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## Review of *The Expansion of Economics* edited by S. Grossbard-Schechtman and C. Clague

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**Book Review of:**  
***The Expansion of Economics: Towards a  
More Inclusive Social Science*, edited by  
Shoshana Grossbard-Shechtman and  
Christopher Clague**

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The collection of papers is devoted to examining the postwar expansion of economics into new subject areas that have been historically viewed as lying within political science and sociology, particularly as involving non-market interactions, and the effect of this expansion on the reorientation of economics, understood in terms of the need to modify neoclassical tools. Economics is seen as having initiated this expansion after 1960 in connection with the emergence of the public choice school, the economic analysis of law and property rights, discrimination, crime and the new home economics. This expansion is seen as correcting the narrowing of the scope of economics that took place in the United States and United Kingdom in the interwar period. (Continental economists are seen as having always maintained a broader view of economics.) The consequent reorientation of economics is then seen as involving a recognition of

the importance of information, an enrichment of conceptions of human motivation, especially as associated with bounded rationality, an attention to institutions and social norms, and most recently reconsideration of the model of self-oriented expected utility maximization in connection with interest in psychology, emotions and endogenous preferences.

The editors argue that a general effect of the expansion of economics is a blurring of the borders between economics and other social sciences. However, while 'subject matter has become an almost irrelevant criterion for marking borders between disciplines', methodological differences between the disciplines, though diminishing, have none the less gained in relative importance as 'the intellectual toolkits used by most economists continue to be quite distinct from those used by practitioners of other disciplines' (p. 267). The two key dimensions of economists' 'intellectual toolkits' are the relative importance of formal theory for economists, and their theoretical conception of society as being populated by people who are self-interested and calculative. As for the latter, the editors assert that 'Practically all economists accept, implicitly or explicitly, the research strategy of methodological individualism', whereas 'Many sociologists reject this principle, believing that society should be understood in terms of "structures of interaction"' (p. 267). As for the former, while recognizing that there has been considerable concern in recent years regarding excessive formalism, the editors suggest that the practical value to policy-makers and businesses may determine the scope and extent of economists' formal modelling.

The general picture offered, then, is of economics post-1970 as a science distinct in terms of its tools, and able to make important contributions in subject areas shared with other social sciences. There are two reasons to be sceptical of this view, however—one from an export perspective and the other from an import perspective.

From the export perspective, it not clear that an economic conceptualization of non-market subject areas traditionally investigated by political science and sociology represents a contribution to shared topics of interest, or the creation of a parallel representation of those topics in methodological individualist and formal theory terms rejected by the majority of political scientists and

sociologists. That is, the overlap between the fields might be seen in a kaleidoscopic way with competing, discordant visions of an increasingly contested terrain.

From the import perspective, although the editors—though not all the contributors to the volume—in their introduction and concluding comments minimize the possibility that the reorientation of economics consequent upon its investigation of non-market matters has influenced economists' standard toolkit, there is considerable recent evidence that this may not be the case. For example, behavioural economics, with its imprint of psychology on economics, largely rejects the standard rationality views of expected utility maximization; and Santa Fe complexity and computational approaches in economics, which have come from a variety of non-economic locations, largely reject the concept of equilibrium and calculus-based optimizing models. Thus, the editors may be right that there is a blurring of the borders between economics and other social sciences, but there is reason to doubt that economics remains as distinct a discipline as it was before 1970 and one without significant debate over its fundamental commitments.

Many of the papers in the volume, in fact, operate with this more complex type of picture. For example, Clive Granger compares the methodologies and the cross-fertilization of economic and statistics; Shlomo Maital discusses system dynamics and its emphasis on disequilibrium; Vernon Ruttan compares anthropology, sociology and political science with economics on the subject of development; Michael Gibbs and Alec Levenson explain how the labour field of personnel economics was influenced by organizational design researchers; Louis Lévy-Garboua and Serge Blondel look at how cognitive dissonance theory underlies a psychological approach to decision-making; and Dipak Gupta investigates the role of social psychology social identity concepts in connection with collective action.

In summary, however one sees the nature of change in economics, this book can be recommended to all who are interested in the evolution and development of the discipline.