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## Pluralism in Social Economics

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The *Review of Social Economy* was first published in 1942 as the annual Papers and Proceedings journal of the Catholic Economic Association founded in December 1941, with a charter membership of 140 drawn largely from Catholic colleges and universities in the United States. By the end of the decade the journal had become submissions-based, had added book reviews, and was published twice annually. Early papers focused on the application of Catholic social doctrine to economics, the role of social values in the economy and in economics, social justice, and contemporary problems in social-institutional economic organization (such as labor relations and unions, employment, social security, credit policy and the Federal Reserve, and postwar reconstruction). Though initially the majority of journal's contributors were neoclassical economists, solidarism, a theoretical orientation critical of neoclassical economics with origins in the work of Heinrich Pesch (1854-1926) and Goetz Briefs (1889-1974) in interwar Germany, came to represent the thinking of an increasing number of social economists after its revival by past editor William R. Waters. Both Pesch and Briefs rejected liberalism and *laissez faire*, and argued instead for the idea of a social market economy and the view that the economic process is embedded in the larger living context of society.

In 1970, the members of the Association elected to give up their strict identification with Catholic social thinking, and renamed the organization the Association for Social Economics to reflect and strengthen the increasingly pluralistic character of its membership, and to encourage development of a broader range of

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philosophical and intellectual resources devoted to explanation of the economy as a social economy and economics as social economics. In the years thereafter the organization expanded to include Institutionalists, Marxists, and humanists, who were receptive to the Association's emphasis upon social values in economics, and who brought new arguments regarding the socially-embedded and value-laden character of the economy and economics to bear on traditional economic theory, alternative theory, public policy, the history of economics, and the methodology of the subject<sup>1</sup>. The objectives of the Association for Social Economics, as set forth in its new Constitution, are as follows:

1. To foster research and publication centered on the reciprocal relationship between economic science and broader questions of human dignity, ethical values, and social philosophy, [and to] encourage the efforts of all scholars who are dedicated to exploring the ethical presuppositions and implications of economic science.

2. To consider the personal and social dimensions of economic problems and to assist in the formulation of economic policies consistent with a concern for ethical values and pluralistic community and the demands of personal dignity (*Review of Social Economy*, 1970, p. 244).

The Association for Social Economics is thus, by charter, an explicitly pluralistic organization with a unity defined to accommodate very different types of approaches to economics, yet also so as to exclude positivistic approaches to economics. The nearly quarter century of publication in the *Review* since 1970 charts the history of this pluralistic enterprise dedicated to explaining the relation of economics to social values, and, as it has turned out, continually at odds with orthodox social science and neoclassical economics. Here I sketch a brief account of this history by focusing upon the dilemmas associated with explaining the economy and economics as fundamentally social and permeated with normative value in a positivistic intellectual environment in which scientism reigns.

In today's world dominated by liberal philosophy and individualist ideology, social economists encounter a deeply rooted

1. An excellent source for understanding the early development of the Association for Social Economics are the readings in Lutz (1990).

and unexamined conviction on the part of academics, students, and people generally that moral values have little significance in modern society. Neoclassical economics bears much responsibility for fostering this belief, since it denies its world view is value-laden, narrows normative economics to innocuous Pareto efficiency, and diminishes consideration of justice, need, and human dignity in economic life. Indeed, it can be argued that this 'marginalization of ethics' flows directly from neoclassicism's characterization of individuals as mere collections of subjective preferences<sup>2</sup>. Yet if the view of individuals held by most economists must be radically reconceptualized before social economists can elaborate persuasive, alternative views of normative value in the economic process, then the obstacle to progress is truly significant, since there is surely even less willingness among neoclassical economists to re-examine their theory of the individual than there is to question their treatment of normative value. Of course not all social economists see the matter in just quite this way, though most generally do agree that economics needs to be fundamentally transformed away from the liberal neoclassical world view that treats individuals atomistically. The task facing social economics, then, is a large and difficult one, and this consequently sets the terms for the key challenge facing social economists: where to start and how much to attempt arguing. Two schools of thinking and two strategies in this regard distinguish social economists on this question.

One school of social economists believes it is strategically important to demonstrate that the normative analysis of neoclassical economics regarding improvements in individual and social well-being fails in important ways. For example, when neoclassical economists argue that divorce tends to be Pareto efficient, it may be replied that this depends upon ignoring the associated welfare losses for children in poverty. Or, when neoclassical economists emphasize the importance of consumer sovereignty and the satis-

2. I have argued that neoclassicism is responsible for the 'marginalization of ethics' in Davis (1987), and that the neoclassical theory of ethics is the logical positivist-emotivist view that ethical statements are mere expressions of feeling in Davis (1994).

faction of preferences, it may be replied that this depends upon ignoring situations in which the market creates preferences harmful to individuals. For social economists who argue along these lines, neoclassical normative economics is seriously deficient in its ethical vision and as a public policy guide. Showing that this is so demonstrates not only that atomistic markets do not have the welfare features claimed for them, but also that neoclassical analysis fails to capture the real experience of individuals. Most of the empirical research and a good share of the conceptual research published in the *Review* has this character. In the last several years, papers published on women and families, discrimination and labor market segmentation, growth and stagnation, internal conflicts within firms, and a variety of other topics have sought to show that neoclassical economic research misunderstands the normative implications of the functioning of the market economy. The assumption that thus lies behind this strategy is that persuasive critique of the social-ethical side of neoclassical economics will ultimately have the greatest impact on the future development of economics. Essentially, social economists of this orientation believe that a theory inattentive to society's full range of ethical commitments regarding fairness, basic need, and human rights cannot be successful in the long run. Their conviction that showing this is of pre-eminent importance typically derives from a strong sense of personal moral responsibility regarding why one carries out research.

A second group of social economists believes that the neoclassicism's world view is so evidently defective that its chief propositions can be readily exhibited as false, and then replaced by reasonable, alternative ideas which would be foundational to a new economics persuasive and plausible to openminded individuals. Social economists of this orientation generally already possess strong heterodox theoretical commitments, including Institutionalism, Marxism and radicalism, solidarism, cooperativism and communitarianism, Post-Keynesianism, humanism and Kantianism, feminism, environmentalism, and behavioralism. Though they disagree among themselves over the nature of alternative theory, they tend to share the view that economics and social science always presuppose a value-laden world view, and that the

neoclassical world view is in important respects not socially progressive, both because of the values it promotes and because of its positivistic self-image. They thus generally contest individualism and explanation solely in terms of self-interest motivation, the supposed commensurability of tastes, the instrumental character of rationality as opposed to a rationality of ends, work as necessarily undesirable, and the idea of the person as purely a subjective being without a need for dignity and self-esteem. Essentially, the strategy this type of social economic research employs is to attempt to provide a better theory. The assumption that lies behind the strategy is that solid critique followed by good alternative analysis is ultimately persuasive, if not to those already committed to neoclassicism, then to those who are in the process of forming their future theoretical attachments. And, the conviction that this strategy is worth pursuing derives from a confidence in alternative theoretical approaches, which are themselves rooted in carefully considered views about the nature of economic life and society.

Each of these two strategies thus has its respective rationale, but each, it should be added, has also been argued to have important limitations. Against those intent upon demonstrating that neoclassical economic theory generates the wrong results about individual and social well-being, it is often argued that, without a fully developed alternative conception of the economic process, one can never convincingly explain how a broader normative vision of economics is possible. And against those who believe that creating socially progressive alternative economic analysis is the primary responsibility of social economists, it is often argued that better theory must begin by premising our salient moral intuitions. Of course, juxtaposing these two points in just this manner suggests that, rather than two strategies each with their own limitations, the situation is better described as one in which the two strategies complement one another with each focusing on a different part of an overall project. There is some truth to this view, and indeed it explains much of the unity of the Association for Social Economics. Yet at the same time it would be a mistake to minimize the range of disagreement between members of the Association and those who publish in the *Review of Social Eco-*

*nomy* over the relative importance of different moral values and the relative importance of different alternative theoretical approaches. It is a disagreement, as noted above, over just where to start and how much to attempt arguing *vis-a-vis* an economics profession strongly attached to an unreflective scientism. It is a disagreement, perhaps more importantly, that constitutes the source of pluralism in the Association, and as such is a disagreement that may either strengthen or weaken the organization. This naturally invites us to ask as we look toward the future about the prospects for the sort of pluralistic enterprise in which the Association and the *Review* are engaged. Is pluralism in social economic thinking likely to strengthen or weaken the Association and the *Review*? Indeed, what generally is the impact of pluralism on organizations that necessarily change through time?

All organizations of course undergo change in time as its members change – a process that is helpfully understood in terms of generational turnover. The Association for Social Economics seems to be somewhere between its third and fourth generations in membership, one effect of which is that the early history and purposes of the organization have become increasingly remote for current members. Clearly the passage of time alters the conditions under which we operate together with many of the issues we confront, and we must be realistic about how much of the spirit and thinking of the past can or even ought to be preserved in the continuing work of any organization. But I want to suggest that the issue of generational change facing the Association and other like pluralistic organizations raises special problems over and above the general one of organizational continuity and memory. Pluralism tends to have a positive connotation in contemporary discussion. It suggests tolerance, open-mindedness, and a cosmopolitan view of ideas. But there is a darker side to pluralism associated with division, fragmentation, and loss of shared direction, and a more complete grasp of pluralism in organizations surely depends upon understanding how balance is maintained between openness and coherence. Two problems in particular have arisen for the Association and *Review* in this respect.

The first problem concerns the recent historical development of the Association and the timing of generational change. Genera-

tions, of course, are loosely and conventionally delimited, and it may often be as appropriate to say that the overlappingness of periods of activity of individuals rules out speaking of generations at all. But this has not been the case in the Association which formed a cohesive generation of new members and contributors to the *Review* at the time the Association was reconstituted in 1970. While of course many individuals who had been involved in the old Catholic Economic Association played an important part in the transition, the fact that a new sort of intentionally pluralistic organization was then established gave special prominence and responsibility to a collection of younger individuals who were beginning their prime working lives. These individuals embraced the challenge of creating a new type of organization, one whose unity was to grow out of very different theoretical and intellectual approaches. Their contributions to the *Review* in the years that followed gave the organization and the journal a particular clarity and cohesiveness. But most of these individuals have now moved beyond the active part of their working lives, and perhaps ironically, because they played such a large role in the Association and *Review* for so many years, a like space and opportunity – it seems – was precluded for later, younger individuals, many of whom surely were attracted to late 1970s and early 1980s radical political economy, Marxism, and Post-Keynesianism for which new forums and challenges were being established.

The second problem of pluralism for the Association – and indeed almost all intellectual organizations that seek to establish themselves more strongly as societies – concerns the general change in the academic employment relations in the late 1980s and early 1990s. In the past, the threat of unemployment for an academic having once been hired seems hardly as great as it has become today. Today performance levels are more closely monitored to determine merit for continuation in employment, where the simple fact that measurable outcomes exist in publication has meant that performance is generally evaluated according to volume and rate of publication. One important effect of this has been that, since teaching remains a requirement, the need to publish has raised work loads for academics, thus forcing them to eliminate other activities previously engaged in. Of these, profes-



sional service both within the university and to crossuniversity organizations has been substantially reduced. Within the university this has meant decline in interdisciplinary interaction, the exchange of ideas, and the collegiality of academia. Outside of the university this has meant decline of involvement in the affairs of professional organizations, and a tendency for such organizations to become mere subscription services and conference participation outlets. For the Association, as with other like professional organizations, this has meant less contact between members, less shared activity, and less thought and commitment regarding the difficult task of building and maintaining a pluralistic organization. In contrast, more orthodox professional organizations seem to have prospered in recent years, most likely because they originally operated as research promotion services for their members, who thus have maintained their affiliations as just another job requirement.

For the Association of Social Economics, these two problems have interacted in a challenging manner. Generational turnover has in good part removed the leadership that previously defended the strengths and promise of pluralism, while the increasing confinement of academics to their computers has created a pool of potential members less able to engage the objectives and purposes of the Association than in the past. Despite this, the Association and the *Review* seems to have found a way to survive as a pluralistic organization, albeit one different in nature than in the past. First, as indicated above, the Association and journal have come to include an even larger collection of heterodox economists than was involved in the 1970 combination of Catholic solidarists, Marxists, Institutionalists, and humanists. In many cases new orientations represent offshoots of past heterodox traditions. In other instances new issues have defined new groups outside of the mainstream. Second, the Association and the journal are becoming more international than was the case for the first four decades of their history as principally North American institutions. In some considerable degree, this has been a matter of the internationalization of academia in terms of opportunities for interaction across countries (personal and electronic) and the emergence at

the end of the 1980s of both English as a universal language and a worldwide publication market.

These two developments make for an interesting comment on the transformation of pluralism in the Association for Social Economics and the *Review of Social Economy*. On the one hand, diversity has only increased, and this cannot but represent a challenge facing both the organization and the journal. On the other hand, that the cause of unity out of diversity, the cause of pluralism, seems to have become increasingly a welcome one in recent years gives good reason to think that the challenge of greater diversity not only can be met, but perhaps represents for an increasing number an especially valuable project in itself. The May 1994 conference in Bergamo on pluralism in economics seems effective testimony on this latter score. At the conference, many participants commented with some frustration that issues clearly dividing individuals were not easily joined and discussed. But the conference did occur, and different positions were aired for common consideration. I suggest that the conference functioned as a microcosm for the exchange of ideas between contrasting points of view. In this it seems to have shared the experience of the Association and the *Review* that pluralism requires a conscious defense if it is to succeed. Pluralism, in the Association for Social Economics and more generally, then, needs active support to survive. This is a lesson to be learned from both the conference and from the history of the Association for Social Economics.

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