



## **Introduction to Philosophy of Economics**

Wissenschaftstheoretische Grundlagen der Ökonomik

Course short name: *PhEcon2425* (Moodle)

Winter semester 2024-25

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*Office hours by appointment – please contact via e-mail (svenja.flechtner@uni-siegen.de)*

### **Syllabus**

How is knowledge generated? In what way do theories contribute to this process and how do they relate to empirical findings? What assumptions are made about the phenomena under investigation? How do social sciences differ from natural sciences in this context?

These are exemplary issues that concern the philosophy of science in general. The philosophy of science in relation to economics – the philosophy of economics – applies these questions to its area of expertise.

The course *Introduction to Philosophy of Economics (Wissenschaftstheoretische Grundlagen der Ökonomik)* first introduces a range of approaches to and theories of the philosophy of economics and relates them to different schools of economic thought. The second half of the course focuses on the (controversial) academic debate on pluralist economics and its role within economics.

#### **Learning/qualification objectives (see *Modulhandbuch*):**

Students acquire the competencies and skills to

- reflect on the acquired knowledge of fundamental approaches to the philosophy of science/economics.
- analyze economic theories and texts from a philosophy of science/economics perspective and evaluate theories and texts with regard to their paradigmatic assumptions, their methodological concepts, and their respective epistemological capacities and guidelines for practice.

#### **Prüfungsleistung**

- *Lerntagebuch/ learning diary* (see further information)

## Course and topics overview

09 Oct 24	1) Introduction to course
16 Oct 24	2) Basics of epistemology
23 Oct 24	3) Karl Popper's falsificationism
30 Oct 24	4) Milton Friedman's legacy in the philosophy of economics
6 Nov 24	- No class
13 Nov 24	5) Thomas Kuhn's paradigms and Imre Lakatos' research programs
20 Nov 24	6) Objectivity vs. value judgments in economics
27 Nov 24	7) The use of models in economics
4 Dec 24	8) The superiority of economists
11 Dec 24	9) Reflexivity, qualitative methods and openness for interdisciplinarity
18 Dec 24	10) Epistemic injustice and decolonization
8 Jan 25	11) Evidence-based economics? Featuring perspectives from Open Science and meta-science of economics
15 Jan 25	12) Pluralism in economics from a philosophy of science perspective
22 Jan 25	13) Pluralism in economics from a philosophy of science perspective
29 Jan 25	14) Closing session

## Detailed syllabus

Please note that this is a reading-intensive course. Therefore, please allow for sufficient time to read and work on the texts in your weekly schedule.

- *Compulsory reading*: you are required to read and prepare this literature. More detailed instructions on how to prepare for class each week are provided in the Moodle course.
- *Further reading*: These include some of the references to the material I have referred to on the lecture slides, as well as suggestions for those who wish to explore a particular topic in more depth.

The asterisk (\*) indicates availability/accessibility via the university library, either as printed or digital copies. Required literature will be provided via the Moodle course.

### Session 1: October 9, 2024

<i>Introduction: What is philosophy of economics about?</i>	
Compulsory reading	/
Further reading	

### Session 2: October 16, 2024

<i>Basics of epistemology</i>	
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 (pp. 1–17). *
Further reading	Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4 <sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 4 (38–54). * Bauberger, Stefan (2016): <i>Wissenschaftstheorie: Eine Einführung</i> . Stuttgart: Verlag W. Kohlhammer. Chap. 2 (pp. 12–30) and Chap. 3 (pp. 31–55). * Passmore, John A. (1967): “Logical Positivism”, in Paul Edwards (ed.), <i>The Encyclopedia of Philosophy</i> 5. New York: Macmillan, pp. 52–57.

### Session 3: October 23, 2024

<i>What remains from Karl Popper's falsificationism?</i>	
Recommended reading	Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4 <sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 5 (pp. 55–68), Chap. 6 (pp. 69–80), and Chap. 7 (81-96). *
Further reading	<p>Fidler, Fiona et. Al (2018): “The Epistemic Importance of Establishing the Absence of an Effect”. <i>Advances in Methods and Practices in Psychological Science</i> 1 (2), pp. 237–244. *</p> <p>Laudan, Larry (1983): “The Demise of the Demarcation Problem”, in Robert S. Cohen and Larry Laudan (eds.), <i>Physics, Philosophy and Psychoanalysis</i>. Dordrecht/Boston/Lancaster: D. Reidel Publishing Company, pp. 111–127. *</p> <p>Pigliucci, Massimo (2013): “The Demarcation Problem. A (Belated Response to Laudan)”, in Massimo Pigliucci and Maarten Boudry (eds.): <i>Philosophy of Pseudoscience: Reconsidering the Demarcation Problem</i>. Chicago: University of Chicago Press. Chap. 1 (pp. 9–28).</p> <p>Popper, Karl. R. (1997): <i>Lesebuch: ausgewählte Texte zu Erkenntnistheorie, Philosophie der Naturwissenschaften, Metaphysik, Sozialphilosophie</i>. 2nd edition. Tübingen: Mohr.*</p>

### Session 4: October 30, 2024

<i>Milton Friedman's legacy in the philosophy of economics</i>	
Compulsory reading	Friedman, Milton (1953): “The Methodology of Positive Economics”, in <i>Essays in Positive Economics</i> . Chicago: University of Chicago Press, pp. 3–43.
Further reading	<p>Backhouse, Roger E. (2012): “The Rise and Fall of Popper and Lakatos in Economics”, in Uskali Mäki (ed.): <i>Philosophy of Economics. Handbook of the Philosophy of Science 13</i>. London/New York: Elsevier, pp. 25–48. *</p> <p>McCloskey, Donald N. (1983): “The Rhetoric of Economics”. <i>Journal of Economic Literature</i> 21 (2), pp. 481–517. *</p> <p>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), pp. 495–505. *</p>

**Session 5: November 13, 2024**

<i>Thomas Kuhn's paradigms and Imre Lakatos' research programs</i>	
Compulsory reading	<p>Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4<sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 8 (pp. 97–120). *</p> <p>Akerlof, George A. (2020): “Sins of Omission and the Practice of Economics”. <i>Journal of Economic Literature</i> 58 (2), pp. 405–418.</p>
Further reading	<p>Lakatos, Imre (1978): <i>The Methodology of Scientific Research Programmes</i>. Cambridge: Cambridge University Press.* [deutsche Ausgabe: <i>Die Methodologie der wissenschaftlichen Forschungsprogramme, 1982</i> *]</p> <p>Kuhn, Thomas (1996): <i>The Structure of Scientific Revolutions</i>. 3<sup>rd</sup> edition. Chicago: University of Chicago Press. * [deutsche Ausgabe: <i>Struktur wissenschaftlicher Revolutionen, 1973</i>] *</p> <p>Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4<sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 8 (pp. 97–120). *</p> <p>Chalmers, Alan F. (2013): <i>What is this thing called science?</i> 4<sup>th</sup> edition. Queensland: University of Queensland Press. Chap. 9 (pp. 121–137). *</p>

**Session 6: November 20, 2024**

<i>Objective and subjective judgment and value neutrality in economics</i>	
Compulsory reading	<p>Harding, Sandra (1995): “Can feminist thought make economics more objective?” <i>Feminist Economics</i> 1:1, 7-32.</p>
Further reading	<p>Horowitz, Mark and Robert Hughes (2018): “Political Identity and Economists' Perceptions of Capitalist Crises”. <i>Review of Radical Political Economics</i> 50 (1), pp. 173–193. *</p> <p>Mügge, Daniel (2022): “Economic statistics as political artefacts”. <i>Review of International Political Economy</i> 29 (1), pp. 1–22. *</p> <p>Rolin, Kristina (2012): “Feminist Philosophy of Economics”, in Uskali Mäki (ed.): <i>Philosophy of Economics. Handbook of the Philosophy of Science</i> 13. London/New York: Elsevier, pp. 199–217. *</p>

### Session 7: November 27, 2024

<i>The use of models in economics</i>	
Compulsory reading	Rodrik, Dani (2015): <i>Economics Rules. Why Economics works, when it fails, and how to tell the Difference</i> . Oxford: Oxford University Press. "Introduction" (pp. 1–8), Chap. 1 (pp. 9–44).
Further reading	Gabaix, Xavier and David Laibson (2008): "The Seven Properties of Good Models", in Andrew Caplin and Andrew Schotter (eds.): <i>The Foundations of Positive and Normative Economics: A Handbook</i> . Oxford: Oxford University Press, pp. 292–299. Kapeller, Jakob (2013): "'Model-Platonism' in economics: on a classical epistemological critique". <i>Journal of Institutional Economics</i> 9 (2), pp. 199–221. * Rubinstein, Ariel (2006): "Dilemmas of an Economic Theorist". <i>Econometrica</i> 74 (4), pp. 865–883. * Sugden, Robert (2000): "Credible worlds: the status of theoretical models in Economics". <i>Journal of Economic Methodology</i> 7 (1), pp. 1–31. *

### Session 8: December 4, 2024

<i>The superiority of economists</i>	
Compulsory reading	Fourcade, Marion, Etienne Ollion, and Yann Algan (2015): "The superiority of economists." <i>Journal of Economic Perspectives</i> 29(1): 89-114.
Further reading	Leijonhufvud, Axel. (1973). Life among the Econ. <i>Economic Inquiry</i> 11(3): 327-337.

### Session 9: December 11, 2024

<i>Reflexivity, qualitative methods and openness for interdisciplinarity</i>	
Compulsory reading	Rao, Vijayendra (2023): "Can economics become more reflexive?", in Deshpande, Ashwini (ed), <i>Handbook on Economics of Discrimination and Affirmative Action</i> . Singapore: Springer.
Further reading	Flehtner, Svenja. (2023). Beyond fads and magic bullets: The promise of behavioral approaches in development economics. <i>Journal of Economic Surveys</i> , <a href="https://doi.org/10.1111/joes.12663">https://doi.org/10.1111/joes.12663</a> .

### Session 10: December 18, 2024

<i>Epistemic injustice</i>	
Compulsory reading	Dunne, Gerry. (2020). Epistemic injustice. <i>Encyclopedia of Educational Philosophy and Theory</i> , 1-7.
Further reading	Kvangraven, Ingrid Harvold and Surbhi Kesar (2022): “Standing in the way of rigor? Economics’ meeting with the decolonization agenda”, <i>Review of International Political Economy</i> , doi: 10.1080/09692290.2022.2131597. Ndlovu-Gatsheni, Sabelo. J. (2020). <i>Decolonization, development and knowledge in Africa: Turning over a new leaf</i> . Routledge.

### Session 11: January 8, 2025

<i>Evidence-based economics? Featuring perspectives from Open Science and meta-science of economics</i>	
Compulsory reading	Jörg Peters (2021): A Replication Crisis in the Making? <a href="https://elephantinthelab.org/a-replication-crisis-in-the-making/">https://elephantinthelab.org/a-replication-crisis-in-the-making/</a>
Further reading	Ankel-Peters, Jörg, Nathan Fiala and Florian Neubauer (2023): “Do Economists Replicate?”, <i>Journal of Economic Behavior &amp; Organization</i> 212: 219-232. Page, Lionel, Charles N. Noussair and Robert Slonim (2021): “The replication crisis, the rise of new research practices and what it means for experimental economics”, <i>Journal of the Economic Science Association</i> 7: 210-225. Ritchie, Stuart (2020). <i>Science fictions: Exposing Fraud, Bias, Negligence and Hype in Science</i> . Random House.

### Session 12: January 15, 2025

<i>Pluralism in economics from a philosophy of science perspective: Conceptualizing dimensions, motives, and degrees of pluralism I</i>	
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, pp. 37–47.
Further reading	Heise, Arne (2017): “Defining economic pluralism: ethical norm or scientific imperative”. <i>International Journal of Pluralism and Economics Education</i> 8 (1), pp. 18–41. * Meyenburg, Imko (2018): “Choices under epistemic pluralism in economics”. <i>International Journal of Pluralism and Economics Education</i> 9 (4), pp. 339–357.

### Session 13: January 22, 2025

<i>Pluralism in economics from a philosophy of science perspective: Conceptualizing dimensions, motives, and degrees of pluralism II</i>	
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), pp. 1035–1057. *
Further reading	Dow, Sheila (2004): “Structured Pluralism”, <i>Journal of Economic Methodology</i> 11(3), pp. 275-290. *

### Session 14: January 29, 2025

<i>Pluralism in economics from a philosophy of science perspective: Conceptualizing dimensions, motives, and degrees of pluralism III</i>	
Compulsory reading	Gräbner, Claudius and Birte Strunk (2020): “Pluralism in economics: its critiques and their lessons”. <i>Journal of Economic Methodology</i> 27 (4), pp. 311–329.
Further reading	Lari, Teemu and Uskali Mäki (2024): “Costs and Benefits of Diverse Plurality in Economics”, <i>Philosophy of the Social Sciences</i> 54(5), pp. 412-441. *