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# Epistemology in Heterodox Economics?

*Bret N. Bogenschneider, PhD, JD, LL.M.\**

## ABSTRACT

The epistemology of Heterodox Economics has been described as a type of methodological pluralism where its relativism is taken as consistent with new versions of science. However, methodological pluralism has severe drawbacks as a means of inquiry. Whereas Economics is often understood in positivist terms as a closed set, Heterodox Economics includes additional concepts and methods. As an open set of ideas, Heterodox Economics is a means to doubt or to *not-know* and comprises *Einführung* or the creative intuition for the introduction of new ideas into the epistemology of Economics.

## I. INTRODUCTION

The task of defining Heterodox Economics has proven to be difficult, where the one consensus seems to be that the project engenders great controversy.<sup>1</sup> Prior attempts at definition in the *Handbook of Heterodox Economics* are all-encompassing and exceed twenty pages of single-spaced text.<sup>2</sup> The descriptions range from the epistemological, where Heterodox Economics has been defined broadly as economic critique, and narrowly, as descriptions of non-rational choice.<sup>3</sup> More recently, it has been described in personal terms with definitions given by reference to the persons who practice it and their social network.<sup>4</sup> By this latter definition, Heterodox Economics comprises a type of scholarly club for estranged economists, such as Keynesians, Marxists, and others who do not fall squarely within the tent of neoclassical

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1. Tae-Hee Jo, Lynne Chester & Carlo D'Ippoliti, *The State of the Art and Challenges for Heterodox Economics*, in THE ROUTLEDGE HANDBOOK OF HETERODOX ECONOMICS 3, 8 (2018) (“Heterodox economics is not a single unified school of thought. It is an umbrella term referring to various schools of economic thought distinguished from mainstream economics in terms of theory, methodology, policy prescriptions, and community. This internal diversity at multiple levels is a major reason why a definition is difficult. If heterodox economics is to be defined, therefore, a broad (or minimalist) definition encapsulating core characteristics common to multiple heterodox schools of economic thought would only be suitable.”).
2. *Id.* at 1–22.
3. Clarence E. Ayres, *Fifty Years’ Developments in Ideas of Human Nature and Motivation*, 26 AM. ECON. REV. (PAPERS & PROC.) 234 (1936).
4. Jo et al., *supra* note 1, at 10; FREDERIC LEE, A HISTORY OF HETERODOX ECONOMICS: CHALLENGING THE MAINSTREAM IN THE TWENTIETH CENTURY (2009).

economics for various reasons.<sup>5</sup> A recurring theme is an ontological yearning toward the view of Heterodox Economics not merely as critique but, rather, as its own discipline separate and distinct from Economics proper.<sup>6</sup>

A leading description of the supposed epistemology of Heterodox Economics is taken by reference to a multiplicity of methods, often referred to as pluralism, structured pluralism, or methodological pluralism.<sup>7</sup> However, methodological pluralism has yet to identify its methods, as there are no textbooks or descriptions of its formalized methods as opposed to critiques in the primary Heterodox sources.<sup>8</sup> Contrary to these descriptions of Heterodox Economics as epistemological in nature, the discipline appears to serve primarily as a means to *not* know or as a means to critique or to doubt. Importantly, such doubting is essential to the field of Economics proper as it serves to insert tentativeness into its epistemology.<sup>9</sup> Tentativeness allows for a creative intuition toward new ideas from experience—as was described by Popper with the German word *Einführung*.<sup>10</sup> Thus, Heterodox Economics

5. See Tae-Hee Jo & Zdravka Todorova, *Social Provisioning Process: a heterodox view of the economy*, in THE ROUTLEDGE HANDBOOK OF HETERODOX ECONOMICS 29, 33 (2018).
6. Jo et al., *supra* note 1, at 10–11; Sheila Dow, *Economic Methodology, the Philosophy of Economics and the Economy: Another Turn?*, 28 J. ECON. METHODOLOGY 46, 47 (2021).
7. Sheila Dow, *Structured Pluralism*, 11 J. ECON. METHODOLOGY 275 (2004); Dow, *supra* note 6, at 51; Jo et al., *supra* note 1, at 1 (“This demonstrates the engagement of many heterodox economists with methodological pluralism compared to the monist methodology of mainstream economics.”); *But see* Jo et al., *supra* note 1, at 11 (“Arguably, an integrative and pluralist approach is a constitutive method and a defining feature of heterodox economics, even though some heterodox economists are not necessarily open to other heterodox methods and approaches and/or do not endorse, practice, and promote pluralism.” (citing FREDERIC LEE, A HISTORY OF HETERODOX ECONOMICS: CHALLENGING THE MAINSTREAM IN THE TWENTIETH CENTURY (2009))).
8. Jo et al., *supra* note 1, at 13 (“Indeed, the historical roots and developments briefly described here do not imply a pre-determined future of heterodox economics. Rather, what is implied is that promising research programs are based largely on drawing from and connecting previously unrelated approaches or schools. This attitude and practice, arguably, develops in parallel to the growth of institutions and instruments that facilitate communication and exchange between communities and schools . . .”).
9. *Id.* at 7 (“A last distinctive feature of the Handbook is that it is not a diatribe criticizing mainstream economics. There is no doubt that criticism is an essential part of developing alternative perspectives. Past heterodox critiques of mainstream methodology, theory, and policy have led to significant progress in many traditions of heterodox economics.”).
10. KARL POPPER, THE LOGIC OF SCIENTIFIC DISCOVERY 8–9 (Julius Freed & Lan Freed trans., Routledge 2d ed. 2002) (1935) (“There is no logical path, . . . ‘leading to these . . . [highly universal] laws. They can only be reached by [the

functions in part as a means to brainstorm or to create new ideas related to Economics.<sup>11</sup> Perhaps ironically, the insertion of *Einführung* into Economics renders it dynamic and an evolving means to know things and, therefore, in the nature of modern science.<sup>12</sup>

Heterodox Economics can be better understood as essentially the drydock area of Economics, comprising the staging area for economic ideas that might someday be introduced into its epistemology or set of ideas. By this analogy, new Economic ideas are occasionally launched out of the drydock of Heterodox Economics for mainline fleet service in Economics proper, of which Behavioral Economics is perhaps the foremost illustration. Furthermore, as Economic ideas are damaged in battle with the erstwhile opponents of Economics, these ships are sent back to drydock for scuttling or repair, of which the Laffer Curve is perhaps the foremost illustration.<sup>13</sup> The need for both a staging area for new ideas and a scuttling area for outdated ideas arises because Economics presents itself as a closed set, yet it needs a way to become dynamic and thereby to modify or update itself based on future events. In philosophical terms, economics is a closed set of beliefs that came out of the Enlightenment era where knowledge was thought to be conclusive and not evolving, and thus predates Popper's description of the origins of scientific discovery—emphasis here on the word *discovery*. Therefore, because it is not premised in modern science understood as the dynamic study of causal relations,<sup>14</sup> Economics must incorporate a means to discover new ideas, or it will become stale, and that dynamism within Economics is what is called *Heterodox Economics*.

In epistemological terms, Heterodox Economics is a means to *not-know*, as opposed to know, and is arguably as far from a working epistemology as anything could be. The difficulty for scholars in defining Heterodox Economics is partly due to the Modernist roots of Economics. Of all social science fields, Economics is perhaps the most Modern, where Modernism is the

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logic of science] intuition, based upon something like an intellectual love (*'Einführung'*) of the objects of experience.”) (quoting Albert Einstein, *MEIN WELTBILD* 168 (1934)).

11. *See id.*
12. *See generally* TERENCE W. HUTCHISON, *ON REVOLUTIONS AND PROGRESS IN ECONOMIC KNOWLEDGE* (Cambridge Univ. Press 1978).
13. *See* Arthur Laffer, *The Laffer Curve: Past, Present, and Future*, HERITAGE FOUNDATION (June 1, 2004), <https://www.heritage.org/taxes/report/the-laffer-curve-past-present-and-future> [<https://perma.cc/WJF8-WY4W>].
14. *See* JOSEPH A. SCHUMPETER, *HISTORY OF ECONOMIC ANALYSIS* 6 (Elizabeth Schumpeter ed., Oxford Univ. Press 1954) (“Hence we may also adopt the practically equivalent definition: a science is any field of knowledge that has developed specialized techniques of fact-finding and of interpretation or inference (analysis) . . . Since economics uses techniques that are not in use among the general public, and since there are economists to cultivate them, economics is obviously a science within our meaning of the term.”).

building of methods to yield definitive answers that are thought to be forever valid.<sup>15</sup> Heterodox scholars are tempted to say that they have incorporated a new epistemology premised in pluralism or other aspects of Postmodernism,<sup>16</sup> and that is to reject Economics and its means of knowing, or perhaps more accurately for scholars to observe that Economics has rejected them. But this ideal of a new epistemology premised in pluralism is not remotely accurate in terms of what they have done in terms of method, nor is it true in terms of what they wish to achieve. On the contrary, Heterodox scholars are epistemological in the sense that they see methods in economic analysis and would not wish to abandon these methods. Yet, the methods of Heterodox Economics have also not been identified and appear to be largely the methods of orthodox Economics, perhaps modified to a matter of degree in some cases.<sup>17</sup> At least some of the methods of Economics are found within all of the iterations of Heterodox Economics. So, in answer to Jo & Todorova<sup>18</sup> and Dow,<sup>19</sup> one might respond that Heterodox Economics is not a separate and distinct discipline from Economics because of these shared methods.<sup>20</sup> Of course, if that were not so, we should call the endeavor of Heterodox Economics simply Heterodoxy.

The role of intuition deriving from experience in creating economic epistemology has largely not been explored in respect of economic methodology. Many scholars see a dichotomy between positivity and normativity. For example, Boumans wrote: “[E]conomic methodology should leave behind as much as it can this authoritarian normative stance and should embrace a much more positivist attitude.”<sup>21</sup> Popper is sometimes wrongly referenced to imply that Economics should proceed by non-normative meth-

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15. See generally Daniel M. Hausman, *Philosophy of Economics: Past and Future*, 28 J. ECON. METHODOLOGY 14 (2021).
  16. *Postmodernism* is the critique of Modernist epistemology and methods, including Economics, to challenge the underlying idea of epistemology as a valid means of knowing.  
Postmodernism may be represented by challenges to the given conditional statements of Economics as: How were evaluative criteria A, B, C . . . selected and measured? How do you know when the conditional values, such as then or =, are satisfied?
  17. See Dariusz Kielczewski, *Mainstream Economics Versus Heterodox Economics – Between Dispute and Dialogue*, 2 OPTIMUM ECON. STUD. 121 (2020).
  18. Jo & Todorova, *supra* note 5.
  19. *Id.*; Sheila Dow, *Economic Methodology, The Philosophy of Economics and the Economy: Another Turn?*, 28 J. ECON. METHODOLOGY 46, 49 (2021).
  20. Kumar B. Pradeep, *On Heterodox Economics*, 8 SHANLAX INT’L J. ARTS, SCI. & HUMANS. 65, 69 (2020) (“These technical tools and inferences remain almost unaltered in heterodox economics.”).
  21. Marcel Boumans, *Retreat from Normativism*, 28 J. ECON. METHODOLOGY 60, 61 (2021).

ods on a closed epistemological set, similar to theoretical physics.<sup>22</sup> The error has been perpetuated in economic circles largely because of a mistake grounded in the concept of normativity. Popper's falsification criterion has even been alleged not to be applied by many philosophers anymore,<sup>23</sup> but to the contrary, all science requires such a review, and the concept is included within later versions of science. This is so even if Bouman is correct that cases where an economic idea is shown to be false such, as the Laffer Curve, are relatively rare.<sup>24</sup>

The term "normativity" is distracting when applied in discussions of economic philosophy as it implies a parallel between the field of Economics and the natural sciences, such as physics or mathematics. The use of that term is intended to lend credence to Economics as akin to the non-normativity of these fields in comparison to other fields, such as law or psychology.<sup>25</sup> The trouble is that normativity as a concept was not given by Popper as the origin of ideas. Popper wrote:

The initial stage, the act of conceiving or inventing a theory, seems to me neither to call for logical analysis nor to be susceptible of it. The question how it happens that a new idea occurs to a man—whether it is a musical theme, a dramatic conflict, or a scientific theory—may be of great interest to empirical psychology; but it is irrelevant to the logical analysis of scientific knowledge.<sup>26</sup>

Econometric scholars in particular have occasionally cited to their own empirical works as the exclusive source of economic knowledge, proclaiming: "This is what we know about . . . [economics]."<sup>27</sup> Jo & Todorova correctly describe this as a conception of "pure" knowledge.<sup>28</sup> Econometric scholars generally do not cite to Popper's other writings *The Logic of Scientific Discovery*, leaving out perhaps the most relevant work to Economics as

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22. *Id.* at 62–63.

23. *Id.* at 60.

24. See, e.g., J. Gravelle & D. Marples, *Tax Rates and Economic Growth*, Congressional Research Service (Jan. 2, 2014), <https://sgp.fas.org/crs/misc/R42111.pdf>; Bret N. Bogenschneider, *Causation, Science & Taxation*, 10 ELON L. REV. 1, 14–15 (2017).

25. See Christopher J. Ferguson, *Everybody Knows Psychology is Not a Real Science*, 70 AM. PSYCH. 527, 529 (2015).

26. POPPER, *supra* note 10.

27. See, e.g., Alan J. Auerbach, *Who Bears the Corporate Tax: A Review of What We Know*, 20 TAX POL'Y AND ECON. 1 (2006); Michael P. Devereux & Simon Loretz, *What Do We Know About Corporate Tax Competition?* (Oxford Univ. Ctr. for Bus. Tax'n., Working Paper No. 12/29, 2012); Dhammika Dharmapala, *What Do We Know About Base Erosion and Profit Shifting? A Review of the Empirical Literature* (Ill. Pub. L., Working Paper No. 14-23, 2014).

28. Jo & Todorova, *supra* note 5, at 36.

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a discipline of the social sciences.<sup>29</sup> Jo et al. correctly explain this viewpoint as follows: “Most mainstream economists hold that their economics is the only legitimate paradigm. Regardless of the relevance or empirical validity, any theory that is not ‘modeled’ in mainstream language is not economics.”<sup>30</sup> The underlying idea of econometrics is that science means the discovery of theories by empirical observation and then to apply non-normative analyses to those observations.<sup>31</sup> However, that is to some degree the opposite of Popper’s later description of science.<sup>32</sup> Popper wrote partly in response to Viennese skepticism, where many scholars had severely doubted the idea of science as observation and deduction. Popper famously wrote to the contrary of that view:

Science does not rest upon solid bedrock. The bold structure of its theories rises, as it were, above a swamp. It is like a building erected on piles. The piles are driven down from above into the swamp, but not down to any natural or ‘given’ base; and if we stop driving the piles deeper, it is not because we have reached firm ground. We simply stop when we are satisfied that the piles are firm enough to carry the structure, at least for the time being.<sup>33</sup>

## II. DEFINITIONAL FRAMEWORK

The purpose of this section is to define Heterodox Economics and related concepts in the more standard terms. Defining terms is not solely an epistemological inquiry as it is also partly an attempt to help external scholars to follow along with the respective discipline. For example, rather than propose that Heterodox Economics is pluralist with many different methodologies, we need to begin to group those methods and define them. Prior papers

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29. POPPER, *supra* note 10, at 21.

30. Jo et al., *supra* note 1.

31. See MARY S. MORGAN, THE HISTORY OF ECONOMETRIC IDEAS 2 (1990) (“Exactly how the econometric ideal, the union of mathematical and statistical economics, emerged in the early twentieth century is an interesting question. The obvious supposition is that the roots of econometrics lie in the mathematical and statistical economics of the nineteenth century. Yet, in the contemporary view of that time (as in economics today), mathematics and statistics were believed to operate in different spheres.”).

32. POPPER, *supra* note 10, at 90 (“[T]he theoretician must long before [experimentation] have done his work, or at least what is the most important part of his work: he must have formulated his question as sharply as possible. Thus it is he who shows the experimenter the way. But even the experimenter is not in the main engaged in making exact observations; his work, too, is largely of a theoretical kind. Theory dominates the experimental work from its initial planning up to the finishing touches in the laboratory.”).

33. *Id.* at 94.

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on pluralist methodologies do not give any illustrations of methods leaving one to wonder whether there is potential disagreement as to the meaning of the term “methods.”<sup>34</sup> For example, Heterodox scholars engaged in *Radical Economics* deny the validity of Economics by saying that it does not yield the promised answers.<sup>35</sup> *Critical Economic Theory* understands economics as reflecting power dynamics in society. Some Heterodox scholars are uncomfortable with any grouping or labeling for reasons that are beyond the scope of this paper.<sup>36</sup> However, it seems fair to say that all academic work requires a degree of intellectual compromise, which is unfortunate, but a necessary aspect of communication with other scholars. The alternative to such communication is to risk an isolation or silo critique as given by Martin: “[E]conomic geography was becoming ‘increasingly fragmented into a series of intellectual solitudes that has created isolation, producing monologues rather than conversations.’”<sup>37</sup>

The epistemology of Economics proper is premised significantly on rationality.<sup>38</sup> Economists view non-rationality as a failure to make consistent decisions by one’s own terms.<sup>39</sup> Such dissonance is reflected as incorrect or non-optimal welfare decisions made pursuant to a posited welfare function which is a concept well-defined within economic theory but hard to apply in the real world.<sup>40</sup> From an epistemological perspective, this observation of irrationality in other persons is the confirmation that economists collectively

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34. Dow, *supra* note 7, at 276.

35. See Jo et al., *supra* note 1, at 10 n.6; see also WILLIAM OLIVER COLEMAN, *ECONOMICS AND ITS ENEMIES: TWO CENTURIES OF ANTI-ECONOMICS* 60 (2002).

36. Jo et al., *supra* note 1, at 8 n.4.

37. Ron Martin, *Putting the Case for a Pluralistic Economic Geography*, 21 J. ECON. GEO. 1, 2 (2021).

38. Jack L. Knetsch, *Economics, Economists, and Behavioural Economics: Some Issues of Choice*, 49 SING. ECON. REV. 19 (2004); see also Andrew Reeson & Simon Dunstall, *Behavioural Economics and Complex Decision-Making: Implications for the Australian Tax and Transfer System*, CMIS Report No. 09/110, CSIRO, Aug. 7, 2009, at 2 (“1.1 Homo economicus vs Homo sapiens . . . The vast majority of economic models are based on the rational actor paradigm, which assumes that people are rational and act to maximise their self-interest . . . Behavioural economics show that, in even the simplest of economic environments, real human behavior often deviates from theoretical assumptions as people make choices that do not result in the greatest possible benefits.”).

39. See e.g., Richard H. Thaler & Cass R. Sunstein, *Libertarian Paternalism*, 93 AM. ECON. REV. 175, 176 (2003).

40. See Vipin P. Veetil, *Libertarian Paternalism is an Oxymoron: An Essay in Defence of Liberty*, 31 EUR. J.L. & ECON. 321, 332 (2011).



believe they have a working epistemology.<sup>41</sup> Yet, apparent dissonance is often typical of the perspective of one paradigm looking at another paradigm.<sup>42</sup> From the perspective of an outside discipline looking in toward Economics, such conclusions may appear to be an outright mistake or simply decisions correctly made by others using methodologies apart from economics and accordingly comprising nothing worthy of note. Various subfields of Economics involve the study of the doctrinal beliefs of Economics and its own internal problems, such as the nature of rationality.<sup>43</sup> A working definition of Economics as its own epistemology is accordingly given as follows:

**Economics** is the study of beliefs held by economists thought to yield definitive answers or results, which are generally taken to be a closed set.

Economics =  $S_{\text{[Set of Beliefs]}}$  (A, B, . . . Z), where A represents rationality, B represents welfare functions, Z represents the dead-weight loss of income taxation, and all the beliefs of Economics from A-to-Z. The total number of beliefs is currently in the hundreds or thousands and requires many additional numerals to comprise the full set.

Economics generally views itself as the best source of rationality in the social sciences and accordingly sets out to spread its ideology of rationalism to other disciplines.<sup>44</sup> We then observe imperial economics as the establish-

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41. See Robert Cooter & Thomas Ulen, *LAW AND ECONOMICS 3* (6th ed. 2012) (“Economics generally provides a behavioral theory to predict how people respond to laws. This theory surpasses intuition just as science surpasses common sense.”).
  42. See POPPER, *supra* note 10, at 28; Dow, *supra* note 7 at 49 (“Since it is conventional in orthodox economics for the discipline to be defined by its method, anything outside orthodoxy can be classified as not economics. This form of monism requires no acknowledgement of alternatives . . . The heterodox understanding of pluralism encompasses not only acknowledgement of alternatives but also a readiness to engage. This form of methodological pluralism is therefore compatible with critical rationalism in that appraisal proceeds by debate, with justification and critique. But pluralism removes any expectation that all economists will ever agree on approach.”).
  43. Jo & Todorova, *supra* note 5, at 31 (“If rational or optimizing behavior taken out of the social context is the subject matter of economics . . . the ‘mental constructs’ (or a set of hypothetical assumptions) that determine the practice of economics. Thus ensuing theories and models based on mental constructs “present this society as the natural or rational form of organization which, in one form or another, has existed universally.” (quoting John F. Henry, *The Illusion of the Epoch: Neoclassical Economics as a Case Study*, 14 *STUDIE NOTE DI ECONOMIA* 27, 28 (2009))).
  44. Donald N. McCloskey, *The Rhetoric of Economics*, 21 *J. ECON. LIT.* 481, 513 (1983) (“[E]conomics has . . . become imperialistic. There is now an economics

ment of economic methods as a subfield of other disciplines, especially those described as normative, such as in respect of law or psychology.<sup>45</sup> As will be explained in the subsequent paragraphs, Econometrics is a subfield of Economics, which views itself as the exclusive source of satisfactory knowledge about Economics not by science but by extension of Kelvin's Dictum.<sup>46</sup> Accordingly, economists are often keen to describe other disciplines as metaphysical or "normative," such as law, with derision on the grounds that these are either non-rational or inferior non-numeric modes of analysis.

Pursuant to the former idea that Economics proper does not fully describe human decisions in respect of economic matters, Heterodox Economics then serves a role critical to the functioning of Economics proper by looking outside the set.<sup>47</sup> If the field of Economics seems about to collapse in on itself for the failure to yield definitive answers, as is inevitable, then outside ideas are consulted for repair.<sup>48</sup> The field of Heterodox Economics is the source of a new foundational block constituting an idea previously scorned from the epistemology of Economics proper but which is now viewed as necessary by Economics itself.<sup>49</sup> This was how both Popper and later Kuhn described a dynamic process of epistemology of which the discipline of Economics is perhaps the foremost illustration in the modern era.<sup>50</sup> Heterodox Economics is then all the other ancillary concepts and ideas related to economics that are not currently accepted as Economics. We have then a working definition of Heterodox Economics given in relation to Economics as follows:

**Heterodox Economics** is the idea that Economics is a working Epistemology but does *not* comprise a closed set.

Heterodox Economics is given by  $S_{[\text{Set of Beliefs}]} (A, B, \dots Z) + (-A, \Gamma \dots \phi)$ , where  $-A$  represents non-Rationality and  $\Gamma$  represents altruism,  $\delta$  represents interpersonal utility, and so on, comprising

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of history, of sociology, of law, of anthropology, of politics, of political philosophy, of ethics. The flabby methodology of modernist economics makes this colonization more difficult, raising irrelevant methodological doubts in the minds of the colonized folk").

45. *Id.*

46. WILLIAM THOMSON, *Electrical Units of Measurement, 1 POPULAR LECTURES AND ADDRESSES* 73, 73 (1889).

47. Tony Lawson, *The Nature of Heterodox Economics*, 30 *CAMBRIDGE J. ECON.* 483, 491 (2006).

48. *See generally* LEE, *supra* note 4, at 72.

49. *See id.* at 14.

50. *See* THOMAS KUHN, *THE STRUCTURE OF SCIENTIFIC REVOLUTIONS* 146–47 (4th ed. 2012).

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other ideas not included within the current belief system of Economics.

A lack of perceived rationality in other disciplines might also be viewed as confirmation that Economics as epistemology has not done very well in setting out to describe how human beings make decisions. Other disciplines are perhaps not irrational but represent simply non-economic modes of thinking that appear to be irrational only from the economics perspective. This may be especially true in respect to the other fields that have been previously colonized by imperial Economics with working epistemologies that were simply different. Although some have doubted its methodology, Economic theories are taken to be derived from observations that are counted by empirical observation.<sup>51</sup> Pursuant to Kelvin's Dictum then, other fields of study, even if they are assumed to be rational and potentially epistemological, are not satisfactory means of knowing if the beliefs cannot be rendered numeric.<sup>52</sup> As Dow wrote:

[Applied methods] are new attempts at addressing the age-old problem of designing a fully coherent methodology which combines deductivist theory with empirical analysis. Orthodoxy now displays theoretical pluralism. But from a heterodox perspective, for all its methodology has evolved, orthodox economics still employs a particular overall methodological approach, with shared meanings, which is recognisably distinct from the different forms of heterodox economics.<sup>53</sup>

Dow has described how Heterodox Economics could be viewed as its own discipline with methods based on shared meanings different from Economics.<sup>54</sup> However, neither evidence nor illustrations are provided, and it seems certain that Economics proper would describe alternate methods simply as errors.

Another underlying idea is that economics builds conclusive knowledge from the ground up along the lines of Econometrics, as Dow correctly says to

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51. See J. Doyne Farmer, *Hypotheses non Fingo: Problems with the Scientific Method in Economics*, 20 J. ECON. METH. 377, 378 (2013) ("Economic theory takes a top down approach, in which models come first and empirical confirmation comes second, while physics takes a bottom up approach, in which data comes first and models follow.").

52. See EDMOND MALINVAUD, *STATISTICAL METHODS OF ECONOMETRICS* 3 (Henri Theil & Herbert Glejser eds., A. Silvey trans., 3d ed. 1964) ("According to our conception of the subject, all econometric research is based on a set of numerical data relating to certain economic quantities, and makes inferences from the data about the ways in which these quantities are related.").

53. Dow, *supra* note 7, at 49–50.

54. See *id.*

combine deduction with empirical observation.<sup>55</sup> Here the aspiration of Heterodox Economics is toward Econometrics as a method of certain knowledge, contrary to the understanding of science in the social sciences where theory informs observation, and then the analysis is performed.<sup>56</sup> Notably, such an approach is applied within other viable fields of academic inquiry largely outside the social sciences, such as physics or mathematics, where observations are counted to yield figures (or, *metrics*) that are then analyzed by deductive logic in the form of problem sets or statistical methods. Econometrics purports to follow such an empirical process in the context of economics also and can be defined as follows:

**Econometrics** is an application of Kelvin's Dictum reflecting the idea that the beliefs held by economists generally are derived from recorded observations reduced to or yielding numbers and are therefore superior to other types of knowledge.

Econometrics is given by the conditional statement  $S_{[\text{Set of Observations}]} = \text{If } A, B, C \dots \text{ then } X$ .

Where values in the set (e.g., A) are empirical observations of, or placeholders for, numbers, and X is an answer comprising knowledge about economics.

Such Econometric methods are also subject to potential critique, however. Other disciplines look back at Economics and find the metrics within it flawed by its own terms and assumptions. For example, the Federal Reserve has previously attempted to replicate the results of various Econometric analyses and has been largely unable to do so. Other scholars have challenged the theoretical and modeling parameters of economic analysis in various contexts, sometimes referred to as radical economics.<sup>57</sup> In philosophical terms, Economic methods are Modernist where results are thought to be valid within a given epistemology, such as Econometrics, and therefore knowable. However, Postmodern philosophers, including famously Paul Feyerabend and Richard Rorty, have severely critiqued Modernist methods on epistemological grounds.<sup>58</sup> Such critiques take various forms to include for example,

55. *See id.*

56. *See Farmer, supra* note 51.

57. Jo & Todorova, *supra* note 5, at 29 (*Radical Economics* is the idea that Economic beliefs and Econometrics do not yield definitive answers or replicable results. The conditional statements give radical Economics: If A, B, C . . . then not X. Alternately, If A, B, C . . . then Y. As explained by Jo & Todorova: "The term 'management' implies; firstly, the exercise of power of one or more social classes over others—that is, the class division with uneven distribution of social power is the social basis of the economy.")

58. *See generally* 1 PAUL K. FEYERABEND, REALISM, RATIONALISM AND SCIENTIFIC METHOD: PHILOSOPHICAL PAPERS 65 (1981). (*Critical Economic Theory* is the Postmodern idea that Economic beliefs reflect merely power relations in society. The following inquiry may represent critical Economic Theory: The evalu-

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that conclusions thought to be valid simply reflect the epistemology itself, like a mirror.<sup>59</sup>

Unfortunately, some Heterodox scholars, including Dow,<sup>60</sup> have built ideas of pluralism on the 16th century foundations with analyses premised on whether normative analysis can comprise epistemology and possibly science. By this view, economics is understood as non-normative, akin to the natural sciences.<sup>61</sup> Interestingly, the direction of travel within Economics as becoming more or less normative was disputed by scholars both publishing opposite views on that issue in the same edition of the *Journal of Economic Methodology*.<sup>62</sup> The given conclusion that Popperian science is essentially an outdated method of science, implying that Heterodox Economics might be consistent with a new conception of science, is also reversed from actual. In actuality, some Heterodox scholars but not others,<sup>63</sup> have applied an outdated view of science taken from Econometrics that is not thought to apply very well in the context of the social sciences, offering Econometrics as a solution to the normativity of other approaches. Such empirical explanations actually understate the importance of the work Heterodox scholars do for Economics proper, where the creation of new normative or theoretical ideas for the field of Economics is not irrelevant but actually is essential to the functioning of its epistemology.

Separately, Dow has proposed that Economics is now itself pluralist.<sup>64</sup> Here, the critique is to switch perspectives and to look at non-Econometric subfields within orthodox Economics as relating to Heterodox Economics in some way. This second reason for not considering economics in terms of orthodoxy and heterodoxy is the argument that there is no longer a distinct divide between the two, but rather that pluralism now extends to orthodoxy as well as heterodoxy.<sup>65</sup> Unfortunately, this analysis is backwards as the methods of Economics are well-known and published in dozens of compet-

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ative criteria A, B, C . . . within Economics have been selected by the powerful toward the furtherance of continued power relations in society. As one illustration of Postmodernism is a specific challenge to epistemology on the grounds that it exists solely in respect of power relations in society. By this view, the purpose of Economics is to further the interest of the powerful using the analytical methods of Economics. Marxist Economics is a subset of Critical Economic Theory premised on concepts of labor and capital where capital dominates labor.); RICHARD RORTY, *PHILOSOPHY AND THE MIRROR OF NATURE* (1979).

59. See generally RORTY, *supra* note 58.

60. See generally Dow, *supra* note 7.

61. *Id.* at 49.

62. See *id.* at 46; Boumans, *supra* note 21.

63. Jo et al., *supra* note 1, at 9.

64. See generally Dow, *supra* note 7.

65. See *id.* at 49.

ing textbooks;<sup>66</sup> in contrast, there is no textbook of Heterodox Economics, which is probably because the methods have never been defined and collated into something that could be taught to others.

### III. WHAT ARE THE METHODS IN METHODOLOGICAL PLURALISM?

The idea of Heterodox Economics as comprising its own epistemology requires, at the very least, the identification of doctrinal methods. But, contrary to attempts to classify Heterodox Economics by its ideas or methods, that foundational architecture remains largely unconstructed. Nearly any review of the literature on Heterodox Economics entails the discovery of more than one method or answer given in respect to all economic questions.<sup>67</sup> Heterodox scholars need to begin the heavy lifting of establishing an epistemological foundation, which is to identify a hierarchy of methods to determine which of a multiplicity of answers should be selected from many. Furthermore, if the given methods are premised on plurality or multiplicity, then we should expect to find a verifiable means to select an answer from multiple answers given in response to the same question. A means to identify wrong answers by testing or other methods should be viewed as necessary or at least as extremely helpful. This would allow Radical Economics to challenge the answers given by Econometrics, as a type of Heterodox Economics, for example. But since this has not been done,<sup>68</sup> it can be viewed as either (i) lists of answers to economic questions without methods, (ii) identification of new methods to be applied in respect of economic analyses, or (iii) critiques of the methods of economics. None of these constitute epistemology.<sup>69</sup>

We might also simply ask Heterodox scholars for answers to questions about economic matters as a means of knowing; that is, to pick a brightly colored jar from many on the shelf and look inside it. However, merely asking established Heterodox scholars for answers to specific questions does not seem to be a workable epistemology for many reasons. As perhaps the foremost problem, discourse as method was famously given by Rorty in critique of epistemology. Although not unique to *Heterodox Economics*, the possibility that many expressions of belief will be taken as valid is extremely problematic in its application. For example, with multiplicity, it then becomes inevitable that some expressions of belief will be ignored by other scholars through citation bias (citing only supportive evidence and ignoring oppositional evidence or discrepancies in the data), or resolved by what might be

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66. See, e.g., Jo et al., *supra* note 1.

67. See, e.g., LEE, *supra* note 4.

68. Kielczewski, *supra* note 17 (“[H]eterodox economics is not explicitly classified . . .”).

69. See *id.* at 125 (listing methodological pluralism and holism (systemism) as the methodologies of heterodox economics).

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called academic scorning by the non-citation to unfavored scholars.<sup>70</sup> Scorned scholars appear to be expected eventually to just go away, much like bar patrons at closing time, who are forced to simply leave without being told why their ideas are right or wrong or have been ignored by others. Democracy itself was identified by Rorty as a possible means to resolve that problem by choosing some ideas out of discourse itself, which might be those ideas that were most loudly shouted. We simply do not have in the descriptions of methodological pluralism in Heterodox Economics any means to select, even by shouting loudly, which seems a last resort. The brightly colored jar approach to knowing Heterodox Economics is unfortunately empty of epistemology.

#### IV. STRUCTURED PLURALISM AS EPISTEMOLOGY?

Dow's (2004) proposal for Structural Pluralism appears to have engendered a response similar to that given to Feyerabend who famously critiqued the philosophy of science and was subsequently himself roundly rebuked—that is, in lieu of epistemology, then an “anything goes” standard was proposed to which all philosophers, including Feyerabend himself, then agreed would not be workable in epistemological terms.<sup>71</sup> Dow (2021) repeated the “anything goes” terminology given initially in response to Feyerabend in her recent update paper, then posited structure within pluralism as shared agreement in terms in response.<sup>72</sup> However, as was similarly observed in the philosophical context, lots of things might not “go” as epistemology beyond anything and for many reasons. Dow's reference to shared meanings implies a linguistic turn in Economics qua Wittgenstein which could be applicable in the context of law and economics.<sup>73</sup>

Perhaps the best case for structural pluralism as epistemology is with a full consensus in results as between methods that are at least partly undefined. Essentially, here the banal idea is that consensus might render epistemology moot. The proposal for Structural Pluralism appears to be at least partly a proposal for consensus building as a possible epistemology substitute. In the case of full agreement in the results, we could presume that all of the unidentifiable methods hidden within consensus conclusions might be workable, even if we don't know what the methods are exactly. Any of these methods might possibly be in the nature of science and comprise the consensus Bayesian view. Dow wrote: “[F]or epistemological and sociological reasons economists coalesce around a limited series of communities associated with different approaches. Rather than ‘anything goes’ this is structured plu-

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70. See Ferguson, *supra* note 25.

71. PAUL FEYERABEND, *AGAINST METHOD*, at vii (Verso Books, 3d ed. 1993) (1975).

72. Dow, *supra* note 7, at 280.

73. Bret N. Bogenschneider, *Wittgenstein on Why Tax Law is Comprehensible*, 2 *Brit. Tax Rev.* 252, 266.

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ralism.”<sup>74</sup> Yet, this would not be epistemological in the sense that a navigator who presumed the Earth was flat could still perhaps find their way from point A to point B without realizing the surface of the Earth was not really flat. But, as long as nobody complained and proposed a method to illustrate the Earth was round (or oval) shaped and thereby to conflict with the consensus view of things, then all appears well so long as navigation occurs by some means. Dow (2004) explained structured pluralism in these terms as follows: “Variety is seen as producing a more robust basis for knowledge than any single, conclusive, methodology.”<sup>75</sup> This is roughly equivalent to saying that a sun dial, compass, and GPS, taken collectively, are a more robust means of conducting navigation than with GPS alone – assuming of course that all the methods agree on the proposed course.

Yet, matters become more difficult in the situation of a lack of consensus, as it is not possible to imagine that all epistemology might be moot. Upon review of the Heterodox literature it appears fair to observe that there does not appear to be any economic issue on which there is a full consensus. A lack of consensus appears to relate to essentially all matters within economics and economic policy; this is also to say that modernism requires epistemology so we cannot proceed by consensus on such matters on a pre-modern basis, for example, premised in metaphysics alone. In such a case of disagreement, it then becomes necessary to determine whether a valid epistemology has been relied upon to gauge the results. Economists have at times been invited by journalists to vote on matters of economic doctrine as a means of knowing by a Bayesian polling of scientists.

The question then is the following: *How do we know whether to enfranchise Heterodox Economists so as to give them a vote?* Lawson has appropriately set out to enfranchise Heterodox Economics by classifying it in ontological terms,<sup>76</sup> whereas orthodox Economics intends to disenfranchise the heterodox by the name alone. If Heterodox Economics is to be enfranchised, then we are to include it as a category on par with mainstream economics, which is to say it is no longer heterodox and the ideas have shifted into the mainstream understanding of economics. But, in Popperian terms, this is something that must happen in relation to specific issues and not by reference to an entire discipline. For example, if all persons are able to self-identify as economists and in the nature of Bayesian scientists and to then be polled, we have then simply returned to something akin to Rorty’s description of democracy as critique of epistemology.

Finally, we reach the problem where majority voting in a democracy or even among economists might yield the wrong answer.<sup>77</sup> This is to posit an

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74. Dow, *supra* note 19.

75. Dow, *supra* note 7, at 281.

76. Lawson, *supra* note 47, at 493.

77. See Jurgen Habermas, *Richard Rorty’s Pragmatic Turn*, in RORTY AND HIS CRITICS 31 (Blackwell Pub. 2000).



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even more difficult situation from rough agreement to where there is roughly the same number of persons on both sides of the dispute; or take a situation where there are many on the wrong side, and just a few or even one on the right side, along the lines of Copernicus.<sup>78</sup> In that case, the majority in the democracy believe one thing, perhaps the Laffer Curve proposition that cutting tax rates will yield more revenue, even though experts have determined that belief is false. So, we have then millions of people who believe one thing, which is false, and then a small group of social scientists who have established in epistemological terms the idea is not correct. *What shall we do? Does pluralism help in this matter?* It seems fair to say no; epistemology remains preferred as a means of knowing on such matters of technical knowledge, such as tax or accounting. Structured Pluralism is really ancillary to this discussion except that it might have served as a potential source of inspiration to other scholars. Here, Popper's description of science as the falsification of causal theory is at least a more efficient means for social scientists to communicate with the masses.<sup>79</sup> That is to say, we have looked at all the data in the history of mankind and never found any evidence along the lines of the Laffer Curve, such that higher tax rates are always associated with higher tax receipts.<sup>80</sup> Such an explanation based on *evidence* is more persuasive than beating drums qua Rorty,<sup>81</sup> discussing consensus along the lines of pluralism, or normative argumentation on tax policy qua Kelvin's Dictum.<sup>82</sup>

The yearning toward Heterodox Economics as valid epistemology premised in pluralism or shared meanings is really a hope that Heterodox scholars might have stumbled into a valid means of knowing without setting out to do so.<sup>83</sup> Notably, other professional or applied fields relevant to economics have meanings that differ from economic usages, such as the fields of accounting and taxation, except in those cases the professionals attempted to build an epistemology. We might ask Heterodox scholars: *Are these applied fields also then in the nature of Heterodox Economics?* Jo & Todorova appear to have reached that question by defining Heterodox Economics as essentially an applied or real field of economics.<sup>84</sup> Jo & Todorova wrote:

[H]eterodox economics is a body of historically contingent social theory with an analytical focus on real economic activities. . . . As a social science, economics explores constituents of society, which make up an organic whole of the social system. Such con-

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78. See FEYERABEND, *supra* note 58, at 197.

79. POPPER, *supra* note 10, at 10.

80. Gravelle & Marples, *supra* note 24, at 8.

81. Neil Gross, *Richard Rorty's Pragmatism: A Case Study in the Sociology of Ideas*, 32 THEORY AND SOCIETY 93, 123 (2003).

82. See generally Bogenschneider, *supra* note 24, at 292–93.

83. See Jo et al., *supra* note 1, at 8.

84. See Jo & Todorova, *supra* note 5, at 34.

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stituents include, but are not limited to, acting persons and organizations, their agency qua power to make strategic decisions, social structures and relationships, and social institutions.<sup>85</sup>

However, much of the economy is applied to various professional fields, including law, accounting, taxation, and psychology. Of these various fields, many have an epistemology of knowing, such as accounting methods. A better and more scientific answer is to observe that both applied economics and Heterodox Economics are sources of new ideas for Economics and are sometimes not taken into account within orthodox Economics. The ideas could be economic if applied in an appropriate way but must be evaluated on a case-by-case basis. There is nothing to the idea that all persons who self-identify as Heterodox might be deemed to have valid ideas; instead, we would need to look at the individual ideas and decide rather than attempting to make a blanket group decision. And, that evaluation is what scholars are charged to do, so we would not wish to scorn without evaluation as might be a means of pure discourse.<sup>86</sup> The means of decision is the shared epistemology of Economics which is largely the basis, or at times the foil, for Heterodox Economics analyses contrary to the claims of some scholars.

The field of Economics has its origins in the Enlightenment era and thus predates Popper's explanation of the origins of scientific *discovery*. Prior references to normativity reflect confusion regarding the tentativeness of science in comparison to the certainty of analytical analysis rendered on a closed set. As Popper said, all answers in science are given as tentative, that is, subject to falsification, whereas epistemology is a means of describing a closed set where the answers are knowable by operands in an equation as in econometrics or theoretical physics.<sup>87</sup> As an open set of ideas, Heterodox Economics comprises a means to doubt or to not-know, and comprises *Einführung* or the creative intuition for the introduction of new ideas into the epistemology of Economics. By and through critique, Heterodox Economics is a means of *not*-knowing things about the economy and is squarely Postmodern. Heterodox Economics exists from this perspective only in relation to orthodox Economics,<sup>88</sup> and represents the drydock of Economics proper as a source of new ideas to the closed set. Thus, Heterodox Economics assists in rendering the field dynamic and, accordingly, is best understood, not as a separate discipline, but as an essential part of Economics.

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85. *Id.*

86. *See generally* RORTY, *supra* note 58.

87. POPPER, *supra* note 10, at 90.

88. Jo et al., *supra* note 1 (“Lawson’s ontological definition of heterodox economics is important because it illuminates the preconceptions and premises of economics to which mainstream economics pays no attention. However, a definition of heterodoxy could be extended to include the subject matter of heterodox perspective.”).