: What is philosophy of economics about?</b>	
Compulsory reading	-
Further readings	Reiss, Julian (2013): <i>Philosophy of Economics. A Contemporary Introduction</i> . New York and London: Routledge, Chap. I. (available as e-book through university library)

### 2. Class: 3 November 2020

<b>Basics of epistemology</b>	
Compulsory reading	Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4 <sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 1: "Science as knowledge derived from the facts of experience".
Further readings	Bauberger, Stefan (2016), Kap. II: "Sinnesdaten als Grundlage der Erkenntnis" und Kap. III: "Induktion, Verifikation, Falsifikation". Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4 <sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 4: "Deriving theories from the facts: induction". Passmore, J. (1967): "Logical Positivism", in P. Edwards (ed), <i>The Encyclopedia of Philosophy</i> 5. New York: Macmillan, 52-57.

### 3. Class: 10 November 2020

<b>Karl Popper's falsificationism</b>	
Compulsory reading	Chalmers, Alan F. (2013), Chap. 5: "Introducing falsificationism", Chap. 6: „Sophisticated falsificationism, novel predictions and the growth of science“ and Chap. 7: "The limitations of falsificationism".
Further readings	Laudan, Larry (1983): "The Demise of the Demarcation Problem", in R.S. Cohen and L. Laudan (eds), <i>Physics, Philosophy and Psychoanalysis</i> . D. Reidel Publishing Company, 111-127. Pigliucci, Massimo and Maarten Boudry (2013) (eds): <i>Philosophy of Pseudoscience: Reconsidering the Demarcation Problem</i> . Chicago: University of Chicago Press. Chap. 1: "The Demarcation Problem. A (Belated) Response to Laudan", 9-28. Popper, Karl. R. (1995). <i>Lesebuch</i> . Tübingen.

4. Class: 17 November 2020

<b>Milton Friedman's legacy in the philosophy of economics</b>	
Compulsory reading	Friedman, Milton (1953): <i>Essays In Positive Economics</i> . Chicago: University of Chicago Press. Part I: "The Methodology of Positive Economics", 3-43.
Further readings	Backhouse, Roger E. (2012): "The Rise and Fall of Popper and Lakatos in Economics". In Uskali Mäki (ed), <i>Philosophy of Economics</i> . Handbook of the Philosophy of Science 13. Amsterdam et al.: Elsevier, 25-48. McCloskey, Donald N. (1983): "The Rhetoric of Economics", <i>Journal of Economic Methodology</i> 21(June): 481-517. Mäki, Uskali (2003): "'The Methodology of Positive Economics' (1953) does not give us the methodology of positive economics", <i>Journal of Economic Methodology</i> 10(4), 495-505.

5. Class: 24 November 2020

<b>Prescriptive philosophy of science vs. scientific practice: Thomas Kuhn</b>	
Compulsory reading	Akerlof, George A. (2018): "Sins of Omission and the Practice of Economics", Paper Presented on Annual Meetings of the American Economics Association, Philadelphia. Chalmers, Alan F. (2013), Chap. 8: "Theories as structures I: Kuhn's paradigms"
Further readings	Bauberger, Stefan (2016), Kap. II: "Sinnesdaten als Grundlage der Erkenntnis" und Kap. IV: „Theorien“. Blaug, Marc (1975): "Kuhn versus Lakatos, or paradigms versus research programmes in the history of economics", <i>History of Political Economy</i> 7(4), 399-433. Kuhn, Thomas (1962): <i>The Structure of Scientific Revolutions</i> . Chicago: University of Chicago Press. [dt. Übersetzung: <i>Die Struktur wissenschaftlicher Revolutionen</i> .]

6. Class: 1 December 2020

<b>Prescriptive philosophy of science vs. scientific practice: Imre Lakatos</b>	
Compulsory reading	Chalmers, Alan F. (2013), Chap. 9: "Theories as structures II: research programs"
Further readings	Lakatos, Imre (1982): <i>Die Methodologie der wissenschaftlichen Forschungsprogramme</i> . Braunschweig: Vieweg+Teubner Verlag. Lakatos, Imre and Alan Musgrave (eds) (1974): <i>Kritik und Erkenntnisfortschritt</i> . Braunschweig: Vieweg. [Features different essays by Lakatos, Kuhn, Feyerabend and others around the topic.]

7. Class: 8 December 2020

<b>Objective vs. subjective judgment and value neutrality in economics</b>	
Compulsory reading	Harding, Sandra (1986): <i>The Science Question in Feminism</i> . Ithaca and London: Cornell University Press. Chap. 1: "From the Woman Question in Science to the Science Question in Feminism", 15-29.
Further readings	Banuri, Sheheryar et al. (2019): "Biased policy professionals", <i>The World Bank Economic Review</i> 33(2): 310-327.

	<p>Beyer, Karl M. and Pühringer, Stephan (2019): "Divided we stand? Professional consensus and political conflict in academic economics", <i>ICAE Working Paper Series</i> 94.</p> <p>Cherrier, Beatrice (2018): "Not going away: on Al Roth's 2018 AEA Presidential Address and the ethical shyness of market designers", blog post, <a href="https://beatricecherrier.wordpress.com/2018/01/07/not-going-away-on-al-roths-2018-aea-presidential-address-and-the-ethical-shyness-of-market-designers/">https://beatricecherrier.wordpress.com/2018/01/07/not-going-away-on-al-roths-2018-aea-presidential-address-and-the-ethical-shyness-of-market-designers/</a>, posted 7 January 2018, retrieved 7 October 2019.</p> <p>Colander, David and Huei-Chun Su (2015): "Making sense of economists' positive-normative distinction", <i>Journal of Economic Methodology</i> 22(2), 157-170.</p> <p>Farin, Tim (2019): „Experteninterview: Finanz-Professor Johannes Becker über Interviews mit Wissenschaftlern“, August 2019, <a href="https://alles-ueber-interviews.de/experteninterview-johannes-becker/">https://alles-ueber-interviews.de/experteninterview-johannes-becker/</a>, abgerufen 7.10.19. (Abschnitte zum Experteninterview vs. Meinungsinterview)</p> <p>Foucault, Michel (1966): "The Order of Things", and Foucault (1976): "Power/knowledge", in Delanty and Strydom (2003, eds), <i>Philosophies of social science</i>. Open University Press, 242-254.</p> <p>Hands, D. Wade (2012): "The Positive-Normative Dichotomy and Economics". In Uskali Mäki (ed), <i>Philosophy of Economics</i>. Handbook of the Philosophy of Science 13. Amsterdam et al.: Elsevier, 219-239.</p> <p>Hirschman, Daniel and Elizabeth Popp Berman (2014): "Do economists make policies? On the political effects of economics", <i>Socio-Economic Review</i> 12: 779-811.</p> <p>Horowitz, Mark and Robert Hughes (2018): "Political Identify and Economists' Perception of Capitalist Crises", <i>Review of Radical Political Economics</i> 50(1): 173-193.</p> <p>Kologlugil, Serhat (2010): "Michel Foucault's archaeology of knowledge and economic discourse", <i>Erasmus Journal for Philosophy and Economics</i> 3(2), 1-25.</p> <p>Mügge, Daniel (2020): "Economic statistics as political artefacts", <i>Review of International Political Economy</i>, doi: 10.1080/09692290.2020.1828141.</p> <p>Romer, Paul M. (2015): „Mathiness in the Theory of Economic Growth“, <i>American Economic Review: Papers &amp; Proceedings</i> 105(5): 89-93.</p>
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## 8. Class: 15 December 2020

<b>Epistemology and scientific practice: the use of models in economics</b>	
Compulsory reading	Rodrik, Dani (2015): <i>Economics Rules</i> . New York/ London: W.W. Norton & Company, "Introduction" and chapters 1-2 (9-49).
Further readings	<p>Gabaix, Xavier and David I. Laibson (2008): "The seven properties of good models". In Caplin, Andrew and Andrew Schotter (eds), <i>The Foundations of Positive and Normative Economics: A Handbook</i>. Oxford: Oxford University Press.</p> <p>Kapeller, Jakob (2013): "'Model-Platonism' in economics: on a classical epistemological critique", <i>Journal of Institutional Economics</i> 9(2): 199-221.</p> <p>Rubinstein, Ariel (2006): "Dilemmas of an Economic Theorist", <i>Econometrica</i> 7(4): 865-883.</p> <p>Sugden, Robert (2000): "Credible worlds: the status of theoretical models in economics", <i>Journal of Economic Methodology</i> 7(1): 1-31.</p>

	Weisberg, Michael (2007): "Who is a Modeler?", <i>British Journal for the Philosophy of Science</i> 58: 207-233.
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9. Class: 5 January 2021

<b>Pluralism in economics from a philosophy of science perspective: conceptualizing dimensions, motives and degrees of pluralism I</b>	
Compulsory reading	Mäki, Uskali (1997): "The one world and the many theories". In Andrea Salanti and Ernesto Screpanti (eds), <i>Pluralism in economics: new perspectives in history and methodology</i> . Edward Elgar Publishing, 37-47.

10. Class: 12 January 2021

<b>Pluralism in economics from a philosophy of science perspective: conceptualizing dimensions, motives and degrees of pluralism II</b>	
Compulsory reading	Heise, Arne (2016): "Pluralismus in den Wirtschaftswissenschaften – Klärungen eines umstrittenen Konzepts", <i>IMK-Studie</i> 47, June 2016.

11. Class: 19 January 2021

<b>Pluralism in economics from a philosophy of science perspective: Structured Pluralism</b>	
Compulsory reading	Dow, Sheila (2004): "Structured Pluralism", <i>Journal of Economic Methodology</i> 11(3): 275-290.
Further readings	Caldwell, Bruce J. (1988): "The case for Pluralism". In N. de Marchi (ed), <i>The Popperian Legacy in Economics</i> . Cambridge: Cambridge University Press, 231-244.

12. Class: 26 January 2021

<b>Pluralism in economics from a philosophy of science perspective: Interested Pluralism</b>	
Compulsory reading	Dobusch, Leonhard and Jakob Kapeller (2012): "Heterodox United vs. Mainstream City? Sketching a Framework for Interested Pluralism in Economics", <i>Journal of Economic Issues</i> 46(4), 1035-1057.

13. Class: 2 February 2021

<b>Pluralism in economics from a philosophy of science perspective: Current debates</b>	
Compulsory reading	Gräbner, Claudius and Birte Strunk (2018): "Pluralism in economics: its critiques and their lessons", <i>Journal of Economic Methodology</i> , doi: <a href="https://doi.org/10.1080/1350178X.2020.1824076">doi.org/10.1080/1350178X.2020.1824076</a>

14. Class: 9 February 2021

<b>Pluralism in economics from a philosophy of science perspective: Current debates</b>	
Compulsory reading	Wirtschaftsdienst Zeitgespräch (2017): "Wirtschaftswissenschaften: zu wenig Pluralität der Methoden und Forschungsrichtungen?", <i>Wirtschaftsdienst</i> 97(12).