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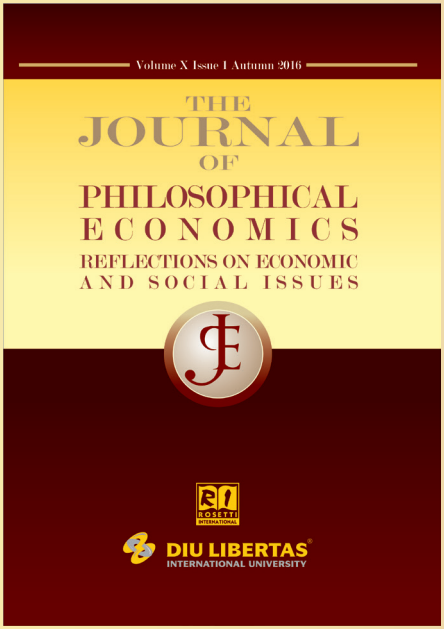

Review of Altug Yalcintas, Intellectual Path Dependence in Economics: Why economists do not reject refuted theories, *Routledge, 2016, hb, xiv + 173 pages, ISBN 978-1-138-01617-0*

Valentin Cojanu

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This book's main interrogation, 'why should economists change their minds?' (p. 29), is apparently trivial. After all, scholars of all propensities find their *raison d'être* in the capacity to shape their *minds* along the path to knowledge. The actual practice of economists (pp. 29-31) shows indeed that this presupposition can be valid. But the author, a historian and philosopher of economics at the University of Ankara (Turkey) [1], makes every effort to convince his reader that the question is subtle (subtler, anyway than the subtitle suggests) and that it deserves thorough attention because *changing one's mind* is deliberative and processual rather than merely inevitable in the advancement of science.

The whole argument rests on the presumed survival of 'unfit' explanations, errors that are not dislodged by mere academic dignity or decency. A perfect market of ideas ought to perform the 'function to fix errors fully' (p. 9), but this idealistic environment does not exist for two reasons. Firstly, scientists (economists) are not *always* rational and sciences (economics) are not *always* self-corrective, despite impeccable behaviour on behalf of researchers. Secondly, science is an economic activity and hence can be explained in economic terms: giving up a theorem is costly in intellectual and possibly monetary terms and may not be perceived as the best option given the low benefits it provides to the researcher. So, the economists do change their minds, but in the process they get

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immersed in seemingly never-ending battles of ideas on the one hand, and questionable research practices (QRP) on the other hand, with the effect that decentralized mechanisms of self-correction (e.g. open debate, peer-review, replication, or reproduction) do not *always* work.

Established results in economics may be a result of 'powerful institutions' and discretionary financial resources (e.g. military or corporate funds) driving research to predefined objectives (pp. 8, 15-17). For Stanley Jevons, David Ricardo and John Stuart Mill were 'wrong-headed' men who put economics on a wrong track, unable to understand the 'true doctrines' (p. 15). Some original works in economics, from contributors such as Adam Smith, Karl Marx, and Joseph Schumpeter, are tainted by plagiarism (p. 16), ideologically biased editing (pp. 54-55), and external corrections (p. 54), respectively. Others are tainted by faulty handling of methodological shortcuts such as statistical tests and software packages (pp. 16-17). In short, the market's working is imperfect: economics is at times a provider of 'manipulated and erroneous ideas' (p. xi). One of the author's favourite cases of *artificial* idea selection, and the book's leitmotif, is Ronald Coase's problem of social cost. The case is aptly chosen: besides making for a relaxing read, it involves a convoluted narrative of accidental discovery, misleading interpretation, unwarranted citations of the original work, and institutional ideologization on behalf of economists.

The book's title reveals the author's method of construing a rational criticism of the undesirable effects of ignoring negative externalities (e.g. 'misrepresentations of ideas' (p. 8)) of the scientific conduct. Intellectual path dependence (IPD) is key in understanding why the market of ideas fails. The author dismantles the mechanism of knowledge production in a sequence of three steps. First, the 'social cost of knowledge production', or 'epistemic cost' (EC), appears in the form of harm done by QRP to the intellectual environment – that is, a diminished 'individual and collective ability of scholars to produce a sustainable environment' (p 48). Within a *sui generis* cost-benefit analysis in epistemology, this epistemic cost adds to private costs associated with scholarly production, such as cost of access to knowledge, costs of writing research proposals, collaboration costs, etc. (p. 46), until 'rational constructions in intellectual history [are] virtually impossible' (p. 48). Second, at the origin of the

insurmountable breakdown of rationalization, responsible for the survival of wrong ideas and apparently characteristic of the entire scientific spectrum (pp. 159ff), lie self-perpetuating routines based on intellectual path dependence (IPD) and circular cumulative causation (CCC). An old idea in the sociology of science [2] is resuscitated now in *economic* terms, and insights from the works of Paul David, Brian Arthur, Douglass North, Thorstein Veblen, Gunnar Myrdal, and William Kapp show how increasing returns to scientific scale favour big theoretical constructs (pp. 101-103). Unless replication and reproduction of models or explanations help expunge QRP – and, it is argued, because of positive EC, they don't – small advantages snowball to irrecuperable differentials that *may* favour 'wrong' or 'unfit' theories. In a third and final step, the epistemic community develops an ability to come up with an error-free theory by offsetting EC with 'institutional remedies' to 'uncover and correct errors as soon as possible' (p. 11).

Up to that point, *Why economists do not reject refuted theories* is an opportune and balanced contribution to the innumerable question marks being raised these days about the malfunctioning of orthodox economic theorizing, beyond which nevertheless lie some unfulfilled promises. To this reviewer, two are most conspicuous. For one thing, parallels within philosophy of science, for example between Stephen Jay Gould's 'replaying life's tape' and research replication (p. 61) or between the rapid evolutionary shifts suggested by the theory of punctuated equilibrium and the enduring, non-negligible impact of IPD (p. 114), while perceptive, leave no significant imprint on the implications of this book. The writing goes further to reveal the inner workings of the market of ideas, only as a disguised criticism of neoclassical economics (pp. 71-82). However helpful and valid it may eventually appear to be, this criticism doesn't play an epistemological role. Adopting the market metaphor without qualification, apart for the emphasis on IPD and CCC, is questionable, including the search for 'an objective function of a scholarly community'. For another thing, profound interrogations have been raised about distinguishing between 'fit' and 'unfit' explanations. As we have seen, the argument focuses almost exclusively to the institutional capacity to refute 'wrong' theories. Other promising threads – like the role of trust needed to establish 'epistemic autonomy' (p. 102) or the necessity of a system of applied ethics in the science of

economics (p. 153) – fall short of anything solid, and therefore cannot aid in the challenging task of establishing the relevance of economic theories. Students of science are used to bring up non-market mindsets, e.g. social negotiation or actor-network theory, which can also make a compelling argument about the source of legitimation of scientific knowledge, as far as economics and social study are concerned [2].

Densely packed with historical lessons and thoughtful reflections on intellectual pathologies, an admirable chapter on *Error* is a must-read. This volume serves the reader's appetite for an erudite account of the sociology of economics, but a definitive statement on economic research values and economists' morality is still lacking. At some point, the author finds 'creativity' or the 'simple act of the will' (pp. 55, 159) an appropriate way out towards a rational construction of (economic) science. As this 'creativity' is also introduced as means 'to open up further space for a specific topic for further research', we can but look forward to that hopeful vista.

Endnotes

[1] Professor Altug Yalcintas is a member of this journal's board.

[2] See Merton, Robert K. (1988), 'The Matthew effect in science, II: cumulative advantage and the symbolism of intellectual property', *Isis* 79, 4, 606–623.

[3] For example, Yonay, Yuval P. (1994), 'When black boxes clash: competing ideas of what science is in economics, 1924-39', *Social Studies of Science* 24, 1, 39-80.

Valentin Cojanu is Founding and Executive Editor of *Journal of Philosophical Economics: Reflections on Economic and Social Issues* (cojanu@ase.ro).