

Pluralism and Heterodox Economics:
Suggestions for an “Inside the Mainstream” Heterodoxy
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Suggestions for an “Inside the Mainstream” Heterodoxy

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Mainstream economists are not committed to pluralism. That doesn't bother me all that much. In fact, I would be concerned if they were too pluralistic, since if one supports a position, and believes that that position is right, then it is only natural to give short shrift to other positions. Heterodox economists do so too, and they should, a point nicely made by John Davis and Ester Mirjam Sent (Davis and Sent, 2007)

Given that I believe researchers should be committed to their views, the fact that the economics profession goes through alternating periods of pluralism and single-mindedness, which has been of concern to some economists (Rutherford and Morgan, 1998) is not a concern to me. As I have argued in Landreth and Colander (2006) I see pluralism as an unstable equilibrium; any periods of pluralism that develop are simply transition periods from one equilibrium to another. The reason is that pluralists who are not convinced their view is right will almost inevitably be trumped by people who believe vehemently in their view. In my view, a successful field is not a field made up of members committed to a wide range of views, but, instead, a field in which there is a fair competition of ideas and the “best ideas” win out. A field that remains pluralistic for a long time is most likely a stagnating field.

Given my views on pluralism, it should come as no surprise that I am not moved by heterodox economist's arguments that that mainstream economics is anti-pluralistic, closed-minded, and ideologically biased. Mainstream economics is all those things, but so too is heterodox economics. I see most heterodox calls for pluralism as calls to listen to their particular point of view, and not as calls for pluralism. My suspicion is that if heterodox economists had the power, they would be as nonpluralistic as the mainstream is now.

Ranking and a Even Playing Field

To me, the heterodox complaint about the economics profession that rings true does not have to do with whether or not the mainstream is committed to pluralism, but rather has to do with the nature of the playing field for ideas within the economics profession. Heterodox economists feel that there is an unfair playing field in ideas, which means that the best ideas (theirs) are not winning out. In fact, heterodox economics is not only losing, it is not even holding its own, and is being squeezed out of the university academy as deans and other decision makers respond to pressure from mainstream economists to support mainstream economics, not heterodox economics. The case of Notre Dame is but the most recent case, and now the squeeze on heterodox views is moving to Europe as well.

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In trying to understand what can be done about this squeeze, it is important to think about it from an administrator's perspective. Few administrators are in a position to make judgments about what economic ideas are best, so he or she naturally turns to a ranking, or to outside experts, for guidance. Numerous published rankings have developed, which all come the quite similar results because they all reflect the same natural science ranking system, which is a system that determines rankings on quality-weighted journal article publications and citations, in an attempt to determine importance and influence.

I fully agree with heterodox economists that the existing ranking approach that has developed in economics is far from optimal, and is in many ways perverse. It deemphasizes subjective valuation of ideas. It encourages fads. It directs research away from major ideas that will improve society, and directs research toward clever, but relatively unimportant, publishable articles. It gives no value to books, and little or no value to traditional publishing outlets for heterodox economists. It also gives no value to the many other contributions economists make such as teaching and policy advising. It leads researchers to focus their research output on a selected set of journal article publication, even though efficient scholarly communication on many issues would take place through Internet discussion and postings.

Unfortunately, the system is what it is, and I am not sure how it can be changed without the development of an alternative ranking system. (That's why I think that developing alternative ranking systems should be a front burner research issue for heterodox economics groups.) So, even if the current ranking system is unfair, it is a system that heterodox economists will have to live with and operate within.

One reason why no better ranking system has developed is that it is extremely difficult to judge what is the best research in a field where empirical data is generally insufficient to guide researchers in choosing the best idea. A second reason why is that, for all its faults, the current ranking system has a number of advantages. First, it is transparent. All economists, heterodox and orthodox, know what it is, and can choose to play by it or not. Second, it is a ranking system that is not directly tied to any particular ideology. The higher you score on the "rankings" the more desirable you are to economics departments. To most departments it matters less what you have to say, and matters more that you have said it in the right journals. The ideology is there, as it inevitably will be in any research, but it is indirect not direct.¹

Most mainstream journal editors would gladly create controversy and do not see themselves are promoting any specific orthodoxy, although implicitly, I agree they often do. They are open to new ideas if those ideas are expressed in the right form. That means that the ideas are embedded in a formal model, or are buttressed by rigorous statistical analysis (even if that analysis requires the use of poor proxies for what one is trying to measure), and/or are pushing the envelope on a statistical or analytical technique. As I discuss in Colander (2007) graduate economics students at top schools do not feel limited by any orthodoxy in what issues they look at, and the directions that the top mainstream

¹ I discuss my view of how ideology enters mainstream economics in Colander (2004)

economists convey to their graduate students is to “tell me something I don’t already know,” not to “tell me something that fits an orthodox mold.”²

I’m not saying that the mainstream is openly looking to heterodox economics for ideas. Telling anyone “something they don’t already know” is difficult, and telling extremely bright economists who have succeeded in the profession, and who are being given the accolades of the profession, “something they don’t already know” is very hard indeed. But I am saying that the best of the mainstream are open to new ideas, and will work hard to see that new ideas get nurtured, as long as those ideas fit their view of science and of what “good economics” are.³

It is that openness to competing ideas that has led to the recent turmoil with mainstream economics. As Ric Holt, Barkley Rosser, and I discuss in our book, *The Changing Face of Economics*, (2004) today mainstream economics should not be thought of as a static entity, but rather as a complex adaptive system in which a variety of ideas and approaches compete. Within the mainstream, broadly defined, we have econophysicists developing models of zero-rationality agents, behavioral economists developing models of non-rational choice, and complexity economists arguing that the stochastic dynamic general equilibrium model is almost useless in providing insight into the macro economy. We also have experimental economists changing the way economics is done, and evolutionary game theorists changing the overall frame of vision of economics. The mainstream profession is abuzz with competing ideas and approaches. While almost none of these new ideas and approaches are core mainstream, they are acceptable to the mainstream, despite the fact that they are “heterodox” ideas in reference to the orthodox neoclassical thought, which is what most heterodox economists have in mind when they talk about orthodoxy.

In my use of the term “mainstream” I include all these ideas, and more. While many mainstream economists consider these ideas stupid, and many of the closed-minded ones, of which I agree there are many, will not even consider them, the best of that mainstream will. What I am arguing is that heterodox economists should promote a dialog with this “best of the mainstream” group, and that there is an environment at the edge of the mainstream where heterodoxy can exist, and possibly even prosper.

“Inside the Mainstream” and “Outside the Mainstream” Heterodox

If the mainstream is open to heterodox ideas, at least on the edge of the mainstream, what accounts for the difficulty that most self-defined heterodox economists face? I see two reasons. The first is that all ideas face enormous competition in the economics profession; it is not easy getting one’s ideas heard. The top graduate schools recruit very bright students and train them in how to write papers with the right combination of technique and content that will get them a job, get them published, and

² There is, of course, no shortage of close-minded mainstream economists, just as there is no shortage of close-minded heterodox economists. In my considerations of mainstream and heterodox economists, I am talking about the best of both groups.

³ For example, it was Ken Arrow who guided and nurtured the Santa Fe complexity work, even though he was associated with the general equilibrium theory that it was meant to replace.

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get them tenure. They create graduates who will succeed in the existing environment. Heterodox programs have not done that; they have tended to see themselves as outside of the mainstream. Heterodox graduate programs generally have trained students in their particular heterodox tradition; and have not given significant training in the latest developments in mainstream economics, in advanced analytical or empirical techniques, or in how to write an article that will advance them in a mainstream-controlled environment.

That would be fine if these heterodox students were being sent out into an environment that valued that heterodox tradition, but all too often these heterodox students are sent out into an environment controlled by the mainstream that is hostile to the heterodox tradition, and to the way in which they were trained. These heterodox students often don't have the tools necessary to survive in that environment outside of some protected heterodox niches, which are becoming smaller generation by generation. Regardless of how bright these heterodox economists are, in competition with the mainstream-trained young economists who have been primed to exist in the existing environment, most of the young heterodox economists naturally lose out.

A related reason why young heterodox economists have such a hard time is that while the mainstream is open to ideas, it is not open to the form that those ideas take. Mainstream economics is a highly restricted conversation, with a strong commitment to limiting the conversation to those ideas that fit into a formal mathematical model, and which allow econometric consideration. To enter the mainstream conversation, models and econometrics have to be blended in just the right way to convince the mainstream profession that the author has something to add.

This limitation of form of expression leads mainstream economists to work on only those set of ideas that their tools can shed some light on. Other issues are not worked on, not because they are not considered important, but because the mainstream economists believe that they cannot say anything about them in a way that can enter the economics conversation. Mainstream graduate students recognize that the conventions that have developed in economics are highly limiting. As one graduate student noted in discussions with me, sociologists look at important issues that they can't say anything about, while economics look at unimportant issues that they can say something about.

Heterodox economists rail against these conventions, and they violate them; they choose to talk about what they consider important issues, even if they don't have the tools to do it in a manner that fits the mainstream conventions. That unwillingness to accept mainstream conventions about form is, in large part, what separates out what might be called a "inside the mainstream" heterodox economist for an "outside the mainstream" heterodox economist." In my view, it is primarily heterodox economist's unwillingness to accept the mainstream conventions about form, less than the particular ideas or ideology that they hold, that is the distinguishing characteristic of the "outside the mainstream" heterodox economics.

I am not criticizing heterodox economists for not accepting mainstream conventions; I am simply pointing out that in doing so they are essentially shutting

themselves out of the mainstream conversation, and making it very difficult for them, and more importantly for their students, to succeed in an environment controlled by the mainstream.⁴

Despite my concerns, my preferred form of communication is much closer to the heterodox approach than it is to the mainstream economic approach. Thus, I am highly sympathetic to the heterodox complaints about form. I agree that just because the available tools can't handle an issue does not mean that the issue should not be considered by economists. I also agree that somehow the profession should be broad enough to include multiple frames of communication, so that when the tools become available, that there is a framework of economic thought to tie together with those tools. The question is how the best bring that about.

Here is where I differ from most heterodox economists. Even though I share many of the concerns of self-described heterodox economists, I work hard to carry on a dialog with the mainstream, and to put the heterodox concerns in a way that the mainstream will hear and will consider. I admit; I seldom succeed, but at least they will talk to me.⁵ My approach is different from that of most self-described heterodox economists. They carry on their own conversation, and seldom enter into the mainstream conversation. In the long run, I suspect that for most heterodox groups, I fear that it is a losing strategy, which will result in heterodox traditions being further squeezed from the profession. Hence, I suggest that heterodox groups consider an alternative "inside the mainstream" strategy. Specifically, my suggested approach is that some heterodox economists consider seeing themselves within this environment, rather than seeing themselves as existing solely in the heterodox environment. Essentially, I am suggesting a Fattah-type approach to the mainstream rather than a Hamas-type approach. This "inside the mainstream" approach would engage the mainstream as much as possible, and be more open to accepting mainstream conventions about form than most heterodox economists are willing to do.

I don't expect many of those who are established in the heterodox movement to choose this approach. The wounds of the battles are too raw. And it is true that they are providing an important service; there are benefits to the profession from an "outside the mainstream" heterodoxy that points out its foibles and creates an alternative--benefits that do not exist for an "inside the mainstream" heterodoxy, who are always close to being co-opted. But being an outside the mainstream heterodox economist is a tough life, especially for young heterodox economists. I present these ideas in the hope that some of the younger heterodox economists will consider it as an alternative.

⁴ Were mainstream economists to accept this broader form of communication, new methods of deciding what is good or not, and new rankings, would have to develop. I suspect that these alternative rankings and methods of choosing among ideas would likely be *as* discriminatory to heterodox ideas and to heterodox economists, *or more so* than the current ones. In any case, the economics profession would be a far different profession than it is now. But I am not sure that it would be a better profession. From the vantage point of a supporter of heterodox ideas, a commitment to form over content in limiting the conversation has much to be said for it.

⁵ My tendency to try to promote dialog between different groups has made me the only white Anglo Saxon protestant token that I know of. When heterodox economists are looking for a mainstream economist to talk to they often invite me. When mainstream economists are looking for a token heterodox economist to invite, they often invite me.

Below, I list some suggestions for those in the heterodox community who are interested in exploring this approach or in opening a dialog with the mainstream and becoming part of the “inside the mainstream” heterodoxy.⁶

Some Suggestions for an “Inside the Mainstream” Heterodoxy

Don't dwell on unfairness. If there is to be a dialog, it has to originate from heterodox economists. The mainstream has the power, and has little incentive to give it up, and for the most part is totally unaware of the existence of a heterodoxy even existing.⁷ Heterodox economists today find themselves in precarious positions, and are being squeezed out institutionally both in the U.S. and in Europe. Is it fair that most of the effort toward communication will have to be on the heterodox economist's side? Absolutely not. But so what? Regardless of how unfair the profession is to you, it does not help to feel sorry for yourself.

I fully agree, heterodox economics are discriminated against and ill-treated. But complaining about it will not change the situation when the other side has the power. So, I see no other option that to live with it. If you define your role in a way that allows you to succeed within the institutions that exist, you have more of a chance of changing the institutions than you do if you are marginalized. Toward that end, I do not see it as especially helpful to distinguish oneself as a heterodox economist, and not just as an economist who has certain beliefs. To differentiate oneself as heterodox places one in opposition to an orthodoxy that the mainstream doesn't believe exists, and thereby reduces the possibility of communication.

Become involved in mainstream organizations Organization such as the AEA and EEA are generally controlled in theory by the members, but in practice they are controlled by a small group of mainstream economists. Few people vote in elections, and the nominating committees keep the control in the hands of a small group of elite graduate school economists. Whereas individual departments and economists don't have to be pluralistic, these organizations must at least appear to be. “Inside the mainstream” heterodox economists would become involved in these organizations; they would vote in them and, if they have enough support, would influence the profession through their role in these organizations. I see heterodox economists volunteering to serve on committees and coming up with suggestions for new programs to “broaden” the education and training of economists that could get support in the broader mainstream community.

Worry less about methodology. Many heterodox economists focus on methodological issues. For an “inside the mainstream” heterodox economist that is a mistake. Unless he or she is a philosopher specializing in methodology, just about everything to be said about methodology has been said. To think that anyone but a

⁶ The suggestions here are an expansion of the argument developed in Colander, 2003, and Colander, Holt and Rosser, forthcoming)

⁷ I initially entitled this paper “What Does Mainstream Economics Think of Heterodox Economics?” I changed it because my honest answer to that question was that they don't think about it. For the most part, the mainstream is unaware of the existence of an “outside the mainstream” heterodoxy.

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specialist is going to have much to add on methodology is similar to a neophyte thinking he can do better than an index fund in investing.

Instead of complaining or discussing methodological problems, an “inside the mainstream” heterodox economists would be working on specific institutional problems that both underlie and affect methodology, such as creating an alternative ranking system. If the current ranking system does not put heterodox research in an appropriate light, he or she would be creating an alternative ranking system that does, and explaining why it is a better system. There are many foibles with the current ranking systems, especially as a ranking system for economists who are primarily teachers of economics, or are involved in “hands-on” applied policy. Heterodox interests fit much better into what undergraduate teaching needs and were a separate “teaching-oriented” ranking system developed, heterodox economics would come out much better in the rankings.

Criticize the best of the profession, not the worst. As I have discussed above, the economics profession has much diversity of thought and play of ideas. Heterodox criticisms of a mainstream orthodoxy that do not take that diversity into account are unlikely to be heard. Criticisms that see the profession as a complex adaptive system are much more likely to be heard. Whenever I hear a heterodox economist criticizing the “neoclassical orthodoxy”, I can only feel that they are speaking to the converted, and will not have any chance of entering into a conversation with the mainstream.

Concentrate on areas where you can make a difference. As I have argued in Colander (2005) principles textbooks are full of neoclassical ideas, and often are not consistent with much of the latest thinking in the profession. One of the reasons textbooks are inconsistent with the best thinking in the profession is that the mainstream does not focus on teaching or pedagogy. This lack of concern about teaching by the mainstream leaves an opening for “inside the mainstream” heterodox economists. By addressing their arguments to the narrow issue of what economists teach in their textbooks, and not to the issue of economist’s research, heterodox economists are on much firmer ground, and can get a better hearing from mainstream journals.

See the heterodox conversation as an incubator for ideas. I am sympathetic to those heterodox economists who want to stay out of the mainstream debate. Ideas need nurturing, and the environment for ideas within mainstream economics is unfriendly. Its requirement that ideas be formally modeled make it hard for novel ideas to develop. Heterodox economics communities provide an incubator environment within which ideas can germinate and sprout. They develop their own institutional structure which provides institutional validation of their ideas, and support mechanisms which allow the ideas to thrive within its limited environment. They are wonderful idea incubators, which allow people to have more friendly critics around, who treat their ideas more gently than they would be treated in mainstream economics. This gentle treatment gives the ideas a chance to germinate and perhaps even to sprout. Thus, the “outside the mainstream” heterodox community plays an important role.

Be preparing your ideas to leave the incubator. Ideas cannot remain in the incubator forever, and for the heterodox communities to serve the function of incubator,

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its must transfer the idea, developed in heterodoxy, up to the mainstream. All too often, what happens with ideas developed in heterodox economics is that they remain in their incubator and do not cross-pollinate with mainstream ideas. Both heterodox and mainstream economics are worse off for it. Thus, for the most part, the new ideas that have entered the mainstream in recent years, even though they parallel ideas heterodox economists have pushed for years, did not enter through heterodoxy, and the mainstream work almost never cites heterodox work.

For example, until recently the analytic tools to consider uncertainty were not developed, and Post Keynesian economics who emphasized uncertainty fell outside the mainstream conversation. With the development of complexity tools in mathematics, today the ideas of Post Keynesians are being integrated without any reference to Post Keynesians. Similarly, with Institutional Economics' concern with socioeconomic aspects and institutional feedback on individuals. Before the development of evolutionary game theory, such concerns could not be integrated into mainstream theory; today they can be, and are. But it is being done with almost no reference to Institutionalists who kept these ideas alive as mainstream economics completely ignored them.

To make the transfer from the heterodox incubator to the mainstream, the ideas must be developed in a formal model and buttressed by technical empirical work. This transfer is difficult; often, the reason the mainstream has shied away from the complicated issues that heterodox economists see as important is highly likely to have been that mainstream economists thought the issues were intractable given the existing tools, not because the mainstream did not believe such issues are important. What this means is that for the heterodox ideas to enter the mainstream, the tools must change. They can only be dealt with formally by bringing more sophisticated mathematics and statistics to bear on the issue than the mainstream is currently using.

See mathematicians and technical economists as your allies, not your nemesis. Mainstream economics is a formal modeling field; it is not going to change. It has chosen the issues it has because the tools it has available could be used to shed light on those issues. Advanced mathematicians can bring in new ideas because they have new ways of looking at issues that mainstream economists know were important, but shied away from because they didn't have the techniques to handle them. Thus, there is a natural symbiosis of heterodox economics with advanced applied mathematical economics and statistics. That symbiosis has not been developed, in part because heterodox economists have been anti-math. In my view heterodox economists should be precisely the opposite—they should welcome higher and higher levels of mathematical and statistical formalization into economics because that is what will allow the formal consideration of the issues they want considered.

Most heterodox economists don't have the skills to do that formal mathematical work, and I am not arguing that they should develop them. But I am arguing that "inside the mainstream" heterodox economics should have a working knowledge of what is going on in high-level mathematics and statistics, with an eye to see if new analytic techniques may be able to address some of the issues they believe should be addressed. Where there are, the "inside the mainstream" heterodox economists should be exploring

possibilities for joint work with ultra mathematicians and ultra statisticians, who do have the skills, and the interest in ideas. There is a natural connection between these two groups.

Conclusion

I do not expect my suggestions to be well received by the heterodox community, just as my ideas are generally not well received in the mainstream community. I offer them in the hope of establishing better lines of communication between the mainstream and heterodox economists. I am not arguing that all, or even most, established heterodox economists should become “inside the mainstream” heterodox economists. Most established heterodox economists have found a comfortable institutional niche for themselves, which allows them to expound their ideas to a friendly group of fellow economists and students. They can do quite well as an “out of the mainstream” heterodox economist.

The reason I wrote this paper is that the trend I see occurring in the profession is one in which the heterodox community is increasingly marginalized. It is becoming harder and harder for heterodox students to exist in the “outside the mainstream” heterodox niches. In my view, the heterodox niche that currently exists may not be a sustainable niche within the economics profession. In any case heterodox students should expect that the niche will come under increasing competitive pressures from the mainstream. Unless the heterodox program expands within the economic profession, or otherwise grows through interdisciplinary programs, which establish themselves outside of economist’s normal niches (as feminist economics has done) heterodox students will generally have a harder time than their professors, and their student’s students will have an even harder time existing in that niche.

The “inside the mainstream” heterodoxy approach offers a way for young heterodox economics to exist in the mainstream environment, and for heterodox ideas to become blended in with mainstream ideas. It is a heterodoxy that is continually changing, and multifaceted. It is opportunistic and concentrates on those niches where heterodox ideas can flourish. The theoretical part of this heterodoxy would likely integrate with researchers from physics, math and statistics programs that allow heterodox economists to push the frontier of techniques as well as ideas. The non-technical part of this heterodoxy would concentrate on teaching undergraduate economics, and would provide an undergraduate teaching of economics that is much broader than that which is currently taught. Improving that teaching would be a major contribution to both the profession and the society.

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