

Master Program Pluralist Economics, University of Siegen

MA-B 2.1: Philosophy of Economics

Winter term 2019/20

Last updated: 14 November 2019

Lecturer: Jun.-Prof.in. Dr. Svenja Flechtner

Office hours: Tuesdays 12:00-13:00 (please sign up online)

Class schedule: Tuesdays 16:15-17:45, US-D321

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

Course and topics overview

08.10.19	Introduction to the course What is philosophy of economics about?
15.10.19	Basics of epistemology
22.10.19	Karl Popper's falsificationism
29.10.19	Milton Friedman's legacy in the philosophy of economics
12.11.19	Epistemology and scientific practice: the use of models in economics
19.11.19	Formalisation and the use of mathematics in economics
26.11.19	Objective vs. subjective judgment
03.12.19	<i>no class</i>
10.12.19	Prescriptive philosophy of science vs. scientific practice: Thomas Kuhn and Imre Lakatos
17.12.19	Anarchy and power in science: Paul Feyerabend and Michel Foucault
07.01.20	Pluralist economics I: conceptualizing dimensions, motives and degrees of pluralism
14.01.20	Pluralist economics II: Pragmatic plurality, performativity and diversity in economics
21.01.20	Pluralist economics III: The practice of pluralism
28.01.20	Pluralist economics IV: Current debates

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 in “to do before class”.

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: 8th October 2019

Introduction: What is philosophy of economics about?	
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 library)

2. Class: 15th October

Basics of epistemology	
Compulsory reading	Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4 th edition. Queensland: University of Queensland Press. Chap. 1: “Science as knowledge derived from the facts of experience” and chap. 4: “Deriving theories from the facts: induction”.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
Further readings	Bauberger, Stefan (2016), Kap. II: “Sinnesdaten als Grundlage der Erkenntnis” und Kap. III: “Induktion, Verifikation, Falsifikation”. Passmore, J. (1967): “Logical Positivism”, in P. Edwards (ed), <i>The Encyclopedia of Philosophy</i> 5. New York: Macmillan, 52-57.

3. Class: 22th October

Karl Popper’s falsificationism	
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”.
To do before class	Extract key points from textbook presentation about Karl Popper’s view of science, as well as main issues raised about it.
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: 29th October and 5. Class: 5th November

Milton Friedman's legacy in the philosophy of economics	
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.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
Further readings	<p>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.</p> <p>Farin, Tim (2019): „Experteninterview: Finanz-Professor Johannes Becker über Interviews mit Wissenschaftlern“, August 2019, https://alles-ueber-interviews.de/experteninterview-johannes-becker/, abgerufen 7.10.19. (Abschnitte zum Experteninterview vs. Meinungsinterview)</p> <p>McCloskey, Donald N. (1983): "The Rhetoric of Economics", <i>Journal of Economic Methodology</i> 21(June): 481-517.</p> <p>Mäki, Uskali (2003): "'The Methodology of Positive Economics' (1953) does not give us <i>the methodology of positive economics</i>", <i>Journal of Economic Methodology</i> 10(4), 495-505.</p>

6. Class: 12th November

Epistemology and scientific practice: the use of models in economics	
Compulsory reading	Rodrik, Dani (2015): <i>Economics Rules</i> . New York/ London: W.W. Norton & Company, "Introduction" and chapters 1-2 (9-49).
To do before class	Read and prepare compulsory literature and watch this video about the Schelling model before coming to class: https://www.youtube.com/watch?v=AZIWOykGzYg
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>Mäki, Uskali (2012): "Realism and Antirealism about Economics". In Uskali Mäki (Hrsg.), <i>Philosophy of Economics</i>. Handbook of the Philosophy of Science 13. Amsterdam u.a.: Elsevier, 3-24.</p> <p>Morgan, Mary S. and Tarja Knuuttila (2012): "Models and Modelling in Economics". In Uskali Mäki (ed), <i>Philosophy of Economics</i>. Handbook of the Philosophy of Science 13. Amsterdam et al.: Elsevier, 49-87.</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> <p>Weisberg, Michael (2007): "Who is a Modeler?", <i>British Journal for the Philosophy of Science</i> 58: 207-233.</p>

7. Class: 19th November

Formalisation and the use of mathematics in economics	
Compulsory reading	Katzner, Donald W. (1991): "In Defense of Formalization in Economics", <i>Methodus</i> 3(1): 17-24.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
Further readings	<p>Kapeller, Jakob and Stefan Steinerberger (2013): "How formalism shapes perception: an experiment on mathematics as a language", <i>International Journal of Pluralism and Economics Education</i> 4(2): 138–156.</p> <p>Katzner, Donald W. (2003): "Why mathematics in economics?", <i>Journal of Post-Keynesian Economics</i> 25(4): 561-574.</p> <p>McCloskey, Donald N. (1991): "Economic Science: A Search Through in the Hyperspace of Assumptions?", <i>Methodus</i> 3(1): 6-16.</p> <p>Mirowski, Philip (2012): "The Unreasonable Efficacy of Mathematics in Modern Economics". In Uskali Mäki (ed), <i>Philosophy of Economics</i>. Handbook of the Philosophy of Science 13. Amsterdam et al.: Elsevier, 159-197.</p> <p>Romer, Paul M. (2015): „Mathiness in the Theory of Economic Growth“, <i>American Economic Review: Papers & Proceedings</i> 105(5): 89-93.</p> <p>Weintraub, Roy (2002): <i>How Economics Became a Mathematical Science</i>. Durham: Duke University Press.</p>

8. Class: 26th November

Objective vs. subjective judgment	
Compulsory reading	Cherrier, Beatrice (2018): "Not going away: on Al Roth's 2018 AEA Presidential Address and the ethical shyness of market designers", blog post, https://beatricecherrier.wordpress.com/2018/01/07/not-going-away-on-al-roths-2018-aea-presidential-address-and-the-ethical-shyness-of-market-designers/ , posted 7 January 2018, retrieved 7 October 2019.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
Further readings	<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>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>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>

9. Class: 10th December

Prescriptive philosophy of science vs. scientific practice: Thomas Kuhn	
Compulsory reading	<p>Akerlof, George A. (2018): "Sins of Omission and the Practice of Economics", Paper Presented on Annual Meetings of the American Economics Association, Philadelphia.</p> <p>Chalmers, Alan F. (2013), Chap. 8: "Theories as structures I: Kuhn's paradigms"</p>

To do before class	Read the paper by Akerlof. The chapter from Chalmers's textbook serves as background to the lecture and should be read as complement to lecture material, not necessarily before the class.
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> .]

Prescriptive philosophy of science vs. scientific practice: Imre Lakatos	
Compulsory reading	Chalmers, Alan F. (2013), Chap. 9: "Theories as structures II: research programs"
To do before class	The chapter from Chalmers's textbook serves as background to the lecture and should be read as complement to lecture material, not necessarily before the class.
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.]

10. Class: 17th December

Anarchy and power in science: Paul Feyerabend and Michel Foucault	
Compulsory reading	Kologlugil, Serhat (2010): "Michel Foucault's archaeology of knowledge and economic discourse", <i>Erasmus Journal for Philosophy and Economics</i> 3(2), 1-25.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
Further readings	Chalmers, Alan F. (2013), Chap. 10: "Feyerabend's anarchistic theory of science". Feyerabend, Paul (1975): <i>Against Method. Outline of an Anarchist Theory of Knowledge</i> . London: New Left Books. [dt. Übersetzung: <i>Wider den Methodenzwang</i> .] 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.

11. Class: 7th January

Pluralism in economics from a philosophy of science perspective: conceptualizing dimensions, motives and degrees of pluralism	
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, 37-58.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).

Further readings	Heise, Arne (2016): "Pluralismus in den Wirtschaftswissenschaften – Klärungen eines umstrittenen Konzepts", <i>IMK-Studie</i> 47, June 2016.
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12. Class: 14th January

Pluralism in economics from a philosophy of science perspective II: pragmatic plurality, performativity and diversity in economics	
Compulsory reading	Mäki, Uskali (2013): "Performativity: Saving Austin from MacKenzie". In: V. Karakostas and D. Dieks (eds), <i>EPSA11 Perspectives and Foundational Problems in Philosophy of Science</i> . The European Philosophy of Science Association Proceedings, vol 2. Cham: Springer, 443-453.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
Further readings	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.

13. Class: 21th January

Pluralism in economics from a philosophy of science perspective III: The practice of pluralism	
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.
To do before class	While reading compulsory literature, prepare answers to the questions listed on moodle (no full-fledged written statement is required, but do take some notes).
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. Dow, Sheila (2004): "Structured Pluralism", <i>Journal of Economic Methodology</i> 11(3): 275-290.

14. Class: 28th January

Pluralism in economics from a philosophy of science perspective IV: Current debates	
Compulsory reading	Wirtschaftsdienst Zeitgespräch (2017): "Wirtschaftswissenschaften: zu wenig Pluralität der Methoden und Forschungsrichtungen?", <i>Wirtschaftsdienst</i> 97(12).
To do before class	Identify challenges to (1) the proposition and (2) the practice of pluralism in economics. Sort these challenges into arguments with which you agree and disagree. Be prepared to defend or offend.
Further readings	Gräbner, Claudius and Birte Strunk (2018): "Pluralism in economics: its critiques and their lessons", <i>ICAE Working Paper Series</i> 82.