

## Introduction: Doing pluralism

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## 1 Introduction

While at the beginning of the 20th century, a plurality of different approaches and schools of thought permeated economics, following World War II, the economics discipline has increasingly concentrated around one paradigm (Lee, 2009; Morgan and Rutherford, 1988). This development was initiated and enabled by a multitude of actors within academia, politics and society (Goodwin, 1998; Lee, 2009, 2004). One key figure is the economist Paul Samuelson, whose economics textbook continues to shape economic education even today and thus heavily influences the way future economists see and describe the economy (Bowles and Carlin, 2020).

The concentration of economics around one methodological approach – namely the ‘economic approach’ (Becker, 1976), which itself still largely serves as the definition of economics today. At the same time, discomfort and critique of the so-called mainstream arose and has intensified since 2000, involving economists, public discourse, and very prominently, economics students. This critique also resonated well beyond academic economics as the incapability of economics to deal with events became even more obvious in the aftermath of the 2008–2009 economic and financial crisis (Dobusch and Kapeller, 2012; Galbraith, 2013; Kirman, 2010).

Critics of the so-called ‘economic mainstream’ point out that social sciences, such as economics, cannot claim to offer just one ‘objective’ explanation for societal phenomena based on a single framework, but should provide a wider perspective and hence consider explanations proposed by various schools of economic thought (Dutt, 2014; Hirte and Thieme, 2013; Fine and Milonakis, 2009; King, 2002). A school of thought is characterised by a research program, which comprises a selected set of theoretical and methodological approaches used to describe economic reality; while other approaches are not perceived as legitimate ways to generate knowledge about the economy.

Thus, at first glance the call for pluralism in economics appears to be straightforward: A variety of schools of economic thought should be acceptable to analyse socio-economic reality. However, a closer look into the debate reveals that calls for pluralism actually comprise a variety of dimensions, including ontological, theoretical, methodological, epistemological and pragmatic (Dutt, 2014; Mäki, 1997; Negru, 2009). These dimensions differ in scope and in the conceptualisation of the relations between the multiple schools of thought within the discipline of economics. This implies that different philosophical approaches are underlying the debate.

One of the most influential theorists on pluralism in economics is Uskali Mäki. His reasoning is centred around the ‘one world principle’ (Mäki, 1997), which states that while different theories about the world are acceptable, pluralism about the world, and hence truth, is not. Mäki (1997) argues that the complexity of social reality cannot be grasped well enough with a single theory. Instead, he claims that, considering the epistemic uncertainty that characterises social sciences, there are good epistemological reasons for a plurality of theories: the different theories ought to contribute to the description of various aspects of the one highly complex world and its constituents. Hence, different approaches might be used complementary, to support or disprove other theories and to provide a more comprehensive explanation. Eventually, this should lead to a more detailed and differentiated picture of the world, so that pluralism contributes to scientific progress.

Other scholars, such as Bigo and Negru (2008) offer a wider understanding of pluralism: a plurality of theories, methods and approaches often conflicts with and most likely will challenge the idea that there is ‘one truth’. Instead, ontological pluralism is introduced as a goal for scientific practice; hence, a certain attitude that enables schools of economic thought based on different ontological stances to co-exist, without getting into opposition about the truth of their statements, is required. To meet this goal, this claim is combined with an ‘ontologically reflexive form of pluralism [Bigo and Negru, (2008), p.141]. This means that the reflection of the ontological, epistemological, and methodological base of each school of thought is required, to enable communication, mutual understanding, and exchange among scholars supporting different approaches. Moreover, it is argued that a greater degree of integration would be desirable vis-à-vis the

current state of scattered plurality and would allow for a better understanding of social reality.

Even though these approaches, which might represent extreme poles regarding how pluralism in economics should be achieved, differ in many respects, they do agree that pluralism in economics is important to gain a deeper and more comprehensive understanding of economic reality. In this regard, we argue that the fundamental complexity of social reality, and hence the economy, is too multifaceted to understand with only one paradigm; therefore, it is impossible to identify the one ‘right’ research program (Jessop, 2010; Sum and Jessop, 2013). As such, different ways in which theories might contribute to a more comprehensive understanding of the economy can be distinguished: either they could be complementary and so describe different parts of the economic reality, or they could converge or be mutually compatible (Dobusch and Kapeller, 2012). In this special issue, we offer a perspective on the fruitfulness of providing different points of view on complex social systems such as the economy.

A main response from mainstream economics to calls for pluralism stresses that modern economics is in fact very pluralist already (e.g., Colander, 2000). This may be true for the range of topics investigated by economists, which then is labelled by scholars as economic imperialism (Lazear, 2000) and seen as evidence for the superiority of economics vis-à-vis other social sciences (Fourcade et al., 2015). Nevertheless, it surely is not in terms of methodology (Gräbner and Strunk, 2020). The dominant methodology in economics is closely entangled with an epistemology which presumes that legitimate economic explanations must fulfil the standards of hard science and be compatible with the assumptions of individual optimisation and with an equilibrium orientation of the market (Akerlof, 2020; Gräbner and Strunk, 2020). Hence, only limited methodologies, such as regression models, are qualified as valuable scientific approaches to study the economy. Meanwhile, non-formal approaches or models, based on other assumptions, remain marginalised (Milonakis, 2017; Starr, 2014; Thieme, 2018).

In contrast, the pluralist approach acknowledges the value of contributions of different schools of thought to the analysis of the economy. This conviction provokes the critique that pluralism would mean ‘anything-goes’ and thus is non-scientific. In comparison, it is claimed that each mature scientific discipline has to be based on a shared core, including a common understanding of clear-cut quality criteria (Gräbner and Strunk, 2020; Kuhn, 1962). However, pluralism does not imply ‘anything goes’; most influential pleas for pluralism do not demand ‘methodological anarchism’ without any shared standards for scientific quality (see Rommel and Kasperan in this special issue). Instead, they claim the necessity to broaden research standards and allow for more diversity, which must not be taken as an indicator of non-scientific-ness.

There are good reasons to argue that there is no single, objective yardstick for ‘scientific-ness’ because there is not only one “correct way of doing economics” [Gräbner and Strunk, (2020), p.319]: the object of economics is not objective, external or unchanging, but inherently constructed and context-dependent (Rodrik, 2015). This is also true for methods and theories, which do not emerge on purely objective grounds, but are necessarily moulded by our worldviews [*Weltanschauungen* (Weber, 1973)], styles of thinking [*Denkstilen* (Fleck, 1980)] and pre-analytic visions (Schumpeter, 1986). Therefore, a narrow set of quality criteria based on one school of thought and research tradition necessarily fails for economics as a whole.

Instead, we propose two approaches for common quality criteria that could span economics as a whole: First, scientific work within the different schools of thought

should be based on theoretically and methodologically elaborated foundations. To meet this goal, one could apply the idea of ‘ontological reflexivity’ offered by Bigo and Negru (2008). This would oblige scientists to develop an understanding about their theoretical and methodological assumptions before engaging in research. This would raise the economist’s consciousness for the scope of his/her empirical results and possible policy suggestions. Second, scientists should work in a way so that others are able to understand the theoretical and methodological underpinnings and the results of their research without being an expert in the field. For this, a concept common in qualitative social research, the so-called ‘intersubjektive Nachvollziehbarkeit’ could be applied to the field of economics. This concept which does not have a suitable counter in English, implies an expansion of ‘procedural transparency’ to include even the ontological basis of research, and not just the methodology; this would inherently requisite the type of deliberation asked for by Bigo and Negru (2008).

Both approaches highlight the importance for scientific practice to reflect on own-theoretical assumptions and the cruciality to communicate scientific findings in an understandable way to external parties – other scientists, politicians and civilians. Moreover, this appears to be the precondition for ‘interested pluralism’ (Dobusch and Kapeller, 2012), which entails communication, mutual learning between different economic schools of thought, and more in-depth explanatory power of economic theory in general. This horizon appears very appealing to us and thus, we want to contribute to this objective with this special issue.

## 2 Contents of the special issue

In this special issue, we combine contributions that pick up on the broad discussion of economic pluralism discussed above. Even though diverse in their approaches, fields of engagements, and entry points into the complex nature of (current) economic relations, they share common perspectives: the papers in this special issue contribute to practicing pluralism in economics by combining research traditions, integrating theoretical currents in economics and/or reflecting on currently existing research practices in economics.

Melissa Kennedy leads off the special issue with ‘A narrative approach to happiness measures: the complementary knowledge of fiction and film’ for the importance of narrative studies for economic analysis that go beyond using narrative as mere examples of established economic methodologies. By drawing on actual narrative approaches, this contribution shows how to understand people and their ethical considerations. Making use of two case studies, Kennedy underlines the value of such a narrative perspective for economic questions by demonstrating how the form and function of happy-ending stories add depth to the understanding of happiness, well-being, and common good that cannot be registered in the World Happiness Report.

The next two papers reflect on different theoretical currents in economics and their relation to each other. In her contribution ‘Critical realism, feminisms, and degrowth: a plea for metatheory-informed pluralism in feminist ecological economics’, Corinna Dengler draws on the notion of interested pluralism (Dobusch and Kapeller, 2012) to reflect on two heterodox economics schools of thought: ecological economics and feminist economics. Doing so, she offers an in-depth theoretical reflection and critical discussion of both paradigms in order to contribute to the formulation of a (more)

feminist degrowth approach. Florian Rommel and Robert L. Kasperan in ‘Pluralism is not ‘anything goes’ – grounding pluralism in economics in diverse economies by rehabilitating Paul Feyerabend’ rethink the relation between different schools of thought as not only stemming from ontological or epistemological questions but also based on diverging value systems and norms. Drawing on the often misread and mis-accused Paul Feyerabend, they argue that, contrary to common beliefs, his theory can help reframe the discussion about pluralism as his concept of traditions in society and in science allows for widening the focus from the epistemological dimension of pluralism towards the role values play in the constitution of every economy.

In ‘Optimal policy modelling? An argumentation theory approach to making sense of economic modelling’, Patrick Klösel takes a different turn and reflects on two key problems in the current practice of policy modelling, namely the ‘unrealistic-assumptions’-puzzle and the ‘prediction-failure’-puzzle. As a response, he develops an innovative perspective, the ‘models-as-argumentations’ (MAA) view, which aims to sensitise modellers and practitioners to the fact that in order to derive policy recommendations, the critical assumptions of a model either have to be trivially true; or else the application of the model to the situation in question has to be justified via an analogy assumption, historical induction, or the assumption of structural isomorphism.

The next set of papers practices pluralism by showing the value of combining different approaches and reaching out beyond the established borders of the discipline to have a clearer understanding of a specific economic phenomenon. Jakob Fraisse in ‘On the reciprocal potential of cultural anthropology and economics: the example of economised cultural work’ brings together cultural-anthropology and economics reflecting on how to realise the potential to combine both perspectives. Making use of ethnographic case-studies, he shows the potential of methods typically unused in economics for the analysis of economic phenomena.

Henri Schneider reflects in ‘Combination matters: why corporate bonds and shadow banking can threaten financial stability – a Minskyian perspective’ on the post-2008 developments in financial markets and the banking sector, in particular the shift from higher regulated traditional banking towards poorly regulated shadow banking. Drawing on the work of Hyman Minsky, popularised in the wake of the financial crisis but still marginal to the mainstream, Schneider shows that the shifts in the financial markets in connection with the non-financial corporation sector is a dangerous development, which could lead to rising instability in financial markets in the future. This contribution practises pluralism by re-applying ‘old’ concepts to current trends.

### **3 Conclusions**

The objective of this special issue is to provide a working model for the benefits of practicing pluralism: The articles highlight divergent aspects of the economy and reach very distinct conclusions. Hence, they are complementary in providing a more comprehensive understanding of the economy. This is what pluralism is all about. We hope that this brief glimpse into the benefits will broaden the support for the pluralism in economics movement. It is hoped that practitioners of economics, and especially students, can see the benefits of studying economics from a pluralist lens, and can help partake in solving our myriad of crises.

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