



## ROUNDTABLE: CONCLUDING REFLECTIONS

BY

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Of the five speakers, only Craufurd Goodwin considered the terms heterodox and orthodox to be passé—appropriate to “a different age”—since he believes the primary characteristic of the present state of economics is the remarkable homogeneity of views and approaches among leading academic economists and their trainees. To emphasize this he provided a vivid and despairing portrayal of the representative presentations of their work by young interviewees seeking academic appointments. However, other speakers argued that neither heterodox nor orthodox economics is truly homogeneous, for there are conflicts within each camp as well as between them. Daniel Fusfeld pointed out that over long periods their respective status has changed successively, as the prevailing orthodoxy has become heterodoxy, or vice versa. Several contributors referred to the dominance of American institutionalism in the USA during the interwar period, but Roger Backhouse denied that it was a true heterodoxy, for there was at that time no “classical” orthodoxy for institutionalists to oppose. Malcolm Rutherford thought the leading interwar American institutionalists were “eclectic” rather than heterodox, adding that the appropriate disciplinary conditions for heterodoxy were lacking. He was less sanguine than Sheila Dow and Bob Coats about the future of economic heterodoxy,<sup>1</sup> for today’s “old” institutionalist heterodoxists are inward looking, on the defensive, and resistant to new ideas. (However, this may not be true of other types of heterodoxists). If true, this may be because, as Backhouse maintained, heterodox economists produce theories about the world they believe to be true, whereas orthodox economists rely on adaptable models which they know are untrue. This is a fundamental difference between the two camps.

There was a broad consensus that mathematical formalism is the dominant style within late twentieth-century economic orthodoxy, and Dow argued that a fundamental methodological (or ontological?) distinction between closed and open systems underlies the contemporary orthodox/heterodox division in economics. Several contributors suggested that heterodox economics is pluralistic,

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The following is a selective summary of the foregoing proceedings and is intended—apart from the concluding sentence—to be impartial, as befits the Chairman’s role.

<sup>1</sup> Warren Samuels, speaking from the audience, was decidedly more pessimistic about heterodox economics than either Dow or Coats.

whereas such differences as exist within contemporary orthodoxy constitute fragmentation—e.g., as between sub-disciplines—rather than genuine pluralism.<sup>2</sup>

Backhouse made the most constructive, but somewhat controversial, effort to define a heterodox school of thought in terms of its members' self-identification, their core assumptions, and their social characteristics and institutional apparatus. He claimed that the sole requirement of orthodox economics is the commitment to analytical rigor. While he agreed with Dow that one can only define contemporary orthodox economics in terms of its methods, she would deny Backhouse's contention that the quest for rigor "produces" continual change, and that this explains why there is more "progress" in orthodox than in heterodox economics. To Dow, "progress" in heterodox economics occurs on a much broader front, free from the constraints of formalism, but it is the growing institutional power of orthodoxy that makes revolutionary change unlikely. Hence she advocates the pursuit of "normal" science within heterodoxy, especially with regard to policy issues.

Dow welcomed the establishment of ICARE<sup>3</sup> as a means of demonstrating and strengthening the common ground among heterodoxists, and endorsed Rutherford's opinion that heterodoxy is more flourishing in Europe than in the USA. Moreover, Dow believes most orthodox economists are unaware of the vigor and dynamism of contemporary heterodoxists.

If the Chairman may venture an opinion—it would be unwise to announce the demise of heterodoxy prematurely, as it was in the case of American institutionalism during the early 1930s. The debate continues.

## REFERENCES

- Morgan, Mary S. and Rutherford, Malcolm. 1998. "American Economics: the Character of the Transformation." In *From Interwar Pluralism to Postwar Neoclassicism, Annual Supplement to History of Political Economy*, vol. 30. Durham and London: Duke University Press, pp. 1–26.
- Salanti, Andrea and Ernesco Screpanti, eds. 1997. *Pluralism in Economics: New Perspectives in History and Methodology*. Cheltenham, UK: Edward Elgar.

<sup>2</sup> For valuable recent discussions of pluralism in American economics see Morgan and Rutherford (1998), especially the introductory chapter; also, more generally, the essays in Salanti and Screpanti (1997), *passim*.

<sup>3</sup> ICARE, the International Confederation of Associations for the Reform of Economics, was founded in 1993. Three years later it had 5000 members, but it is virtually unknown in the USA. Note also, the *Association pour la Critique des Sciences Economiques et Sociales*, founded in France in the mid 1970s; and the European Association for Evolutionary Political Economy, which seems to be more healthy than its American counterpart, the Association For Evolutionary Economics, formally established in 1966.