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Heterodox economists, along with many non-economists, have often leveled charges of ideological bias against mainstream economics and economists.¹ In this paper I consider some of these charges, and discuss the degree to which I am persuaded by them. I begin with some heterodox charges of bias; then I consider some implicit charges made by the historian of science, S. A. Amadae, in a recent book (Amadae, 2003) together with some similar charges by Duncan Foley (Foley, 1975, 2003), since I believe their charges are representative of charges of ideological bias in economics sensed by a broader group of academics.

The Heterodox Charges

An example of the charges typically made by heterodox economists can be seen in the writings of the French Post Autistic economics movement, reported on by Edward Fullbrook (2003). Fullbrook, summarizing the views of the Post Autistic movement, argues that the economics profession is the “opposite of pluralistic” and is “dogmatically tied to a value-laden neoclassical orthodoxy.” As evidence of neoclassical theory’s ideological bias, he offers the fact that some distinguished American universities are eliminating, even as an elective, the history of economic thought course from the curriculum. He states that their reason for doing so is to eliminate competing ideas and “facilitate students’ indoctrination into neoclassicalism.” (p. 2)

Many more such charges have been leveled against mainstream economics in less formal ways in conversations and on-line heterodox economics chat groups. In most of these groups it is simply taken as a given that “mainstream” economics is ideologically biased, and that that ideological bias accounts for many of the conclusions it arrives at. The following comment by Fred Lee (2003), the Secretary of the International Confederation of Associations for Pluralism in Economics (ICAPE), which was part of an HES on-line discussion that led to my invitation to speak here, gives one a good sense of the emotion with which these views of ideological bias of mainstream economics are held. Lee writes:

¹ In this paper I do not discuss the well-known writings on ideology in economics, under the assumption that the reader is familiar with the standard works on ideology such as Marx (1846), and the specific well-known works on economics and ideology, such as Schumpeter (1949) and Samuels (1971). I am also assuming that the reader is familiar with Leroux’s (2004) recent discussion, which served as a background paper for this symposium.

I am quite fascinated by the comments of Professors Colander and Weintraub regarding graduate students and graduate schools in the U.S. for two reasons. First, if Duke is a reasonable proxy for the top economics graduate schools in the U.S., then it would seem that the top economics graduate departments require or demand that their students believe only in mainstream theory and should not [be] (or be prohibited from) engaging with heterodox economic ideas and subject matter (or just plain having doubts about mainstream theory). Such a situation is, it can be argued, anti-intellectual, anti-scholarship, and closed minded. In fact, is this situation really any different from fundamentalist religion camps that have trained believers to be true believers? Like the religious true believers, graduates from the top graduate schools are trained (indoctrinated) to proselytize as teachers and scholars (?). In a sub-discipline such as the history of economics/economic thought, the subject cannot be pre-chosen by the scholar; thus to exclude part of it from learning and scholarship for ideological (religious?) reasons would seem to violate everything the HES stands for. Secondly, confronted by such anti-intellectualism, taking a highly critical and confrontation stance towards the mainstream may be the only honorable recourse a scholar and his/her department has To fight against anti-intellectualism and intellectual bigotry and to fight for open-minded scholarship is never a mistake, even if the results are bloodied noses, destroyed careers, and ostracism from the mainstream economics profession. --Fred Lee (10/13/2003)

My Assessment of the Heterodox Charges

I find myself largely unconvinced by these heterodox charges of bias. Since the reason I am unconvinced probably has as much to do with the reference point I am using as it does with the actual nature of mainstream economics, let me begin my consideration by giving what I see as my reference point. I see myself as a general economist and historian of economic thought who has been critical of the mainstream profession, but who nonetheless sees himself as part of that broader mainstream. I have no strong emotional tie to mainstream economics, but I do have a strong sense of the inevitable institutional realities and the imperfections of the world; I am a realist, not an idealist. Heterodox economists' charges would likely have been considered more sympathetically from a non-economist, academic, reference point, which, in its post modern version, sees ideology everywhere (except possibly in itself), whereas mainstream economics would likely be considered more sympathetically from the lay-public reference point, where, at least in the United States, the majority view is that academics have a left-leaning ideological bias, and that economists are probably the best of a highly-ideologically tainted group.

Next let me discuss what I mean by ideologically challenged. By ideologically challenged I do not mean that there is an ideological component to economists' argument. Obviously, there is. The questions one asks, the frame that one uses in structuring an approach to an issue, and even the language one uses, all embody ideological content and thus every researcher is in some sense ideologically biased. As Leroux (2004) points out,

there is no escaping the Mannheim Paradox. So it goes without saying that there is an ideological component in economics. Even at its best, any field of study can only reflect the culture of which it is a part.

What I take from this insight about the pervasiveness of ideology is the following: When everything, even the consideration of ideology, is ideological, then the ideological reference point must be in terms of relative degrees of ideological bias. To condemn any field for being ideological is useless; all fields of inquiry are guilty as charged. But so too are the chargers. Thus, I will avoid any consideration of post modern arguments of deep structural ideological bias and focus my consideration on intentional ideological bias, or, if unintentional, on bias that exceeds that ideological background level of ideology that affects us all. This is, of necessity, a judgment call, not a proof, but I believe that making a judgment on whether economics exceeds this threshold is important because that judgment plays a role in deciding whether to take the results of mainstream economic research at face value, or whether those results should be passed through an ideological filter before using them in a decision process.

In judging economics' ideological bias two other issues must also be taken into account. The first is that economics is involved in policy deliberations, and those deliberations necessarily require value judgments to arrive at any conclusion. As Michael Frieden (2003) writes: "Ideologies need, after all, to straddle the worlds of political thought and political action, for one of their central functions is to link the two." (p. 76-77) The point is that policy prescriptions must be based on values; one cannot violate Hume's Dictum that a "should" can only be derived from another "should." Sophisticated considerations of ideology, such as Kenneth Hoover's *Economics as Ideology* (2003), see ideology as necessary to give definition and meanings for such contentious concepts as equality, justice, and freedom. Ideologies are thus more prevalent in a policy than in a pure science. One can see that when supposedly pure science enters into policy issues, as is occurring in the global warming debate, the charges of ideological bias increase substantially.

A second issue that needs to be considered is what might be called the status quo bias. For Marx, ideology referred to the way in which groups holding power subtly structure the meaning and interpretation of reality, and what is viewed as natural, to achieve their ends. Amadae, Foley, and other thoughtful critics of economics seem to me to be following Marx, and, in many ways, that choice leads them to their conclusion that economics is ideologically biased. While I agree with Marx's observation, I do not see Marx's observations as providing much guidance about a useful reference point from which to judge the ideological bias of a field of study. The reason is that not only is it impossible for society to escape an ideological bias, it is also impossible for society to avoid the status quo bias. Groups holding power will inevitably structure things to support their position; money will flow easier to those who support the system than it will to those who oppose it. That is the only evolutionary stable equilibrium.

The status quo bias allows some challenges to the system; a successful evolving complex system operating in a changing environment needs challenges, but the status quo bias poses obstacles to any challengers, making only the hardest challenges survive.

Academia is democratic capitalism's incubator for challenges to the system, and thus academia has more freedom than most parts of society, but the status quo bias means that the chances for survival of arguments critical of the system are much lower than the chances of survival for arguments supportive of the system. Because of the status quo bias, even if, on average, economists openly analyzed issues in as nonideological a manner as possible, the groups holding power would pick and choose subsets of mainstream research favoring the existing system to support and to publicize.

To set the ideological bar at what might be called the Marxian level, which presumes no status quo bias, is, in my view, essentially to condemn all sustainable mainstream research, be it in economics or any field, if that research is not strongly critical of the status quo. But that leaves no one to argue in favor of the status quo without their being guilty of having an ideological bias in favor of the current system. That, to me, is not a useful bar, because it does not distinguish between shades of ideological bias within mainstream work—in this view, the only difference between mainstream scientists and pro-status quo ideologues is that mainstream economists are more subtle in hiding their ideological views; they are both tainted.² I believe that it is important to distinguish these different levels, and that the ideological bias bar must be set at a level that accounts for an expected level of status quo bias.

Some Observations about Economists

Let me begin with a few observations about mainstream economics. My first observation is that one seldom sees mainstream economists discussing ideology in their research. It is in heterodox economics that that ideology is discussed. What is the reason for this lack of interest in ideology? Are mainstream economists intentionally hiding their ideology by burying it? I believe not; I believe that the reason most mainstream economists don't discuss ideology is that they don't think much about it, and have little to say about it. As I argued in Colander (1991), most academic economists are local utility maximizers; they operate within a narrowly defined institutional structure. By that I mean that most economists go about their daily business doing what they were taught to do—analyzing problems, bringing the tools they learned to bear on problems, providing empirical analysis of policy issues, teaching, or doing whatever else goes along with the normal process of advancing along in their career. They spend little time thinking about the broader meaning of their research, or broader ideological issues in general. Any discussion of ideology, or any broader philosophical issue, is usually pushed aside as a hobby, not a part of doing economics.

Modern U.S. academic economists do not see themselves as directly involved in policy; they see themselves as technicians.³ Their input into policy is not front line, but in

² In fact, one could argue that academics supporting the status quo are worse than ideologues because they are disguising ideology as science. As Nitasha Kaul stated in commenting on my views, economists develop links with the power structure because "they are best at disguising ideology as science." They present solutions that "appear to be scientific and that enhance and protect the interests of the privileged in society." (Kaul, 2003)

³ This lack of a role in direct policy questions prevails more so in the United States than abroad, in part because there is more separation of economists' research and policy in the United States. (Frey, 1993) In

the background, finding empirical relationships and studying whether policies work. They see themselves as scientists, but in terms of their policy work, they are better seen as engineers. The following statement of a student whom I recently interviewed at top graduate programs in the U.S. is typical of their views.⁴ He states, “Although a direct link to policy formation is not always present, economists serve a crucial role in providing clarification of issues both technically and in policy debates.” Most of the students (68%) I surveyed did not consider political reasons to be important in their decision to do graduate work in economics; only 11% saw them as very important. Fifty percent of the students I surveyed listed desire to engage in policy formulation as very important, but they did not see this policy interest as incompatible with their academic careers, and with being non-political technicians.

What I take from this evidence is that the role most U.S. economists see themselves playing is not that of a person directly involved in making policy within a political arena, but instead as that of a person engaged in policy formation via providing expert empirical support rather than recommending direct policy implementation. This disregard for ideology has, of course, ideological overtones. But, in my view, it falls within the level of background ideology, like background radiation, that permeates everything we do.

My second observation is that most economists have political views similar to those of the population from which they come. They are not highly reactionary or conservative, although listening to many leftwing heterodox economists might lead one to believe that they are. In my recent survey of graduate students at top U.S. schools, 47 percent of the students classified themselves as liberal, 24 percent as moderate, 16 percent as conservative, and 6 percent as radical. These divisions would make them significantly more liberal than the U.S. population at large, which is almost evenly split between liberal and conservative.⁵ The students perceived their views as slightly more liberal than those of their parents, 40 percent of whom they classified as liberal, 36 percent as moderate, 16 percent as conservative, and 3 percent as radical.

The large majority of these students (80 percent) felt that their political views did not change in graduate schools, although there was a slight movement toward conservative views over time. In the survey, I also asked those who did change their views in what direction their views changed. For most schools the change went both ways. One student captured what likely is happening when he stated, “I became more eclectic. Both conservatives and liberals have their favorite pipe dreams at odds with reasonable economics.” The fact that the student thought he could distinguish a

smaller countries, economists have played more of a role in national policy setting and politics than they do in the United States, and thus they must think more broadly about policy issues. If this is true, as the EU continues to evolve and national EU policy supercedes individual state policy, there will likely be a greater separation of European economists from policy-making consideration than there currently is.

⁴ The interviews and survey cited in this paper were conducted as part of a follow-up study of the U.S. economics profession that I am doing; they were conducted at Harvard, Princeton, Columbia, Chicago, Stanford, Yale, and MIT. (Colander, forthcoming-b)

⁵ Economics has, I suspect, more libertarians than does the general population, but libertarians are not the mainstream and are as much in the minority as are radicals. Libertarianism certainly does not reflect mainstream economics.

reasonable economics from the conservative and liberal economics is a sign, to me, of a field that is in within the range of acceptable ideological bias.

Although in the United States the economics profession is more conservative, and less radical, than are most academics, that is not the case in relation to the U.S. population at large, which is much more conservative than are academics. But it is an open question whether it is most academics who are out of line, or is it economics? Let me give an example: I consider myself to be a committed pluralist. As part of my educational philosophy I believe that students should be presented with many views, so that they can choose. That philosophy led my school to hire some left-leaning heterodox economists. When I later wanted to add a right-leaning heterodox economist to the faculty, these left-leaning economists strongly opposed it, arguing that these right-leaning economists did not measure up, and had an obvious ideological bias. My argument that that right-leaning ideological bias was simply a counterweight to their left-leaning ideological bias did not sway them. A standard comment of a typical left-leaning (right-leaning) academic is that they would be happy to hire a right-leaning (left-leaning) economist, if they could find a bright one, but finding a bright one is next to impossible.

Charges of ideological bias of mainstream economics do not come only from the left. Within economics, there are critics who claim that mainstream economics is a bastion of liberal thinking and activist sentiments. (Coleman, 2002) I find these charges as unpersuasive as I find the charges from the left. (Colander, 2003) Modern mainstream economics is a large tent that includes individuals with a wide variety of political views. It is not a monolithic group that has a definite ideological slant distinct from that of the population at large. This means, for western European and U.S. economists that they are ideologically favorable to democracy, feel that markets are an acceptable means around which to organize society as long as government plays a role in guiding those markets, and are concerned about equality, but do not believe that the system should be condemned for its failure to achieve a more equal distribution of income.

My third observation is that heterodox critics of economics, such as Fullbrook or Lee do not, as I read them, have that baseline ideological nature of a field of inquiry in mind when they charge that economics is ideologically biased, because if they did, their consideration would be less personal. It would simply be the way things are—these are the interpretations and ideas that have won out. As I interpret most heterodox critics, they mean that mainstream economics is intentionally ideological—that it has a purpose and its purpose is not an objective consideration of the economy arriving at conclusions in a relatively non-ideological fashion; that purpose is to support a particular belief, and to prevent other sets of beliefs from being considered. That is not my read of the economics profession.

Let me consider Fullbrook's charges that the removal of history of economics thought from the graduate school curriculum, which he claimed was done in order to "facilitate indoctrination", as an example of mainstream economics' ideological bias. As a former president of the History of Economics Society, and the author of an history of economics thought textbook, I have been involved in discussions about the removal of history of thought from the graduate school curriculum and have opposed it, so I share

with Fullbrook an opposition to these changes. However, I do not see the reason graduate schools are eliminating history of thought as having anything to do with indoctrination, or ideological bias. There are two reasons why. First, in my view, there is nothing necessarily anti-indoctrinating or nonideological in the history of thought, since it can be taught in many different ways; for example, one could structure the course in a Whig fashion that portrays the latest developments in economics as the natural evolution of our search for the truth. Second, based on my discussions with economists in graduate programs, indoctrination is not the reason for dropping the course. Rather, in the minds of the graduate professors, the history of thought courses are being eliminated to open up room for more technical training in statistics and technical field courses.

Now one can argue that technical training is a type of indoctrination, but that argument is a much more subtle one than Fullbrook makes. And, even if he had made it, I would not find it convincing since there is nothing necessarily pro market about math. Marx can be presented in a highly mathematical way, as can be seen in the work of John Romer or Michio Morishima. The reality is that the mainstream economics profession sees the history of thought as an avocation, not as part of economics. While I do not share that view, it is a view shared by a group of historians of economic thought who would like to move the history of economic thought to a history, philosophy, or history of science department, in order to improve its scholarship. (Weintraub, 1996).

My point is that the debate about history of thought's role in graduate training has little relevance to the debate about the ideological content of mainstream economics. This is the point that Roy Weintraub and I were making on the HES discussion group that Fred Lee was responding to. We were not disparaging the history of economic thought; we were simply telling graduate students: this is the way it is; if you want to survive in economics, recognize its structure and live with it because students are unlikely to be able to change the system. The fact that one operates within a system does not necessarily mean that one prefers that system, or that one is ideologically committed to that system. It might simply be that one has come to the conclusion that one can often be more effective at changing a system from within than from without. The decision when to fight a system and when to accept it and operate within it is a complicated one, and mainstream economics includes economists of many ideological persuasions, many quite at odds with the status quo ideological persuasions. They have simply chosen to work for change from within rather than from outside; they are mainstream, but they are not orthodox.⁶

My fourth observation is that for me to take heterodox charges of mainstream ideological bias seriously, I would want the accusers to be as ideologically neutral as possible. They do not seem to be. They are organized around ideological and policy lines. Consider the post Autistic movement. It had left-leaning heterodox economists--radicals, feminists, institutionalists, and post Keynesians--but it had no Austrians or libertarians in it. Heterodox groups can almost always be classified as belonging to the right or the left. When I have suggested to either side that they combine, I often find more animosity

⁶ See Colander (1996) for a discussion of my views on this issue, and Colander, Holt, and Rosser (2004) for a discussion of the difference between orthodox and mainstream economics.

towards each other than I find against the mainstream. Why are there no Marxists at George Mason University, a center for Austrian economics in the United States? And why are there no Austrians at the New School, a center for left radical economists? My view of the majority of the heterodox critics is that they want economics to reflect their ideology, not that they want economics to be nonideological. I would feel much better about heterodox charges of mainstream ideological bias if they weren't associated with a particular political position.⁷

Let me now summarize what I take from these four observations in regard to modern economics and ideology. Modern economics is much more eclectic than what is usually classified by heterodox economists as neoclassical economics. That is what I mean when I have argued that neoclassical economics is dead. (Colander, 2000) Economics today is distinguished by modeling technique, not ideological viewpoint. The holy trinity of greed, rationality, and equilibrium that is often attributed to neoclassical economics has given way to the broader trinity of enlightened self-interest, purposeful behavior, and sustainability. Today's mainstream economists care far less about what you say, or what position you take on an issue, than they do about how you say it, and whether it tells them something they didn't at least think that they already knew. Mainstream economists are far more rigid in form than in content.

In my recent interviews with graduate students at top schools I found that the students distinguished their approach from other social science graduate students' approach by economists' ability to do sophisticated empirical work. Indeed, one of their complaints about economics was that they could only select problems to study that could be brought to the data, whereas many of the interesting problems could not be. A typical response to the question of what their idea of a successful economist was "someone who affects policies by empirical studies." Another student expressed the view as follows: "I think empirical work is becoming the dominant strand of microeconomics. We have the computing power, we have the data sets, we understand identification issues, and the combination of the three makes the analysis much more credible than in the past, and therefore more readily consumed by policy makers." I am not arguing that economists always succeed in bringing ideas to the evidence. What I am arguing is that that is what they see themselves as attempting to do, and I believe that if one could convince them that they are not doing that (a process that I agree would be extremely difficult) they would attempt to change what they do.

In the 1980s and 1990s economists' tendency toward not doing empirical work and the nature of the empirical work that they did was challenged on a number of fronts. (McCloskey, 1986). Those criticisms have brought about change. In my latest survey being interested in empirical research increased significantly in importance, with the percentage finding it very important increasing from 16 percent to 30 percent, and the large majority of students finding it at least somewhat important. The increased emphasis given to empirical work could also be seen in other parts of the survey. For example, a

⁷ ICAPE, the International Confederation of Associations for Pluralism in Economics, is an attempt to form a general non ideologically based heterodox group, and I have supported it, but, unfortunately in my view it has not developed as a coherent program.

typical response to the question about their idea of a successful economist was “someone who affects policies by empirical studies.”

This increase in the importance of empirical work was accompanied by decreases in the importance given to other skills. Problem solving, the most important skill by far last time, went down somewhat in importance, from 65 to 51 percent who found it very important. Excellence in mathematics also went down significantly, from 57 to 30 percent finding it very important. Creativity in actually saying something, finding the “killer app,” or the perfect field or natural experiment, has gained in importance, and pure technique has faded in importance. As another student put it, “Mathematical ability is great, but creativity is much more important.” My interpretation of these data is that the heterodox criticisms of the economics profession as being a profession in which “the empirical side is nonexistent” would be considered very strange by the large majority of the U.S. graduate economic students I interviewed, although it may be the case in some French graduate institutions that focus on theory.

S. M. Amadae’s Views on Economic Ideology

Another group of academics who have found economics to be ideologically challenged is historians of science. An example is S. M. Amadae’s (2003) recent consideration of the economics profession. While her consideration is far less value charged and emotional than is the heterodox challenge, she takes as given that the purpose of economics is ideological, and describes the developers of the rational choice approach as “intellectual warriors,” who consciously chose their rational choice approach in order to defend democratic capitalism.

Although I find her charges more persuasive than the heterodox charges, they still do not convince me that economics crosses the ideological line and deserves to be considered ideologically challenged. What I feel is lacking in Amadae’s account is a sense of how the economics profession actually works, and of what drives economists.

She describes her book as the “story of the ideological war against communist and totalitarian forms of economic and political order.” (p. 1-2). She argues that not only did the west win a military and economic triumph over socialism; it also won an ideological triumph, and that this ideological war was consciously fought by a group of scholar warriors who, as part of the United States’ cold war strategic plan, sought to “rescue capitalist democracy from the threat of authoritarian socialism.” (p. 2). According to Amadae, these scholars “fought with tenacity” and because of their work, the ideological war against communism ended with almost total victory for the side of capitalist democracy. She argues that the weapon of choice of these scholar warriors was “rational choice theory” and her book is a “narrative account of the ascendancy of rational choice theory in a variety of fields.” (p. 9) She claims that the success of that ideological war means that rational choice theory serves “as a philosophic underpinning for American economic and political liberalism.” (p. 9)

Amadae sees the U.S. government, through its support of the RAND Corporation, a semi-independent think tank in the United States, as working with economists to follow

an explicit ideological goal—to save democratic capitalism from its critics. In her consideration of the rational choice paradigm she writes that “virtually all roads to rational choice lead from RAND.” (p. 75) with the implication that somehow RAND tie made economists explicit warriors fighting to save democratic capitalism.

I find Amadae’s view unconvincing for two reasons. The first is its description of the rational choice research program as a war. Amadae seems to be arguing that rational choice theory was a rationally chosen battle tool, whereas I see it as an interesting research program that scholars followed for the same reason they follow any research program—because it was interesting and potentially insightful, and because working on it offered them possibilities for articles and books that they needed to advance their careers. While some of the researchers she discusses may have been especially strong in favoring democratic capitalism as an ideology, the ones I know were not especially ideologically committed, but instead were willing to follow the analysis wherever it might lead. Scholars gravitated to RAND because that was where the money and interesting people were, not because organizers of RAND or the scholars at RAND had some grand design to construct a research program to protect democratic capitalism. The status quo bias, in selectively emphasizing results, did the rest and accounts for much of the ideological use of the rational choice theory. But the status quo bias would have used any research for that purpose, and there is nothing especially ideological about the rational choice research.

The second problem I have with her argument is its assumed premise that rational choice theory is a central pillar in the support of democratic capitalism. In my view rational choice theory offers little support for democratic capitalism, and thus cannot provide its ideological underpinnings. But that doesn’t matter since an ideology needs no formal theoretical support. Had the branches of rational choice theory she described, social choice theory, public choice theory, and positive political theory, never developed, our economic and our political system would still be there, and would have as much, or as little, support as they now have.

Today, in the academic discussions that I’m part of, formal rational choice theory of the type described by Amadae is waning and is being replaced by new behavioral and experimental work on choice theory. But even as this occurs, public support of markets is waxing. While the new work is based on the premise that rationality in some sense is a reasonable assumption, the type of super rationality that formed the basis of rational choice theory is not seen as an especially useful assumption in the new behavioral approach. At best, the new belief is that one may still get some insight from the strong rationality assumption by considering issues in an evolutionary game theory perspective, but that evolutionary game theory work leads to a sense that the systemic success of human beings is based on their not being too rational, not on being fully rational. (Seabright, 2004)

This broader, less restrictive, perspective of rationality has been around for a long time, but Amadae specifically rules it out of her consideration. Thus, she omits any discussion of Milton Friedman, who, among U.S. economists, was probably the economist most concerned with saving democratic capitalism. It is Friedman, not

Kenneth Arrow or Amartya Sen, who would, in my view, be far more likely to be described as crossing the ideologically tainted line.

In short, for me, (1) Amadae's argument attributes too much global logic, both to researchers and to the system, in driving the formal rational choice research program; and (2) attributes far too much importance to rational choice work in providing an ideological foundation for democratic capitalism. While I agree that a system will provide greater support for those research programs that support rather than challenge the system, the story of how that takes place is far subtler than the story told in her book.

Foley's Charges

Duncan Foley (1975, 2004) makes a somewhat similar argument to S. M. Amadae's, again in a more measured way than do most heterodox economists.⁸ He argues that mainstream economics is a continuation of the Hobbes-Locke discourse whose whole point "is to rationalize the existing inequalities in economic well-being that arise from the institutions of modern society as being unavoidable consequences of the interactions of naturally constituted rational individuals confronting each other as equals, given the natural and unalterable conditions of human existence." (2004, p. 2) He further argues that "this ideological imperative imposes a series of irresolvable contradictions on rational-choice economics." (p. 2)

I have saved Foley's arguments for the last because I find them most persuasive; his view of ideological content of modern economics is the one probably closest to mine. Where, I suspect, we differ is in our reference point, not in our perception of the economics profession's ideological tendencies. Specifically, my response to his assertion of the economics profession's ideological bias is that there can be three different reasons for economists' support for the Hobbes-Locke program, and that only two of them fall under unacceptable ideological bias from my reference point. The three reasons are the following: (1) that one is intentionally attempting to support the status quo position even though one might believe that an alternative position is better for society; (2) that one is unintentionally supporting the status quo without taking a position on whether there is an alternative position for society that is preferable; and (3) that one is intentionally supporting the status quo because one believes that it is preferable to one's conception of alternative positions for society. For me, the question of whether economics should be considered ideologically challenged depends on which of these three is the driving force behind the policy positions that economics takes. I find the first two of these reasons to be unacceptable ideological bias, but the third, I find an acceptable degree of ideological bias.

The first of these—intentional support of the status quo as part of their support of the Hobbes-Locke discourse—does not fit my view of economics. Few modern economists have any sense of what the Hobbes-Locke discourse is, nor would they see themselves as working in that tradition. Their historical perspective is more likely to go

⁸ Although Foley is an economist, and would probably be classified as heterodox I put his views in with the historians of science because he seems to me to share a similar sensibility, and his views are much more sophisticated than the heterodox views I considered earlier.

back no further than Arrow and Samuelson, if that. That bears on the issue of ideology because it suggests that if the continuation of the Hobbes Locke discourse is the ideological content of economics, it is unintentional on the part of the researchers and teachers. They see themselves as answering technical questions about empirical relationships.

I think where many mainstream economics demonstrate ideological bias is in the second of these—It is unintentionally ideologically biased because it supports the status quo without taking a position on whether there is an alternative position that is preferable. This type of ideological bias does not show up in individual’s research, which for the most part is not especially ideological, but it does show up in the research questions the profession does not ask. The profession allows the status quo bias to direct it to avoid asking hard questions about the current system, and instead to ask questions which tend to support the economic system, rather than to challenge it.

This ideological bias can be seen in mainstream economics’ disregard of distributional issues, in its failure to analyze how the system shapes our tastes, and in its acceptance of an often-undefined concept “efficiency” as a goal, even though efficiency is not a goal in itself, but simply a characteristic of a system achieving goals.⁹ The ideological bias is collective, not individual, and were other branches of the social science profession able to effectively consider these other issues, making them part of the economic policy debate, then the research that current economists do would be quite acceptable. But, as a practical matter, the economics profession has a significant gatekeeping role on what policy issues are considered in the policy debate, and those broader issues seem to have been systematically excluded from the profession’s analysis. It is for this reason that I find myself sympathetic to heterodox economists who are much more likely to address such issues.

The typical mainstream economists’ answer to this charge of excluding certain questions from analysis is that researchers are free to study whatever issues they want, and if economics doesn’t study such issues, other fields, such as psychology, sociology, or anthropology can. I do not find that argument persuasive. I see economists’ role in society as being the group that examines and provides insight into “those things economic” for society. By not looking at such issues, the economics profession is not fulfilling its role in large part because it is simply allowing the status quo bias to guide its research agenda. Thus, I find myself in agreement with many of the heterodox charges against economics, and strongly support the widening of economists’ agenda to include issues that have been disregarded for decades. But the problem isn’t that mainstream economists, as individuals, are ideologically biased; it is that they have allowed the status quo bias to make the profession collectively ideologically biased, even while individual researchers are not.

The Lost Art of Economics

⁹ A society wants to achieve its goals as efficiently as possible; efficiency is not the end goal.

Ironically, the reason that I find mainstream economics ideologically biased is that it works so hard at avoiding considering ideological issues. My argument why this is the case can be seen by considering my view of earlier Classical economists such as Adam Smith and John Stuart Mill. They were explicitly ideological, and I think much the stronger for it, because they acknowledged the ideological nature of their policy arguments. They were not focused on efficiency as an overriding goal of society, but they were nonetheless supporters of the market. In their argumentations they were explicitly ideological in the sense that they had a broader vision of what, practically, a good society was, and their support of markets derived for the view that markets lead to that good society. That explicit ideological content in their writing saves them from the charge of ideological bias, because it allowed them to consider all issues.

They made their arguments in a way that fit the third interpretation of supporting the status quo. They supported markets and the existing property rights because they felt that those institutions were most likely to make society better off than any alternative set of institutions that could develop given the existing institutions. Where they didn't see current institutions as appropriate, such as in regard to women's and blacks' rights, they stated their views, albeit carefully. Where they believed that changing institutions would help, they advised changing institutions. Where they believe that monopolies as impinging on the welfare of society, they condemned monopolies. Their economics was part of a broader social philosophy, and their argumentation reflected that broader social philosophy. Classical economics took strong ideological stands based on their ideology; for example, Mill's arguments against slavery, or his arguments in favor of women's rights; modern economics seems far less likely to do so, and by not doing so, it fails to consider issues that might challenge the status quo.

The difference in the Smith/Mill approach and the modern textbook approach can be seen in contrasting their arguments in favor of a government laissez faire policy. The textbook efficiency argument is that the market can do no wrong; markets arrive at a competitive equilibrium that is preferable to other equilibria. The Smith/Mill argument is a more complicated one; it is the argument that the market is the least-worst method of organizing society. That Classical argument is a negative argument in favor of the market--the market is not great, but, in practical terms, it is better than the alternatives, while the textbook argument is a positive argument for the market—it is the most efficient form of social organization. The Classical argument, because it is explicitly ideological, is acceptable to me and fits the third reason that economists can support the Hobbes-Locke program—they are providing intentional support for the status quo because it is preferable to their conception of alternative positions.

Focusing on efficiency has led neoclassical economists to support positions quite out of character with Classical liberalism; their support for eugenics (Levy and Peart, 2003) is an example. Sen (1970) has nicely pointed out the problems with the overemphasis on efficiency, and his broader work characterizes, for me, mainstream work that is within this broader Classical tradition.

The reason Classical economists could allow ideological issues in their policy discussion was their distinction between the art of economics, which was the branch of

economics concerned with policy, and which accepted that ideological issues would be part of the analysis, and positive economics, which was the science of economics and which strived to keep ideological issues out of the analysis as much as possible. (Colander, 2001) J.N. Keynes (1896) made that distinction clear; Marshall and Pigou muddied the waters, blending the two together in what Pigou called realistic economics, and then Robbins reintroduced the distinction in the 1930s, in his famous article (Robbins, 1932) that argued that we should limit the scientific analysis of economics to the allocation of scarce resources among alternative ends.

What seems to be less well known about Robbins' view is that he saw policy as belonging in a separate branch of economics, what he called political economy (Robbins, 1953; 1981), a branch that was very similar to J.N. Keynes' art of economics.¹⁰ For J.N. Keynes and Robbins, policy economics was a very pragmatic field of enquiry that had no fixed rules or methodologies; it was quite separate from both positive and normative economics.¹¹ In dividing economics into separate branches for policy and for theory, they saved economics from crossing the ideological bias line; they allowed ideology to play a central part in policy discussions inherent in all policy discussions, while attempting to keep ideological issues out of positive economics as much as possible.

Modern economics did not follow Robbins, but instead attempted to blend Marshall's and Pigou's realistic economics with Robbins' definition of what economics is, and the result was methodological confusion. Economics attempted to become a positive science that could draw policy results from that positive science. When economists specifically considered the foundations of doing so (Graff, 1957) they found that it could not be done, but economics went about doing so anyway. In doing so they put themselves in the position of formally themselves trying to restrict their analysis to policy positions that were ideologically neutral, focusing on Pareto optimality, not acknowledging, that as a practical tool for guiding policy, that set of policy positions that met the Pareto optimality criteria was essentially the null set.

Conclusion

So is mainstream economics ideologically challenged? Yes, from my perspective it is, but it is in more subtle ways than one would detect from most heterodox writing. It is collectively guilty of ideological bias, but the individual researchers are not guilty of ideological bias. So can we accept its results at face value? Generally yes, as long as one remembers that there are many questions that it is not asking.

What can be done about reducing the ideological bias of economics? I don't see much. The problem is that the alternative, heterodox economics, is even more ideologically challenged than is mainstream economics. Because heterodox economics is organized along ideological lines, whereas mainstream economics is more broad tent, from my perspective, heterodox critiques of mainstream economics as being ideologically challenged, fall flat. They challenge mainstream economics for being

¹⁰ I develop this argument in Colander, forthcoming-c

¹¹ A more formal connection between the pragmatic approach to policy and the need for ideology can be found in Burke (2004).

ideological, and present their analysis as a non-ideological alternative, when in fact there is no non-ideological policy alternative; they simply want to change economics to reflect their ideology, not to be nonideological. Thus, at least at the moment, I support mainstream economics for the same reason that I tend to support markets; they are both the least-worst alternatives.

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