

Chicago Fundamentalism

Ideology and Methodology in Economics

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*To Emily and Nicola who keep me grounded in the here and now;
and to Donna who inspires me to do more*

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Foreword

A Touch of the Billy Joels

Sing us a song, you're the piano man
Sing us a song tonight
Well, we're all in the mood for a melody
And you've got us feelin' alright
(*Piano Man* — Billy Joel)

It is hard to be straight faced when justifying an edited volume of one's own work. Most reasonable people would be quick to label it as some type of minor ego trip or at least one's own fanzine. Of course there is no reason that an author should feel the necessity for bringing out one's greatest hits. The usual excuse for this small plunge into self-indulgence is that many of the papers appeared in out-of-the-way, hard to find journals.¹ (To which vigilant critics will undoubtedly add, '... and thankfully so.')

Certainly if ageing rock stars can do so, there is no reason for

¹ Most of these articles were submitted to specific journals by request. These did not represent placements defined by desperation. Thus it should hardly come as a surprise that a number of these articles appeared in the Australian journal dedicated to the History of Thought field. In any case, just to utter the categories 'History of Thought' or 'Methodology' makes it unnecessary to add the phrase 'not widely read journals'. This is practically definitional. Yet some of the places of publication will appear obscure even given the standards of the field.

ageing academics not to follow suit.² As an economist, I always have the market to serve as my convenient prop and rationale. *Let the market decide*. Publication will decide whether or not there is any demand for a collection of pieces that could be dismissed as mere history of thought and methodological pieces. Most economists caught up in current explorations where history seldom extends back for more than five years and reflection is something to be cured with sunglasses will look askance at so many articles given over to a decided backwater of the trade. Essentially these are viewed as the efforts of hobby farmers trying to catch the attention of the real thing. Given this understanding, such a volume represents only the author's thick skin and audacity.

I would hope though there is more here than a self-satisfied piano riff. If nothing else, I wanted to demonstrate to myself that I haven't been writing the same paper over and over again for more than a decade. Despite the temptation when compiling this volume, this collection is not just a series of pieces chosen at random from my past work. These represent the development of my thought over a number of years with the earliest piece being from 1992 and the most recent done this very year (2007). Forced to re-read the entirety of this work ('that was clever of me'; 'what could I have been thinking') a limited number of clear themes show up.³ This implies that reading this book (and especially reading it in the selected order) makes it clear that those willing to embark on the journey are not being forced to take a random walk through unconnected pieces. The one underlying message to the discipline as a whole is more of a plea to learn to read which implies analyzing and thinking about what one usually only processes in the most superficial of manners. The plea is to take work seriously and to probe for the meaning within any piece. This

² Like so many 'Best of' albums, they are simply compilations of unrelated bits and pieces recycled in the hopes of squeezing out the last drops of glory from the dregs of properly forgotten work. Yet I have tried not to give in to the siren song represented by this encroaching debility that could be rightly labelled as succumbing to a touch of the 'Billy Joels'.

³ What also unfortunately appears is some clumsy sentence construction and strained grammar. I have used this opportunity to correct faults that previously escaped my earlier editing efforts.

means rejecting oral traditions and lies our teachers told us. It is possible to get to the heart of any article if we don't start with preconceived ideas and read only to confirm our own prejudices.

The broader conclusion is that such advice doesn't only apply to those toiling in the backwaters of the profession. Even the most technologically narrow investigators need to approach their material with as fresh an attitude as possible. The greatest and most common sin to which economists fall prey is to know the results of their endeavours from the very beginning of their analysis. This creates a strong sub-theme evident in the rest of the work. Namely, one of the over-riding reasons for such ostensibly inexcusable behaviour. Ideology, as the volume's title reveals, is the other major concern that has obsessed my writing. The dangers of letting one's desires dictate one's results should be obvious. The corruption of the necessary separation of Church and State in the profession can only undermine the work of the profession itself. Economics in that case is reduced to rhetoric in aid of a preconceived objective.

To demonstrate these ideological pitfalls I look at the work of two of the great zealots of the trade, George Stigler and Milton Friedman. Two better economists would be hard to find. Yet their purpose exceeded that of simply discovering economic insights through more finer-honed analysis. They fought a greater battle, a struggle pitting darkness against light. But to do so they traduced the very underlying precepts of their profession as so many have done before. They are chosen not because they are an exception in resorting to ideological imperatives but rather because their great skill and economic intuition meant that they had greater and more long lasting impact on economic thought than their contemporaries or successors.

My hope then is that those who are strong hearted enough to work their way through this volume will come away a bit more thoughtful of what they do and what they say. If so, then my modest contribution to economics will not be without success. In closing let me just give deserved credit to Donna Joseph without whom this result would not have been possible.

Craig Freedman
December 2007

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