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THE UNIVERSITY OF  
**WARWICK**

**GEM** PhD SCHOOL  
ERASMUS Mundus  
Joint Doctorate  
Globalisation, the EU  
& Multilateralism

 **LUISS** Guido  
Carli  
LIBERA UNIVERSITÀ INTERNAZIONALE DEGLI STUDI SOCIALI

Tobias Pforr

**Meaning Construction and the Socialisation of  
Economic Ideas:  
An Autobiographical Approach**

Thesis submitted in partial fulfilment of the requirements for a PhD in Politics and International Studies conducted in the Department of Politics and International Studies at the University of Warwick and a PhD in Political Theory conducted at the Faculty of Political Sciences at the Libera Università Internazionale degli Studi Sociali Guido Carli (LUISS Guido Carli)

Supervised by Professor Matthew Watson and Professor Sebastiano Maffettone

September 2015

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## Acknowledgments

My first point of gratitude goes towards the European Commission and the Erasmus Mundus PhD School ‘Globalisation, the EU, and Multilateralism’ (GEM) whose generous financial assistance enabled me to have three years of research time without having to take on any further commitments. These years were invaluable to me as they allowed me to just follow my nose and read as widely as I possibly could. I will always be grateful for having been granted this luxury. In this context, I would also like to acknowledge the incredible work of the three people who made GEM possible: Professor Mario Telo, Frederik Ponjaert, and Johan Robberecht. They were not only responsible for bringing GEM into the world but they also acted as points of intermediation between the different national systems. Without their tireless and pragmatic work, this project would have been much more difficult to finish.

My deepest gratitude, however, is reserved for my supervisor at Warwick - Professor Matthew Watson - and for Professor Sebastiano Maffettone. Matthew is undoubtedly the most committed and caring doctoral supervisor in the world. He allowed me enough space and time to ponder what I was thinking about but was ready to immediately respond with feedback and further suggestions whenever I needed it. He also encouraged me to pursue some of my more eclectic ideas and often pushed me further with these than I would have gone on my own. This dissertation could not exist in its present shape without his guidance and suggestions. I would also like to acknowledge the trust of Sebastiano. Except for some slight complications in the final stages, Sebastiano trusted me to find my own way without the need for any interventions on his part. I greatly appreciated this freedom. I also would like to thank my previous supervisors, Professor David Blaney at Macalester College and Professor Avner Offer at All Souls College, for their continued support and help.

I also want to acknowledge the support of my friends. Whether in conversations about the issues discussed in this dissertation or in conversations which gave me a much needed break from these issues, this project in its current form was also only possible because of the continuous support and friendship I received from so many people. Some of the most important ones were and are (apologies to anyone I forget): Agostino Inguscio, Alex Fortune, Ben Braun (who also read and corrected parts of this manuscript), Christoph Samwer, Coraline Goron, Elisa Lopez-Lucia, Felix Stein, Katharina Husslein, Kerimcan Oral, Markus Bihler, Nick Taylor, Sarah Gibson, and Tajha Lanier.

I would also like to acknowledge the support of the Institute of New Economic Thinking (INET). Attending their numerous fantastic events greatly helped me in focusing this thesis on the issues that I think matter most. I would also like to acknowledge the help of Susan Davies at Warwick. Sue ensured that I had continuous access to a working space even while the department moved to another building. I shudder to think how my writing would have fared without this space.

Last but not least, the biggest gratitude is reserved for my parents and siblings. They do not always understand what I get up to and why but I can certainly always count on them. Without all their help and support over the year, I would never even have got to a place where I could undertake such a project. For all of this and more, my unconditional thanks.

## **Declaration**

This thesis is submitted to the University of Warwick in support of my application for the degree of Doctor of Philosophy. It has been composed by myself and has not been submitted for any other degree.

## **Abstract**

This dissertation explores how to conceptualise the production, reproduction and transmission of economic ideas. I highlight that a first step in such an exploration needs to consist in the recognition that theory and ideas not only describe reality but also help to constitute it. Language inherently frames our understanding in particular ways. We learn language, as well as other practices, by being socialised into particular communities. As a result, there is an inherent connection between our ideas and our identity. The task for this dissertation is to showcase different ways of understanding how we become socialised into particular economic ideas and what some of the consequences of this might be for how we think about economic theory in general. I examine two particular sites of knowledge production and two particular concepts. The two chosen sites are undergraduate economics textbooks and contemporary novels. I highlight that both partake in the production and transmission of economic ideas but that the strategies they employ to do so are markedly different. Economics teaching could benefit from using a greater variety of materials and I suggest that works of fiction are a very useful resource in this regard. The two concepts I examine are the concept of the market and the concept of violence. I argue that the concept of the market is not merely used to describe a place of exchange but that it is also used to express subjective and social notions. Last, I argue that much can be gained from following Johan Galtung's approach to violence. His conceptualisation of violence allows one to understand the price of socialisation. Socialisation processes are inherently burdensome for individuals and the concept of violence can help one to appreciate the burden which particular conceptions of human agency have for those who are asked to internalise these.



# Prologue

As I adopt an autobiographical method for this thesis, it may be worth starting the discussion with a very rough sketch of how I came to write this thesis. Researching and writing this dissertation has given me an opportunity to really ponder some issues that have preoccupied my thinking for the last one and a half decades. The issues revolve around the status of knowledge of the economic and social sphere – how is this knowledge generated? What makes it reliable? Is it the same knowledge as about the natural world? If not, what constitutes this difference and what does it amount to? What is the relationship between our economic and social practices and the way we talk and think about them? And what role does the discipline of economics play in all of this?

Obviously, even in the space of an entire PhD it is not possible to do justice to each of these questions. But I have tried to find a way through which I can at least conceptualize a way in which to think about these issues. I have come to understand that the only way these issues become meaningfully understandable is if I reject the methodological foundation with which current economic theory is practiced and taught. This foundation relies on a division between object and subject – as if theory is only a question of accurately describing reality. Better theory means better description of reality. What this view overlooks is the fact that there are always multiple criteria for better and there is no unique way of understanding reality. Rather, we need to learn to understand reality. This is another way of saying that nearly all learning takes the role of socialisation in some form.

Consequently, economics is not just a discipline that provides a neutral and objective account of social and economic phenomena. Rather, it is a deeply social and political process which contributes to the constructions of what counts as proper and acceptable ways of looking at reality. Unfortunately to my mind, economics constructs a very impoverished picture of what makes life and society ultimately meaningful. With this dissertation, I also want to find a way of doing economics that does not suffer from these pitfalls. In order to do

so, I try to recover an older tradition of doing political economy, in the spirit of Adam Smith, and I also connect to discussions in philosophy and social theory. In writing this dissertation in the way I have done, I try to show just how contemporary economics tends to socialise individuals in particular ways of doing things and how economics could also be done in a way that socialises people differently. I considered taking many possible routes to make these types of claims but in the end decided to try to bring an autobiographical approach to the subject matter. Because of this chosen route, it may be interesting to learn some of my autobiographical data so as to contextualise the thesis within a broader perspective of my person.

Quite possibly, I also wrote this PhD in the autobiographical way because I happen to have been socialised in radically different ways. Until the age of about sixteen, I lived what is probably a fairly representative life of a teen of upper middle class parents in Germany. My parents were supportive but never pressured me into doing anything (well or otherwise). After primary school, I went to a gymnasium (incidentally, the same school which my mother and grandfather had attended) but like most of my peers, I thought of school either as an inconvenient appointment to endure, or as an excuse to hang out with friends, but it certainly never occurred to me at that point that school or education had anything to offer which I could not also learn by myself. The motto, and this I think I shared with most of my peers, was to do the least possible amount of work in order to just about pass each year.<sup>1</sup> And most teachers seemed to understand, if not share, this attitude. I judged myself exceedingly good at treading this fine line, regularly receiving failing grades in individual exams but never enough to put me in any real danger of flunking the year. One further advantage of not spending too much time on school work was that I had most days completely free to follow

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<sup>1</sup> It may be necessary to give a bit of context to an Anglo-Saxon reader here. If you manage to get into a gymnasium after fourth grade, the education system is set up in a way that as long as you pass each year, none of your marks before grade eleven (so the year I would leave Germany) play any relevance for your later opportunities.

activities outside school (school in Germany only runs from 8am to 1pm): I played an immense amount of sports, probably at least three to four hours every day (football, tennis, triathlon, and skiing among others). I also acted in a theatre group.

At some point in 1999, so when I was 15, one of my best friends told me about this boarding school where we would get to skip a year of schooling and where every accepted student received a scholarship. So we filled out the application form together and were astounded when we both received a letter inviting us to attend a three-day interview and selection process. At the selection weekend, we soon learnt that basically all accepted students had perfect grades and were also outstanding students in other respects. Neither of us fitted this bill in the least and so we decided to simply enjoy three days with a bunch of interesting young people by going out drinking and partying. To my greatest surprise, a few weeks later (or months, I really do not recall), I received a letter informing me that I had in fact been selected. I was so incredulous that I called the foundation to inquire if they had not made a mistake. When they reassured me that I was actually meant to receive this letter, I was obviously elated and I set off a few months later to attend my new school in Wales.

The school, known as Atlantic College, could not have been more different from my schooling experience in Germany. It was housed in a 14<sup>th</sup> century castle and the atmosphere was one of utmost collegiality but also of extreme competition. The official *raison d'être* for Atlantic College was to foster international understanding. And it certainly delivered on that front. But unofficially, it was also a stepping stone to either Oxbridge or the American Ivy League universities with many students applying to each. Every year, each of the universities selects about 5 students (this was clearer for the American schools due to the centralized admission system) and so you knew that not all of your friends would be able to get into the same university that you applied to. Outside of athletics (and possibly girls), this is the first time I had encountered competition amongst friends. The truly interesting aspect for me

today is how naturally I adjusted to the changing environment. From today's perspective, but I clearly did not think about it like that at the time, I had previously played a game according to one set of rules but now the rules had changed. One thing that would never have occurred to my teenage self is to question or refuse to play the game. Maybe this was because I was so used to accept the rules as given in athletics. From the perspective of my current self, I would say that my teenage self was remarkably adept at being completely socialised (or as near as this is possible).

During my two years at Atlantic College, I started to study properly for the first time and my grades steadily improved. I had little hope of getting into Oxford or Harvard but I still managed to play the game quite successfully – managing to secure a full scholarship to Macalester College, one of the premier liberal arts colleges. If Atlantic College had laid the groundwork for a vision of individuality as that of the always competitively striving for the next-bigger-thing kind of person, Macalester cemented it. However, taking economics classes from professors trained in the Chicago tradition also led to what I would now regard as the first cracks in a previously immaculate shell of socialisation. It just all seemed too reductive, too simplistic. Of course, the Chicago tradition also meant that personal success was entirely attributable to the individual who enjoys it. As somebody who enjoyed being able to play a game – no matter if that was football, Monopoly, or getting into a selective university – there was something immensely comforting in this vision. For you do not really have to care for all those who play the game less successfully than you do. You do not make the rules. As the slang saying has it, “Don't hate the player, hate the game.”

When it came to the final year of my college experience, for the first time I was unsure as what I wanted to do. I had originally thought I wanted to apply for a PhD in Economics and had taken all the necessary prerequisites. But I also had grown disillusioned with economics as it was practiced at an American university. I also applied to work in the

corporate sector but found the work/life balance offered by the desirable (meaning popular) jobs after graduation in investment banking and consulting highly suspect. So I returned to Germany to contemplate what I should do next. I reluctantly continued applying to various corporate jobs but luckily for me (from today's perspective) nothing seemed to work out. I eventually thought it might be worthwhile to go back to learn more about economics, as I had hoped to originally, but not in an economics department. Through a number of routes too long-winded to recount here, I ended up at Oxford, reading for an MPhil in Economic and Social History. Oxford was great because it meant I could feel that I had managed to arrive at the top of the game after all and I met some genuinely inspiring people there. However, Oxford was also a difficult place to be because it assumed anybody who went there to possess financial resources which were simply beyond my means. Despite a scholarship, it was only the financial support of my parents that made this experience possible and even this generous support would only be enough for about a year (and I was on a two-year program). So it was not exactly inconvenient when I met the representatives of a hedge fund who were speaking at a conference held in Oxford in my second week of studying there. As they seemed interested in hiring some juniors, I decided to apply, and after enduring seven hours of gruelling interviews, I was offered a job. The job not only offered a very lucrative salary and the promise of an equally lucrative bonus but I was also told I would immediately receive a hefty sign-on bonus. Being offered such good terms, I decided to accept the job, and change my degree into a one-year MSc. My supervisor at the time accepted this decision but also offered that I was welcome to return for further studies whenever I wished.

I joined Bain Capital in the midst of the worst financial crisis since the Great Depression. Somewhat weirdly, I was never truly worried about losing my job or the firm going bankrupt. It all still seemed a bit too surreal to really grasp. So I actually experienced the financial crisis as not unpleasant – it also meant that there was not a lot of work for junior

employees which meant that there was none of the dreaded late-night work. But as the worst of the financial crisis passed, and asset prices began to recover, this changed. Even though I enjoyed the adrenaline of making or losing lots of money, I also found the actual mechanics of investing (as frequently practiced by Bain) either dull or pointless. A lot of the actual work involved building highly specific operational models for companies to predict future performance, even though I and the senior partners of the firm knew that the results of these models were always (or mostly) wrong. I found myself having to predict how many bathrooms would be constructed in Germany in 10 years' time, knowing full well that my predictions were going to be worthless. But this was how the company decided to model performance, and no fact-based arguments would convince the senior partners to do things differently. It is probably this experience above all others that finally convinced me that the image of a *homo economicus*, making perfectly rational calculations given the available evidence, was not only worthless but also misleading for how we organise society. I also realised that although I had previously been invited to think of work only in terms of the income one receives, I actually did not care about the money all that much except for the fact that making more of it than all my friends allowed me a certain cockiness (which was also justified in their eyes). Eventually, I decided there must be more to life than just making money – and I decided to leave my job for a chance to travel around the world for half a year. Upon my return, I set off to explore how economic ideas and knowledge are generated, the results of which are to be found in the following pages.

# Part I



# **Introduction**

*The dissertation as knowledge, art, and experience*

At the most general level, this dissertation marks an attempt to explore how to conceptualise the production, reproduction and transmission of economic ideas. I am particularly interested in exploring these issues within the context of the United Kingdom and the United States during contemporary times. I want to highlight that a first step in such an exploration needs to consist in the recognition that theory and ideas not only describe reality but also help to constitute it. Language inherently frames our understanding in particular ways. We learn language, as well as other practices, by being socialised into a particular community. As a result, there is an inherent connection between our ideas and our identity. The task for this dissertation is to showcase different ways of understanding how we become socialised into particular economic ideas and what some of the consequences of this might be for how we think about economic theory in general.

The dissertation proceeds in three parts (and each part has two or three chapters), each of which is meant to provide a different variation on the theme of how economic knowledge is produced and transmitted. My aim is to explore the reciprocal, overlapping, and sometimes contradictory relationships between the particular understandings of human subjectivity and sociality that are produced within academic writings in economics and those that are produced within wider cultural settings and circles. Economics is one source for understanding how one is to act as a person and this understanding can either reinforce or call into question understandings internalised from other sources. But academic texts in economics also provide a seemingly authoritative basis for justifying particular beliefs or courses of actions, so economics is implicated on multiple levels in these processes. In order to provide some foundation to discuss the generation of economic ideas, the first part of the dissertation offers some general theoretical reflections about knowledge production and the

role which language plays in shaping our understanding. The second part of the dissertation analyses different kinds of narratives – economic textbooks and contemporary novels – and how each of them can contribute to the production and transmission of economic ideas. The third part of the dissertation offers a more in-depth analysis of the way particular concepts – the concept of the market and the concept of violence – are used and can be invoked to understand the process of economic knowledge production.

The variations notwithstanding, each chapter is united by the intention to question the supposed universality of economic knowledge. Rather than seeing economic knowledge and ideas as the objective and neutral result of science, I want to highlight the local, contextual, interested, and social nature of economic knowledge and ideas. My position here very much mirrors the position taken by Nitasha Kaul in her *Imagining Economics Otherwise*. Kaul has managed to capture her sentiments so beautifully that I would like to invoke them as my own:

I am therefore starting from the position of trying to question the presupposed universality of economic knowledge, and trying to ex-pose it as contingent not only methodologically and epistemologically, but also argue that its creation and perpetuation is more generally ideological and interested. Any story of interested particulars passing off for disinterested universals draws attention therefore to both the structuring of knowledge in terms of an inadequately conceived relation between the part and the whole, and to the submerging of difference in such a venture. The first inaugurates the question of the dynamics of theory, and the second points to the Others of knowledge. These will accordingly be my threads of concentration in the present undertaking. What is at stake here is not only a critique of economics, but a wider multi-layered interrogation of modernist knowledge in general.<sup>2</sup>

It is worth noting that I only came across Kaul's work for the first time four weeks before I was supposed to hand in this thesis. My immediate reaction to the book was the much dreaded 'If only I had come across this before'. In fact, I share such a wide variety of concerns with Kaul that this thesis may have looked quite differently if I would have come

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<sup>2</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, pp.4-5.

across her work earlier.<sup>3</sup> But it is also true that despite our shared concerns, we have very different ways of writing about these issues. And we also have very different biographies which may at least partially inform our different ways of approaching these issues.

The way I have decided to question the supposed universality of economic ideas and categories is by thinking about how knowledge and ideas are generated in general and then to apply these insights to the reciprocal relationships between economic ideas as they emerge out of the discipline of economics and economic ideas as they can be found outside academic writings. As I have come to believe that the gravest obstacle for a proper appreciation of the ways in which ideas in economics interact with ideas in other areas of society is a continued ill-founded belief in the separation between subject and object, I have opted to approach this dissertation methodologically as an autobiographical work. At the same time as I inquire into the nature of how others generate economic knowledge, I also have to explore my own subjectivity as part of this inquiry. At the same time as I try to understand how economic knowledge becomes constituted, I am also trying to understand how I came to hold certain economic ideas. I am indelibly rooted in some of the same ways of generating meaning and knowledge as others. Theories are also performative devices.<sup>4</sup> They inform individuals and collectives as to what are expected ways of thinking and behaving, encapsulate a common vision as to what makes us human. To a large extent, therefore, the object of my research is the subject, the subject also the object.

Given that this choice of methodology is highly unusual for a work in social science, even though it should not be, I would like to start by offering a sympathetic reader three

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<sup>3</sup> I am not really able to say how this thesis might have looked differently. But I feel that having had access to another piece of writing which approaches the same subject matter in a very similar ethos would have been bound to have changed my thinking in some ways.

<sup>4</sup> There is a large and growing literature on performativity. I will discuss some of the relevant literature in chapter six.

different ways of approaching this piece of writing as I have intended it be read.<sup>5</sup> The first way is to approach this dissertation as explicitly anti-disciplinary. This is also an idea emphasized by Kaul. She writes about her book that “it is not simply inter- or multi-disciplinary, but, to an extent, it can be called anti-disciplinary.”<sup>6</sup> In presenting her text this way, Kaul wants to highlight the fact that disciplinary boundaries are at the same time arbitrary and hugely important in the way knowledge claims are administered. Since her interest, like mine, is concerned with how knowledge claims become constituted, her inquiry, like mine, must necessarily run afoul of thinking of a subject matter in terms of fixed boundaries. Kaul also shares my concern with the fact that the very definition of what counts as economic is also at the same time always a political and social question:

This book does not squarely locate itself in a pre-given field which can be understood as ‘economics’. Rather, it constantly seeks to question and challenge how we come to see something as belonging to economics, how this has been constructed as seemingly invariant but actually varies over time and across place, how a belief in the invariance of what economics is in relation to a wider terrain of knowledge actually serves to depoliticise the economic context, and how this seemingly invariant depoliticised economic context is rendered substantively unengageable by any means other than those recognised as legitimate and valid by those who have a monopoly on favourably defining the economic context.<sup>7</sup>

Kaul correctly highlights that the question of how economics as a discipline becomes constituted is also related to the question of how knowledge is understood to be constituted in the first place. As such, the question of what economics is and how it is practiced is also a variation on the broader themes of the Enlightenment with its idea of knowledge being the result of a neutral observer. Kaul refers to this as “the enlightenment interest in the general man, the average being who can represent systematically, without any inference of the theorist, in the practice of positivist and potentially universal modernist disciplinary

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<sup>5</sup> This is of course not to say that the ways I have intended the text to be read are necessarily the only ways of reading it, nor even the best way necessarily. Every reader fundamentally needs to decide how to approach this text and how to engage with it. But the suggestions that follow seem useful to me so I want to share them.

<sup>6</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, pp.3.

<sup>7</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, pp.4.

knowledge.”<sup>8</sup> Kaul offers the writing of Theodore Litt as a great example of this line of enlightenment thinking:

In order to create this world of conceptual objects, it is essential that the thinking being must raise itself onto the level of ‘pure’ and entirely general thinking. This means, in effect, that all considerations which restrict the thinking individual to his particular context in time and space and which distinguish him in a qualitative sense from other individual beings must be eliminated in this sphere of thought. In this sense, the elevation of one’s thinking faculty to the sphere of mathematical ideas implies an act of self-elimination; of the conquest of one’s own personality.<sup>9</sup>

I think this vision of knowledge is immensely misleading and I will try to offer a number of different theoretical arguments as to why this is the case in chapters one and two of this dissertation. One way of highlighting that economic ideas do not exist apart from economic subjects is by showing that knowledge does not exist apart from subjects. There is no neutral ground from which to analyse and speak about knowledge and subjectivity.

The idea that economic ideas do not exist apart from economic subjects also provides an understanding of why this dissertation can be regarded as both the product of a journey and as constituting a journey in and of itself. To approach this dissertation as a journey would be my second piece of advice. On the one hand, the intellectual journey undertaken during this project highlights that there are important autobiographical aspects to almost any kind of research.<sup>10</sup> On the other hand, the notion of a journey is also literally involved with not only how this dissertation came to be but also in what it is trying to say. To begin, most of the ideas for this thesis were probably formulated in embryonic form during one of the many walks and journeys I took over the course of my research. There were both longer journeys, walking for many days or even weeks at a time, or travelling to and through other countries, as well as numerable smaller adventures. During the final months of writing, in particular, I

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<sup>8</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, pp.8.

<sup>9</sup> Litt, Theodore, quoted in Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, p.8.

<sup>10</sup> For some good introductions to the literature in autoethnography see: Ellis, Carolyn, *The ethnographic I: a methodological novel about autoethnography*, Oxford: AltaMira Press, 2004; Chang, Heewon, *Autoethnography as Method*, Walnut Creek: Left Coast Press, 2009.

took a daily one hour walk in the afternoon in order to organize the multitude of thoughts, intuitions, and ideas that had accumulated during the previous hours and that I had often failed to capture in ways that I felt did them justice once expressed in writing. These daily walks in the Warwickshire countryside were crucial in helping me gain a better perspective on how I could bring to light all the ideas I carried within myself and how I could express them in ways that may make them understandable to others. At the time, I approached these walks simply as a necessary means and part of my daily routine. But as I am now writing these sentences with a few months of hindsight, it also seems to me that this relationship between my walking, my ideas and myself also echo some of the points I try to make in the thesis more generally.

In fact, there is a long history of literature that stresses the importance of journeying and walking as a means to knowing. Jean-Jacques Rousseau writes: “I can only mediate when I am walking, when I stop, I cease to think; my mind only works with my legs.”<sup>11</sup> Nietzsche similarly writes that “only those thoughts that come from walking have any value.”<sup>12</sup> And Richard Kearney notes that “in antiquity, Irish scholars were known...for their practice of ‘navigatio’...a journey undertaken by boat...The aim was to undergo an apprenticeship to sign of strangeness with a view to becoming more attentive to the meanings of one’s own time and place – geographical, spiritual, intellectual.”<sup>13</sup> Each of these sentiments expresses something that I have also come to intrinsically understand: That there exists no solid separation of subject and object and that some kinds of knowledge can neither be arrived at through propositional means nor be expressed in propositional terms. This is also a conclusion which Robert Macfarlane shares. In his *The Old Ways*, probably the single best overview and discussion of the reciprocal relationships between walking and knowing,

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<sup>11</sup> Rousseau, Jean-Jacques, *The Confessions*, London: Penguin, 1953, p.382.

<sup>12</sup> Nietzsche, Friedrich, *The Twilight of the Idols*, Oxford: Oxford University Press, 2008, Maxims and Barbs, § 34.

<sup>13</sup> Kearney, Richard, *Navigations: Selected Essays 1977-2004*, Dublin: The Lilliput Press, 2004, p.x.

Macfarlane tries to understand just what it is he experiences during a walk. Macfarlane writes about the work of Edward Thomas, who he has been greatly affected by, that to “Thomas, paths connected real places but they also led outwards to metaphysics, backwards to history, and inwards to the self.”<sup>14</sup> Macfarlane notes how

in Thomas’s imagination, text and landscape overlap...The paths are sentences... [h]e understands that reading and walking expire into one another, that we carry within ourselves evolving maps of the worlds which are as Wordsworth put it, ‘of texture midway between life and books’. Thomas starts to think, too, about thinking, and the ways in which the physical world might incite in us those kinds of knowledge that exceed cognition.<sup>15</sup>

Macfarlane goes on to explain that Thomas and other writers like him had come to understand, through their experiences of walking and journeying, the vacuity of the commonplace dualisms of Western philosophy, whether it be those of subject and object, mind and body, mind and matter, external and internal, self and other, knowledge and opinion, emotion and reason, or nature and nurture. The problem with having come to such an understanding, however, is how to express the embodied knowledge attained during walking as unembodied knowledge in words on a page. In order to even attempt to do so, one needs to work out not only a model of thought but also a model of the self. Macfarlane writes about Thomas:

He is slowly working out a model of thought – no, more than thought, of self – not as something rooted in place and growing steadily over time, but as a shifting set of properties variously supplemented and depleted by our passage through the world. Landscape and nature are not there simply to be gazed at; no, they press hard upon and into our bodies and minds, complexly affect our moods and sensibilities. They riddle us in two ways – both perplexing and perforating us. Thomas knows this to be true because he felt it on foot, with his feet...The challenge, of course, is how to record such experience – apprehended, but by definition unsayable – in language, using the ‘muddy untruthful reflection of words.’<sup>16</sup>

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<sup>14</sup> Macfarlane, Robert, *The Old Ways: A journey on foot*, London: Penguin, 2012, p.26.

<sup>15</sup> Macfarlane, Robert, *The Old Ways: A journey on foot*, London: Penguin, 2012, p.340.

<sup>16</sup> Macfarlane, Robert, *The Old Ways: A journey on foot*, London: Penguin, 2012, pp. 341-2.

In many ways, my own understandings and difficulties in this dissertation mirror those of Thomas. In fact, as I further explain in the next section, the requirements for the award of a doctoral degree in the social science may even exacerbate these problems further.

Another dimension to the idea of this dissertation as a journey is provided by and the way he approaches the notion of pilgrimage. Bauman invites the reader to think of life as a pilgrimage. However, unlike the pilgrims of old whose “truth was elsewhere...some distance, some time away”<sup>17</sup>, the modern pilgrim “invented the way of embarking on pilgrimage without leaving home and of leaving home without becoming homeless.”<sup>18</sup> They could do this, writes Bauman, because modern life means that rather than the man going into the desert, the desert is coming to man. In other words, man has turned the world into a desert in order to no longer have to reach out to it. This desert-like state of the world means that each of us has to shape our own desert and we can do so by constructing our own meaning. Through meaning construction we also construct an identity. As Bauman beautifully writes:

The desert-like world commands life to be lived as pilgrimage. But because life is a pilgrimage, the world at the doorsteps is desert-like featureless, as its meaning is yet to be brought into it through the wandering which would transform it into the track leading to the finishing line where the meaning resides. This 'bringing in' of meaning has been called 'identity-building'. The pilgrim and the desert-like world he walks acquire their meanings together, and through each other. Both processes can and must go on because there is a distance between the goal (the meaning of the world and the identity of the pilgrim, always not-yet-reached, always in the future) and the present moment (the station of the wandering and the identity of the wanderer).<sup>19</sup>

I would like to suggest that this dissertation should be read both as a product but also as a process. Writing this dissertation was a process of my own wandering through the desert and constructing meaning in the process. But this image also highlights the inherent

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<sup>17</sup> Bauman, Zygmunt, “From pilgrim to tourist”, in Hall, Stuart and Paul du Gay, *Question of Cultural Identity*, London: Sage Publications, 1996, p.20.

<sup>18</sup> Bauman, Zygmunt, “From pilgrim to tourist”, in Hall, Stuart and Paul du Gay, *Question of Cultural Identity*, London: Sage Publications, 1996, p.21.

<sup>19</sup> Bauman, Zygmunt, “From pilgrim to tourist”, in Hall, Stuart and Paul du Gay, *Question of Cultural Identity*, London: Sage Publications, 1996, p.22.



incompleteness of this dissertation as there always remains a distance between the present meaning and identity and those meanings and identities yet to come.

A crucial aspect to being on this journey has been the need to unlearn what I thought I had previously known. In line with the previous metaphor, I would say I had to turn back on paths I had previously trodden. Richard Francis Burton touched upon this point long ago in a poem when he wrote: “Indeed he knows not how to know who knows not also how to unknow.”<sup>20</sup> This connection between knowledge and unlearning further undermines the image of knowledge as a purely linear cumulative process (as is usually held in positivist accounts). But, following Nietzsche, I would even go further with this claim. Not only is unlearning a necessary ability to gain new knowledge but it is also an important aspect for a functioning personality. Nietzsche talks about the role of forgetting as central to the development and maintenance of a personality saying that “it will be immediately obvious how there could be no happiness, no cheerfulness, no hope, no pride, no present, without forgetfulness.”<sup>21</sup>

Unlearning and forgetting are not perfectly synonymous, however. The idea of unlearning grants a much larger amount of agency to the unlearner. Forgetting, by contrast, is mostly regarded as a passive operation. One has no power of what to forget; it just happens. The idea of unlearning involves an active rejection of some previously held beliefs or presuppositions. Despite a larger amount of agency in the action, unlearning also involves elements that are beyond our conscious control. The repercussions of successfully unlearning something have ramifications that are beyond the confines of foresight. By unlearning a given practice or belief, we might forget others. And by forgetting some, we might decide to unlearn yet others. So rather than seeing unlearning and forgetting as opposites, it might be more fruitful to regard them as complements. Both in unlearning and in forgetting what we

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<sup>20</sup> Burton, Richard Francis, *The Kasidah of Haji Abdu El-Yezdi*, London: The Octagon Press, 1974 (1880).

<sup>21</sup> Nietzsche, Friedrich, *On the Genealogy of Morals*, New York: Vintage Books, 1989, p.58.

previously knew, we are also changing who we are in multiple ways – some intended, others accidental. This reciprocal relationship between unlearning and forgetting highlights that there is no strict separation between thinking, speaking, and being. Knowledge, language, and identity are inextricably bound together in complicated and overlapping interrelationships.

But there is another dimension to forgetting which it is worth highlighting at the outset – namely that one needs to wistfully ignore the shaky starting ground for any academic endeavour. In other words, in order to write what I am currently writing (and what you are now reading), I needed to forget that my thinking on these issues remains fragile and prone to multiple subsequent revisions. But the point is that one needs to forget this in order to have the courage to start. Gayatri Spivak put this point wonderfully when she writes:

If we want to start something, we must ignore that our starting point is, all efforts taken, shaky. If we want to get something done, we must ignore that, all provisions made, the end will be inconclusive. This ignoring is not an active forgetfulness; it is, rather, an active marginalizing of the marshiness, the swampiness, the lack of firm grounding in the margins, at beginning and end. Those of us who "know" this also know that it is in those margins that philosophy philosophizes. These necessarily and actively marginalized margins haunt what we start and get done, as curious guardians.<sup>22</sup>

Not only did I have to unlearn particular economic ideas – about economic agency and how it becomes constituted and how all economic agency is mediated in multiple, overlapping, and sometimes contradictory ways by various structures – and to ignore my shaky foundations, but I also had to unlearn what it means to write academically. In fact, I have consciously written this dissertation in ways that go against many of the expectations about what constitutes a doctoral dissertation in the Social Sciences. In this way, the dissertation itself can be seen as a performative device. The form of writing I have chosen performs the contents of my arguments at a different level of abstraction and understanding. The way I have written the dissertation, its form, is meant to exactly mirror and reflect its

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<sup>22</sup> Spivak, Gayatri Chakravorty, *A Critique of Postcolonial Reason: Towards a History of the Vanishing Present*, Cambridge: Harvard University Press, 1999, p.175.

argument, its content or matter. Both form and content are meant to call into question particular preconceptions about what constitutes economics subjectivity as well as about what constitutes scholarship.

Thinking of the dissertation in terms of form and content also brings me to my third suggestion for how to approach this dissertation, namely to regard this dissertation as much as an artistic product as a scientific one. There are two connected points to this issue. The first point concerns the fact that this thesis is best regarded as the product of a genuine aesthetic experience. The second point is that it also aims towards constituting an aesthetic product by itself. To begin, I want to note that not only is there no categorical difference between arts and science but that all good scientific work is also artistic. Both arts and science generate meaning and knowledge – both for the one doing the work and for the one reading or receiving it. My view of aesthetics is very much influenced by the work of John Dewey. Dewey criticises the view of art and aesthetics as being intrinsically tied to particular objects, say a painting or a piece of music. Instead, he argues that the nature of art is the result of a particular sort of experience. For Dewey, the defining feature of an aesthetic experience is that it is unified and complete, or, as he writes, “I have spoken of the esthetic quality that rounds out an experience...”<sup>23</sup> An important aspect to any experience that is complete is that form and content perfectly complement each other. Form and content together form a unified whole. Dewey calls this “the immediate fusion of form and matter.”<sup>24</sup>

Dewey further explains that a genuinely esthetic experience can be had anywhere we allow an experience to come to its own fulfilment, be it during a meal, or when playing a game. In all of these cases form and content are unified into a whole. Dewey writes that

we have an experience when the material experienced has run its course to fulfilment. Then and then only is it integrated within and demarcated in the general stream of experience from other experiences. A piece of work is finished

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<sup>23</sup> Dewey, John, *Art as Experience*, New York: Perigee Books, 2005, p.43.

<sup>24</sup> Dewey, John, *Art as Experience*, New York: Perigee Books, 2005, p.135

in a way that is satisfactory; a problem received its solution; a game is played through; a situation, whether that of eating a meal, playing a game of chess, carrying on a conversation, writing a book, or taking part in a political campaign, is so rounded out that its close is a consummation and not a cessation. Such an experience is a whole and carries with it its own individualizing quality and self-sufficiency. It is an experience.<sup>25</sup>

Thinking of this dissertation in terms of the aesthetic experience that it constituted for me as the writer also in some way questions the status of what it means to write a doctoral dissertation, or any piece of academic writing for that matter. The standard view holds that good academic writing is characterised by the disinterestedness and separateness of the author from his scholarship. This, or so it is commonly thought, is the way to arrive at knowledge and truth. In Dewey's writing about aesthetics, and Macfarlane's writing about walking, however, the exact opposite is the case. Not disinterestedness and a standing apart from the subject matter but the complete immersion in it and with it results in a genuine understanding and knowledge. In fact, Dewey goes so far as to argue that any intellectual activity, as far as it is true and honest, is also an aesthetic activity. He writes:

Hence an experience of thinking has its own esthetic quality...the experience itself has a satisfying emotional quality because it possesses internal integration and fulfilment reached through ordered and organised movement. This artistic structure may be immediately felt. In so far, it is esthetic. What is even more important is that not only is this quality a significant motive in undertaking intellectual inquiry and in keeping it honest, but that no intellectual activity us an integral event (is an experience), unless it is rounded out with this quality. Without it, thinking is inconclusive. In short, esthetic quality cannot be sharply marked off from intellectual experience since the latter must bear an esthetic stamp to be itself complete.<sup>26</sup>

It may be the case that there are different types of knowledge: some types are better arrived at through disinterestedness; other types through complete immersion and identification with the subject matter. Yet, most research in social science as it is practiced would not even admit of this possibility and even if it was admitted, there seems to be a lack of insight into what it would mean to practice social science in a way that involves the

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<sup>25</sup> Dewey, John, *Art as Experience*, New York: Perigee Books, 2005, pp.36-37.

<sup>26</sup> Dewey, John, *Art as Experience*, New York: Perigee Books, 2005, pp.39-40.

complete immersion of the researcher in his or her topic of research. So one way of approaching this dissertation is also as a piece of scholarship that tries to openly merge the subject and object into a single product.

In trying to merge the subject and object of my research, I have also tried to make the dissertation into a work of aesthetics. In writing this dissertation in the way I have done, I have tried to share the nature of the aesthetic experience which I had when writing and researching it with the reader. I will be the first to admit that I probably did not succeed in this regard. The period of time allotted for this doctoral research simply did not suffice for me to perfectly round out and unify this product in a way that would justify calling it a genuine work of art. However, considering where I started, I think I have made considerable inroads in this regard. With a bit of luck, I will be able to return to this dissertation at some point in the future and turn its budding artistic pretensions into a fully-fledged work.

In approaching and writing this dissertation in the way I have done, I also try to pay homage to previous scholarship which has called into question the academic conventions regarding the division between scholars and their scholarship. Naeem Inayatullah has called this tendency the precarious fiction of academic writing. Inayatullah highlights that no matter how hard we pretend as academics to remove any trace of our own individuality from the ideas we present, the suspicion never truly goes away that our position somehow reflects who we are as a person:

Academic writing supposes a precarious fiction. It assumes the simultaneous absence and presence of the writer within the writing. The writer presents herself/himself as absent, as distant, as indifferent to the writing and ideas. The ideas are believed to speak for themselves while the writer serves as a vehicle for their expression. The author's absence qualifies him or her as "objective" and "scientific". This fictive distance, as we all know, dominates academic prose. And yet, the reader always uncovers the presence of a particular person in the writing. As readers, we suspect that the writing emerges from a point of

view, a gender, a class, a race, a nationality, a cultural heritage, a historical specificity, a biography.<sup>27</sup>

As a result, the general academic convention to remove the individuality of the author from their research is not practicable. In fact, the continued insistence by many academic writers to pretend as if they were writing and speaking from a purely objective point of view devoid of their own person and interest is deeply damaging and counter-productive for arriving at an appreciation of the way in which social knowledge is produced and maintained. Rather than negating the subject who is producing (and by the time you read this, has produced) this work, I want to emphasise him at the outset. This work is the product of “a point of view, a gender, a class, a race, a nationality, a cultural heritage, a historical specificity, a biography.”

This kind of admission in no way discredits the points and arguments I am trying to make. In fact, I think it strengthens them. In admitting the influence which my life has had on my ideas, I am also admitting the fact that the lives of other people will genuinely have led to different ideas. Only by bringing the subject undertaking social science research from the outside to the inside of the analysis, can we appreciate what Blaney and Inayatullah have called the problem of difference: How to reconcile a vision of a common humanity with the existence of unalterable subjective differences.<sup>28</sup> I am therefore in full agreement with Peter Mandaville, who suggests that greater awareness of our own self makes for better social science research. Even though his comments are originally aimed at an audience in International Relations, they are just as applicable to nearly all work in the social science and humanities:

The more we insert the ‘I’ into the lie that is disciplinary IR, the more we enable and reveal crucially important conversations about why and how we do International Relations in particular ways. Better social science, as one might be led to believe, is not so much the negation of self as it is the thorough interrogation of self from a positionality that crafts the world at the same time as

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<sup>27</sup> Inayatullah, Naeem, “Falling and Flying: an introduction”, in Inayatullah, Naeem (ed.), *Autobiographical International Relations: I,IR*, London: Routledge, 2010, p.5.

<sup>28</sup> Inayatullah, Naeem and David L. Blaney, *International Relations and the Problem of Difference*, New York: Routledge, 2004.

it engages in an auto-critique that lays bare the self-generated conditions of possibility that articulate the limits of the world.<sup>29</sup>

The urge to emphasise my own person as part of this research project is itself an outcome of having undertaken four years of research on the subject matter. When I originally began with my research, I imagined that the problem with contemporary work in economics was that it misrepresented reality. In other words, reality was truly one way and economics wrongly claimed that it was another. And this mismatch between theory and reality could tell us a lot about why Anglo-Saxon countries suffered the financial crisis and its consequences. However, as I proceeded with my research, it slowly dawned on me that the crux of the matter lay elsewhere. It was not just a matter whether theory agrees with reality because theory also creates reality: It is only by bringing some theoretical presuppositions to reality that reality becomes comprehensible. With the aim of hindsight, I can see how the multiple and overlapping ways of forgetting that happened during the course of researching and writing this dissertation also influenced my own vision of who I am as a person. Prior to deciding to embark on this research, I had a fairly clear vision of what economic identity I ought to aspire to: I received my education at elite private institutions throughout the Anglo-Saxon World. I was instructed, both explicitly and implicitly, in the ways of appearing, speaking, and performing a particular model of individuality and success: Smart, focused, hard-working, always in control, team-oriented, well-spoken, and confident. In appearing to be this kind of person, and to some extent internalising these goals as my own, I was offered many of the advantages which modern capitalist systems offer to the select few: Massive upward social mobility, high earnings potential, social recognition, and the promise of material well-being and security. But asking how economic knowledge is produced also made me ask how I had produced economic knowledge for myself. How had I made sense of

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<sup>29</sup> Mandaville, Peter, “Cosmography recapitulates biography” in Inayatullah, Naeem, *Autobiographical International Relations: I,IR*, London: Routledge, 2010, p. 202.

what it is that I was doing? Over time, I proceeded to peel away layer after layer of my own subjectivities. I suspect this process can be continued *ad infinitum*: There is no eternal core which houses an unalterable self and at the same time as layers are peeled back, new layers are created by new thoughts, influences, and interactions. Like an Escherian stairwell, we have a starting and end point in time but no absolute point of reference.

I would like to believe that these introductory reflections are more than just self-indulgent on my part. I hope to point out how I viscerally experienced what Anthony Giddens has called the ‘double hermeneutic’ for my own research. Unlike the natural sciences, the social sciences and humanities study self-reflecting humans. As a result, the concepts used in order to study economic knowledge are often already part of the self-understanding of those who one studies. As Giddens writes: “The concepts of the social sciences are not produced about an independently constituted subject-matter, which continues regardless of what these concepts are. The ‘findings’ of the social sciences very often enter constitutively into the world they describe.”<sup>30</sup> But this also has ramifications for how one can work as a researcher. Bent Flyvberg has pointed this out wonderfully when he writes: “Just as the people studied are part of a context, research itself also constitutes a context, and the researchers are a part of it. The researchers’ self-understanding and concepts do not exist in a vacuum, but must be understood in relation to this context.”<sup>31</sup> Put differently, one crucial aspect of a positivistic understanding of knowledge sees theory as only describing reality. As part of this image of knowledge, the role and individuality of the researcher can be ignored. One way of rejecting the positivistic image of knowledge is therefore to give centre stage to the individuality of the researcher. In doing so, I hope to highlight the local, contextual, and social, and political nature of all economic knowledge.

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<sup>30</sup> Giddens, Anthony, *Social Theory and Modern Sociology*, Cambridge: Polity Press, 1984, p.20.

<sup>31</sup> Flyvberg, Bent, *Making Social Science Matter: Why Social Inquiry Fails and How it Can Succeed Again*, Cambridge: Cambridge University Press, 2001, p.33. The so-called reflexive turn in IR has also explored these issues. For a good introduction see: Hamati-Ataya, Inanna, “Reflectivity, Reflexivity, reflexivism: IR’s ‘reflexive turn’”— and beyond, *European Journal of International Relations*, 2013, 19(4), pp. 669–694.



### *Primary Contributions to the literature*

One potential hurdle I have to face is that the image of knowledge which I am criticising is also the image which tends to guide how academic work is assessed. In fact, the criterion for the award of a PhD is that it provides ‘an original contribution to knowledge’. This might seem innocuous at first but it actually contributes to the theory of knowledge I am trying to break away from. After all, would Shakespeare’s collected works pass the muster for the award of a doctorate in the social sciences? To those steeped in a positivistic understanding, the answer is clearly negative. Shakespeare’s writings are works of fiction; fiction does not accurately describe reality; thus works of fiction cannot constitute knowledge. Shakespeare’s writings do not correspond to events that have actually taken place, therefore whatever ideas are contained in his writings do not count as genuine knowledge. But this view is much too narrow. Some of our ideas matter mostly to the extent that they correspond to reality. But what underlies even those ideas is that they matter because these ideas are considered to be meaningful. Knowledge is inherently tied to meaning. What truly matters is whether we grant ideas the status of being meaningful to us – either individually or collectively. Existential status is of secondary concern. It is not an overstatement to suggest that I argue that what is meaningful is also true. This means that works of fiction can be as strong and enduring a basis of knowledge as works of non-fiction.<sup>32</sup> Even more, it also means that to the extent that works in economics create meaning for people, economists produce fiction in the same way as novelists. As Deirdre McCloskey put it: “Economists are novelists too, and again they don’t know it.”<sup>33</sup>

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<sup>32</sup> For a great exploration on this issue, See: Anderson, Benedict, *Imagined communities: reflections on the origin and spread of nationalism*, Revised and extended, London: Verso, 1991.

<sup>33</sup> McCloskey, Deidre, “How to Buy, Sell, Make, Manage, produce, transact, and consume with words”, p.1. Available at: [www.law.yale.edu/documents/pdf/Intellectual\\_Life/How\\_to\\_Buy\\_with\\_Words\\_1997\\_Word\\_Version.pdf](http://www.law.yale.edu/documents/pdf/Intellectual_Life/How_to_Buy_with_Words_1997_Word_Version.pdf). Last accessed 28<sup>th</sup> of July 2015.

If the interconnection of knowledge and meaning is taken seriously, the nature and aim of a doctoral dissertation differs from that of a positivistic understanding. The positivistic understanding pictures knowledge generation as a slow cumulative process. Consequently, individual research is meant to provide a small contribution to a carefully selected area of inquiry. Hence, a doctoral dissertation should be an exhaustive exploration of a very narrow research area. The idea is that little by little, each individual contribution will help to exhaust the totality of possible knowledge. However, once the role of meaning is admitted to what counts as knowledge, knowledge generation can no longer be seen as cumulative. Rather, there is now space in which the same facts can be re-described and reinterpreted in myriad ways. In other words, research can also be concerned with exploring and even attempting to transform the basis of meaning generation itself.<sup>34</sup> Rather than providing a small exhaustive contribution to a specialized subject field, I hope to provide an expansive re-description of a broad area of inquiry.

Given this background, this dissertation is first and foremost intended as a treatise in political economy. I understand political economy in broad terms as involving explorations about the nature of economic processes and institutions, as well as the narratives and discourses that try to make these processes understandable. The aim of this dissertation is to explore some fundamentally important issues about how economic knowledge is generated and transmitted and what role economics as a discipline plays within these processes. Rather than seeing economic knowledge necessarily as the outcome of technically sophisticated practices, I also want to highlight its everyday dimensions.<sup>35</sup> The everyday dimension highlights that economic knowledge and ideas are intrinsically related to a broader vision of

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<sup>34</sup> A different way of framing this would be to use the Kuhnian notion of paradigm change. Even though the Kuhnian notion can be a powerful way to argue against positivism, I ultimately find the terminology too broad to be of use to me in this dissertation. However, I will make use of the Kuhnian notion of exemplars in chapter 3.

<sup>35</sup> For a good introduction on the everyday literature refer to: Hobson, John and Leonard Seabrooke, *Everyday Politics of the World Economy*, Cambridge: Cambridge University Press, 2007.

the political and social. For the individual, this also means that economic knowledge is connected to an understanding of personal identity within the political and social community in which one finds oneself. Framing economic knowledge production and transmission in this light emphasises that economics as a discipline is necessarily a political undertaking. Exploring the methodological and technical choices which economics makes is one way of uncovering the nature of these political commitments.

I should admit at the outset that I am by no means the first to notice the points I am raising in this dissertation. So for the sake of honesty, as well as to help the reader anticipate what is to come, it might be worthwhile to contextualise this work a little bit. In one dimension, this dissertation very much continues the kind of work done by scholars in what can be broadly termed economic methodology. To ground the discussion, it may be worthwhile to recall some episodes in the development of economic thought, especially as far as concerns the development of positivism. The standard history of positivism, which is of course debatable, sees the birth of the field in the work of Henri de Saint-Simon, Pierre-Simon Laplace, and Auguste Comte during the late 18<sup>th</sup> and early 19<sup>th</sup> century. Positivism was further developed under the banner of logical positivism during the 1920s and 1930s by scholars working as part of the Vienna Circle and Berlin Circle. Logical positivism advocates verificationism – that truth is the result of confirming sensory data.

Karl Popper was one of the first critics of logical positivism. Rather than advocating verification, Popper advocates falsification. For Popper, only potentially falsifiable statements can produce preliminary truth. He writes: “In so far as a scientific statement speaks about reality, it must be falsifiable: and in so far as it is not falsifiable, it does not speak about reality.”<sup>36</sup> Despite his critique of logical positivism, Popper still shares many of the underlying beliefs of logical positivism, namely that knowledge is somehow the result of

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<sup>36</sup> Popper, Karl, *The Logic of Scientific Discovery*, London: Routledge, 2002 (1934), p.316.

exact procedures. Even though knowledge can never be neutral, the scientific method somehow produces the most reliable and best knowledge available. Even though Popper, in typical Popperian modesty, answers his own rhetorical question about who killed positivism by stating that “I fear that I must admit responsibility”<sup>37</sup>, I judge much of the ethos which informs Popper’s writing still as positivistic.<sup>38</sup>

Economics as a discipline developed alongside, and in conversation with, the debates surrounding positivism.<sup>39</sup> One of the first methodological works in economics which was directly informed by logical positivism was Terence Hutchison’s *The Significance and Basic Postulates of Economic Theory*, published in 1938. However, and this may be surprising from a modern standpoint, the reception which logical positivism and Hutchison’s work received was far from benign. In fact, none other than Frank Knight went to the length of writing a thirty-two page review of the book, discrediting most of what Hutchison had written. Knight concludes by saying that:

Concrete and positive answers to questions in the field of economic science or policy depend in the first place on judgments of value and as to procedure on a broad, general education in the cultural sense, and on "insight" into human nature and social values, rather than on the findings of any possible positive science. From this point of view the need is for an interpretative study (verstehende Wissenschaft) which, however, would need to go far beyond any possible boundaries of economics and should include the humanities as well as the entire field of the social disciplines.<sup>40</sup>

For a number of historical, institutional, and intellectual reasons, which I will not be able to comment on further, however, logical positivism became the dominant and only acceptable methodological outlook in economics.<sup>41</sup> Lawrence Boland’s assessment that “positive

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<sup>37</sup> Popper, Karl, *Unended quest*, London: Routledge, 2002 , p.99.

<sup>38</sup> The issue about the degree to which Popper’s work still fosters some of the core ideas of positivism also figured in the so called ‘Positivismstreit’ that occurred between Popper and different members of the Frankfurt School during the 1960s.

<sup>39</sup> For a much more thorough overview on the relation between Economics and Logical positivism see: Caldwell Bruce, “Positivist Methodology of Science and the Methodology of Economics”, *Journal of Economic Issues*, 19 (1), 1980, pp.53-76.

<sup>40</sup> Knight, Frank, “What is truth in economics”, *Journal of Political Economy*, Vol. 48 (1), 1940, pp. 1-32.

<sup>41</sup> I would just like to mention that I am quite certain that Milton Friedman’s essay *The Methodology of Positive Economics* also played an important part in these developments. See: Friedman, Milton, "The Methodology of

economics is now so pervasive that virtually all competing methodological views (except the most defeatist hard-core mathematical economics) have been eclipsed”<sup>42</sup> remains as true as when Boland wrote it in 1997. Even worse, the idea that methodology is something that ought to be discussed and that there are choices to be made has been entirely lost to the discipline. Sheila Dow argues wonderfully how the disregard for methodology has cut off economics from methodological debates in other disciplines with the consequence that economics still practices and preaches what to scholars in other disciplines seem like outdated methodological standpoints:

In the 1990s, we were potentially in transition to a synthesis consisting of new ways of generating knowledge which aim to identify a version of the truth, while admitting the impossibility of identifying absolute truth on the one hand but asserting the feasibility of different versions of the truth on the other. The continuing inattention to methodology in mainstream economics indicated a total lack of preparedness for this way of thinking; thoughtful mainstream economists had perceived its necessity, but impeded its development by discouraging methodological discussion.<sup>43</sup>

Dow’s essential point, and this bears repeating, is that one cannot do social science without taking a methodological standpoint. Every methodological standpoint also has policy implications. This recognition has been lost in contemporary economics. My contribution is therefore also another call for what Dow and others have called New Economic Thinking – a greater awareness of how methodology affects the practice of economics and how the practice of economics in turn affects policy choices. Dow writes:

We all use some methodology – and some philosophy of science – or another, whether we are aware of it or not. New economic thinking could well involve changing methodology and/or philosophy of science, with implications for theory and for policy. But we need first to bring to the surface the methodology and philosophy of science on which we and others implicitly base our theory and policy if we are to contemplate considering possible changes. Even more, we need to bring to the surface the mode of thought we employ: how we conceptualise the

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Positive Economics”, In *Essays in Positive Economics*, Chicago: University of Chicago Press, 1966. I make a few further observations on this issue in chapters two, three, and six.

<sup>42</sup> Boland, Lawrence, *Critical economic methodology: A personal odyssey*, London: Routledge, 1997, p. 114.

<sup>43</sup> Dow, Sheila, *Foundations for New Economic Thinking*, London: Palgrave Macmillan, 2012, p. 124.

world, communicate about it and form arguments about it. This is not easy; we normally function by taking these things for granted.<sup>44</sup>

A number of economic methodologists have highlighted how the prevalence of positivism inhibits the study of how ideas and knowledge become constituted. Over fifteen years ago, Alfred Coats and David Colander remarked in their *The Spread of Economic Ideas*: “Given the importance of ideas it is strange that the process, and institutions, through which economic ideas are transferred from individual brains into the general inventory of ideas and eventually into policy has not been considered seriously.”<sup>45</sup> Warren J. Samuels’ *Economics As Discourse: An Analysis of the Language of Economists*, Mary Poovey’s *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society*, Tony Lawson’s *Reorienting Economics*, Uskali Mäki’s edited volume *Fact and Fiction in Economics: Models, Realism, and Social Construction*, Peter Howlett’s and Mary Morgan’s edited volume *How Well Do Facts Travel?: The Dissemination of Reliable Knowledge*, and Tiago Mata’s and Steven G. Medema’s edited volume *Cultures of expertise and the public interventions of economists* stand out as other good examples. However, these interventions have amounted to very little in the way ideas are treated in mainstream economics.

But even when the role of ideas is seriously considered, one frequently encounters a certain amount of unease. Coats and Colander’s discussion is exemplary in this regard. They are quick to point out that there are two quite understandable reasons why the role of ideas has not really been considered. The first issue is the sheer complexity of the subject. They note that “the concepts are vague, the institutions hazy, and the process messy. Studying the spread of ideas is like studying subatomic particles with half-lives of nanoseconds.”<sup>46</sup> The second reason is that according to the dominant methodology of economics, the issue of the

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<sup>44</sup> Dow, Sheila, *Foundations for New Economic Thinking*, London: Palgrave Macmillan, 2012, pp.1-2.

<sup>45</sup> Colander, David and Alfred Coats, “An introduction to the spread of economic ideas” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.1.

<sup>46</sup> Colander, David and Alfred Coats, “An introduction to the spread of economic ideas” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.1.

production and reproduction of ideas is really a non-issue since it is practically assumed from the outset that ideas only ever get replaced by better ideas. Coats and Colander rightly note that according “to standard scientific methodologies - positivism, falsificationism, and modernism - it is a nonsubject. These standard methodologies implicitly assume that the "best" ideas necessarily win out. If this is the case, why study the process?”<sup>47</sup> In order to avoid these methodological shortcomings, Coats and Colander rightly identify the importance of language, saying that in “the spreading of ideas language is crucial.”<sup>48</sup>

Despite all these perfectly relevant considerations, Coats and Colander ultimately shy away from engaging with the issue in the depth that would be desirable. They ineffectively take three shortcuts in order to simplify their task. The first shortcut is that even though they note the relevance of the concept of truth in the production of ideas, they refuse to consider how this issue actually influences economic ideas, preferring for scholars in other fields to deal with this question. They write: “Whether "truth" is attainable, or whether unambiguous criteria of "best" ideas can be established, are matters that can, for present purposes at least, be left to the epistemologists and philosophers.”<sup>49</sup> But if this issue is as central to the production of ideas as Coats and Colander rightly point out, it surely needs to take a central place in the analysis and not be considered something of an afterthought. The second shortcut is that despite the promising title of their book, they actually do not deal with the popularisation of economic ideas at all saying that “the popularization of economic ideas, as such, is not considered because it is too large and amorphous a subject.”<sup>50</sup> Clearly, any thorough account of how economic ideas spread also needs to include an account of how they

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<sup>47</sup> Colander, David and Alfred Coats, “*An introduction to the spread of economic ideas*” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.1.

<sup>48</sup> Colander, David and Alfred Coats, “*An introduction to the spread of economic ideas*” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.4.

<sup>49</sup> Colander, David and Alfred Coats, “*An introduction to the spread of economic ideas*” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.2.

<sup>50</sup> Colander, David and Alfred Coats, “*An introduction to the spread of economic ideas*” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.1.

become popular. The last shortcut that Coats and Colander use is a particularly narrow conception of the nature of ideas. For Coats and Colander, an idea is “a conception or notion of something to be done or carried out; a plan of action.”<sup>51</sup> However, this is clearly a small subsection of the role which ideas play in the production of economic knowledge. Ideas such as personhood, identity, justice, fairness, commitment, obligation, etc. all play a crucial role in the production of economic knowledge even though they clearly do not contain any plan of action. Rather, these ideas are invoked when thinking about what course of action should be chosen. Given this framing of the issue, Coats and Colander then provide three kinds of models through which to conceptualise the production and transmission of ideas which they term the “the infectious disease model, the marketplace for ideas, the information theory model.”<sup>52</sup> Thus, despite the right intuitions and intentions, Coats and Colander end up reproducing the kind of positivistic understanding they found problematic in the first place.

One way in which economic methodologists have attempted to circumvent the problems associated with studying ideas is through a greater appreciation of the way language works. This is an inclination I share. Works that should be mentioned in this regards include Willie Henderson’s edited volume *Economics & Language*, Arjo Klamer’s *Speaking of Economics: How to get into the conversation*, John B. Davis’ *The theory of the individual in economics: Identity and Value*, Uskali Mäki’s edited volume *The economic world view: Studies in the ontology of economics*, David Ruccio’s edited volume *Economic Representations: Academic and everyday* as well as Deirdre McCloskey’s *Knowledge and Persuasion in Economics* and *The rhetoric of economics* (as well as numerous other works).

One revealing aspect about the literature in economic methodology is that I had read and used a substantial portion of it to research and write both my bachelor and master theses.

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<sup>51</sup> Colander, David and Alfred Coats, “An introduction to the spread of economic ideas” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.2.

<sup>52</sup> Colander, David and Alfred Coats, “An introduction to the spread of economic ideas” in Colander, David and Alfred Coats (eds.), *The spread of economic ideas*, Cambridge: Cambridge University Press, 1989, p.11.



So I was very familiar with this literature. However, as I began to explore other literatures, my reading and understanding of the literature in economic methodology began to change imperceptibly. So this is another aspect where I had to return to paths previously trodden.<sup>53</sup> In fact, my reading of the literature changed to such an extent that when I first started to write up this thesis, I did not think of including it at all. Part of the reason is undoubtedly that I was previously most attracted to scholars such as Mark Blaug who epitomizes the Popperian tradition of stressing the importance of the testability of theories. At one point Blaug writes that my “own contention, by way of contrast, is that the central weakness of modern economics is, indeed, the reluctance to produce the theories that yield unambiguously refutable implications, followed by a general unwillingness to confront those implications with the facts.”<sup>54</sup> I have since moved away from focusing on the testability of theories to the importance of socialisation. So at another level, this dissertation is also a testimony to how my thinking has evolved within a single literature, although this is probably one of the less important issues to point out. Right now, I am most comfortable with the way in which somebody like Roy Weintraub frames the relevant issue. Weintraub wonderfully connects the issue of economic methodology with the issue of how ideas are transmitted through language in discourse communities. In many ways, this dissertation is also an elaboration on a short section found in Weintraub’s *How Economics Became a Mathematical Science*. There he writes:

Too often histories of economics engage the charming conceit that economic ideas are autonomous free-floating ethereal objects, which pass from one disembodied mind to another quite unmediated, though they are occasionally transformed by other products of pure thought. The evidence our professional lives provides a reality quite different. Real people (like you and me) have beliefs, those beliefs are what we take to be ideas, and these ideas are transformed, reconfigured, and reinterpreted in cascades of representation and re-representation in intentional (and sometimes unintentional) discourse communities....As infants are not born speaking a language of supply shocks and heteroskedasticity, the process by

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<sup>53</sup> See discussion on page eight of this introduction for further commentary on this issue.

<sup>54</sup> Blaug, Mark, *The Methodology of Economics: or, how economists explain*, Second edition, Cambridge: Cambridge University Press, 1992, p.238.

which individuals become economists conditions and shapes the practices, including the speech practices, of those who identify themselves as economists.<sup>55</sup>

A slightly different way of framing the issue of economic methodology is to argue that economics might benefit from approaching the subject matter with a different kind of attitude. This attitude is best exemplified by some writings that are not usually part of the economic methodology curriculum. Besides the authors mentioned, I draw on the work of three different scholars for inspiration: Michel Foucault, Jürgen Habermas, and Richard Rorty. All of them have contributed tremendously to a vision of the social sciences and humanities that breaks with a positivistic notion of knowledge. Despite working in different fields, their writing shares a common debt to the pioneering work of the later Wittgenstein.

Michel Foucault emphasises that academic work in the social sciences and humanities does not begin with some concrete theories but with a decision how to approach the human experience in its totality. Foucault terms this the critical ontology of ourselves:

The critical ontology of ourselves must be considered not, certainly, as a theory or a doctrine; rather it must be conceived as an attitude, an ethos, a philosophical life in which the critique of what we are is at one and the same time the historical analysis of the limits imposed on us and an experiment with the possibility of going beyond them.<sup>56</sup>

For Foucault, like for myself, this critical attitude consists of how we approach our experience of the world vis-à-vis others. It consists of a particular type of resistance. Resistance against the tendency to begin theorizing and academic work with an implicit or explicit theory of the subject. However, it is important that this needs to be understood in context. There are clearly things that in some sense do consider a theory of the subject but these are not the ones that concern us: No human can fly, no human can live underwater, all humans die, etc. These facts constitute the external circumstance within which human experience becomes meaningfully understandable. Consideration of these external

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<sup>55</sup> Weintraub, Roy, *How Economics Became a Mathematical Science*, Durham: Duke University Press, 2002, pp.269-270.

<sup>56</sup> Foucault, Michel, "What is Enlightenment?", in Rabinow, Paul (ed.), *The Essential Works of Foucault, Vol. I, Ethics: Subjectivity and Truth*, New York: New Press, 1997, p.133.

circumstances in some way does provide a theory of the subject but only in the shallowest sense. The deep, and problematic theory of the subject, concerns how humans create meanings, how they create knowledge by which they evaluate the circumstances of their existence.

What I refused was precisely that you first of all set up a theory of the subject - as could be done in phenomenology and in existentialism - and that, beginning from the theory of the subject, you come to pose the question of knowing, for example, how such and such a form of knowledge was possible. What I wanted to know was how the subject constituted himself, in such and such a determined form, as a mad subject or as a normal subject, through a certain number of practices which were games of truth, applications of power, etc. I had to reject a certain a priori theory of the subject in order to make this analysis of the relationships which can exist between the constitution of the subject or different forms of the subject and games of truth, practices of power and so forth.<sup>57</sup>

This point has also continuously been emphasised in the work of Habermas. Commenting on the work of Hegel, Habermas writes that “the species can have no fixed essence, either as a transcendental form of life or in the empirical form of a biologically conditioned basic pattern of culture.”<sup>58</sup>

In other words, I am planning to synthesise some perspectives from the literature in economic methodology with a number of perspectives in other disciplines to show how such a synthesis can provide a grounded starting point for a different way of practicing and writing economics. I rely on the work of scholars who have tried to understand and explain how knowledge creates meaning and how the creation of meaning is related to all aspects that we consider special about the human experience: empathy, wisdom, and hope.<sup>59</sup> Different scholars outside economics have touched upon many relevant issues but there has been no

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<sup>57</sup> Fernet-Betancourt, Raúl and Helmut Becker et al., “The ethic of care for the self as a practice of freedom: an interview with Michel Foucault on January 20, 1984”, *Philosophy & Social Criticism*, 12, 1987, p.121.

<sup>58</sup> Habermas, Jürgen, *Knowledge and Human Interests*, Boston: Beacon Press, 1972, pp.29-30.

<sup>59</sup> For a great exploration on the interrelationship between economic knowledge and practice and empathy and wisdom see : Schwarz, Barry and Kenneth Sharpe, *Practical Wisdom: The Right Way to Do the Right Thing*, London: Penguin, 2011.

concerted attempt to make this into a fully-fledged research project.<sup>60</sup> Somewhat ambitiously, this dissertation is meant to lay the groundwork for such a research project.

However, maybe my ambition becomes more understandable and more acceptable if one remembers that the attitude I am trying to bring to economics merely attempts to revive an older spirit of political economy. The spirit I have in mind is that of the classical political economy of Adam Smith. Contrary to some commentators, like James Buchanan, who suggest that Adam Smith was the founder of today's laissez-faire philosophy, or those who see a fundamental contradiction in the work of Smith (which became known as the Adam Smith problem)<sup>61</sup>, my understanding follows the interpretation of scholars who advocate a reading of Smith that highlights the sociality of all economic interactions.<sup>62</sup> I see another important dimension to my contribution in this dissertation to become yet another voice in the choir that emphasises the older, Smithian tradition of practicing political economy.

Smith occasionally played with an intriguing idea but for some reason never pursued it at any length: The economic activity is but a manifestation of the ability of communication. For Smith, the chief determinant of wealth is the division of labour, the ability and willingness of workers to concentrate on one small step in the overall production process. In the famous example of the pin factory, Smith notes that a single individual “could scarce, perhaps, with his utmost industry, make one pin in a day” but when each person focuses on one small aspect of the overall production process, Smith claims, each person “might be

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<sup>60</sup> Good examples include: Kessler, Oliver, “On logic intersubjectivity and Meaning: is reality and assumption we just don't need?” *Review of International Studies*, 38 (1), 2012, pp.253-265; Knafo, Samuel, “Critical approaches and the legacy of the agent/structure debate in international relations”, *Cambridge Review of International Affairs*, 23(3), 2010, pp. 493-516. One of the best attempts in this regard in International Relations is: Theadeus, Patrick Jackson, *The conduct of inquiry in International Relations*, London: Routledge, 2010.

<sup>61</sup> For an overview of the Adam Smith problem see: Gocmen, Dogan, *The Adam Smith Problem: Reconciling Human Nature and Society in 'The Theory of Moral Sentiments' and 'Wealth of Nations'*, London: Tauris Academic Studies, 2007.

<sup>62</sup> There are a number of scholars and works that could be referenced here. Some good examples include: Winch, Donald, *Adam Smith's Politics: An Essay in Historiographic Revision*, Cambridge: Cambridge University Press, 1978; Blaney, David and Naeem Inayatullah, *Savage Economics: Wealth, Poverty, and the Temporal Walls of Capitalism*, London: Routledge, 2010; Watson, Matthew, “Desperately Seeking Social Approval: Adam Smith, Thorstein Veblen and the Moral Corruption of Commercial Society's Consumption-for-Show”, *British Journal of Sociology*, 63 (3), 2012, pp.491-512.

considered as making four thousand eight hundred pins in a day.”<sup>63</sup> When Smith contemplates how it is that people decide to focus their attention to one particular operation rather than the overall process, he argues that this is not due to some economic calculation. Rather, he sees it as a direct result of a certain trait of human nature. For him, the most obvious candidate for the responsible trait is “the propensity to truck, barter and exchange one thing for another”:

This division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual, consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another.<sup>64</sup>

This paragraph has often been quoted in support of the idea that all human interactions based on economic motives. The idea of *homo economicus* was supposedly born. However, such an argument disregards the fact that in the very next sentence Smith admits that he is actually quite unsure whether this propensity of truck and barter is a fundamental part of human nature or merely a manifestation of much more basic human inclinations. In fact, he goes so far as to suggest that “as seems more probable” our economic activity is but a derivate of some more basic human features, namely our ability to communicate. Sadly, however, Smith did not want to take this train of thought any further. He writes:

Whether this propensity [to truck and barter] be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of reason and speech, it belongs not to our present subject to enquire.

In his earlier *Theory of Moral Sentiments*, Smith had already vocalized this idea to say that the ability to speak and communicate is what truly makes humans special, not our ability to exchange one thing for another.

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<sup>63</sup> Smith, Adam, *The Wealth of Nations*, Book 1, chapter 1, paragraph 3.

<sup>64</sup> Smith, Adam, *The Wealth of Nations*, Book 1, chapter 2, paragraph 1.

The desire of being believed, the desire of persuading, of leading and directing other people, seems to be one of the strongest of all our natural desires. It is, perhaps, the instinct upon which is founded the faculty of speech, the characteristic faculty of human nature. No other animal possesses this faculty, and we cannot discover in any other animal any desire to lead and direct the judgment and conduct of its fellows. Great ambition, the desire of real superiority, of leading and directing, seems to be altogether peculiar to man, and speech is the great instrument of ambition, of real superiority, of leading and directing the judgments and conduct of other people.<sup>65</sup>

Stephen McKenna has made a very similar claim about another famous passage in *The Wealth of Nations*, namely the famous brewer passage where Smith writes that it “is not from the benevolence of the butcher or the brewer or the baker that we expect our dinner, but from their regard to their own interest.”<sup>66</sup> This passage is frequently cited in support of the idea that Smith holds that humans only act out of their self-interest. McKenna, however, argues (correctly I think) that before and after this quote Smith is writing about “the centrality of persuasion as a means of achieving the cooperation necessary in a civil society.”<sup>67</sup> McKenna tries to highlight how “Smith saw humans as being in a constant state of persuasion, perpetually trying to alleviate the discomfort of disagreement through the endless making and remaking of social consensus.”<sup>68</sup> For Smith, it is never a question of some very narrowly defined self-interest. Rather, all economic actions are taken on the basis of social considerations.

The idea that language, speech, and communication might drive important insights to our understanding of economic activity seems mostly to have gotten lost in economic theorising since Smith. In one sense, then, I am urging political economy to go back to what is often considered the beginning of modern economic thought. To take Smith’s suggestions seriously and to inquire how processes of meaning generation produce, maintain, and

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<sup>65</sup> Smith, Adam, *The Theory of Moral Sentiments*, Indianapolis: Liberty Fund, 1984, p.336.

<sup>66</sup> Smith, Adam, *The Wealth of Nations*, Book 1, chapter 2, paragraph 2.

<sup>67</sup> McKenna, Stephen, *Adam Smith: The Rhetoric of Propriety*, Albany: State University of New York Press, 2006, p.134.

<sup>68</sup> McKenna, Stephen, *Adam Smith: The Rhetoric of Propriety*, Albany: State University of New York Press, 2006, p.134.

transform economic activity. It is not a question of *homo economicus* but *homo communicandis*. This image of *homo communicandis* rather than *homo economicus* is one of the central threads of this dissertation. It reappears at a number of places and connects the different issues I am discussing.

### *Secondary contributions*

The idea of *homo communicandis* also encapsulates four related secondary contributions which I hope to make with this dissertation. The first of these is to contribute to a softening of the perceived difference between art and science. Under a positivistic view of knowledge, art and science are purely antagonistic. They are opposites. I think this supposed dichotomy between art and science obscures both the ultimate aim of science as well as art. They both play a role in how humans generate meaning for their life so they are both inherently part of the field of knowledge. Both art and science are two activities through and by which humans understand their place in the universe. They are both sources of understanding but also of confusion. Like the authors in *Autobiographical International Relations*, I would like emphasise the complementarity of arts and science, rather than their opposition:

Science aims at a mystic's goal – to explain and understand life's fullness. However, as scientists, we exclude the mystic's tool – poetry, dance, music, and meditative contemplation. These authors try to blur this boundary as they move towards a kind of artistic science with their writing. In the process they disclose themselves and their writing bares itself. I find myself feeling neither pride nor shame in their exposure. What we get instead is that I assume many of us actually desire from our reading – a substantive look at life/lives in process. Seamlessly, we are shown the mundane and the dramatic, the empirical and the theoretical, the structures and the processes that constitute and change humans.<sup>69</sup>

This point has also wonderfully been made by Mary Morgan. In *Travelling Facts*, Morgan argues that even though it might at first appear that there is a categorical difference between

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<sup>69</sup> Inayatullah, Naeem “Falling and Flying: an introduction”, in Inayatullah, Naeem (ed.), *Autobiographical International Relations: I,IR*, London: Routledge, 2010, p.7.

facts in the natural sciences, social sciences, and art, all facts share the fact that they are transmitted as part of larger narratives. Morgan writes that:

It is usually assumed that the sciences and the humanities have different ways of knowing things, yet our account of travelling facts suggests that we can tell the same sorts of stories about the travels of facts in both domains....We have demonstrated how various kinds of associates: stories, models, labels and good companions, as well as a good dose of character, will help to set them off and keep them moving to some useful destination. That travel process, however, is quite unpredictable: it is dynamic, extended and interactional.<sup>70</sup>

The second hope is to provide a contribution to the way scholarship in political economy is written. I often feel that social science research involves an unnecessary amount of jargon. My vision is for a way of writing political economy that is easily accessible to a vast audience which requires a limited amount of highly specialised terminology. Like the authors in *Autobiographical International Relations*, I want to show that “there is a way of speaking...about social theory, that is subtle, attuned to complexity but largely jargon free.”<sup>71</sup> But I think this commitment to a jargon free way of writing also has positive effects beyond accessibility. I think it furthermore contributes to a way of better and easier learning. In other words, better writing is also a pedagogical commitment. As Inayatullah writes: “To the degree that....social theoretical knowledge [can be presented] without alienating prose, [it] can move students and teachers towards engaged and precise learning.”<sup>72</sup> This call has already been made by Roger Tooze and Craig Murphy nearly twenty years ago.<sup>73</sup> Sadly, I do not think it has received much attention so it is worthwhile to repeat it.

A third contribution is to outline a different way of thinking about the pedagogy of economics. Teaching economics is not just a matter of accurately describing reality but the

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<sup>70</sup> Morgan, Mary “Travelling Facts” in Howlett, Peter and Mary Morgan, *How well do facts Travel?*, Cambridge: Cambridge University Press, 2011, pp.35-36.

<sup>71</sup> Inayatullah, Naeem “Falling and Flying: an introduction”, in Inayatullah, Naeem (ed.), *Autobiographical International Relations: I,IR*, London: Routledge, 2010, pp. 9-10.

<sup>72</sup> Inayatullah, Naeem “Falling and Flying: an introduction”, in Inayatullah, Naeem (ed.), *Autobiographical International Relations: I,IR*, London: Routledge, 2010, pp. 9.

<sup>73</sup> Tooze, Roger and Craig N. Murphy, “The Epistemology of Poverty and the Poverty of Epistemology in IPE: Mystery, Blindness, and Invisibility”, *Millennium: Journal of International Studies*, 25(3), 1996, pp. 681-707.



way these subjects are taught also contributes to the constitution of social and economic issues. In learning the language of economics, students also learn how they ought to frame particular social and economic problems. They learn what kind of considerations are relevant, and which ones are not, and why. In short, learning the language of economics is also a vehicle in which students become socialised into a particular way of thinking. Since the way in which to teach economics is not given by reality itself, there is also an important issue of responsibility for the teachers of economics. In deciding how economics is taught, a decision is also made how to socialise students and in what ways. Even though teaching economics is only one source of socialisation amongst many, I think it nevertheless plays an important role. The recognition that the educators of economics bear some responsibility for certain beliefs and practices still seems very much underappreciated, and in writing this dissertation I would also like to draw attention to this fact.

This issue has also played out during some of my activities outside the writing of this thesis. During my doctoral research, I have become involved with the activities of what is probably the largest movement advocating for curriculum reform in economics – the Institute for New Economic Thinking. I have been invited to attend and speak at a number of their events over the last two years, but even though this curriculum reform movement has some right ideas about some of the things that are currently lacking in economics, it is still entirely unwilling to embrace some of the ideas advocated in this dissertation. And I have grown more and more convinced that the reason for this is precisely the unwillingness to let go of the subject/object distinction that informs positivistic methodology. In most of my conversations with different economists, who moreover believe in the need to transform the way economics is taught, the issue of methodology has come up. And because economists have received no methodological training besides being told that methodology is not something they need to worry about, it proves a nearly insurmountable hurdle. Therefore, in

order to substantially transform the way economics is taught at university, it is necessary to consider methodology properly.

The last secondary contribution I would like to make is to advance an understanding of how economic ideas become accepted in society at large. This issue is barely treated explicitly in traditional economic theory, but the underlying idea seems to be inspired by the Platonic philosopher king: The economic theorist, having found out the truth about the economic system, subsequently teaches these insights to future economist-kings or implements actions that bring about the desired outcomes. The non-specialist population learns of the findings as if by decree and has no choice but to accept their validity. There can therefore be no room for genuine democratic debate when it comes to economic knowledge. Positivism about economic knowledge in the social sciences and humanities ultimately leads to totalitarian and authoritarian economic management. Against this somewhat caricatured version of the envisioned transmission mechanism of economic knowledge between economic theorist and the general population, I want to emphasise the importance of non-academic material in the process. Even though economic textbooks and research in economics and related discipline is one source of economic knowledge, it needs to be understood that this is not the only source, nor necessarily the most important one. Instead, we find economic knowledge all around us: In novels, films, TV-Shows, advertising, conversations with friends and foes, in primary and secondary education. But if this is the case, then economic knowledge cannot exclusively and predominantly be about formal theories. Rather, economic knowledge is contained in narratives about what counts as success, what one should do, and how one should act. In writing this dissertation, I also hope to provide a first attempt how we might begin to think about the variety of narratives which produce economic knowledge.

### *Relation between economics and other disciplines*

Having outlined my intended contribution to the literature, or my intended literary contribution, I want to make some introductory comments on the relation between economics and other disciplines that explore economic and social knowledge. Throughout the thesis, I maintain what at first sight appears to be two directly contradictory positions: I argue at the same time that disciplinary boundaries are completely irrelevant and absolutely crucial. I want to differentiate between two important contexts by which to consider disciplinary practices: The content of knowledge and the power relations between disciplinary divisions. In terms of the content of knowledge, disciplinary boundaries do not matter. In terms of their intrinsic power relations, they are absolutely crucial.

So what exactly is the content of economic knowledge? I mean to use this term in the broadest possible sense. I use economic knowledge and ideas as an aggregate umbrella term to denote the total stock of different ideas, norms, and beliefs about the goals and functioning of the economic system that exist in a given community at a particular point in time. I do not want to suggest that these ideas, norms, and beliefs need to be held equally strongly by everybody or that each and every member of the community needs to hold them. I just mean that they would be accepted by a substantial majority of the community but what exactly counts as substantial can vary. To better understand this, it might be worthwhile to consider that knowledge is not the same as information or data.<sup>74</sup> Information and data by itself are meaningless. We need to know what to do to make sense of the information. Is a particular piece of information good or bad? It is the ability to make sense of information that constitutes knowledge. As such, knowledge always involves interpretation and meaning generation. Different examples of economic knowledge may therefore include:

After eating in a restaurant, one has to pay the bill

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<sup>74</sup> Even though some scholars in information management draw further differences between data and information, this is not really necessary for my purposes. See for example: Rowley, Jennifer, "The wisdom hierarchy: representations of the DIKW hierarchy", *Journal of Information Science*, 33, 2007, pp. 163-180.

Printing money causes inflation  
If you work hard, you get rewarded  
Money is power  
Politicians are corrupt  
Going to university will allow you to earn more money  
Increasing the minimum wage will cause unemployment  
People on welfare are lazy  
Who is responsible for managing economic processes  
The elasticity of the demand for heroin is higher than the elasticity of the demand for movie tickets

Some economic knowledge clearly requires specialised training; other types do not. I will make some further observations on this in later chapters but I simply want to highlight for now that all disciplines in the social sciences and humanities can in principle make equally important contributions to understanding and shaping economic ideas. In other words, all disciplines studying economic knowledge share the same subject matter. Some methodologies are undoubtedly better for studying particular types of problems and this may be reflected in disciplinary differences. However, this does not mean that a single discipline is a priori better equipped to study and understand economic processes. In terms of the content of knowledge, there is no difference between the various disciplines which study and provide economic knowledge.

However, there is a crucial difference in whose knowledge gets recognised as authoritative. In all matters of economic knowledge, the crucial question is who gets to speak for the economy, so to speak. I do not mean to reify economic processes here. I mean who is called upon to say they understand economic processes and how to solve economic issues. In this context, disciplinary boundaries play a massively important role. As it stands at the moment, those trained and working within economic departments are often recognised as being the sole bearers of economic knowledge. However, given the narrowness of the economic training in Anglo-Saxon countries, this is highly problematic. In this sense, I am hoping to contribute to scholarship that challenges the dominant position of traditional economists in speaking for the economy.

A different way of saying this is to invoke Foucault's notion of regimes of truth. Economics, and the training it provides, functions exactly as a regime of truth as outlined by Foucault. It steers what kind of economic statements make sense; it guides who can speak truthfully about the economy. As he writes:

Each society has its regime of truth, its general politics of truth: that is the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false statements, the means by which each is sanctioned, the techniques and procedures accorded value in the acquisition of truth, the status of those who are charged with saying what counts as true.<sup>75</sup>

By showing that another vision of what economic life looks like is both legitimate and justified, my vision for political economy is to provide a challenge to the particular regime of truth of standard economics.

A very important ramification of this discussion is the self-image and self-understanding of practitioners working within economics and related fields. Even at first glance one can notice how deeply the positivistic understanding of knowledge underlies the study of economics. Lionel Robbin's now taken for granted definition states that "economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses."<sup>76</sup> This definition, which has taken on seminal status, pretends as if economics is merely about describing external reality. As if economics is merely about the relationship between ends and means. What is entirely missing from this definition, and it simply cannot be combined with it, is that economics is also about self-formation. It provides self-understanding for individuals and it also provides understanding of what society ought to be like. The kind of things that count as economic knowledge or economic ideas do so because they in some way contribute to bringing about what is considered a desirable economic outcomes, or they help in avoiding undesirable outcomes.

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<sup>75</sup> Foucault, Michel, *Power/knowledge: Selected Interviews and Other Writings 1972–1977*, in Gordon, Colin (ed.), London: Harvester Wheatsheaf, 1980, p.291.

<sup>76</sup> Robbins, Lionel, *An Essay on the Nature and Significance of Economic Science*, Second Edition, London: Macmillan Press, 1935, p.15.

Without positivism, it simply does not make sense to maintain that economics is only about the relationship between means and ends.

### *Structure of thesis*

Before proceeding further, I would like to give a brief outline of the structure of the thesis and the arguments that are to follow. The thesis is divided into three parts. Part one is formed by the introduction, chapter one, and chapter two. Part two consists of chapters three to five. Part three is made up of chapter six, seven, and the conclusion. The general aim of this structure is to move from the most general to the most specific arguments. Part one deals with broad questions about the nature of knowledge, language and socialisation. Part two highlights two broad ways in which the reflections of the first part can be applied. Part three very specifically looks at two very narrow cases. This also means that a reader who finds the arguments of part one convincing, may nevertheless disagree with the arguments presented in parts two and three. The converse, however, is unlikely to be the case. It is unlikely that one can accept the arguments of parts two and three if one does not accept the broader theoretical and methodological outlook provided in part one.

The structure has also been chosen to allow my writing to simultaneously function in different narrative dimensions. On one level, this thesis can be read as an argument against the standard claim that economic theory is only concerned with providing an accurate description of how something called the economy really functions. There is really nothing original or novel about this idea. However, it still reigns supreme in economic departments and most political economy programs throughout the Anglo-Saxon world. Consequently, it is worth to repeat and to remind the scholarly communities in question that there is a lot more going on in economics than a description of processes and consumption and production.

At another level, I am trying to show how one might do research in economics once economics is no longer seen solely as a description of economic processes. To my mind, this is where I can hope to bring in some new ideas to discussions in economics. One of the problems I encounter is that even scholars who share my assessment about the nature of economic theory generally appear to feel obliged to continue writing and teaching the subject as if they had not made this realization. In other words, there appears to be a large gap between how economic theory and political economy is theorised and how it is practiced and taught to students. In structuring the dissertation in the way I did, I am trying to provide one example to show how research economic and political economy can be practised differently (and also taught differently).

At another level yet, I also want to give you, the reader, some understanding and appreciation for how I, the writer, came to believe the arguments I am trying to make in this dissertation. In this dimension, this dissertation can be read as a structured intellectual diary. I want to emphasise that at the same time as I am trying to tell you, the reader, something that I feel is important in this thesis, at the same time as I am trying to convince you to look at the world in a particular way, the processes that led to these realizations, that led me to look at the world in this way, were also important to me – intellectually and personally. In fact, when I started the research for this project, I was still very much convinced of the very argument I am now trying to discredit: that the main concern of economic theory and political economy is accurate description of reality as it really is. As a result, the dissertation can be read as a document of my own intellectual journey, of how I was convinced that my previous beliefs were inadequate and why I think my current beliefs are better.

Perhaps unsurprisingly, perhaps paradoxically, there is a certain asymmetry between the importance to be attributed to the various dimensions of the narrative I am presenting for me, as the writer, and for you, the reader. What is most important to me as chronicler of my

own intellectual journey are the arguments presented in part one. The arguments and reflections in this part of the dissertation are ultimately the reasons why I changed my mind on very many issues and why I have decided to write the thesis which you are currently reading. Without part one, the writing of the other parts would literally have been impossible. In this way, part one forms the very condition of possibility for the existence of part two and three. Consequently, I had an inclination to devote more time and space on elucidating this part than you will find in the version you are currently reading. In the end, I decided to shorten this part of the thesis for two reasons. First, any reader who is sympathetic to my theoretical assessment on the nature of economic theory will undoubtedly have come across the original arguments which convinced me and which I am now repeating in my own version. In other words, there is not much new or original to find in this part for the sympathetic reader. The unsympathetic reader, somebody who is still convinced that economic theory is only about description of reality, by contrast, is probably better off going back to the original sources which I have used. There is no way for me to do full justice to the complexity and eloquence of the arguments I have relied on and appropriated. All I can offer an unsympathetic reader is a brief introduction as to why one ought to change one's mind on these issues.

The first chapter reviews what to my mind are some of the best arguments against the idea that there exists a methodology in the social sciences that can completely separate the researcher from the object of study. Essentially, this is what has to be possible in order for economic theory and political economy to be only concerned about the description of economic processes as they really are. If it is not possible, then our own outlook on life, our background supposition and beliefs, will somehow influence our description of economic processes, meaning that the same process could also be accurately redescribed in a different way. I review three separate but related arguments that make an overwhelmingly convincing



case against the separation of subject and object. I argue also that this vision of methodology is also a prerequisite for the vision of *homo economicus*.

First, I review the argument developed American pragmatists, but particularly John Dewey and his later follower Richard Rorty, that it is misleading to believe that there is anything like unmediated experience. Dewey and Rorty emphasise that whatever we perceive and know only becomes perceivable and knowable by being put into categories and concepts which we have learnt. But these categories also shape how something is perceived. Unsurprisingly, this also holds for economic phenomena. Whatever economic processes we try to understand, the concepts and categories we bring to the analysis shape the nature of our understanding. This point is especially interesting because the theory of knowledge which underlies the belief in unmediated experience and the current practice of economics share a commitment towards the single individual as the only relevant unit of analysis in economics. In the same way as only my own perception is seen as a sure ground of knowledge, only my own self is seen as a relevant category for the evaluation of economic outcomes. Dewey and Rorty argue the opposite: The only basis for knowledge is social which means that the social is also a relevant category for an analysis of economic outcomes.

The second argument I reiterate has also been put forward by American pragmatists but it has also been developed by cultural theorist and literary critics. It is related to the argument that there exists no unmediated perception but its emphasis is slightly different. One of the implicit assumptions which fosters the belief that economic processes can be described as they really are is that there exists some unique standard by which the truth of economic propositions can be assessed. I argue that such standard does not exist.

The third argument I review is concerned with the testability of propositions. This point is also related to the previous two points but it has a different set of implications. This argument is especially directed towards anybody who believes that econometric analysis can

in fact be used to find proposition that are really true. I begin the discussion with the concept of falsifiability developed by Karl Popper. Popper is a useful starting point because, together with the work of Thomas Kuhn, he is probably the only scholar whose work in this area is known by non-specialists. I then reiterate the critique of falsifiability made by scholars like Duhem and Quine to show that falsifiability cannot be used to uniquely assess the truth of a proposition. I subsequently bring in the work of Helen Longino to reiterate a point I already made earlier: that the only basis of most types of knowledge is social.

The second chapter attempts to supplement and build upon the criticisms of the first chapter. In a way, the aim of the first chapter is negative. I want that a particular vision of knowledge is unconvincing and that scholarship which relies on this vision of knowledge misleads its authors and readership. The second chapter tries to be more constructive, giving some guidance as to how research in the social sciences and humanities should approach knowledge and what this might mean for the way political economy is practiced. For this purpose, I heavily rely on the work of Ludwig Wittgenstein, as well as scholars who have appropriated his insights in different ways, most notably Richard Rorty and Michael Shapiro. My argument emphasises the role of language. Language is not a neutral tool. As a result, there can never be one way of practicing economics. The question therefore becomes what difference does it make to practice economics one way, rather than another? Using Rorty's differentiation of objectivity versus solidarity, I argue that too much economics has been practiced in line with Rorty's sense of objectivity and that it would be desirable to have more economics practiced in the image of solidarity.<sup>77</sup> The notion of objectivity vs solidarity is another of the main threads of this dissertation. The image of *homo economicus* is related to and fosters objectivity in Rorty's sense. The image of *homo communicandis* I advocate, by contrast, is meant to emphasise and strengthen solidarity.

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<sup>77</sup> Obviously, there is an important discussion of what criterion underlies this assessment. For some discussion on this point, see also chapter seven.

Part two of the thesis traces some of the consequences of accepting the claim that economic theory involves more than accurate description of reality. The chief consequence is that the entire picture of what economics is and how it is learnt changes as a result. Rather than regarding economic theory as a tool to solve puzzles and problems, economic theory shapes how we view the world. Rather than just describing reality, economic ideas inherently influence how reality is perceived. This means that economic theory and economic ideas should also be regarded as particular ways of looking at the world. Learning economic ideas and knowledge can thus be seen as socialisation process. Part two of the thesis explores how we can conceptualise economics ideas as part of socialisation processes.

My starting point is to reject the notion that there is something akin to natural economic agency. Unlike the story of *homo-economicus*, children are not born with innate and inmalleable ideas of how to act economically. Rather, they are born with an innate instinct for sociality. Sociality can take many different forms, and in fact, historically has clearly done so. In other words, there is an enormous amount of plasticity in forms of economic behaviour. Economic behaviour does not exist in a socio-cultural vacuum but, like all other social behaviour, it needs to be learnt. As this behaviour is learnt, it is internalised and becomes habitual. Berger and Luckmann, in their seminal work *The Social construction of Reality*, make this point very nicely:

The individual, however, is not born a member of society. He is born with a predisposition towards sociality, and he becomes a member of society. In the life of every individual, therefore, there is a temporal sequence, in the course of which he is inducted into participation in the societal dialectic. The beginning point of this process is internalization.<sup>78</sup>

Once certain behaviours are internalised to a very high degree, they can be said to have been socialised. In this way, socialisation becomes a process by which individuals become members of a society. They learn to look at the world in similar ways to other members of a

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<sup>78</sup> Berger, Peter and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, London: Penguin, 1991 (1966), p.149.

society or community. Berger and Luckmann differentiate primary from secondary socialisation. Primary socialisation takes place during childhood and secondary socialisation refers to any subsequent processes of socialisation.

Only when he has achieved this degree of internalization is an individual a member of society. The ontogenetic process by which this is brought about is socialisation, which may thus be defined as the comprehensive and consistent induction of an individual into the objective world of a society or a sector of it. Primary socialisation is the first socialisation an individual undergoes in childhood, through which he becomes a member of society. Secondary socialisation is any subsequent process that inducts an already socialized individual into new sectors of the objective world of his society.<sup>79</sup>

It is important to note that economic ideas are internalised in both primary and secondary socialisation. Children learn early on that they cannot simply take items on display in a store. They need to pay for them. These early ideas later get supplemented with much more complicated ideas about consumption, production, and distribution. It may very well be the case that the overlap between primary and secondary socialisation of economic ideas makes it difficult to grasp how economic knowledge and ideas are reproduced.

It is also important to note that processes of socialisation are never complete. Some individuals find it easier to be completely immersed in the transmitted ways of life than others. It is also the case that contemporary societies offer a multiple avenues through which socialisation can take place, allowing individuals within the same society to effectively become part of different communities simultaneously. It is not surprising that different processes of socialisation should place different requirements on individuals. Berger and Luckmann describe this in the following manner:

Socialisation is never completely successful. Some individuals 'inhabit' the transmitted universe more definitely than others. Even among the more or less accredited 'inhabitants', there will always be idiosyncratic variations in the way they conceive of the universe. Precisely because the symbolic universe cannot be experienced as such in everyday life, but transcends the latter by its very nature, it

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<sup>79</sup> Berger, Peter and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, London: Penguin, 1991 (1966), p.150.

is not possible to 'teach' its meaning in the straightforward manner in which one can teach the meanings of everyday life.<sup>80</sup>

Part two of the thesis attempts to explore a few means by which secondary socialisation of economic ideas takes place. At the same time, this is also an attempt to understand how I have internalised certain economic ideas for myself. Drawing on the arguments developed in part one, I argue the language we use to describe economic phenomena and processes play a key role in socialisation. If this is the case, economic concepts and narratives serve a double purpose. On the one hand, they will reflect the concerns and ways of looking at the world of a particular society; on the other hand, they can be used to challenge, resist, and transform those ways of looking at the world. I will use the all-embracing term culture to denote a particular way of looking at the world. The idea that concepts and narratives both reflect and shape culture has been around for a long time and Part two explores these ideas in greater detail.

I start the discussion in chapter three by reviewing how undergraduate economics textbooks teach students what it means to study and think like an economist. My argument is not that economic textbooks should no longer be regarded as providing economic ideas and knowledge. They clearly still do so. However, the reason why they provide economic knowledge has shifted radically. Traditionally, economic textbooks are seen as providing economic knowledge because they accurately describe economic processes as they occur in reality. This, I argue, is not the reason why economic textbooks provide knowledge. Rather, they provide knowledge by virtue of the fact that whatever information they contain is regarded as the correct way of looking at economic phenomena. Textbooks function not because they accurately describe reality but because they are vehicles of socialisation. Teaching economics at university is not only a matter of learning to describe reality

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<sup>80</sup> Berger, Peter and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, London: Penguin, 1991 (1966), p. 124.

accurately but it is a way of approaching and understanding the world, thereby helping to produce a particular kind of culture.

In chapter four, I review how different seminal works in literary criticism have attempted to portray the relation between narratives and culture. I argue that economic ideas also become socialised through means that traditionally are not seen as containing economic knowledge, namely works of fiction. The argument I make reflects the dual nature of the reciprocal relationship between narratives and culture. On the one hand, I argue that works of fiction, particularly the novel, reflect particular ways of viewing the world, a particular economic culture. In this sense, novels from different periods can be appropriated to understand how economic ideas and economic knowledge have changed over time. On the other hand, however, novels are also a vehicle through which ideas become socialised in the first place. In allowing the reader to identify with certain characters, novels also foster particular economic ideas as the right ideas to hold for the individual reading the novel. In changing the nature of economic knowledge from accurate description of reality to a means of socialisation thus allows one to recognise previously disregarded channels of economic knowledge generation.

Having paved the way for an understanding of the reciprocal relationship between works of fiction and culture, I want to examine two works of fiction in chapter five. This allows for a comparison between the ideas and narratives found in economics textbooks with those found in works of fiction. I examine how two best-selling American fiction authors, Jonathan Franzen and David Foster Wallace (DFW), incorporate and problematise economic ideas in their novels *Freedom* and *The Pale King*. My aims are three-fold. First, I want to give a sense of just how many economic ideas can be found in contemporary works of fiction. At one level, this should not come as a surprise. Daily concerns that include an economic component – what to buy, what profession to practice, how to balance pleasure and

work, and what counts as success – are not only something most adults can relate to but these are issues most adults constantly face in their own lives. It is no surprise that life-like characters in novels are also concerned with economics considerations. Second, I want to show how each author takes up particular economic ideas as part of the constitution of different protagonists and through their actions provides an assessment for the desirability of those economic ideas. And third, in showing particular ideas to be undesirable, novels can also be considered a form of resistance to particular ways of socialisation. Novels can also be a means for social transformation.

The third part attempts to flesh some of the ways through which economic theory approaches and understands the world. In particular, I am going to examine two concepts which play an important role in the socialisation of economic ideas: the concept of the market and the concept of violence. Discussion on of the concept of the market takes place in chapter six. The concept of violence is discussed in chapter seven. In conclusion, I review the main arguments in light of what I have learnt by writing this dissertation with an autobiographical approach.

The concept of the market (or markets) is central to how contemporary economic theory conceptualised the world. Markets are conventionally regarded as places where individuals freely exchange good and services.<sup>81</sup> Arguably, the most central tool of economic theory is demand and supply – but it only makes sense to think of demand and supply within a single market. Because markets are conceived of as a pure platform of exchange, they are regarded as objective and neutral. They simply act so as to bring about the transfer of good and services. What this conceptualisation of markets overlooks, however, is that the concept of the market is also used in everyday language. And this usage differs markedly from the more specialised usage as a place of exchange. In fact, the concept of the market can be used

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<sup>81</sup> See for example: Herzog, Lisa, "Markets", *The Stanford Encyclopedia of Philosophy* (Fall 2013 Edition), Edward N. Zalta (ed.), URL = <<http://plato.stanford.edu/archives/fall2013/entries/markets/>>. Last accessed 6<sup>th</sup> of August 2015.

markedly differently, i.e. it has a variety of meanings in everyday discourse. I argue that the concept of the market can be used to make three completely separate types of claims. Borrowing a heuristic from the work of Jürgen Habermas, I argue that the concept of the market can be used to make claims about the objective, subjective, and social world. What tends to happen is that the different types of claims about markets get interchanged without any awareness that this is the case. As a result, many disagreements about what markets are or how they function are merely misunderstanding about the kind of claims a person is trying to make. In presenting my heuristic of different claims in which the concept of the market functions, I hope to bring some greater awareness and reflexivity to debates in economics and political economy.

In chapter seven, I want to think about how socialisation actually affects the individual. One of the shortcomings to many discussions of socialisation, the work of Berger and Luckmann is one example, is that socialisation is presented as a completely unproblematic and pain-free process for an individual. Individuals simply undergo primary and secondary socialisation as part of being a social creature. I think the story is more complicated than that. In particular, I think there is a considerable psychic cost during processes of secondary socialisation.<sup>82</sup> In order to conceptualise why there may be psychic costs involved, I appropriate Johan Galtung's work on violence. Galtung argues that violence is best regarded as a difference between potential and actual. As each individual could potentially become different people, each identity we choose involves a trade-off and this trade-off can be experienced as a kind of violence against ourselves. In other words, at the same time as modern capitalism allows individuals unprecedented opportunity to become whoever they would like,<sup>83</sup> modern capitalism also necessitates unprecedented violence to

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<sup>82</sup> I do not think this is true of primary socialisation. Children just seem so good at being socialised. Why exactly this is the case, I shall not discuss here.

<sup>83</sup> This is not to forget that issues of sexism, racism, and socio-economic considerations still limit the world for everybody who is not lucky enough to be born wealth, white, and male like me



demarcate the actual from all the potential ways of being. It may be the case that this is one reason why Anglo-Saxon societies are currently experiencing such a strong rise in mental health disorders.

I would then like to conclude this dissertation with a discussion of some of the things I have learnt during the writing of this dissertation as well as some of the limitations of an autobiographical approach for the study of economic ideas and knowledge. I do so by revisiting some of the issues which Judith Butler raised in her *Giving an account of oneself*. I highlight how this dissertation has given me a much greater appreciation for my own contingency but how the autobiographic method is also dangerous if it slips into a self-glorifying narcissism. The best cure against narcissism, however, is a continual emphasis of the relation of the self with others.

# **Chapter 1:**

## *Against positivism*

### *Introduction*

My aim in this chapter is to discredit the key methodological underpinnings of nearly all current research and teaching in economics, namely that economics (and science in general) is exclusively concerned with the description and explanation of external reality. The belief in economics and science as an accurate description of reality is made on the basis of claims about the scientific method because the scientific method is supposed to provide a universally applicable procedure by which to distinguish true from false statements. This belief in the scientific method in turn is deeply connected to broader themes as part of Enlightenment philosophy. It is these Enlightenment presuppositions that I take issue with in this chapter. In order to pursue my argument, this chapter proceeds in three stages. After offering some further introductory thoughts, I take up what I think are the main three presuppositions which build the foundation of the belief in the scientific method. Each section provides one argument which ultimately convinced me to change my own mind about the epistemological and ontological status of economics. In the first section, I argue against the belief that there exists something akin to unmediated experience. In the second section, I argue against the presupposition that there exists a universal standard by which all experience can be assessed. In the third section, I argue against the belief that there exists a fail-proof way to test all propositions and statements. Taken together, these arguments make an overwhelming case that the current methodology of economics which is implicitly based on these three presuppositions should be abandoned. In the next chapter, I will then offer another way of how methodology could be practiced in economics.

My starting point is that the current practice and vision of economics only makes sense in light of these broader enlightenment ideas. As Kaul has remarked:

Therefore, it is important to highlight that economics as a social science could have aspired to universal ideals of knowing only within a modernist comprehension of knowledge as characterised by Cartesian subjectivity and taxonomised separability. These terms of supposedly universal knowing are keenly dependent on maintaining a split between science and politics...<sup>84</sup>

The idea of *homo economicus* is in many ways a direct outgrowth of this Cartesian subjectivity. In order to move from *homo economicus* to *homo communicandis*, the first step is to reject the notion of a Cartesian subject which underpins *homo economicus*. In other words, the notion of *homo economicus* also presupposes that “the economic ‘subject’ (subject of economic thought) of this unlocated analysis is a self-transparent unembodied and unembedded amoral utility maximiser propped up by Cartesian dualisms and interested narratives of Enlightenment reason.”<sup>85</sup>

The urge to move the vision of subjectivity from *homo economicus* to *homo communicandis* is also a reflection of the change in my self-understanding that took place during the research of this dissertation. With the aim of hindsight, I can appreciate that working on this thesis also led to a change in my intellectual identity. At the beginning of this project, my aim was to learn more about economics and how economics misrepresents reality in certain ways. But as much as I have learnt about these issues, I have also ended up learning an awful lot about myself. This is not something I had expected to happen. One of the difficult things, however, is to recover my earlier intellectual identity or to offer an exact pathway of how arrived from ‘there’ to ‘here’ and from ‘then’ to ‘now’.

There are no epiphanies or light bulb moments I can reconstruct so all I am able to do in this chapter is to offer retrospective fragments of how I now comprehend the intellectual

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<sup>84</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, p.220.

<sup>85</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, p.18

journey I have taken (which at the same time is obviously also a personal journey). What seems to have happened is that I started out studying current writings in economic methodology, especially the work of Deirdre McCloskey. McCloskey led me to the work of Richard Rorty. Both McCloskey and Rorty heavily credit American pragmatism for their inspiration and so I started to explore of American pragmatism. Their individual differences notwithstanding, the American pragmatists spoke to me with wonderful clarity. As I proceeded with the research, I realised that I could also count on the support from an impressive range of scholars – Hegel, Nietzsche, Heidegger, Wittgenstein, Gadamer, Quine, Derrida, Habermas, Foucault to name some of the most obvious choices only – to make very similar sort of claims. Although I am not entirely certain of this now, I think it was ultimately the writings of the American pragmatists that opened my eyes to the fact that theory not only describes but also helps to construct reality.

I want to emphasise that this chapter is necessarily partial and incomplete – even more so than the other chapters in this dissertation. Each of the scholars I could have drawn on for support of my arguments has provided a more comprehensive and thorough account than I will be able to provide in this chapter. So while I am not able to improve upon their insights, I try to popularise them further. At the same time, this chapter reflects a desire to translate the insights of American pragmatism into my own words. So this chapter is also an attempt of finding my voice within a long ongoing conversation. If we regard various strands of previous scholarship as the background choir, I envision this piece as adding to the overall harmony of the song. That is to say, I keep in tune with the overall keys of the song but add my own distinctive voice to the song so that its message may carry further. And hopefully, through my voice, I will be able to find for myself a small spectrum on the vocal scale which I can occupy.

It may be worth closing the introduction of this chapter by quickly highlighting how closely economics follows the idea of the scientific method. I explore the issue of how economics textbooks rely on the notion of science as a justification for how economics is practiced and in much greater detail in chapter three but it is worthwhile one exemplary quote to anchor the discussion that is to follow. Mankiw introduces the methodology of economics as the same as that of all other sciences. He writes:

Economists try to address their subject matter with a scientist's objectivity. They approach the study of the economy in much the same way as a physicist approaches the study of matter and a biologist approaches the study of life: they devise theories, collect data, and then analyse these data in an attempt to verify or refute their theories. ...The essence of science...is the scientific method – the dispassionate development and testing of theories about how the world works. This method of inquiry is as applicable to studying a nation's economy as it is to studying the earth's gravity or a species' evolution.<sup>86</sup>

There is also a large literature in the methodology of economics that has pointed the affinity between economics, the scientific method, and positivism. Different scholars use different terms – positivism, hypothetico-deductive method, mathematical-deductivist method – but the central issue remains the same. In this vein, Tony Lawson writes that “academic economics is currently dominated to a very significant degree by a mainstream tradition or orthodoxy, the essence of which is an insistence on methods of mathematical-deductivist modelling.”<sup>87</sup> Similarly, Lawrence Boland's writes that “positive economics is now so pervasive that virtually all competing methodological views (except the most defeatist hard-core mathematical economics) have been eclipsed.”<sup>88</sup>

What is particularly noteworthy is how economics, by and large, continues to reproduce the methodology of 19<sup>th</sup> century physics and mathematics, even as the methodology of both these disciplines has long evolved. Roy Weintraub has made this point eloquently about the discipline of mathematics, saying that the “concept of a true scientific

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<sup>86</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.22.

<sup>87</sup> Lawson, Tony, *Reorienting Economics*, London: Routledge, 2003, p.3.

<sup>88</sup> Boland, Lawrence, *Critical economic methodology: A personal odyssey*, London: Routledge, 1997, p. 114.

theory has changed over the twentieth century as the image of mathematical knowledge has changed. ....For mathematicians, acceptance is based on the communally agreed upon idea of a "good" mathematical proof.”<sup>89</sup> Weintraub goes on to note that if “mathematical knowledge is communal and contextual, and mathematical knowledge undergirds scientific knowledge, then the idea of scientific knowledge—a fortiori the idea of economic knowledge—has changed, as has the very idea of a rigorous scientific argument because of the emergence of the axiomatic approach in mathematics.”<sup>90</sup> Philip Mirowski has made the same type of argument for physics. In his *More heat than light*, Mirowski highlights how economics insists on reproducing a long out-dated version of physics because contemporary economics maintains “the explanatory structure of the nineteenth-century metaphor of utility as potential energy intact and unaltered, because it is thought to represent scientific explanation.”<sup>91</sup> The methodology of contemporary physics, by contrast, would create a real need to think about what actually constitutes methodology. As Mirowski wonderfully puts it:

Quantum mechanics drags in a train of cultural images that an orthodox economist would shudder to entertain. It preaches fundamental and irreducible indeterminism at the micro level, wreaking havoc with the neoclassical penchant for Laplacian determinism and methodological individualism. Were the quantum metaphor to be imported into economics, it would precipitate mistrust and perhaps full dissolution of the vaunted neutrality of the economic scientist with respect to the social object of his research, and hence force consideration of the interaction of the economist with the pecuniary phenomenon (at least under the Copenhagen interpretation).<sup>92</sup>

In other words, economics keeps on appealing to the methodology of mathematics and physics as a justification of what constitutes science, when in fact both of those disciplines have long rejected this methodology for what constitutes science. However, one would never

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<sup>89</sup> Weintraub, Roy, *How Economics Became a Mathematical Science*, Durham: Duke University Press, 2002, p.99.

<sup>90</sup> Weintraub, Roy, *How Economics Became a Mathematical Science*, Durham: Duke University Press, 2002, p.100.

<sup>91</sup> Mirowski, Philip, *More heat than light: Economics as social physics*, Cambridge: Cambridge University Press, 1989, p.387.

<sup>92</sup> Mirowski, Philip, *More heat than light: Economics as social physics*, Cambridge: Cambridge University Press, 1989, p.391.

get a sense of this evolving image of knowledge in mathematics or physics by reading the methodology section of an introductory economics textbook.<sup>93</sup> I now turn to three theoretical arguments which highlight why the vision of knowledge and methodology has evolved over the last century.

### *Unmediated experience*

The scientific method relies on the idea of a pure or brute fact. If we are carefully observe the world, we are bound to discover these facts. Somehow there is one unique perspective that adequately captures what has happened or is happening and this perspective will give rise to the facts of the matter. This means that there must be one unique way of accounting for the way the world is and works. No possible redescription of this perspective is possible. It alone entails the truth and the aim of science and research to discover this perspective.

But how could one ever arrive at this perspective? Human beings do not approach the world as a blank slate, but as a particular person, part of a particular community at a particular point in time. As such, the very observational reports we make of the supposed facts are socially, culturally, historically specific. Suppose we take one random person from 14<sup>th</sup> century London and contemporary London, respectively, and let them watch an airplane fly overhead. We then ask them what they saw. The contemporary person would clearly say they saw an airplane but what would the person from the 14<sup>th</sup> century say? Maybe she would answer that she saw a dragon. In any case, she could not have possibly have seen an airplane because that person has no concept for airplane. She has no way of connecting that object

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<sup>93</sup> David Primo and Kevin Clarke provide a very apt characterisation of how the same vision of science has taken hold in Political Science as well. They write: “Underlying the drive toward combining theoretical and empirical work in the name of testing is an outdated and faulty understanding of science that has its roots in nineteenth-century physics. This view has not held any true currency for 40 years, but you would never know it from the attention lavished on it in fields such as political science that are overly concerned with being scientific. The hypothetico-deductive (H-D) method has become unchallenged “science” in “political science” without ever having undergone real scrutiny. We provide that scrutiny, and the method is found wanting”. See: Primo, David and Kevin Clarke, *A model discipline: Political Science and the Logic of Representations*, Oxford: Oxford University Press, 2012, p.168.

with the experience that humans can fly through the air in metallic objects. So past experience is highly relevant to what we observe. Quentin Skinner put this point very eloquently when he writes that there is no direct path from observational evidence to the judgements we make:

Even in the most primitive perceptual cases, even in the face of the clearest observational evidence, it will always be reckless to assert that there are any beliefs we are certain to form, any judgements we are bound to make, simply as a consequence of inspecting the allegedly brute facts. The beliefs we form, the judgements we make, will always be mediated by the concepts available to us for describing what we have observed. But to employ a concept is always to appraise and classify our experience from a particular perspective and in a particular way. What we experience and report will accordingly be what is brought to our attention by the range of concepts we possess and the nature of the discriminations they enable us to make. We cannot hope to find any less winding a path from experience to belief, from observational evidence to any one determinate judgement.<sup>94</sup>

Morton Kaplan argues very nicely how the rejection of brute facts also necessarily leads to the rejection of the notion of a transcendental ego. It makes no sense to think of a person outside their actual environment, outside the life they are actually living. A person does not have a fixed inner core. We are not purely biologically determined. Kaplan writes:

Thought as an object of thought is always localized as the thought of a particular being at a particular time and in a particular place. Thinking about the thought can never be localized in the same way except insofar as it is objectified at some other mental level. This process is recursive; and it is the failure to recognise the recursive aspect of this process that gives rise to the illusion of a transcendental ego. That which is not an object of thought, unless, in turn, it is subjected to the recursive processes of thinking; for it is only through the application of categories that experiences are transformed into thoughts or statements about identifiable objects.<sup>95</sup>

Once we abandon the idea of an eternal knowing subject, we open the door for a consideration of the diversity of human experiences. In the vision of the scientific method, the subject is considered nothing but an obstacle between the external world and pure thought so anything unrelated to either direct sensory experience or the faculty of thought is to be

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<sup>94</sup> Skinner, Quentin, *Visions of politics Volume I: Regarding Method*, Cambridge: Cambridge University Press, 2002, p.44.

<sup>95</sup> Kaplan, Morton, *Alienation and Identification*, New York: Free Press, 1976, p. 49.



disregarded. As such, there simply is no room for our personal identity in the realms of knowledge. It does not matter whether you are a man or a woman, whether you live in 100BC Athens or in 1400AD South America, whether you are a king or a pauper. The subject imagined for the observation of the world is abstracted from all the actual experience she would have had and which made her into the person she was. Dewey puts this point nicely when he writes that “the bearer [of knowledge] was conceived as outside of the world; so that experience consisted in the bearer’s being affected through a type of operations not found anywhere in the world, while knowledge consisted in surveying the world, looking at it, getting the view of the spectator.”<sup>96</sup> Abandoning the idea such a subject will thus open an epistemological space for different types of knowledge which can coexist next to each other.

Another grave complication in the story of unmediated experience is how different individuals are supposed to relate to each other. Observation is the result of a certain mental processes (whatever they may be). All access to the world is mediated by our senses. This would mean that all an individual can hope to experience is what Dewey called the ‘the fleeting, momentary, mental state.’<sup>97</sup> If this is all we can experience, then mental states are the only thing we cognitively can be sure about and so ‘it alone is knowledge.’<sup>98</sup> This makes the idea of a knower-in general so appealing. If two individuals provide different reports of the same phenomenon, one individual must have made a mistake. They should introspectively reflect on the matter more deeply and eventually one person would find that they had made a mistake, meaning that they had actually experienced the same thing. As the example of observing an airplane highlights, this seems impossible to be the case. How could

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<sup>96</sup> Dewey, John “The need for a recovery of philosophy” in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1917), p. 122.

<sup>97</sup> Dewey, John “The need for a recovery of philosophy” in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1917), p.119.

<sup>98</sup> Dewey, John “The need for a recovery of philosophy” in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1917), p.119

somebody use a concept they do not possess? But this might open the question how can we arrive at any type of knowledge without the existence of a general subject?

The answer is that facts are not born out of straightforward observation. Rather, most of what we consider to be facts are the result of a complicated social process. To see why this is the case, consider that if facts truly rested exclusively on mental states, there would be no way of resolving any disagreements. After all, if you say you are experiencing a certain mental state on an issue and my mental states differs, how could I ever tell you that you are mistaken? Take an example: I hit my little brother and he starts crying. When asked why I made my brother cry, I answer that he is just acting and in fact not experiencing any pain. I have no way to access my brother's mental state. It might be that I misjudged my strength, that I hit him harder than I wanted to, or that he is just acting. It is very hard to decide in this situation how we could arrive at an account that could be regarded as anything but representative of both of our mental states.

Luckily, the situation is not always as tricky as this. The true problem with the above situation is that it revolves around a one-time non-repeatable event with only two participants. I hit my brother once and he was the only person experiencing this event. However, in very many cases, events are repeated (or can be repeated). Suppose now, that my sister and I are sitting in a sauna of about ninety degrees Celsius. My sister now reports that she feels cold. I tell her that she must be joking and she says no, I am really feeling cold. All the while, I am sweating. Again, there seems to be an issue with irreducible mental states and, if taken at face value, I need to concede that we cannot say whether the sauna is hot or cold. We have two conflicting observational reports and thus seemingly no basis by which to judge which report is right.

This example demonstrates nicely, however, that we do not treat all reports of mental states as equally valid. I can call on other members of the community to help. If they all

report to be sweating given the 90 degrees (i.e. the thermometer is not broken), and my sister decides to put on her winter coat, this would not lead to the conclusion that we do not know whether it is hot or cold in the sauna. Rather, the mental state of my sister would be considered abnormal and not representative. I think it is important to remember that my sister could very well feel cold. There really is no basis for telling how she truly feels. Maybe neuroscience will solve this problem one day. But we need to make the assumption that most people feel in ways that are at least comprehensible to us. Ninety degrees and feeling cold is not a comprehensible mental state. This instance of feeling cold at ninety degrees is not taken to undermine the knowledge that this temperature feels hot.

If we take this train of thought further, we can see that there are a whole number of ways by which we judge whose mental report is to be believed: Familiarity with the person, authority, official status, education, clothes, ways of speaking. Another example might help: Suppose a laymen and a physicist are looking at the data-output of a sub-atomic particle collider. The laymen reports that he cannot see anything, the physicist reports some very intriguing story about what particles interacted and how. Do we believe that there is no way of knowing what really happened?

These examples suggest that knowledge is not the result of simple mental states. Western epistemology has traditionally construed truth as a relation between experience (mental states) and reality. But this seems much too narrow a view. Since humans do not consider everybody's experience of reality as equally valid, there are a number of ways in which our experience and reality can be compared with others. It is this comparison of our shared experience that results in knowledge, not the fleeting mental state.

The idea of unmediated experience and the knower in general brought about the entire project of epistemology. Without the knower in general, there can be no knowledge in general, and hence no epistemology in the way this has traditionally be construed. Dewey

pointedly observed this more than 100 year ago: “The problem of knowledge ueberhaupt exists because it is assumed that there is a knower in general, who is outside of the world to be known, and who is defined in terms antithetical to the traits of the world”.<sup>99</sup> But if this is the case, the problem of knowledge, an issue that has occupied Western philosophy for a good portion of the last 2000 years, is somewhat of an invented problem. Dewey explains:

The problem of knowledge as conceived in the industry of epistemology is the problem of knowledge in general – of the possibility, extent, and validity of knowledge in general. What does this “in general” mean? In ordinary life there are problems a-plenty of knowledge in particular; every conclusion we try to reach, theoretical or practical, affords such a problem. But there is no problem of knowledge in general. I do not mean, of course, that general statement cannot be made about knowledge or that the problem of attaining these general statements is not a genuine one. On the contrary, specific instances and failure in inquiry exist, and are of such a character that one can discover the conditions conducing to success and failure. Statement of these conditions constitutes logic, and is capable of being an important aid in proper guidance of further attempts at knowing. But this logical problem of knowledge is at the opposite pole from the epistemological. Specific problems are about right conclusions to be reached – which means in effect, right ways of going about the business of inquiry. They imply a difference between knowledge and error consequent upon right and wrong methods of inquiry and testing; not a difference between experience and the world.<sup>100</sup>

The whole idea of epistemology is already embedded in a certain way of thinking. As soon as one regards truth as accuracy of representation, the problem of knowledge in general becomes inevitable, which in turn, makes scepticism of the Cartesian type the only applicable response. In this vein, Rorty writes that “[a]ny theory which views knowledge as accuracy of representation, and which holds that certainty can only be rationally had about representations, will make scepticism inevitable”.<sup>101</sup> But the point to recognise is that regarding knowledge as accuracy of representation is not the only option. And if one

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<sup>99</sup> Dewey, John “The need for a recovery of philosophy” in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1917), p.123.

<sup>100</sup> Dewey, John “The need for a recovery of philosophy” in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1917), pp.122-123

<sup>101</sup> Rorty, Richard, *Philosophy and the Mirror of Nature*, Princeton: Princeton University Press, 1979, p. 113.

dispenses to hold onto this view, one can also dispense with the entire project of traditional epistemology. In Rorty's words:

to think of knowledge which presents a "problem," and about which we ought to have a "theory," is a product of viewing knowledge as an assemblage of representations—a view of knowledge which, I have been arguing, was a product of the seventeenth century. The moral to be drawn is that if this way of thinking of knowledge is optional, then so is epistemology, and so is philosophy as it has understood itself since the middle of the last century.<sup>102</sup>

This dissertation is thus an attempt to move economics and political economy into a position where one can practice them outside the boundary of traditional epistemology. The study of economics and political economy should concern itself with social and economic questions and this necessitates the ability to consider diverse and even conflicting individual perspectives. The notion of epistemology implies a single right perspective and epistemology thus gives rise to a perspective antithetical to what is required in social science.

### *The existence of a set standard?*

Another important presupposition of the scientific method is that statements are assessed according to whether they are true. A great example of this kind of narrative is provided by the work of Geoffrey Elton. According to Elton, historians ought to engage in “the proper assessment and proper study of evidence”, as their primary concern ‘with one thing only: to discover the truth.’<sup>103</sup> The problem which Elton seems willing to face is that truth is not a standard by which facts or ideas can be judged. Truth is the end-point, i.e. when ideas have passes the test of truth but truth cannot itself provide this test. So where does the test come from?

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<sup>102</sup> Rorty, Richard, *Philosophy and the Mirror of Nature*, Princeton: Princeton University Press, 1979, p. 136.

<sup>103</sup> Quoted in Skinner, Quentin, *Visions of politics Volume I: Regarding Method*, Cambridge: Cambridge University Press, 2002, p.13.

This is a really subtle but immensely powerful point. Luckily, J.L. Austin simplified this problem so beautifully and explained what is at stake here. He writes in *How to do Things with words*:

Suppose that we confront 'France is hexagonal' with the facts, in this case, I suppose, with France, is it true or false? Well, if you like, up to a point; of course I can see what you mean by saying that it is true for certain intents and purposes. It is good enough for a top-ranking general, perhaps, but not for a geographer....But then someone says: 'But is it true or is it false?.... it has to be true or false it's a statement, isn't it?' How can one answer ..? ...It is a rough description; it is not a true or a false one. "True" and "false" ... do not stand for anything simple at all; but only for a general dimension of being a right or proper thing to say ... in these circumstances, to this audience, for these purposes and with these intentions.<sup>104</sup>

Any statement can only be assessed given a certain purpose in mind. There is no unique and single standard that can be applied to all propositions or even to a single proposition. Stanley Fish expounded upon Austin's point wonderfully when he writes:

All utterances are ... produced and understood within the assumption of some socially conceived and understood dimension of assessment.... The one thing you can never say about France is what it is *really* like, if by "really" you mean France as it exists independently of any dimension of assessment whatever. The France you are talking about will always be the product of the talk about it, and will never be independently available. What the example of France shows is that all facts are discourse specific ... and that therefore no one can claim for any language a special relationship to the facts as they "simply are," unmediated by social or conventional assumptions.<sup>105</sup>

The chosen standard of assessment is of crucial relevance to whether a proposition is deemed plausible. When an economist insists that they only relevant standard is efficiency, this is certainly one point of view, but there is nothing inevitable about this position. Deirdre McCloskey, who has discussed these issues in relation to economics in more detail than anybody else, puts it this way:

You can always ask "So what?" And the answer will always depend on one's audience and the human purposes involved. Assertions are made for purposes of persuading some audience. This is not a shameful fact: it is charming that

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<sup>104</sup> Austin, J.L., *How to do things with words: The William James Lectures delivered at Harvard University in 1955*, Oxford: Oxford University Press, 1962, pp. 142-144.

<sup>105</sup> Fish, Stanley, *Is there a text in this class?: The authority of interpretative communities*, Cambridge: Harvard University Press, 1980, pp. 198-99.

human beings are cuddly, preferring to cling together against the indifferent cold. Their sociability leads them to make remarks they hope others will believe and use. Even scholars are human beings. When they come to interpret a "plain fact," such as the extent of the American market or the degree of similarity among Italic languages, the economic and historical and linguistic scholars must be appealing to other human beings.<sup>106</sup>

Put differently, there is no single answer to economic and social problems. The use of statistics only allows for the quantification of the necessary data but the choice of what alternative should be selected, given the data, is neither straightforward nor easy. Neyman and Pearson make the interesting point that even statistical procedures cannot offer an unequivocal test since it is ultimately still the investigator who needs to decide about the desirability between the trade-off of committing a Type I or type II statistic error<sup>107</sup>:

Is it more serious to convict an innocent man or to acquit a guilty? That will depend on the consequences of the error; is the punishment death or fine; what is the danger to the community of released criminals; what are the current ethical views on punishment? From the point of view of mathematical theory all that we can do is to show how the risk of the errors may be controlled and minimised. The use of these statistical tools in any given case, in determining just how the balance should be struck, *must be left to the investigator*.<sup>108</sup>

So if there is no single standard of how we assess propositions, how do we assess them?

Those who believe, like many economists and political scientists do, that the mere fact that a certain phenomenon can be quantified somehow suffices as an unequivocal answer seem to forget what they are actually doing. Numbers do not say, or mean, anything. It will always be left to the investigator to present numbers in a meaningful narrative and the way in which numbers become embedded in the narrative is as important to the overall persuasiveness of any arguments as the magnitude of the numbers. McCloskey writes: "Do numbers tell? According to the official rhetoric, yes: only numbers. Most economists believe that once you have reduced a question to numbers you have taken it out of human hands.

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<sup>106</sup> McCloskey, Deirdre, *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.107.

<sup>107</sup> For those whose statistics is a little rusty, let it just be remarked that these errors are directly disproportional to another. The smaller the probability of a Type I error, the higher the probability of a Type II error

<sup>108</sup> Neyman, Jerzy, and Pearson, Egon S. 1933. "On the Problem of the Most Efficient Tests of Statistical Hypotheses," *Philosophical Transactions of the Royal Society A*, 231: 289-337, 1933, p. 296; Italics supplied.

That's where the rhetoric of quantification goes crazily wrong.”<sup>109</sup> Numbers still need to be put in context and sometimes even numerical data do not appear convincing. Numbers are also evaluated against other background beliefs and through figures of speech. McCloskey explains:

The best way to treat such pretentious inanities as that economics is distinct from other fields by virtue of a unique methodology is to translate them into comparatively concrete and sensuous terms. Which is the more persuasive evidence, a correlation coefficient of .90 or an uncontroversial piece of introspection? A rule of methodology claims to say, in general. But there is no point in knowing such a thing in general. An economist does not do economics in general. She does it in particular. Surely if she does it well she uses particular figures of speech from the common store.<sup>110</sup>

The belief in the ability of numbers to speak undermines the need for conversation and compromise. Since the numbers themselves have spoken, there is nothing left for human beings to disagree about. Like the notion of the market itself, where the aim of the market activity is to reach an equilibrium, the very same notion holds for the nature of inquiry itself. All an investigator aims for is epistemological certainty. Once this has been reached, there can be no single alternative point of view that needs to be considered. William James put this realization very eloquently:

But the great assumption of the intellectualists is that truth means essentially an inert static relation. When you've got your true idea of anything, there's an end of the matter. You're in possession; you know; you've fulfilled your thinking destiny. You are where you ought to be mentally; you have obeyed your categorical imperative; and nothing more need follow on that climax of your rational destiny. Epistemologically you are in equilibrium.<sup>111</sup>

One consequence of the previous discussion is that it is no longer important to draw a categorical difference between opinion and knowledge. Rather than viewing knowledge and opinion as two fundamentally different categories, knowledge and opinion can be regarded in

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<sup>109</sup> McCloskey, Deirdre, *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.100.

<sup>110</sup> McCloskey, Deirdre, *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.73.

<sup>111</sup> James, William, "Pragmatism's Conception of truth", in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1907), p.80.



a much more fluid fashion. Opinion is concerned with issues a given group of people find it hard or impossible to reach agreement; knowledge can be considered where a given group of people who are deemed competent easily find agreement. Rorty makes this point nicely:

the gap between truth and justification [should not be seen] as something to be bridged by isolating a natural and transcultural sort of rationality which can be used to criticize certain cultures and praise others, but simply as the gap between the actual good and the possible better....to say that what is rational for us now to believe may not be true, is simply to say that somebody may come up with a better idea. It is to say that there is always room for improved belief, since new evidence, or new hypotheses, or a whole new vocabulary may come along....the desire for as much intersubjective agreement as possible, the desire to extend the reference of "us" as far as we can. Insofar....[there is] a distinction between knowledge and opinion, it is simply a distinction between topics on which agreement is relatively easy to get and topics on which agreement is relatively hard to get.<sup>112</sup>

This blurring of the knowledge/opinion boundary does not make knowledge any less important. Knowledge remains an important aspect of life but the standard as to what counts as knowledge is lowered from an eternal and transcendental sphere to the sphere of the community. In this vein, Rorty writes that

to say that truth and knowledge can only be judged by the standards of the inquirers of our own day is not to say that human knowledge is less noble or important, or more "cut off from the world," than we had thought. It is merely to say that nothing counts as justification unless by reference to what we already accept, and that there is no way to get outside our beliefs and our language so as to find some test other than coherence.<sup>113</sup>

This also implies that there is no singular kind of objectivity that guides all scientific reasoning. Rather, each type of inquiry may have a different standard of assessment as to what is regarded as objective within the discipline. This leads to a recognition that any problem may have a multitude of answers depending on what perspective one wants to take. Consider the question, is \$50 a lot of money? Well, the answer would depend on the context. There is no single perspective which reflects all available positions. It would be a lot of money in the US in 1800, little money in Manhattan today, but still a lot of money in Papua

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<sup>112</sup> Rorty, Richard, "Solidarity or Objectivity", in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p. 369.

<sup>113</sup> Rorty, Richard, *Philosophy and the Mirror of Nature*, Princeton: Princeton University Press, 1979, p.178.

New Guinea today. Every question can be answered in different ways, all of which could be equally true. James makes a very similar argument:

Our account of truth is an account of truths in the plural, of processes of leaning, realised in rebus, and having only this quality in common that they pay. They pay by guiding us into or towards some part of a system that dips at numerous points into sense-precepts, which may copy mentally or not, but with which at any rate we are now in the kind of commerce vaguely designated as verification. Truth for us is simply a collective name for verification processes, just as health, wealth, strength, etc. are names for other processes connected with life, and also pursued because it pays to pursue them. Truth is made, just as health, wealth, and strength are made, in the course of experience.<sup>114</sup>

It seems futile, and unnecessary, to appeal to some superior notion of truth. We do not need, and in fact do not have, a universal and transcendental entity which can somehow guide the right standard of every inquiry. The ultimate truth is irrelevant to the way we live.

McCloskey phrases this point this way:

The "ultimate" way is not relevant. We need intellectual nourishment here and now, not epistemological pie in the sky. The appeal of epistemological methodologists since Bacon to experimental facts as the "ultimate arbiter," for instance, will dismiss mere reflection as an idol to be cast into the flames or at least pushed off its altar.<sup>115</sup>

Rather than seeing truth as correspondence to ultimate reality, truth is whatever is deemed to be justifiable to our fellow beings. The criticism that this means that there is no way of guaranteeing that what our respective community has accepted as justifiable is actually true, is thus essentially meaningless since it already presupposes that there is another standard of truth but community ascent. But this standard cannot exist. The world can only be understood with the vocabularies we use. As Rorty writes:

Truth cannot be out there - cannot exist independently of the human mind - because sentences cannot so exist, or be out there. The world is out there, but descriptions of the world are not. Only descriptions of the world can be true or

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<sup>114</sup> James, William, "Pragmatism's Conception of truth", in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1907), p.85.

<sup>115</sup> McCloskey, Deirdre. *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.158.

false. The world on its own - unaided by the describing activities of human beings – cannot.

Whenever we appeal to ‘know something’, we are not actually talking only about the external world. Rather, we are trying to convince our interlocutor that whatever we have come to understand is in fact just what they would come to understand. But this coming to an understanding can never be a property of the external world but merely properties of our interaction with the environment and with our fellow people. In this vein, Wilfrid Sellars writes that when “characterizing an episode or a state as that of knowing, we are not giving an empirical description of that episode or state; we are placing it in the logical space of reasons, of justifying and being able to justify what one says.”<sup>116</sup> We have no way of stepping outside our subjective condition and we should therefore be content with justification as the “ultimate” standard. But this does not mean that whatever we currently happen to justify, may not be improved upon in the future.

Another important aspect to this discussion is that truth by itself is meaningless. We care about the truth of statements that are important to us, because they are important, and not because they are truthful. There are an infinite number of true statements that could be made about the world; yet, no one bothers with them because they are seen as irrelevant and meaningless. Not meaningless in the sense of the Vienna circle – i.e. not in conformity with some standard of logic – but because the ascertaining of the truth value itself adds nothing which we see as important for our daily life. When I enter a room, I ordinarily do not need to know what construction method was used to erect it, nor am I interested in the daily caloric intakes of the construction workers who built it. James phrases this nicely this way: “For what seriousness can possibly remain in debating propositions that will never make any

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<sup>116</sup> Quoted in Rorty, Richard, *Philosophy and the Mirror of Nature*, Princeton: Princeton University Press, 1979, p.141.

appreciable difference to us in action? And what matters it, when all proposition are practically meaningless, which one of them be called true or false".<sup>117</sup>

Considerations about the importance of truth therefore shift from thinking about the end point of inquiry to what difference such consideration make to how people live their lives. For economists, and social scientists, you undertake an inquiry so as to arrive at truth. But if there are different kinds of truth, any statement we seem justifiably to hold true can only the starting point of the discussion. The idea is to say that if a belief is true, how does it affect the way we live, both as an individual and as a community of beings? James writes:

"Grant an idea or belief to be true,"...."what concrete difference will its being true make in anyone's actual life? How will the truth be realised? What experiences will be different from those which would obtain if the belief were false? What, in short, is the truth's cash-value in experiential terms?".... The truth of an idea is not a stagnant property inherent in it. Truth happens to an idea. It becomes true, is made true by events. Its verity is in fact an event, a process: the process namely of its verifying itself, its veri-fication. Its validity is the process of its valid-ation.<sup>118</sup>

It should be quite apparent that the notion of community is of crucial importance. The notion of community highlights that the production of knowledge itself is a social practice. Justification is not about relations between words and objects but about relations between us and others. Rorty explains:

Once conversation replaces confrontation...the notion of philosophy as the discipline which looks for privileged representations among those constituting the Mirror becomes unintelligible. A thoroughgoing holism has no place for the notion of philosophy as "conceptual," (is "apodictic," as picking out the "foundations" of the rest of knowledge, as explaining which representations are "purely given" or "purely conceptual," as presenting a "canonical notation" rather than an empirical discovery, or as isolating "trans-framework heuristic categories." If we see knowledge as a matter of conversation and of social practice, rather than as an attempt to mirror nature, we will not be likely to envisage a metapractice which will be the critique of all possible forms of

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<sup>117</sup> James, William, "Philosophical Conceptions and Practical Results", in in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1898), p.77.

<sup>118</sup> James, William, "Pragmatism's conception of truth", in in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1898), p.80.

social practice. So holism produces...a conception of philosophy which has nothing to do with the quest for certainty.<sup>119</sup>

The aim of social inquiry can never be the evaluation of mere propositions. Instead, the person inquiring into social affairs is always part of a larger and longer conversation about how we ought to live. And this conversation takes place according to rules of conversation, and not according to transcendental standards of logic and truth. The error, as Deirdre McCloskey warns, “is to think that you are engaged in mere making of propositions, about which formal logic speaks, when in fact you are engaged all day, most days-in persuasive discourse, aimed at some effect about which rhetoric speaks.”<sup>120</sup>

This confusion arises from the idea of unmediated knowledge, the idea that all knowledge is not social but individual. McCloskey makes this point in the following way: “Real knowing is said to be individual and solipsistic, not social. No one needs to say anything to you, the Cartesian says, to persuade you of the ancient proof of the irrationality of the square root of two. There is nothing social about your assent to it.”<sup>121</sup> But all science is a social performance. It is guided and assessed by the audiences which partake in this performance. McCloskey writes:

Economic scientists, then, persuade with many devices, and as speakers have an audience. To repeat, they do not speak into the void: the rhetorical character of science makes it social. The final product of science, the scientific article, is a performance. It is no more separated from other literary performances by epistemology than pastoral poetry is separated from epic by epistemology. Epistemology is not to the point. Literary thinking is.<sup>122</sup>

The last point I want to make in this context is that the idea that substance can be completely separated from style seems hard to maintain. One of the main presuppositions is that the intrinsic worth of an argument can somehow be extracted from the way it has been

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<sup>119</sup> Rorty, Richard, *Philosophy and the Mirror of Nature*, Princeton: Princeton University Press, 1979, pp.170-1.

<sup>120</sup> McCloskey, Deirdre, *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.24.

<sup>121</sup> McCloskey, Deirdre, *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.61.

<sup>122</sup> McCloskey, Deirdre, *The Rhetoric of Economics*, Second Edition, Madison: The University of Wisconsin Press, 1998, p.28.

presented. Put slightly differently, this is another incarnation of the belief that the numbers or the fact speak for themselves. But as I hope to have argued, they do not. We speak with the facts. And if we analyze the nature of speaking and writing in an academic context, we realise that we have adopted a lot of conventions that have little to do with ‘the facts’. Rather, they have something to do with persuasion and legitimization. Rather than referring to the facts as the only realm of importance, academics follow certain conventions in order to assure the interlocutors that the position they advance should be believed. Amelie Oksenberg Rorty (Richard Rorty’s wife at one point) puts this point nicely when he writes:

Conviction is often carried by a charismatic, authoritative style: its clarity and condensation, the rhythms of its sentences, and its explosive imagery. But often the form of a work assures its legitimation: a dedication indicating continuity of descent, a *nihilobstat*, the laying on of hands by footnotes acknowledging the advice of established authorities, the imprimatur of publication by a major university press. The apparatus of footnotes, appendixes, graphs, diagrams, formulas, used with measure and discretion, indicate a proper sobriety. Sobriety, attention to detail, care without obsession, the right balance of generality and attention, an easy rather than a relentless use of imagery and metaphor-these are integral to philosophical legitimation.<sup>123</sup>

I return to this point in the next chapter but before doing so I would like to turn to one more major methodological claim about the nature of science made by economists, namely that there is a unique and uncontroversial way to test a proposition.

### *Testability of propositions*

Suppose we have reached the point where a sympathetic advocate of the methodological assumptions of economics is ready to concede that the methodology as presented in a typical narrative of the scientific method are too simplistic. She may agree that there is indeed no way to access the world in general; all theorizing always reflects a larger social and cultural context. She may also agree that there is no unique standard which can be used for purposes

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<sup>123</sup> Rorty, Amelie, “Experiments in Philosophic Genre: Descartes Meditations”, *Critical Inquiry*, 9, 1983, p.546.

of evaluation. All standard of evaluation are also chosen by the community which partakes in the process. So, the sympathetic economists may agree with these points to say that economic theorizing is constitutive of a certain way of life: Our way. Economic theory reflects the typical standpoint taken by a person in our times and the standard of efficiency by which economics assesses the world is exactly the standard our society embraces. It is not a problem that economics fosters a certain way of life and a certain way of thinking. It is one of its main benefits.

Having conceded this much, the sympathetic economist may then claim, that within the boundaries of our own cultural horizon, economic knowledge can indeed be said to be true. Even though all economic knowledge obviously reflects the limitations of our time, the methodology of economics has a way of unequivocally differentiating between those propositions which are true and those which are not, given our cultural horizon. So while economics cannot provide any propositions which can be said to have universal validity, they can nevertheless provide propositions which can be said to have universal validity within our own historical time. An immediate response to this may want to problematise how one goes about drawing the boundaries of our historical and cultural time but I do not want to focus on this point. Rather, I want to directly counter the point that even within our very own specific, historical, cultural time, there is still no unique methodology which can be chosen to conclusively evaluate the truth of a proposition.

The basis for most contemporary understanding of what it means to evaluate a proposition is usually considered to be Popper's theory of falsification. Popper wants to demarcate the scientific from the pseudo-scientific. Popper aims to circumvent Hume's problem of induction which he takes to be "the question of the validity or the truth of universal statements which are based on experience, such as the hypotheses and theoretical

systems of the empirical sciences.”<sup>124</sup> His aim is to find a criterion which can differentiate between the scientific and the metaphysical, or as he writes, “the problem of finding a criterion which would enable us to distinguish between the empirical sciences on the one hand, and mathematics and logic as well as ‘metaphysical’ systems on the other.”<sup>125</sup> He rejects the validity of inductive knowledge because it cannot provide such a criterion. Popper writes that “my main reason for rejecting inductive logic is precisely that it does not provide a suitable distinguishing mark of the empirical, non-metaphysical, character of a theoretical system; or in other words, that it does not provide a suitable ‘criterion of demarcation.’”<sup>126</sup> For Popper, only deduction can lead to knowledge.

Before going into further details on Popper’s theory of falsification, I would like to briefly highlight how the idea of a demarcation criterion in general is just another instance of the idea of knowledge in general. Popper himself makes this point explicit:

This problem [of induction] was known to Hume who attempted to solve it. With Kant it became the central problem of the theory of knowledge. If, following Kant, we call the problem of induction ‘Hume’s problem’, we might call the problem of demarcation ‘Kant’s problem’. Of these two problems—the source of nearly all the other problems of the theory of knowledge—the problem of demarcation is, I think, the more fundamental.

The criticisms raised earlier about the idea of knowledge in general could also be made about the idea that there is a problem of demarcation in general. I do not want to repeat myself unnecessarily, so I will leave it at that.

Popper’s argument is that a theory should be regarded as scientific if and only if it is falsifiable. It is falsifiable if it divides the class of all basic statements - all self-consistent singular statements of fact- into one of two non-empty categories. The first category comprises all those statements with which the theory is inconsistent (the ones it prohibits); this category is called the potential falsifiers of a theory. The second category encompasses

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<sup>124</sup> Popper, Karl, *The Logic of Scientific Discovery*, London: Routledge, 2005 (1935), p.4.

<sup>125</sup> Popper, Karl, *The Logic of Scientific Discovery*, London: Routledge, 2005 (1935), p. 11.

<sup>126</sup> Popper, Karl, *The Logic of Scientific Discovery*, London: Routledge, 2005 (1935), p. 11.



all those statements which the theory permits. Hence, a theory is scientific if “the class of its potential falsifiers is not empty.”<sup>127</sup> In order to practically falsify a theory, it would appear that all we need to accept is a basic statement that is contradictory with the theory. But this condition is not sufficient. Since Popper acknowledges the occurrence of non-reproducible single results - something that went wrong for some unknown reason - a theory is only falsified if the potential falsifier that refutes the theory can be reproduced (repeated). In other words, we can only falsify a theory if a hypothesis can be proposed that repeatedly demonstrates refutation.

Whilst logical falsifiability could be regarded as a desirable property, Popper does not really face the question of whether scientific practices actually incorporate this criterion into their daily routines. A number of subsequent scholars point out that neither does the work of actual natural scientists follow the idea of logical falsifiability nor could they even potentially hope to do so.<sup>128</sup> A major problem is that the problem of induction reappears after all, this time in number of different guises. One of these guises is termed underdetermination. Any experiment always relies on more assumptions about the world than the one singled out for empirical testing. Since no single proposition can ever be tested in isolation, the investigator always has to make a choice as to what the experiment actually tested. When an experiment successfully refutes a theory, we do not actually know what was refuted; we only know that something was refuted. Pierre Duhem points to this issue as far back as 1914:

In sum, the physicist can never subject an isolated hypothesis to experimental test, but only a group of hypotheses; when the experiment is in agreement with the his predictions, what he learns is that at least one of the hypothesis constituting his group is unacceptable and ought to be modified; but the experiment does not designate which one should be changed.<sup>129</sup>

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<sup>127</sup> Popper, Karl, *The Logic of Scientific Discovery*, London: Routledge, 2005 (1935), p. 66.

<sup>128</sup> Kuhn, Lakatos, Feyerabend, Quine, Duhem have made this point in a number of different ways.

<sup>129</sup> Duhem, Pierre, *The Aim and Structure of Physical Theory*, Princeton: Princeton University Press, 1954, p.187.

Conventionally, one assumes that it was the intended hypothesis and not one of the auxiliary ones' that was refuted, but this hope is not based on logical grounds. Since we cannot test a theory (= hypothesis) in isolation, falsifiability cannot tell us anything about a particular theory, only about the entire construct in which this theory is embedded (= set of hypotheses).

Willard Van Orman Quine subsequently took up Duhem's criticism and expanded it to say that all our beliefs form an interconnected totality and we that there was no way to step-out of this totality in order to examine a single proposition. As Quine writes,

The totality of our so-called knowledge or beliefs, from the most casual matters of geography and history to the profoundest laws of atomic physics or even of pure mathematics and logic, is a man-made fabric which impinges on experience only along the edges. Or, to change the figure, total science is like a field of force whose boundary conditions are experience. A conflict with experience at the periphery occasions readjustments in the interior of the field. But the total field is so underdetermined by its boundary conditions, experience, that there is much latitude of choice as to what statements to reevaluate in the light of any single contrary experience. No particular experiences are linked with any particular statements in the interior of the field, except indirectly through considerations of equilibrium affecting the field as a whole.<sup>130</sup>

In other words, even within our own cultural horizon there is no way to evaluate unequivocally the truth of any single economic proposition. Economic knowledge cannot rely on the belief that it has access to a unique way to test economic proposition.

This kind of talk often leads to the fear that if there is no unique way of testing an economic proposition, there can be no objective knowledge. And if there is no objective knowledge, each argument is as good as any other. I want to emphasise that the last step does not follow since it relies on a confusion between different conceptions of objectivity. Helen Longino focuses on this point. She distinguishes objectivity in the sense of exact correspondence to reality from objectivity in the sense of non-arbitrary. In other words, some theories are considered objective because they are based "upon non-arbitrary and non-

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<sup>130</sup> Quine, Willard, "Main Trends in Recent Philosophy: Two Dogmas of Empiricism", *The Philosophical Review*, 60 (1), 1951, p39.

subjective criteria for developing, accepting, and rejecting hypothesis and theories”<sup>131</sup> even though these criteria are itself subject to discussion.

The decision as to what counts as non-arbitrary standards of justification are provided by the respective community. All theorizing, also science, is always a community process. Longino writes that the “application of scientific method, that is, of any subset of the collection of means of supporting theory on the basis of experimental data, requires by its very nature two or more individuals. Even a brief reflection on the actual conditions of scientific practice shows that this is so.”<sup>132</sup> Even if it is often the case that the majority of a scientific theory is due to the accomplishment of a single individual, this does not mean that science is performed by that individual alone. Even if a single individual publishes a theory in a paper or lecture, this does not make that theory part of scientific canon. Rather, the theory needs to be accepted by other scientists. A single individual also relies on previous work and understandings in doing his research. In this vein, Einstein might have been the single individual who posited the theory of relativity, but he nevertheless relied on previous work in Newtonian physics; the predictions of his theory were also subsequently tested by a vast number of individuals. Only after a time of critical treatment from a number of people will a theory become part of scientific knowledge:

What is called scientific knowledge, then, is produced by a community (ultimately the community of scientific practitioners) and transcends the contributions of any individual or even of any subcommunity within the larger community. Once propositions, thesis, and hypotheses are developed, what will become scientific knowledge is produced collectively through the clashing and meshing of a variety of points of view.<sup>133</sup>

For Longino, ‘the clashing and meshing’ is equivalent to the possibility of inter-subjective criticism through peer review and other institutions. It is this possibility of intersubjective

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<sup>131</sup> Longino, Helen, *Science as Social Knowledge: Values and Objectivity in Scientific Inquiry*, Princeton: Princeton University Press, 1990, p.170.

<sup>132</sup> Longino, Helen, *Science as Social Knowledge: Values and Objectivity in Scientific Inquiry*, Princeton: Princeton University Press, 1990, p.174.

<sup>133</sup> Longino, Helen, *Science as Social Knowledge: Values and Objectivity in Scientific Inquiry*, Princeton: Princeton University Press, 1990, p.176.

criticism that leads objectivity in spite of the context dependence of evidential reasoning. Longino distinguishes between a number of types of criticism, the major categories of which are evidential and conceptual criticism. One form of conceptual criticism is that scientists can question the relevance of evidence presented in support of a hypothesis. It is through this mechanism that scientists are able to question background beliefs or assumptions in light of which states of affairs become evidence. Since the relevance of evidence cannot be assessed by empirical means, disputes must be resolved by conceptual discussions. These discussions not only highlight an individual's background assumptions but also allow others to criticise and modify them:

As long as background beliefs can be articulated and subjected to criticism from the scientific community, they can be defended, modified or abandoned in response to such criticism. As long as this kind of response is possible, the incorporation of hypothesis into the canon of scientific knowledge can be independent of any individual's subjective preferences.<sup>134</sup>

One of the problems – and this is where Longino seems too simplistic in her account – is that it is never possible for all background beliefs to be articulated. But even though this is one more argument against objectivity in the universal and transcendental sense this merely strengthens the view that there is no higher authority in the ways of knowledge than the community who are deemed to be competent interlocutors. In any case, the methodological belief that there is an unequivocal test for economic propositions seems hard to maintain.

### *Conclusion*

In this chapter, I argue that the methodological underpinnings of positivism (or the scientific method or the hypothetico-deductive model) need to be called into question. There is no solid division between subject and object, between what is studied and those doing the studying. I review three separate presuppositions of positivism – that there exists something akin to

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<sup>134</sup> Longino, Helen, *Science as Social Knowledge: Values and Objectivity in Scientific Inquiry*, Princeton: Princeton University Press, 1990, p.179.

unmediated experience, that there exists a unique standard of truth by which any proposition can be assessed, and that there exists a way to unequivocally test a proposition – and argue that none of these arguments appear tenable. As a result, economics not only describes external reality but also helps to constitute it. So when economists go on to decry the uselessness of methodology, as Frank Hahn has done when he says “advise everyone to ignore cries of ‘economics in crisis, to avoid discussion of ‘mathematics in economics’ like the plague, and to give no thought at all to ‘methodology’”<sup>135</sup>, they are doing themselves and society a great disservice.

The disservice they are doing to themselves is that they misunderstand the project they are ultimately engaged in. Rather than discovering objective truth to be found out there in reality, economists are involved in fallible and always questionable political projects. The vision of economics as a neutral ground has a significant protective function for its practitioners. It insulates them from having to take responsibility for their results of their research and teaching. But as Jürgen Habermas has pointed out, this belief is really a case of false consciousness:

The sciences have retained one characteristic of philosophy: the illusion of pure theory. This illusion does not determine the practice of scientific research but only its self-understanding. And to the extent that this self-understanding reacts back upon scientific practice, it even has its point. The glory of the sciences is their unswerving application of their methods without reflecting on knowledge-constitutive interests. From knowing not what they do methodologically, they are that much surer of their discipline, that is of methodical progress within an unproblematic framework. False consciousness has a protective function.<sup>136</sup>

The second disservice is that the methodology which underlies positivism gives a false sense of authority to the kind of claims advanced by economists. Rather than seeing these claims as one perspective amongst many, they are seen as the sole legitimate authority on economic matters. Kaul has also made this point saying that perhaps “the most important

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<sup>135</sup> Hahn, Frank, “Reflections, *RES Newsletter*, 77, 1992, p5.

<sup>136</sup> Habermas, Jürgen, *Knowledge and Human Interests*, Boston: Beacon Press, 1971, p.315.

consequence of writing economic theory the way it is written by the disciplinary consensus in economics is the possibility of pretending that ‘economic’ concerns are somehow separate and separable from those of a political, cultural, social, moral, ethical, and ecological nature, and can be addressed ‘scientifically’ within economics.”<sup>137</sup>

Having highlighted the inadequacy of the methodology with which economics is practiced and taught, I will offer another way of approaching methodology in the next chapter. Rather than asking and thinking of propositions in terms of whether they are true, another methodology would be to think of the function and context of different statements: in which contexts they are made, with what purpose, by whom and for whom? This way of thinking about the purpose of statements is inspired by the idea of Wittgenstein’s language games. After having reviewed how the concept of language games can help in understanding how economic ideas are produced and transmitted, I turn to an analysis of different language games in the next part of this dissertation.

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<sup>137</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, p. 17.

## Chapter 2

### *From objectivity to solidarity*

#### *Introduction*

In the previous chapter, I argued that the vision of *homo economicus* is also upheld by a particular vision of methodology that sees methodology as a neutral procedure for arriving at the truth. This idea of methodology is seen in economics, as Kaul has already argued, “as the construction of formal models, which are legitimate because they are seen as attempts to generate knowledge of a general and universal kind which is unembodied and unembedded in any specific context. The appeal to the signifier ‘science’ performs the important function of stabilising the writing of such economic theory.”<sup>138</sup> I review what I judge to be three central presuppositions of this methodology in chapter one and argue that these presuppositions misrepresent how knowledge and ideas are produced. In short, I try to show that the methodology that underlies the vision of a *homo economicus* is as misleading as the vision of *homo economicus* itself.

In this chapter, I want to sketch an outline of a methodology in the spirit of *homo communicandis*. The key to this approach is the role which language plays in the process of knowledge creation. Rather than seeing language as a neutral tool, I argue that language actively influences the way in which we see the world. A very good heuristic to use is thus Wittgenstein’s notion of language games or what Davidson has called vocabularies. The underlying idea of a language game is that concepts only derive their meaning within a context and that the same utterances can be evaluated differently by an interlocutor if this context changes. This highlights again that there is no overarching single criterion or

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<sup>138</sup> Kaul, Nitasha, *Imagining Economics Otherwise: Encounters with Identity/Difference*, London: Routledge, 2008, p. 11.

procedure by which one can evaluate the truth of a proposition but that there only exist local criteria which may or may not be shared amongst participants.

In order to develop this argument, the chapter proceeds in three sections. After offering some further preliminary observations, the first section, entitled 'Language and the world' offers an introduction to the notion of language games and how language games can be used as a methodology to study the creation and transmission of knowledge and ideas. Language frames and primes how we see the world which means that an analysis and understanding of the way language works is essential if we are to understand how ideas and knowledge are generated and transmitted in society.

The second section, entitled 'Solidarity vs. Objectivity', introduces Rorty's heuristic which distinguishes two principal ways of generating meaning. The first way, what Rorty terms solidarity, is meant to capture the fact that humans create meaning by seeing their own life intrinsically as part of that of a larger community. The second way, objectivity, describes how another way to create meaning is to narrate one's life in the context of some non-human entity. One can also think of these two ways of creating meaning as socialisation aimed at two different goals: Solidarity aims to socialise individuals as thinking of themselves intrinsically as part of a human community. A person's loyalty is meant to be first and foremost directed towards other persons. Objectivity aims to socialise individuals as thinking of themselves as part of something larger than human. A person's loyalty is meant to be first and foremost directed towards that other goal.

The third section, 'Solidarity in Economics', argues that the vision of *homo economicus*, and the methodology used to advocate this vision, is an instance of the drive for objectivity in Rorty's sense. Training in economics teaches students that the aim of an economic system is efficiency and the methodology of economics is meant to teach students how to construct arguments about what constitutes an efficient system. Efficiency here serves



as that non-human goal. The same can be said for the scientific method. The loyalty of a researcher is meant to be attached to following the scientific method to arrive at truth. It is this method that gives meaning to what a researcher does. He follows the procedure to arrive at truth. The image of *homo communicandis*, and the methodology I advocate in first section of this chapter, is an instance of the drive for solidarity in Rorty's sense. My contention is that too much of economics is practiced in the image of objectivity and I give some preliminary reflections on how economics can be practiced in the name of solidarity. In the second part of this dissertation, I attempt to show how these reflections can actually be used to practice economics differently.

The vision of solidarity highlights that scholars working on socio-economic questions can also be regarded as a species of practical philosophers. The attributive 'practical' emphasises the fact that theoretical knowledge has practical consequences whose ramifications we are subjected to in our everyday life. On one level, scholars describe these ramifications and how they grew out of certain theoretical constructions. At another level, however, the objective can also be emancipatory, allowing ourselves to work towards a transformation of our self-understanding and thereby opening the door for different conceptualisations with different practical consequences thereby inviting renewed reflection and criticism.

To me, there are two chief ways in which this emancipatory potential can be realised. The work of Matthew Watson encapsulates one way of accomplishing this goal.<sup>139</sup> In reviewing the history of the formation of the contemporary conception of markets, Matthew Watson is able to open up our economic concepts as objects of comparison and contrast. Matthew Watson recognises, like Quentin Skinner, Michel Foucault, James Tully and others before him, that "it is easy to become bewitched into believing that the ways of thinking

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<sup>139</sup> Other good examples include: Blaney, David and Naem Inayatullah, *Savage Economics*, New York: Routledge, 2010; de Goede, Marieke, *Virtue, Fortune and Faith: A Genealogy of Finance*, Minneapolis: University of Minnesota Press, 2005.

about them [our concepts] bequeathed to us by the mainstream of our intellectual traditions must be *the* ways of thinking about them.”<sup>140</sup> Matthew Watson’s work helps us overcome this bewitchment by showing that the concepts and language of our own tradition at one point were used in quite different ways and with different meanings. Working within the history of ideas can help to recapture certain meanings of our economic concepts which have become lost in time. This highlights the contingent nature of our current economic categories, showing that there is nothing inevitable about the ways in which we currently conceptualise them. Quentin Skinner puts the benefits of doing such work this way:

The history of philosophy, and perhaps especially of moral, social and political philosophy, is there to prevent us from becoming too readily bewitched. The intellectual historian can help us to appreciate how far the values embodied in our present way of life, and our present ways of thinking about those values, reflect a series of choices made at different times between different possible worlds. This awareness can help to liberate us from the grip of any one hegemonic account of those values and how they should be interpreted and understood. Equipped with a broader sense of possibility, we can stand back from the intellectual commitments that we have inherited and ask ourselves in a new spirit of enquiry what we should think of them.<sup>141</sup>

However, I think it is important to note that this type of historical work needs to be supplemented and complemented by a different approach which has not nearly as much attention. At the same time as we inquire into the historical roots of our contemporary conceptions, we need to undertake a thorough analysis of our concepts as we use them today. This is necessary because our inherited language and concepts are the only means available through which current theory and practice can be problematised. This is an area where the idea of language games can serve a very useful function. One of the first questions to ask is the extent to which our inherited concepts are adequate to question the nature of our commitments. Any serious attempt to transform our current economic, social, and political life must begin with an appraisal of whether such a transformation can be envisioned in the

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<sup>140</sup> Skinner, Quentin, *Liberty Before Liberalism*, Cambridge: Cambridge University Press, 1998, p.116.

<sup>141</sup> Skinner, Quentin, *Liberty Before Liberalism*, Cambridge: Cambridge University Press, 1998, pp.116-117.

inherited language and concepts. In the third part of this dissertation, I face this issue more directly by analysing the concept of the market and the concept of violence.

The relation and mutually beneficial nature of these two approaches might be clarified through following analogy: Imagine we are wandering in an unfamiliar city and we end up lost. One way of finding one's feet would be to retrace the way we have come on a map, following each turn we have taken and each junction we have crossed from some starting point to where we are now or have been recently. This retracing allows us to reconstruct how we ended up *here rather than there* but there is little emphasis on what the current position actually looks like. For this we would have to look up from the map to see what our surroundings look like in detail. We would be able to notice many details about our current position which would be lost in the process of retracing on a map. In order to be able to read a map, we also need to have already learnt the rules that guide the reading of maps. This is another dimension to Wittgenstein's notion of language games and I next to provide an introduction to this powerful tool in the next section.

### *Language and the world*

Any understanding of how knowledge is generated requires an engagement with the relation between language and reality. It is often assumed that language depicts reality. Propositions hook onto reality in a unique way and one can evaluate any proposition by comparing it to reality as one finds it. This view, called the picture-theory of language, is thus concerned with evaluating the truth content of a proposition, whether in fact the proposition corresponds to reality. Kenny summarises this view as follows:

Any representation can be an accurate or inaccurate representation: it can give a true or false picture of what it represents....In any representation there are two things to consider: (a) what it is a representation of ; (b) whether it represents what it represents accurately or inaccurately. The distinction between these two features of a representation corresponds to the distinction,

concerning a proposition, between what the proposition means and whether what it means is true or false – between sense and truth-value.<sup>142</sup>

The picture theory of language is only convincing if the basic elements of a proposition were reducible to the basic elements of reality. There is, however, no straightforward way by which experience can be reduced into basic elements. There would need to be a standard or criterion according to which we could decide what exactly counts as a basic element. But a criterion, by definition, cannot be given by experience directly. We cannot use language as merely a tool that we can use to point out phenomena that exist “out there” in extra linguistic purity.

The primary means by which we relate to others is also through our usage of language. Thus, an account that highlights our bond to our fellow beings necessarily includes the usage of language. In fact, language provides the sole means of justification. For, above all, we have a linguistic membership. And this notion of our linguistic membership was first brought out prominently in the notion of Wittgenstein’s language games. Wittgenstein introduces the practice of language as follows:

In the practice of the use of language, one party calls out the words, the other acts on them. In instruction in the language the following process will occur: the learner names the objects; that is, he utters the word when the teacher points to the stone – And there will be this till simpler exercise: the pupil repeats the words after the teacher - -both of these being processes resembling language.<sup>143</sup>

Wittgenstein calls this practice a language game in order to highlight that language is not simply used to describe an external reality out there, independent of the observer but that it in a real sense constitutes that reality. By exercising our linguistic membership within the communities which we are part of, we effectively take part in a way of life. Wittgenstein explains that “the term “language game” is meant to bring into prominence the fact that the

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<sup>142</sup> Kenny, Anthony, *Wittgenstein*, Oxford: Blackwell, 2005, p.44.

<sup>143</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §7.

speaking of a language is part of an activity, or a form of life.<sup>144</sup> In order to be able to infer the correct meaning of a sentence requires much more than simply knowing the terms of the sentence. One needs to know what kind of language game is being played – the context in which the sentence is uttered. Wittgenstein offers a number of examples about the possible language games one may play:

- Giving orders, and obeying them
- Describing the appearance of an object, or giving its measurements
- Constructing an object from a description (a drawing)
- Reporting an event
- Speculating about an event
- Forming and testing a hypothesis
- Presenting the results of an experiment in tables and diagrams
- Making up a story, and reading it
- Play-acting
- Singing catches
- Guessing riddles
- Making a Joke telling it
- Solving a problem in practical arithmetic
- Translating from one language into another
- Asking thanking, cursing greeting, praying.<sup>145</sup>

In his painstaking analysis of different language games, Wittgenstein attempts to demonstrate that the very nature of how language is used makes the correspondence theory of truth unacceptable. He writes:

Our clear and simple language-games are not preparatory studies for a future regularization of language—as it were first approximations, ignoring friction and air-resistance. The language-games are rather set up as objects of comparison which are meant to throw light on the facts of our language by way not only of similarities, but also of dissimilarities. For we can avoid ineptness or emptiness in our assertions only by presenting the model as what it is, as an object of comparison—as, so to speak, a measuring-rod; not as a preconceived idea to which reality must correspond. (The dogmatism into which we fall so easily in doing philosophy).<sup>146</sup>

It is not a question of whether our language corresponds to reality. Rather it is a matter of how I can make myself be understood which at the same time is necessarily also a way of how I cannot make myself understood. One of Wittgenstein's great accomplishments is to

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<sup>144</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §23.

<sup>145</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §604.

<sup>146</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §130-131.

describe the ways in which I cannot make myself understood and the correspondence theory is exactly one of those ways. In this way, Wittgenstein shifts the focus from correspondence to justification. But not only that. He also highlights that justification is an action. It is an action because it allows us to take certain action by the very fact of being justified to do so. All justification is thus inherently a claim to of legitimization:

....How can a proposition follow from sense impressions? Well, does it follow from the propositions which describe the sense-impressions? No.—But don't I infer that a chair is there from impressions, from sense-data?—I make no inference —and yet I sometimes do. I see a photograph for example, and say "There must have been a chair over there" or again "From what I can see here I infer that there is a chair over there." That is an inference; but not one belonging to logic. An inference is a transition to an assertion; and so also to the behaviour that corresponds to the assertion. 'I draw the consequences' not only in words, but also in action. Was I justified in drawing these consequences? What is *called* a justification here?—How is the word "justification" used? Describe language-games. From these you will also be able to see the importance of being justified.<sup>147</sup>

The search for certainty itself is just another language game. But when I say “just” I do not mean to belittle the search for certainty since no language game is intrinsically more worthwhile than any other. Rather, “just” here is meant to bring out exactly the opposite. It is because no language game is intrinsically superior that the quest for certainty is also intrinsically no more worthwhile than any other game. Practically, however, the preoccupation with the quest for certainty (which can never be found) takes our attention away from playing those games that might resolve practical problems. Thus, we should be concerned how language games manifest themselves in action:

We should sometimes like to call certainty and belief tones, colourings, of thought; and it is true that they receive expression in the *tone* of voice. But do not think of them as 'feelings' which we have in speaking or thinking. Ask, not: "What goes on in us when we are certain that . . . .?"—but: How is 'the certainty that this is the case' manifested in human action? "While you can have complete certainty about someone else's state of mind, still it is always merely subjective, not objective, certainty."—These two words betoken a difference between language-games.<sup>148</sup>

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<sup>147</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §480.

<sup>148</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §225.

Sabina Lovibond highlights how the notion of language games and community are intrinsically connected. Because language games require our participation (for without participation there is no game), we should become aware that the game we play is unique. It is an awareness of this uniqueness which allows us to recognise and accept the other. We become aware of the fact that our way of life is one of many and that there is no ground from which we could judge this way to be intrinsically better than any other. All we can say is that we play in this way and that we do not want to play in another way:

An adherent to Wittgenstein's view of language should equate that goal [accepting that there is no ultimate truth] with the establishment of a language game in which we could participate ingenuously, while retaining our awareness of it as a specific historical formation. A community in which such a language game was played would be one...whose members understood their own form of life and yet were not embarrassed by it.<sup>149</sup>

Arguments along the lines above are often countered by unsympathetic critics with the argument that because there is no longer a single standard for each community, there can be no standards at all. But this reasoning is erroneous. The abandonment of any ultimate standard does not lead to the impossibility of communicative practice. Communicative practices always have standards, it is just that these standards are not sufficient for us to reach a stage of ultimate truth. William James puts it this way:

All human thinking gets discoursified; we exchange ideas; we lend and borrow verifications, get them from one another by means of social intercourse. All truth thus gets verbally built out, stored up, and made available to everyone. Hence, we must talk consistently just as we must think consistently. For both in talk and in thought we deal with kinds. Names are arbitrary, but once understood, they must be kept to. We mustn't now call Abel 'Cain' or Cain 'Abel'. If we do, we ungear ourselves from the book of Genesis, and from all its connections with the universe of speech and fact down to the present time. We throw ourselves out of whatever truth that whole system may embody.<sup>150</sup>

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<sup>149</sup> Lovibond, Sabrina, *Realism and Imagination in Ethics*, Minneapolis: University of Minnesota Press, 1983, p.158.

<sup>150</sup> James, William, "Pragmatism's Conception of truth", in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011 (1907), p.84.

But even though there clearly are standards (we do communicate), many of these standard forever remain hidden. Wittgenstein says that is it because all language games can only be expressed in language itself that we must necessarily be unconscious of most of the commitments we hold when playing a game. He writes that we “remain unconscious of the prodigious diversity of all the everyday language-games because the clothing of our language makes everything alike.”<sup>151</sup> It is because of this unconsciousness of our most basic commitments that we need to examine some of the relationships between language and our commitments in more detail.

But before I further with this argument, I want to make three preliminary points which still need to be developed further. The first point is that the notion of different language games prominently brings out the equivalence of all language games. Put slightly differently, the notion of language games is inherently democratic. There is simply no master- or meta-game whose rules can be used in order to asses all other games. There is no single vocabulary that has the authority to speak for all others. Each game speaks for itself, or to be slightly more correct, we each speak for ourselves in the context of each game. No game is intrinsically more worthwhile than any other. Rorty puts this point well when he writes that: “The world does not speak. Only we do. The world can, once we have programmed ourselves with a language, cause us to hold beliefs. But it cannot propose a language for us to speak. Only other human beings can do that.....the world does not tell us what language games to play.”<sup>152</sup>

The second point is that because we are free to choose what language games we play, we each have a responsibility for the games we do play. The language games we play are also a basis of our personal identity and we are at least partly responsible for who we become. Language games intrinsically connect what we say to who we are and what we do and there

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<sup>151</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, § 224.

<sup>152</sup> Rorty, Richard, *Contingency, irony, and solidarity*, Cambridge: Cambridge University Press, 1989, p.6.



is a real chance, as Rorty puts it, that “changing languages and other social practices may produce human beings of the sort that have never before existed.”<sup>153</sup>

The third point is that the fundamental aim of the move towards language games is what Rorty has called the de-divinization of the world. Language games highlight the optionality of all our games and practices. Since no game is intrinsically superior to any other, nothing needs to be regarded as sacred. He explains further: “...we try to get to the point where we no longer worship anything, where we treat nothing as a quasi divinity, where we treat everything - our language, our conscience, our community – as a product of time and chance. To reach this point would be, in Freud's words, to "treat chance as worthy of determining our fate.”<sup>154</sup>

By highlighting the fact that truths are “verbally built out” and a form of our “connections with the universe of speech”, we can see that our language is part of a longer historical and political process. Language and politics are inherently intertwined. One may pretend otherwise but if there is one undeniable fact of existence it is that the ‘only way to communicate abstract thoughts from one mind to another is to use a natural language, or else to use some artificial language parasitic on a natural language because originally formulated in it.’<sup>155</sup> In and of itself, this statement is not particularly interesting. What makes it fascinating is the fact that language is a deeply personal act which creates, constitutes, and performs the reality in which we find ourselves. Put slightly differently, ‘[l]anguage provides the means for approaching, dissecting, and negotiating a subject matter, and it provides the rules and commitment responsible for creating the subject matter.’<sup>156</sup> The relationship between language and politics is further complicated by the fact that language influences our action in ways of which we are not entirely conscious. There is thus a double impact: Not

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<sup>153</sup> Rorty, Richard, *Contingency, irony, and solidarity*, Cambridge: Cambridge University Press, 1989, p. 7.

<sup>154</sup> Rorty, Richard, *Contingency, irony, and solidarity*, Cambridge: Cambridge University Press, 1989, p. 22.

<sup>155</sup> Uschanov, Tommi, “The Strange Death of Ordinary Language Philosophy”, 2000, available at <http://www.helsinki.fi/~tuschano/writings/strange/>. Last accessed June 3rd, 2012.

<sup>156</sup> Shapiro, Michael, *Language and Political Understanding*, New Haven: Yale University, 1982, p. 199.

only does language constitute and perform social reality but it also does so in ways that select certain parts of our experience as worthwhile while ignoring others, thereby shaping our perception of the world in a way that is inherently value-bound. Attempting to become cognizant of those ways can foster various insights into political life. Shapiro writes:

Because our linguistics habits tend to be shaped by a relatively passive language membership, we are apt to neglect the political import of our characteristic ways of speaking. If we ignore the rules that create what we speak about and how we speak about it, this passivity spills over into our political membership, promoting an insensitivity to much of our political life.<sup>157</sup>

In this way, language and our conceptualization do matter when we think about political and social life. Rather than seeing language as a neutral container which could be used to express reality, we need to come to terms with the fact that our concepts and the language games in which we employ them, also shape the possibilities we can envision when being prompted with a problem. This is so because, as Shapiro explains, “the very identification of a problem (how it is named, where it is located, who is thought to be responsible for what) narrows the range of alternative explanations because the identification itself partakes of a guiding social control ideology.”<sup>158</sup>

These fundamental philosophical points about the nature of language can also be made in a somewhat different way if we consider some of the work done in experimental psychology over the last decades. For completeness sake, I should mention that the scholars undertaking this work do not attempt to directly relate their experiments to the nature of language and knowledge. I shall limit myself to what I see as the two most interesting aspects: Priming and Framing.<sup>159</sup> The priming effect describes the process that words evoke memories and that these memories influence our reaction to words. Put differently, you are likely to act differently to an utterance depending on what you had previously been thinking about – the

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<sup>157</sup> Shapiro, Michael , *Language and Political Understanding*, New Haven: Yale University, 1982, p.233.

<sup>158</sup> Shapiro, Michael , *Language and Political Understanding*, New Haven: Yale University, 1982, p.182.

<sup>159</sup> For an excellent overview of a lot of relevant work see Kahneman, Daniel, *Thinking Fast and Slow*, London: Penguin, 2012.

previous experiences primed you to look at something one way and not another. Daniel Kahneman describes one experiment where it was suggested that “if you have recently seen or heard the word EAT, you are temporarily more likely to complete the word fragment SO\_P as Soup rather than Soap. The opposite would happen, of course, if you had just seen WASH.”<sup>160</sup> Even more surprisingly, it has been suggested that priming not only affects our thinking but also our doing. Kahneman describes an experiment where university students were asked to assemble four word sentences from set of five words.

For one group of students, half the scrambled sentences contained words associated with the elderly, such as Florida, forgetful, bald, grey, or wrinkle. When they had completed that task, the young participants were sent out to do another experiment in an office down the hall. That short walk was what the experiment was about. The researchers unobtrusively measured the time it took people to get from one end of the corridor to the other. As...predicted, the young people who had fashioned a sentence from words with an elderly theme walked down the hallway significantly more slowly than the others.<sup>161</sup>

This experiment suggests that we are not entirely conscious of ideas that influence our actions.

Further studies appear to suggest that priming is particularly powerful when people are primed on the concept of money.<sup>162</sup> In one experiment, conducted by Kathleen Vohs et. al., an experimenter dropped a number of pencils and the participants who had been primed on money choose to pick up fewer pencils.<sup>163</sup> In another experiment, participants were asked to set up chairs to get to know another person, and those who had been primed on money, set the chairs further apart (118 vs. 80 centimetres).<sup>164</sup> Kahneman rightly notes that “the general theme of these findings is that the idea of money primes individualism: a reluctance to be

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<sup>160</sup> Kahneman, Daniel, *Thinking Fast and Slow*, London: Penguin, 2012, p.52.

<sup>161</sup> Kahneman, Daniel, *Thinking Fast and Slow*, London: Penguin, 2012, p.53.

<sup>162</sup> For a great overview of 156 different priming experiments as well as some considerations about the difficulty of the replication of priming experiments see: Vohs, Kathleen, “Money Priming Can Change People’s Thoughts, Feelings, Motivations: An Update on 10 Years of Experiments”, *Journal of Experimental Psychology: General*, 144(4), 2015, e86-e93.

<sup>163</sup> Vohs, Kathleen, et al., “The psychological consequences of money”, *Science*, 314, 2006, p.1155.

<sup>164</sup> Vohs, Kathleen, et al., “The psychological consequences of money”, *Science*, 314, 2006, p.1156.

involved with others, to depend on others, or to accept demands from others.”<sup>165</sup> One could rephrase Kahneman’s and Vohs’ assessments to say that priming individuals on money subconsciously fosters the necessity to perform an individuality closer to *homo economicus*. The influence of priming on money makes it more difficult to act along lines of a *homo communicandis*. Priming on money emphasises the independence of an individual over his social connections. An implication of the research on priming is therefore that it matters how money is represented in academia and popular culture since the representations of money affect how individuals will choose to act in different circumstances.

The idea of framing describes a similar process but this time the focus is on the perception of a single idea (i.e. not how one idea will influence another). In a now famous experiment, Kahneman and Tversky asked respondents how they would respond given that an “Asian disease” was threatening to kill 600 people. There are two choices:

If program A is adopted, 200 people will be saved.

If program B is adopted, there is a one-third probability that 600 people will be saved and a two-thirds probability that no people will be saved.<sup>166</sup>

In this set-up, a substantial majority of respondents choose program A.

The outcomes of the programs were then presented in a different way. Respondents were given a choice between:

If program A' is adopted, 400 people will die.

If program B' is adopted, there is a one-third probability that nobody will die and a two-thirds probability that 600 people will die.

In this set-up, a large majority of the respondents choose program B.

The point of these two scenarios is that they represent the same situation. The number of people who die and survive is equal in each scenario. Yet, people overwhelmingly give different answers depending on whether the situation is presented (framed) in terms of people who die or people who survive.

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<sup>165</sup> Kahneman, Daniel, *Thinking Fast and Slow*, London: Penguin, 2012, p.56.

<sup>166</sup> Kahneman, Daniel, *Thinking Fast and Slow*, London: Penguin, 2012, p. 368.

Another wonderful illustration of framing comes from the anecdotes of Thomas Schelling. As part of one of his classes, he asked his students whether they agreed that the child exemption for tax purposes which is fixed at \$1,000 per child should be larger for families with higher income. In other words, a family with an income of \$120,000 and two children would get a larger tax exemption than a family with an income of \$20,000. Almost all of his students rejected this idea.

Schelling then points out to his class that the default case of the tax law could be different. Rather than assuming the default of no children and then granting a tax break for those with children, the default code could be designed on the basis of a typical family with two children. So that people would pay an additional “no child surcharge”. Schelling then asked his class if a childless family with an income of \$120,000 should pay the same surcharge as a childless family with an income of \$20,000. Again, almost all of his students rejected this idea.

If you look closely, however, you realise that like in the previous example, the situation is exactly the same. If you dislike the first idea you ought to like the second and vice versa. Compare the two scenarios:

A. Should the rich receive a larger child exemption than the poor (if both have children)?

B. Should the rich pay as little child surcharge as the poor (if both are childless)?

In scenario A, the students (and most of us) want the poor to receive at least equal amount of support for having children, then this also means that the students (and most of us) want the poor to pay at least an equal amount of penalty for being childless. One logically implies the other. Schelling eloquently puts it this way:

We originally found it difficult to argue that the taxable-income difference ought to be larger for the rich family than the poor [Scenario A]; now we find that the taxable –income difference ought to be larger for the rich family than the poor [Scenario B]. Since the same income tax can be formulated with either a base schedule for the childless couple with an adjustment for children, or as a base schedule for the family with children plus an adjustment for childlessness, it should not make any difference which way we do it. But by simply reformulating

the problem of the same income tax we seem to have arrived at the opposite conclusion.<sup>167</sup>

The difficulty is that it is impossible to think outside of frames. Should the tax code reward the rich with children or punish the poor without children? We do not like either choice, yet in the example one must be chosen.<sup>168</sup> What this means that there is no underlying reality language can hook onto in a unique way. There is no point imagining the problem outside the frame. Kahneman summarises this nicely when he writes:

Your moral feelings are attached to frames, to descriptions of reality rather than to reality itself. The message about the nature of framing is stark: framing should not be viewed as an intervention that masks or distorts an underlying preference...there is no underlying preference that is masked or distorted by the frame. Our preferences are about framed problems, and our moral intuitions are about descriptions, not about substance.<sup>169</sup>

In order to neatly segue this discussion to the next section, I would like to bring in some of the famous remarks by Robert Cox. Cox was one of the first scholars in International Relations to argue that a simplistic view in the scientific method needed to be abandoned. He emphasised that we look at a subject matter from a particular position – historical, social, religious, economic – and this particular position ultimately limits and guides the vast majority of what we might imagine to be pure observational content. Thus we should ask who or what a purported theory is for. He writes:

Theory is always for someone and for some purpose. All theories have a perspective. Perspectives derive from a position in time and space, specifically social and political time and space. The world is seen from a standpoint definable in terms of nation or social class, of dominance or subordination, of rising or declining power, of a sense of immobility or of present crisis, of past experience, and of hopes and expectations for the future. Of course, sophisticated theory is never just the expression of a perspective. The more sophisticated a theory is, the more it reflects upon and transcends its own perspective; but the initial perspective is always contained within a theory and is relevant to its explication. There is, accordingly, no such thing as theory in itself, divorced from a standpoint in time and space. When any theory so

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<sup>167</sup> Schelling, Thomas, *Choice and Consequence*, Cambridge: Harvard University Press, 1985, p.20.

<sup>168</sup> Schelling actually provides a solution to the tax example. If we assess tax in two dimensions, i.e. the tax credit (surcharge) changes with income. I don't know of any country that has implemented this idea.

<sup>169</sup> Kahneman, Daniel, *Thinking Fast and Slow*, London: Penguin, 2012, p.370.

represent itself, it is important to examine it as ideology, and to lay bare its concealed perspective.<sup>170</sup>

As these remarks were frequently misinterpreted to mean that there may still be a possibility that some theory is not ‘ideological’, Cox unequivocally clarified this position in an interview thirty years after the original remarks had been written:

What I meant is that...there is no neutral theory concerning human affairs, no theory of universal validity. Theory derives from practice and experience, and experience is related to time and place. Theory is a part of history. It addresses the problematic of the world of its time and place. An inquirer has to aim to place himself above the historical circumstances in which a theory is propounded. One has to ask about the aims and purposes of those who construct theories in specific historical situations.<sup>171</sup>

The consequences of this view have been neatly summarised by Rorty. Rather than allowing somebody to hide their position in terms of some unrealizable notions “truth” or “objective inquiry”, we need to point out that every inquiry includes a claim about a vision of life which the authors wants to justify. Thus, we should focus on that vision of life, or what Rorty calls the self-image of our society:

I think that putting the issue in such moral and political terms, rather than epistemological or metaphilosophical terms, makes clearer what is at stake. For now the question is not about how to define words like “truth” or “rationality” or “knowledge” or “philosophy”, but about what self-image our society should have of itself. The ritual invocation of the “need to avoid relativism” is most comprehensible as an expression of the need to preserve certain habits of contemporary European life. There are habits nurtured by the Enlightenment, and justified by it in terms of an appeal of Reason, conceived as a transcultural human ability to correspond to reality, a faculty whose possession and use is demonstrated by obedience to explicit criteria.<sup>172</sup>

One very useful way of thinking about the different purposes of theory (at a high level of abstraction) is through Rorty’s differentiation of objectivity vs. solidarity. I turn to this

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<sup>170</sup> Cox, Robert, “Social Forces, States, and World Order: Beyond International Relations Theory”, *Millennium - Journal of International Studies*, 10, 1981, p. 128.

<sup>171</sup> Schouten, Peer “Theory Talk #37: Robert Cox on World Orders, Historical Change, and the Purpose of Theory in International Relations”, *Theory Talks*, available at <http://www.theory-talks.org/2010/03/theory-talk-37.html>. Last accessed 8<sup>th</sup> of August 2015.

<sup>172</sup> Rorty, Richard, “Solidarity or Objectivity”, in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p.373-4.

differentiation in the next section and examine how this heuristic can help us to think about how to approach the study of economics.

### *Objectivity vs. Solidarity*

Rorty once suggested an interesting way to contemplate how human beings attempt to give meaning to their lives. He differentiates two principal ways of giving meaning. The first way highlights how an individual is always part of something larger. No human being has ever been born into isolation. The fact that every one of us has literally been part of another human being for about nine months and, that for a considerable while after we have finally become an independent living organism, we remain incapable of survival on our own, means that we always are inherently part of some community. Since this is the case, one way we can understand our life is within the practices of that one community, as a member who is in solidarity with all others members and their way of life. Rorty writes:

There are two principal ways in which reflective human beings try, by placing their lives in a larger context, to give sense to those lives. The first is by telling the story of their contribution to a community. This community may be the actual historical one in which they live, or another actual one, distant in time and place, or a quite imaginary one, consisting perhaps of a dozen heroes and heroines selected from history or fiction or both.....In so far as a person is seeking solidarity, she does not ask about the relation between the practices of the chosen community and something outside that community.<sup>173</sup>

This desire for solidarity emphasises the bond we have with the fellow members of our communities (whoever they may be), reminding us that we are but one of many and that this state of affairs puts us in a position of immediate obligation and responsibility towards our fellow beings. This sense of immediate obligation trumps all other considerations, including how our community might relate to other communities in space and time.

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<sup>173</sup> Rorty, Richard, "Solidarity or Objectivity", in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p.367.



The second heuristic attempts to place an individual into relation to some universal non-human reality. In contrast to viewing ourselves as indebted to our fellow community, we view ourselves as indebted towards something that transcends our particular community, in fact, that transcends all communities. Rorty calls this the “desire for objectivity”. This desire exemplifies that many human beings do not just want to understand their life as a member of a single community, all members of which are eventually going to die. Rather, they want to understand their life as part of something larger, something eternal which makes their short individual life part of an everlasting cosmic chain. Rorty writes that:

The second way is to describe themselves as standing in immediate relation to nonhuman reality. This relation is immediate in the sense that it does not derive from a relation between such reality and their tribe, or their nation, or their imagined band of comrades....Insofar as she seeks objectivity, she distances herself from the actual persons around her not by thinking of herself as a member of some other real or imagined group, but rather by attaching herself to something which can be described without reference to any particular human being.<sup>174</sup>

The desire for objectivity emphasises the urge towards some point of reference outside our selves, to make reference to something eternal and transcendental which would provide a stable and constant rationale for human action. Since this idea emphasises the relation to a non-human reality, however, it can lead to a disregard for the needs and wishes of our fellow beings.

The idea of economic and social inquiry in the name of the scientific method is very much an instance of the ‘desire for objectivity’. It may only be a slight exaggeration to suggest that a typically trained economist advances certain ideas about methodology exactly because this allows for the discovery of a meaningful existence in light of the universal laws and demand and supply and the transcendental logic of the market. It does not matter how this logic affects other human beings since the discovery of this universal logic marks the

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<sup>174</sup> Rorty, Richard, “Solidarity or Objectivity”, in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p.367.

peak of human achievement. Accordingly, the economist is not to be held responsible for how the logic of economics is used in actual societies. Rather, the allegiance of the economist is given to the idea of a universal form of inquiry.

As such, the economist is another instance of the general enlightenment tradition which seeks to satisfy the desire for objectivity by way of the concept of truth. But in satisfying this desire for objectivity, Western philosophy and contemporary economic theory has abandoned the idea of solidarity. The promise to uncover and discover the hidden logic of the market, to reach the holy grail of intellectual achievement, justifies any type of harm which we may currently cause to our fellow beings. Rorty writes:

The tradition of Western culture which centres around the notion of the search for Truth, a tradition which runs from the Greek philosophers through the enlightenment, is the clearest example of the attempt to find a sense on one's existence by turning away from solidarity to objectivity. The idea of truth as something to be pursued for its own sake, not because it will be good for oneself, or for one's real or imaginary community, is the central theme of this tradition.<sup>175</sup>

The preference of epistemology over questions of life thus makes certain kinds of inquiry more paramount than others. If we relate this point back to the discussion found in the first chapter, we can see how a particular way of conceiving social science is also linked to a particular way of conceiving the meaning of life.

By construing the problem of knowledge as the problem of knowledge in general, rather than a multitude of local problems, each of which may be resolved individually without providing a single solution to them all, epistemology goes hand in hand with a certain kind of metaphysics. This metaphysics posits that there must be a method of justification in general which is applicable to all areas of knowledge. This method of justification must intrinsically spring from the essence of human nature and provide a link between human beings and the reality they inhabit. In Rorty's words:

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<sup>175</sup> Rorty, Richard, "Solidarity or Objectivity", in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p.367.

[T]o construe truth as correspondence to reality,...they must construe a metaphysics which has room for a special relation between beliefs and objects which differentiate true from false beliefs. They also must argue that there are procedures of justification of belief which are natural and not merely local. So they must construe an epistemology which has room for a kind of justification which is not merely social but natural, springing from human nature itself, and made possible by a link between part of nature and the rest of nature. On their view, the various procedures which are thought of as providing rational justification by one or another culture may or may not really be rational. For to be truly rational, procedures of justification must lead to truth, to correspondence to reality, to the intrinsic nature of things.<sup>176</sup>

Since there is this link between human essence, our procedures of justification and all of reality, every question must in principle have one determinate answer. The aim of the search for the objective truth is to find this answer. But this necessity of the single answer extends from the realm of the natural to the realm of the social. Like the natural world, the problems of the social world also have to have one answer which the social theorist is meant to uncover. It is exactly this idea of a single answer which leads economists to posit that economists proceed “as if” the single answer could be implemented, knowing full well that this may not be possible.<sup>177</sup> But the existence of a single answer is simply out of the question.

Rorty states:

The enlightenment idea of “reason” embodies...the theory that there is a relation between the ahistorical essence of the human soul and moral truth, a relation which ensures that free and open discussion will produce “one right answer” to moral as well as to scientific questions. Such a theory guarantees that a moral belief that cannot be justified to the mass of mankind is “irrational”, and thus not really a product of our moral faculty at all. Rather, it is a “prejudice”, a belief that comes from some other part of the soul that “reason”. It does not share in the sanctity of conscience, for it is a product of a sort of pseudoscience – something whose loss in no sacrifice, but a purgation.<sup>178</sup>

It may be worthwhile to emphasise here how closely Rorty’s distinction touches upon different developments and controversies in the history of economic thought itself. I do not

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<sup>176</sup> Rorty, Richard, “Solidarity or Objectivity”, in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p. 368.

<sup>177</sup> I discuss this issue in more detail in the third chapter.

<sup>178</sup> Rorty, Richard, “Solidarity or Objectivity”, in Talisse Robert and Scott Aikin (eds.), *The Pragmatism Reader: From Pierce through the Present*, Princeton: Princeton University Press, 2011, p. 382.

think it goes too far to suggest that if we venture back to an older tradition of political economy, as I have urged in the introduction, we can find that Adam Smith's account of human agency is very much in tune with the idea of solidarity. Solidarity emphasises the relational aspects of human experience. The experience of one person is inherently connected to the experience of other people. In fact, the famous opening lines of *The Theory of Moral Sentiments* begin with this statement: "How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it."<sup>179</sup> Smith gives the term sympathy to the ability to feel with and for others. For Smith, sympathy is at the centre of all human interaction. This also holds for economic interaction. Given that Smith connects the ability to experience sympathy with the ability to communicate, it is not too far a stretch to say methodologically Smith would have sided with the idea of *homo communicandis* over *homo economicus*.

However, over the subsequent course of economic history, the image of objectivity began to predominate. Again, I cannot provide more than fleeting commentary on some of the relevant points here but two particular episodes bear mentioning. The first episode concerns the image of the nature of games played by human being, in particular the extent to which these games reflect concerns of objectivity or solidarity. Where Smith's account, Wittgenstein's notion of language games, Rorty's image of solidarity, and my notion of *homo communicandis* emphasise the social character of our experience, John von Neumann and Oscar Morgenstern, the founders of modern game theory, provide a very different notion of games. They are convinced that the social character is irrelevant to a consideration of economic phenomena and of the games we play. What matters for economic considerations is

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<sup>179</sup> Smith, Adam, *The Theory of Moral Sentiments*, Indianapolis: Liberty Fund, 1984, p.9.

the process of maximising. Against the view that the social nature of individuals does play a difference, they write:

The chief objection against using this very simplified model of an isolated individual for the theory of a social exchange economy is that it does not represent an individual exposed to the manifold social influences. Hence, it is said to analyze an individual who might behave quite differently if his choices were made in a social world where he would be exposed to factors of imitation, advertising, custom, and so on. These factors certainly make a great difference, but it is to be questioned whether they change the formal properties of the process of maximizing. Indeed the latter has never been implied, and since we are concerned with this problem alone, we can leave the above social considerations out of account.<sup>180</sup>

In Von Neumann's and Morgenstern's account, human experience becomes meaningful to the extent that we each live our life according to the maximisation principle. Put differently, the maximisation principle is an instance of Rorty's objectivity. We are not meant to understand our experience via sympathy and solidarity towards others but to the extent to which each one of us maximises our satisfaction to the greatest possible extent. For Von Neumann and Morgenstern, there is no question about whether people ought to act so as to maximise their satisfaction. Rather, this is the only way in which rational individuals behave. In this sense, Von Neumann and Morgenstern always equate a particular human rationality (maximising a means end relation) with human rationality *tout court*. It is this rationality that ultimately appears as the only desirable way of acting and interacting.

An even more stringent version of this striving for objectivity is found in John Nash's theory of games. Nash's formulation takes Von Neumann and Morgenstern as its starting point but makes a crucial restriction in one dimension. Whereas Von Neumann and Morgenstern had allowed for limited communication between actors, Nash prohibited any communication from taking place at all:

Von Neumann and Morgenstern have developed a very fruitful theory of two-person zero-sum games in their book *Theory of Games and Economic*

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<sup>180</sup> Von Neumann, John and Oscar Morgenstern, *Theory of Games and Economic Behaviour*, Princeton: Princeton University Press, 1953, p.10.

Behavior....Our Theory, in contradistinction, is based on the absence of coalitions in that it is assumed that each participant acts independently, without collaboration or communication with any of the others.<sup>181</sup>

This formulation of Nash's encapsulates one of the central characteristics of *homo economicus*, namely that she is not only asocial but also acommunicative. Put differently, in the economic history from Smith to Nash, the image of human nature has shifted from the vision of a person whose economic interaction occurs as part of a larger social and communicative experience to the image of a person who is insular and disconnected from his surrounding beings to the point of being incapable of communicating with them but who still somehow needs to optimise all his interactions with them for maximum satisfaction. It may be about time to reorient the image of human nature back to its communicative origin.

At the same time as Von Neumann and Morgenstern were working on an image of human nature in terms of objectivity, Milton Friedman was working on an image of social science methodology in terms of objectivity.<sup>182</sup> Even though Friedman only ever wrote a single paper on methodology, most commentators would agree that it is probably the single most important piece on the methodology of economics written in the 20<sup>th</sup> century.<sup>183</sup> In this vein, Daniel Hausman writes about the essay that it "is by far the most influential methodological statement of this century. It is the only essay on methodology that a large number, perhaps a majority, of economists have ever read."<sup>184</sup> Friedman argues that the only relevant consideration to evaluate a theory is whether it yields successful predictions. He states that "the ultimate goal of a positive science is the development of a "theory" or "hypothesis" that yields valid and meaningful (i.e., not truistic) predictions about phenomena

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<sup>181</sup> Nash, John, "Non cooperative Games", *The Annals of Mathematics*, 54(2), 1951, p.286.

<sup>182</sup> I have already touched upon some of the history of positivism in the introduction. This point is meant to supplement the discussion further.

<sup>183</sup> For a great overview on the importance of the essay see: Mäki, Uskali, *The Methodology of Positive Economics: Reflections on the Milton Friedman Legacy*, Cambridge: Cambridge University Press, 2009.

<sup>184</sup> Hausman, Daniel, *The inexact and separate science of economics*, Cambridge: Cambridge University Press, 1992, p.162.

not yet observed.”<sup>185</sup> Put differently, the search for prediction becomes the central meaning of research – not to help others or to understand the world. In this sense, Friedman’s drive to only consider the predictive success of theory is another instance in which objectivity won out over solidarity. Friedman’s main oversight, and there are many oversights to choose from, is that he forgets that theory also constitutes reality.<sup>186</sup> If theory also constitutes reality and socialises individuals into particular ways of acting, the question is not only whether it predicts correctly but in what ways it socialises individuals. In this sense, both on a theoretical front and a methodological front, economics urges students and researchers to look at the world in the image of objectivity. Thinking in terms of language games and *homo communicandis* is one way to counteract this urge.

The first step in the reversal of the image of *homo economicus* is to resist the urge to posit a ‘knower in general’ who seeks ‘knowledge in general’. Rather, we need to examine particular problems of particular individuals or communities in their respective historical and social settings in order to reach practical solutions. It needs to be understood at the outset what a monumental change in intellectual outlook is required for this to occur. For not only does economics need to adopt a new theory of knowledge but the standards by which this theory can be evaluated change as well. Rather than aiming at truth, and assessing theory in terms of whether it is true, we can ask to what extent the theory fosters solidarity. Shifting our perspective this way, we allow us to consider the various points which previously dropped out of our consideration, especially those of difference, identity, and authority. Rorty explains his vision beautifully when he writes:

In my utopia, human solidarity would be seen not as a fact to be recognised by clearing away "prejudice" or burrowing down to previously hidden depths but, rather, as a goal to be achieved. It is to be achieved not by inquiry but by

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<sup>185</sup> Friedman, Milton, *Essays in Positive Economics*, Chicago: University of Chicago Press, 1953, p.7.

<sup>186</sup> My concern here is very different from many criticisms which Friedman’s essay received. For a particular episode, it might be worth pointing out the issue of methodology also saw Friedman at odds with Paul Samuelson. See: Samuelson, Paul, “Problems of Methodology-Discussion”, *American Economic Review*, Proceedings, 53, 1963, pp. 231-36.

imagination, the imaginative ability to see strange people as fellow sufferers. Solidarity is not discovered by reflection but created. It is created by increasing our sensitivity to the particular details of the pain and humiliation of other, unfamiliar sorts of people. Such increased sensitivity makes it more difficult to marginalize people different from ourselves by thinking, "They do not feel it as we would," or "There must always be suffering, so why not let them suffer?"<sup>187</sup>

So the question clearly becomes how can solidarity be created in the teaching and practice of economics?

### *Solidarity in Economics*

The best way to practice a kind of economics that supports solidarity is to intrinsically link the image of economics with that of the imagination. Deirdre McCloskey has done this repeatedly in her work. So have Kurt Heinzelmann and Martha Nussbaum. An excellent recent attempt to explicitly argue for the role of imagination in economics is Richard Bronk's *The romantic economist* where he tries to argue that for a third way between narrow rationalism and excessive romanticism:

The mission of the Romantic Economist is now clear – to find ‘a third way’ between the narrow version of rationalism still entertained by many economists and the wilder excesses of Romanticism. This involves developing models of the behaviour of economic agents that recognise the vital roles played by imagination and sentiment as well as reason; and, when considering the prerequisites for good economic analysis, it involves championing the use of analytical imagination, metaphorical reasoning and open-mindedness as a complement to mathematical rigour and logic.<sup>188</sup>

Richard Rorty additionally links the idea of moral progress with an increase in imaginative power:

More specifically, we see both the intellectual and moral progress not as a matter of getting closer to the True or the Good or the Right but as an increase in imaginative power. We see imagination as the cutting edge of cultural evolution, the power which – given peace and prosperity – constantly operates so as to make the human future richer than the human past. Imagination is the cause of both new scientific pictures of the physical universe and of new conceptions of possible

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<sup>187</sup> Rorty, Richard, *Contingency, irony, and solidarity*, Cambridge: Cambridge University Press, 1989, xvi.

<sup>188</sup> Bronk, Richard, *The romantic economist: Imagination in Economics*, Cambridge: Cambridge University Press, 2009, p.25.



communities. It is what Newton and Christ, Freud and Marx, had in common: the ability to re-describe the familiar in unfamiliar terms.<sup>189</sup>

The first step in this endeavour needs to be to replace the notion that there is a predetermined human nature. Human beings excel in their plasticity and it is this flexibility that makes them truly human. Jesse Prinz put this point very nicely when he writes:

We must give up on approaches to social science that try to articulate how humans act or think by nature. Nature alone determines no pattern of behaviour. Rather, the investigation of our natural constitution should be directed at explaining human plasticity. We can call that the study of human nature, but the label is misleading. It carries with it the dubious idea that there is a natural way for human beings to be. This is not the case. By nature, we transcend nature.<sup>190</sup>

One important ramification of this view is that there is no natural way that the economic system ought to be organised. The belief in a predetermined human nature leads to the belief that the socio-economic system needs to be organised in the way most compatible with that nature. The only way to avoid the vision that we ought to have a particular socio-economic system is to reject the notion that there is only one way of acting rationally and economically.

What should be emphasised in place of unchangeable modes of behaviour is that we are socialised into particular ways of behaving. In the same way as we need to learn what it means to act economically, we also need to learn what it means to care for others. Rorty puts this nicely when he writes that he wants to foster

a picture of human beings as children of their time and place, without any significant metaphysical or biological limits on their plasticity. It means that a sense of moral obligation is a matter of conditioning [socialisation] rather than of insight. It also entails the notion of insight (in any area, physics as well as ethics) as a glimpse of what is there, apart from human needs and desires, cannot be made coherent.<sup>191</sup>

An important consequence of this stance is that the entire basis of economics needs to be fundamentally adapted. Rather than positing some kind of individual utility maximisers, the discipline needs to begin by considering what activities and goods are utility maximising

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<sup>189</sup> Rorty, Richard, *Philosophy and social hope*, London: Penguin, 1999, p.87.

<sup>190</sup> Prinz, Jesse, *Beyond Human Nature*, London: Penguin, 2013, pp.367-7.

<sup>191</sup> Rorty, Richard, *Philosophy and social hope*, London: Penguin, 1999, pp.14-5.

and why. In the vocabulary of standard economics, what is needed is an account of taste formation. The kind of taste formation I have in mind here is in the broadest possible sense. It not only concerns whether somebody prefers chocolate to vanilla ice-cream but whether somebody prefers to life in a relatively equal society to a relatively unequal one. Even more, what is required is a recognition that the kind of economic theory that is taught can also contribute to this process of taste formation.

The best way to introduce this kind of reflexivity into economic theory is to connect economic theory and teaching to an explicit theory of knowledge. In other words, some consideration needs to be given to how there is no intrinsic *homo-economicus* but that all economic principles are somehow the result of socialisation and internalisation. Part of this theory of knowledge includes a consideration of how people generate meaning for their life and how economic activity is related to an overall vision of what makes life worth living. It includes an appreciation of how difference can exist amongst human aims and desires and how the same fact can be seen from different angles and in different ways.

I think another beneficial effect of the abandonment of a sterile type of *homo-economicus* is that it human agency is properly humanised again. One of the grave misconceptions of microeconomics is the mechanical, automated picture of decision-making it presents. As if all behaviour is about calculating costs and benefits. But this idea not only works as a descriptive tool but also as a prescriptive advice. A number of experiments with undergraduate economics students appear to support this assertion experimentally. Robert Frank concludes from these experiments that “economics training [does not] transform people into serial killers but that it makes them marginally less likely to cooperate in social dilemmas.”<sup>192</sup>

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<sup>192</sup> Frank, Robert et. al., “Do Economists make bad citizens”, *Journal of Economic Perspectives*, 10(1), 1996, p. 187.

The overall result of many billion million instances of marginally less cooperation is that it impoverishes the human experience over the long-term. There is something aesthetically beautiful about people cooperating and about a society which is cooperative. This kind of society does not come about naturally but the necessary values and appreciation needs to be instilled. This does not mean that another type of society is somehow more natural. There is no state of nature in the sense that humans just approach nature as it is. Nature needs to be made comprehensible and in imposing a particular perspective on nature, we shape its appearance.

So what kind of values ought to be fostered in socialisation? I think it is as simple, or as difficult, as fostering an imaginative capacity. Part of what is involved in this fostering of the imagination is the development of empathy and sympathy. This is another instance where we can return to the spirit of Adam Smith. For Smith, the imagination is the very basis for why we have sympathy and empathy. He writes:

As we have no immediate experience of what other men feel, we can form no idea of the manner in which they are affected...it is by the imagination only that we can form any conception of what are his sensations. Neither can that faculty help us to this any other way, than by representing to us what would be our own, if we were in his case. It is the impressions of our own senses only, not those of his, which our imaginations copy. By the imagination, we place ourselves in his situation, we conceive ourselves enduring all the same torments, we enter as it were into his body, and become in some measure the same person with him, and thence form some idea of his sensations, and even feel something which, though weaker in degree, is not altogether unlike them.<sup>193</sup>

Richard Sennett has nicely elaborated further on this role of sympathy and empathy for cooperation. He writes:

Both sympathy and empathy convey recognition, and both forge a bond, but the one is an embrace, the other an encounter. Sympathy overcomes differences through imaginative acts of identification; empathy attends to another person on his or her own terms...both of these recognitions are necessary at different time and in different ways to practice cooperation.<sup>194</sup>

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<sup>193</sup> Smith, Adam, *The Theory of Moral Sentiments*, Indianapolis: Liberty Fund, 1984, p.9.

<sup>194</sup> Sennett, Richard, *Together: The rituals, pleasures, and politics of cooperation*, London: Penguin, 2013, p.21.

One of the most obvious ways in which to foster imaginative thinking in economics is to connect the subject matter with writings in fiction. I explore this idea in more detail in the next part of this dissertation. Luckily, such an attempt does not have to start from scratch. A number of works in different disciplines, especially literary criticism, have already considered some of the relevant issues. I want to draw upon their insights and fashion a way of thinking about how different kinds of texts produce economic knowledge and how this may be appropriated for a different kind of teaching in economics. As a first taste of what is to come, I would like to conclude this section with a longish quote from Heinzelman's *The economics of the imagination*, the spirit of which will guide the next part of the dissertation:

To put it another way, this book is not merely (or even primarily) a series of essays about political economy or about its "effects" on literature. Nor is it a general, theoretical excursus on the nature of metaphor. It is, rather, an intersystematic analysis of the language and logic which poetic and economic "systems" share. More specifically, by determining how economic theory imaginatively – fictively – structures economic discourse, we may explore how the art of political economy incorporates those structures; how this art is then expressed, formulated, and reassesses in literature; how it is also transfigured there.<sup>195</sup> In my discussion of Marxian economics...it is not my intention to prove that Marx was "wrong" – or that we was "right" – but only to disentangle and unfold some of the plangent and problematic upon which his theories are grounded. This work will find its final coherence, I think, if and when it has convinced the reader that such metaphors still inform our daily speech, our social fictions, and the literature we read – that they have, in fact, been translated by literature into challenging and largely unanalysed forms of thought which we literary and economic analysts alike, often unwittingly approximate, ignore, or repossess in our own thinking.<sup>196</sup>

### *Conclusion*

In this chapter, I make the case that the study of language and concepts can be a useful methodological foundation for studying economics. I draw heavily on the work of Wittgenstein's *Philosophical Investigations* to show how language always socialises individuals into particular ways of thinking. I next draw on Rorty's differentiation between

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<sup>196</sup> Heinzelman, Kurt, *The economics of the imagination*, Amherst: The University of Massachusetts Press, 1980, p.xi.

objectivity and solidarity to suggest that the current practice of economics too strongly socialises in the direction of objectivity. In the last section, I argue that the practice economics should more strongly be directed towards solidarity. I suggest that one way of accomplishing this aim to make use of works of fiction in the teaching of economics. In order develop this claim, the second part of this dissertation argues that works of fiction also contribute to the creation of economic knowledge and ideas. I also compare the ways in which economic textbook generate economic knowledge to the ways in which works of fiction generate such ideas.

One important implication of the discussion of this chapter, and of the notion of language games in general, is that there can never be only one way of doing economics. Different problems require different approaches and there can be no universal criterion to adjudicate which problem is to be ranked as paramount. Rather, we can ask what difference it makes to study economics *one way rather than another*. The aim of such inquiry, however, is not settle the question once and for all, but to engage in a dialogue through which we recognise that “it is the open-ended dialogue that brings insight through the activity of reciprocal elucidation itself.”<sup>197</sup>

In the next part of this thesis, I am going to try to open up new avenues for dialogue by applying a methodology appropriate for the image of *homo communicandis* to the practice of economics. I do so by highlighting how different texts produce knowledge and meaning and how they manage to do so. I turn to what at first sight appear to be very different kinds of texts. First, I will turn to economics textbooks in chapter three. I will also analyse two contemporary novels in chapter five. Wedged in between those two explorations, chapter four provides a further explanation of how both textbooks and novels can be studied along similar lines.

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<sup>197</sup> Tully, James, *Public philosophy in a new key: Volume I*, Cambridge: Cambridge University Press, 2008, p. 15.

# Part II

Having argued that knowledge is not a matter of getting closer to reality per se, the second part of this dissertation is going to examine some of the ways in which economic knowledge is produced and transmitted in contemporary Anglo-Saxon societies. I want to argue that knowledge is constructed as part of different overlapping socialisation processes and that we can turn to a variety of materials to gain some understanding in what ways individuals are being socialised. I also want to highlight that because economic knowledge and ideas are a matter of socialisation, and not an accurate understanding of reality, there are choices involved in how to socialise individuals into particular ideas. This means that there is a certain amount of responsibility involved in how economic knowledge is created through socialisation channels. The decision to socialise particular groups of individuals one way, rather than another, can be of grave consequences for a society overall.

This means that questions need to be asked about the ways the current teaching of economics socialises individuals and with what specific results. Some results indicate that the effects are similar to being primed on money. Becoming socialised into academic economics appears to make people less cooperative and greedier. Robert Frank et. al. test this hypothesis in a number of different ways. They asked US college students to play games of prisoner's dilemma and found that economics students were less cooperative than non-economics students.<sup>198</sup> It might be the case that it is only the more selfish students that choose to become economics majors in the first place. In order to account for this possibility they also observed how the trend for non-cooperation changed over the course of a college education. They found that for non-economics majors, upperclassmen (juniors and seniors in the American college system) become more cooperative, whereas economics majors stayed as uncooperative as they had been as underclassmen. They conclude by saying that

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<sup>198</sup> Frank, Robert, "Does Studying Economics inhibit cooperation?", *The Journal of Economic Perspectives*, 7(2), 1993, pp.159-171.

Naturally, we are in no position to say whether the trend for noneconomists reflects something about the content of noneconomics courses. But the fact that this trend is not present for economists is at least consistent with the hypothesis that training in economics plays some causal role in the lower observed cooperation rates of economists.<sup>199</sup>

Similar results were obtained by Long Wang et. al. They compared how economics majors and education majors play the dictator game and found that economics students kept a larger amount compared to education students (\$7.76/\$10 vs \$6.5/\$10).<sup>200</sup> They also found that the attitude towards greed itself changed. Economics majors both reported more positive feelings about greed in their own actions and more positive moral feelings about greed in general. A further interesting dimension of the Frank et. al. study is that the result also seems to hold for the economics professors. They sent out questionnaires about personal charitable giving to 1245 college professors in the United States and they found that despite “their generally higher incomes, economists were also among the least generous in terms of their median gifts to large charities like viewer-supported television and the United Way.”<sup>201</sup> These experimental results give some further credence to my suggestion that economics too heavily fosters objectivity over solidarity in Rorty’s sense.

Framing the issues this way allows me to ask if it may be necessary to adapt the way in which economic ideas are currently being socialised. The argument begins in chapter three, where I argue that economics textbooks are an important vehicle to justify and legitimate particular ways of framing and understanding economic and social processes as the only correct way to understand them. I then want to demonstrate that economics textbooks are only one of very many ways in which economic ideas are socialised and that it may be of benefit to at least complement economics textbooks with a greater variety of material to teach

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<sup>199</sup> Frank, Robert, “Does Studying Economics inhibit cooperation?”, *The Journal of Economic Perspectives*, 7(2), 1993, p.168.

<sup>200</sup> Wang, Long et al., “Economics Education and Greed”, *Academy of Management Learning and Education*, 10(4), 2011, pp.643-660.

<sup>201</sup> Frank, Robert, “Does Studying Economics inhibit cooperation?”, *The Journal of Economic Perspectives*, 7(2), 1993, p.162.



economics in institutions of higher education. A number of different ways are imaginable. In fact, I have been involved in a number of initiatives which urge to implement curriculum reform in economics. By far the most high-profile of these reform movements, the INET CORE movement,<sup>202</sup> is hampered by the fact that they are unwilling to engage with any of the methodological issues which economics inherently faces. Because of the unwillingness to engage with issues of methodology, the INET CORE movement reproduces many of the problematic assumptions of standard economic theory. Given my own emphasis on methodology, I therefore pursue a much more radical position. The argument I pursue in this dissertation is that economic ideas and knowledge are also transmitted through works of fiction and that this channel may be preferable to textbooks. The criterion for this preference is that works of fiction allow for a less deterministic and more varied way of socialisation.<sup>203</sup>

In order to make this argument, I review some seminal works in literary criticism and cultural history in chapter four to argue that works of fiction can have a dual function. On the one hand, they can reflect particular ways of looking at the world which are shared with the readership. Through the actions and attitudes of the main protagonists, novels are able to reflect particular cultures. On the other hand, novels are also able to get readers to reflect on the desirability of particular social and economic arrangements. If these points are well presented, it may get readers to change their opinion on particular issues. Put this way, novels can also be a source of resistance and social transformation. As such, they are an ideal mechanism to teach economic knowledge and ideas.

In chapter five, I use two contemporary American novels to demonstrate how novels partake in the reproduction of particular ideas. I also highlight that they can call these ideas into question. The examples I have chosen for this purpose are Jonathan Franzen's *Freedom* and David Foster Wallace's (DFW) *The Pale King*. Both works are exemplary in the extent to

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<sup>202</sup> See: <http://www.core-econ.org/>.

<sup>203</sup> In chapter seven, I extend this argument to suggest a much stronger claim, namely that socialisation through economics textbooks is inherently more violent than through novels.

which they have taken up the constitution of economic knowledge and its consequences for individuals and society at large as their central theme. But I have also chosen these novels as examples because it was these books above all others which first allowed me to realise what powerful tools works of fiction can be in the reproduction and transmission of economic ideas. Both novels share an interest in the issue of responsibility in contemporary societies. In different ways, they both call into question the idea of the self-reliant, independent, consumer agent at the heart of economics, politics, and large parts of contemporary culture. Franzen's *Freedom* heavily focuses on the interrelation between how individuals construct meaning as part of their respective identity. DFW's *The Pale King*, by contrast, deals with issues relating to what it means to work for and with large modern bureaucracies. DFW asks the reader to contemplate the nature of work – to consider if work is only a means to an income or if our work also partially makes us who we are as a person. DFW asks the reader to consider the possibility that working for a large modern bureaucracy makes us into a kind of person who fails to realise their full human potential.

In the previous paragraph, I made reference to the idea that these novels and textbooks are exemplary. As I will show, economics textbooks and novels can be said to be exemplars and exemplary in a whole number of different dimensions. For starters, economics textbooks are exemplary for containing what is considered accepted theory in economics. Thomas Kuhn himself remarked this about the nature of textbooks, saying that “textbooks expound the body of accepted theory, illustrate many or all of its successful applications, and compare these applications with exemplary observations and experiments.”<sup>204</sup> In teaching what is considered accepted theory, economics makes use of particular exemplars or tropes in order to teach this particular way of viewing the world. Novels can be said to be exemplary in the way in which plotlines and protagonists reflect situations and traits which its readers are

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<sup>204</sup> Kuhn, Thomas, *The Structure of Scientific Revolutions*, Second Edition, London: University of Chicago Press, 1970, p.10.

very familiar with and can relate to. In fact, in the case of overfamiliarity with a plotline or protagonist, one would call it a cliché. An important dimension is that the plotline and protagonists also give rise to a way of viewing the world. Put differently, stories can also contain a moral vision. The epithet ‘And the moral of the story is’ captures this idea wonderfully.

I come back to this issue at various points during the third chapter but for now I would like to highlight how examples, or exemplars as Kuhn called them, are crucial to how knowledge is socialised and constructed. Kuhn used the term exemplar to point out that students learn how one does physics on the basis of particular illustrations which highlight what counts as what in a given situation. As Kuhn writes: “...I speak of acquiring from exemplars the ability to recognise a given situation as like some and unlike others that one has seen before...”<sup>205</sup> What this means, as Matthew Watson has nicely remarked, is that exemplars “primarily....educate people into viewing the world in a particular way.”<sup>206</sup> Kuhn highlights how the kind of exemplars that are learnt structure our understanding in ways that cannot be recovered by some neutral language. He writes:

Because the words about which difficulties cluster have been learned in part from direct application to exemplars, the participants in a communication breakdown cannot say, “I use the word ‘element’ (or ‘mixture,’ or ‘planet,’ or ‘unconstrained motion’) in ways determined by the following criteria. They cannot, that is, resort to a neutral language which both use in the same way and which is adequate to the statement of both their theories or even of both those theories’ empirical consequences. Part of the difference is prior to the application of the languages in which it is nevertheless reflected.”<sup>207</sup>

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<sup>205</sup> Kuhn, Thomas, *The Structure of Scientific Revolutions*, Second Edition, London: University of Chicago Press, 1970, p.192.

<sup>206</sup> Watson, Matthew, “Headlong into the Polanyian Dilemma: The Impact of Middle-Class Moral Panic on the British Government’s Response to the Sub-prime Crisis”, *The British Journal of Politics and International Relations*, 11, 2009, p.428.

<sup>207</sup> Kuhn, Thomas, *The Structure of Scientific Revolutions*, Second Edition, London: University of Chicago Press, 1970, p.201.

Kuhn thus highlights how exemplars are of crucial importance to teach a way of looking at the world. I demonstrate a number of instances in the third chapter where economics textbooks rely on the notion of exemplars to substantiate their claims.

### *A Methodological Interlude*

But before proceeding with the discussion, I would like to provide an important methodological consideration. When I claim that textbooks are vehicles of socialisation (and communication), the question arises what evidential basis can I appeal to in order to support this claim? In other words, how can I provide a general explanation about the relationship between economics textbooks *touts court* and their socialising effects? This is a tricky question and one that is difficult to resolve since it clearly is not possible to claim that if student x comes into contact with book y, in context z, a will happen.

This problem is well known to most scholars working in communication studies. Joseph Klapper, writing in 1960, provides a wonderful framing of exactly this problem:

Teachers, preachers, parents, and legislators have asked us [scholars in communication studies] a thousand times over these past fifteen years whether violence in the media causes delinquency, whether the escapist nature of much of the fare does not blind people to reality, and just what the media can do to the political persuasions of their audiences. To these questions we [scholars in communication studies] have not only failed to provide definite answers, but we have done something worse: we have provided evidence in partial support of every hue of every view.<sup>208</sup>

Bernard Berelson, writing in 1948, opts for a slightly tongue-in-cheek way of putting this issue. He states that the most one is able to say is that “some kinds of issues, brought to the attention of some kinds of people, have some kinds of effects.”<sup>209</sup>

In order to understand the socialising effects of textbooks, we need to move away from the hope that this relationship can be expressed in some kind of deterministic fashion. In

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<sup>208</sup> Klapper, Jopseh, *The effects of Mass communication*, Glencoe: The Free Press, 1960, p.2.

<sup>209</sup> Bernard Berelson, “Communication and Public Opinion, in Schram, Wilbur, *Communications in Modern Society*, Urbana: University of Illinois Press, 1948, p. 172.

Communication Studies, the hope to be able to accomplish such a feat is known as hypodermic needle theory or magic bullet theory “whereby messages are automatically injected into the minds of recipients, whether in their living room, at the cinema or in a lecture theatre.”<sup>210</sup> A hypodermic explanation cannot be achieved. It will neither be possible to make any deterministic claim for a single individual nor will it be possible to make any deterministic claim about a collective or group.

An unsympathetic reader might counter that if no deterministic relationships can be established even in principle, this issue is simply not worth studying. This view forgets that lack of determinism is not the same as lack of importance. Just because something does not deterministically lead to certain outcomes does not mean it is irrelevant. It just means that the phenomenon is not causally determined. This is just another way of repeating the original claim that to understand socialisation, we need to move away from a deterministically causal explanatory framework.

I would therefore like to offer two different conceptualisations of the kind of explanations I have in mind when I talk about the effects of socialisation. One way of conceptualising the relationship is under the rubric of influences. Joseph Klapper provides another wonderful way of phrasing this issue, arguing that we need “a shift away from the tendency to regard mass communication [textbooks are one instance of mass communication] as a necessary and sufficient cause of audience effects, toward a view of the media as influences, working amid other influences, in total situations.”<sup>211</sup>

Another way of framing the kind of explanatory framework I have in mind is to appropriate the Bourdieusian term ‘field’. Although Bourdieu’s writing leaves a lot of be

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<sup>210</sup> Hodkinson, Paul, *Media, Culture and Society: An Introduction*, London: Sage, 2011, p.9.

<sup>211</sup> Klapper, Jopseh, *The effects of Mass communication*, Glencoe: The Free Press, 1960, p.5.

desired in terms of clarity, I think we can follow the general gist of his concept of field.<sup>212</sup>

Bourdieu himself characterises a field

as a system of specifically linguistic relations of power based on the unequal distribution of linguistic capital (or, to put it another way, of the chances of assimilating the objectified linguistic resources), the structure of the space of expressive styles reproduces in its own terms the structure of the differences which objectively separate conditions of existence.... It is one of the generic properties of fields that the struggle for specific stakes masks the objective collusion concerning the principles underlying the game. More precisely, the struggle tends constantly to produce and reproduce the game and its stakes by reproducing, primarily in those who are directly involved, but not in them alone, the practical commitment to the value of the game and its stakes which defines the recognition of legitimacy.”<sup>213</sup>

Bourdieu manages to bring out a number of important considerations with his conceptualisation of the field. Like the term ‘influences’, the concept of field involves a recognition of the fluidity and interrelation of the processes under consideration. What makes the concept of the field better suited for my purposes, however, is that Bourdieu never tires of emphasising the fact that fields are intrinsically reflective and constitutive of particular power relations and that in participating in a certain field, the underlying values of this field are reproduced. Viktoria Kalmus provides one of the best ways of paraphrasing the Bourdieusian notion of field as:

structured social spaces with dominant and dominated social agents and unequal power relations, which are constantly struggled over. These fields are discursively interrelated. The field of school, for instance, is discursively related to the fields of the political system, the media, family, and peer-groups (and those fields are interrelated with each other) when, e.g. a TV debate on a policy of interethnic integration and its viewing by the pupils’ parents and siblings are discussed in a (multicultural) classroom after the pupils have read the chapter on ethnic minorities in their civics textbook.<sup>214</sup>

Another important dimension to this conceptualisation of the field is that social context matters for knowledge production and processes of socialisation.<sup>215</sup> This comes back to the

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<sup>212</sup> The concept of the field was also usefully employed by Quine. See Footnote 130 of this dissertation.

<sup>213</sup> Bourdieu, Pierre, *Language and Symbolic Power*, Cambridge: Polity Press, 1991, p.57-8.

<sup>214</sup> Kalmus, Viktoria, “What do pupils and textbooks do with each other?: Methodological problems of research on socialisation through educational media”, *Journal of Curriculum Studies*, 36(4), 2004, p. 473.

<sup>215</sup> In fact, chapter one and two ought to be read exactly as an affirmation of this claim.

arguments raised in chapter one and two that all reality is socially constructed. Berger and Luckmann put this point nicely when they write that “what is 'real' to a Tibetan monk may not be 'real' to an American businessman. The 'knowledge' of the criminal differs from the 'knowledge' of the criminologist. It follows that specific agglomerations of 'reality' and 'knowledge' pertain to specific social contexts.”<sup>216</sup>

This issue is pertinent for economic ideas because economic ideas are constructed in many overlapping fields. My aim in this part of the dissertation is to start to examine two different fields of knowledge production – economics textbooks and contemporary novels. Economics textbooks are particularly interesting in this regard because they operate in very different social contexts and these contexts can have significant consequences for how ideas presented within these textbooks are taken up. On the one hand, textbooks function as a socialisation vehicle for economics students.<sup>217</sup> In this context, the influence of economic textbooks is inherently tied up with the social context of the classroom – a teacher, grades to be achieved, a job after graduation, peer pressure and so on. My interest in economics textbooks is not limited to the text per se. Rather, I am interested in how economics textbooks as they function within the total social setting. On the other hand, textbooks also function as a sort of reference point for journalists and policy makers. As in the case of the classroom environment, economics textbooks partake in power relations, giving authority to legitimise certain type of claims. The constitution differs markedly between a classroom and a journalistic setting, however. In the next chapter, my aim is to examine some of the ways in which the field of the economics textbooks constitutes itself. In other words, how does it manage to function as a field and what are some of the particular consequences of this field? I highlight that economics textbooks tend to legitimise their authority position with an appeal

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<sup>216</sup> Berger, Peter and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, London: Penguin, 1991 (1966), p.15.

<sup>217</sup> For an excellent overview, see Kalmus, Victoria, “What do pupils and textbooks do with each other?: Methodological problems of research on socialisation through educational media”, *Journal of Curriculum Studies*, 36(4), 2004, pp. 469–485.

to science as an accurate description of reality. In other words, the very vision of science that makes it impossible to understand how knowledge and ideas are constructed is used as a justification for why economics textbooks construct knowledge.

A comparison of economics textbooks with contemporary novels can be insightful for a number of reasons. The first is that it allows for a better appreciation of the relationship between reader and author, and how ideas are produced and transmitted. In some ways, the issues at stake are another permutation of the question of how meaning is produced in general. Traditionally, as Stanley Fish has remarked about his own development, the problem was framed as a question where meaning is located: in the text or in the reader.<sup>218</sup> On the one hand, there is the position that texts have a single unique meaning to be discovered by the reader.<sup>219</sup> In many ways, this is one of the standard assumptions of all works motivated by the spirit of positivism but, perhaps more interestingly, it is also a position which underlies a significant portion of the work of the Frankfurt School. Herbert Marcuse, in his *One-Dimensional Man*, for example, makes repeated allusions as to the ease with which modern readers of mass communication are duped into taking the position wanted by those who hold power. At one point he writes that “our mass media have little difficulty in selling particular interests as those of all sensible men.”<sup>220</sup> The type of automatic response to particular media, as often envisioned by the Frankfurt School, necessitates that the meaning of texts is clear and the same for every reader. Otherwise those in power cannot communicate their message so effectively. I am in full agreement with Willem Schinkel who argues that “the media do not, as various members of the Frankfurt School held, directly determine what we think.”<sup>221</sup> On the other hand, there is the position that texts have no predetermined

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<sup>218</sup> Fish, Stanley, *Is there a text in this class?: The authority of interpretative communities*, Cambridge: Harvard University Press, 1980, p.1.

<sup>219</sup> Until the beginning of the 19th century, this was probably the only tenable position.

<sup>220</sup> Marcuse, Herbert, *One-Dimensional Man: Studies in the Ideology of Advanced Industrial Society*, London: Routledge, 2002 (1964), p.10.

<sup>221</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, p.127.



meaning. Meaning is produced only in the reader. Jonathan Culler summarises this type of position by arguing that “interpretation is not a matter of recovering some meaning which lies behind the work and serves as a centre governing its structure; it is rather an attempt to participate in and observe the play of possible meanings to which the text gives access.”<sup>222</sup>

Thinking about how textbooks and novels might produce knowledge highlights some shortcomings of framing the issue as a duality. A student taking an undergraduate economics class certainly has to recover the meaning of the economics textbook if she aims to pass the class. The argument that her reading of the textbook differs from the instructor will not be seen as acceptable. The same student reading a contemporary novel for pleasure does not have the same need to conform. So the question is not so much whether the text or the reader produces meaning but how different texts function in different social contexts. A more useful framing of my purposes might therefore be Umberto Eco’s counterintuitive distinction of texts as open and closed text. In Eco’s terminology, some novels can work as closed texts meaning that they are open to any possible imagination. Textbooks, however, are open texts because they only work with a particular kind of reading:

Those texts that obsessively aim at arousing a precise response on the part of more or less precise empirical readers (be they children, soap-opera addicts, doctors, law-abiding citizens, swingers, Presbyterians, farmers, middle-class women, scuba divers, effete snobs, or any other imaginable sociopsychological category) are in fact open to any possible aberrant decoding. A text so immoderately 'open' to every possible interpretation will be called a closed one..... This cannot happen with those I call 'open' texts: You cannot use the text as you want but only as the texts wants you to use it. An open text, however open it may be, cannot afford whatever interpretation.<sup>223</sup>

The point I want to highlight with this distinction is that texts are best thought of as being located simultaneously on different continuums. In one dimension, text A will be more open

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<sup>222</sup> Culler, Jonathan, *Structuralism Poetics: Structuralism, linguistics and the study of literature*, London: Routledge, 1975, p.288.

<sup>223</sup> Eco, Umberto, *The role of the reader: Explorations in the Semiotics of Texts*, Bloomington: Indiana University Press, 1979, pp.8-9.

than text B. In another dimension, it will be the other way around. And each of these dimensions will reflect and constitute different social contexts.

As a last point, I would like to emphasise the autobiographical angle for this section. Again, my own person is tied up with the discussion in multiple and overlapping ways. However economic knowledge and economic ideas are produced, I need to admit my full complicity within these processes. In fact, I am doubly complicit. I am complicit because I read these textbooks and participated in the field as an economics student. Today, I am participating in the field as somebody who teaches economic ideas. In some ways, it is this complicity which attracted me to this research in the first place. But the complicity also goes some way towards explaining the books that I have chosen to examine as exemplars of these particular fields (textbooks and novels). As an undergraduate economics student, I began my studies with Mankiw's *Principles*. So this book also contributed to my own intellectual development in a myriad of ways. Luckily, however, Mankiw's is also widely regarded as the most popular economics textbooks and therefore a prime candidate for a deeper analysis. Frank and Bernanke's textbook provides a further nice example since they are much more explicit about the pedagogical practices that underlie a textbook. The same also holds true for the two novels that are the subject of discussion in chapter five. Both Franzen's *Freedom* and David Foster Wallace's *The Pale King* were in some ways influential in allowing me to realise that economic ideas are transmitted in different ways and that this also means that economics could be taught differently at university. As they are both best-selling books in the United States, they seemed the right place to start a serious exploration of how fiction contributes in the transmission of economic ideas and knowledge in contemporary societies.

## **Chapter 3:**

### *How and what economics undergraduate textbooks socialise*

#### *Introduction*

In this chapter, I want to explore how economics textbooks create economic ideas and economic knowledge. I raise a number of different issues but the main point is that the teaching of economics too heavily relies on fostering an idea of objectivity, to the detriment of solidarity. One of the ways in which this is accomplished is to rely on the view of the scientific method that has been found wanting in the first chapter. In order to develop this argument, the discussion proceeds in four sections. In the first section, I ground the discussion through a literature review of sorts. I highlight why economic ideas matter and how previous scholarship has attempted to link the production of particular ideas with economics textbooks. In the second section, I undertake a rhetorical analysis of one of the most widely used economics textbooks - Gregory Mankiw's *Principles*. In the third section, I extend the discussion of Mankiw's *Principles* to Robert Frank's and Ben Bernanke's *Principles*. In the final section, I use the specific example of a student protest against Gregory Mankiw's economics course at Harvard College to concretise some of the issues I had raised in the earlier sections.

In the first section, I argue that previous attempts to link the production of economic ideas to textbooks have been very sporadic, lacking an overall comprehensive approach. Given the theoretical grounding provided in part one of this dissertation, I hope I can synthesise various points raised by previous scholarship into a more comprehensive framework of how economics textbooks produce economic ideas: through socialisation. In

the second section, I want to demonstrate how Mankiw uses a particular vision of what constitutes knowledge and science to lend legitimacy to his approach. The vision of knowledge which Mankiw appeals to is exactly the vision of knowledge as accurate representation of reality that I rejected in part one of this dissertation. Put differently, Mankiw appeals to a vision of knowledge as authority which, once properly considered, should lend no legitimacy and authority to his position. This shows once more why it is important rethink the theory of knowledge which underlies economics. In the third section, I compare the position about scientific knowledge found in Mankiw with the pedagogical advice found in Frank and Bernanke's textbook. I highlight that when it comes to pedagogical advice, Frank and Bernanke are very well aware that economics is not only concerned with accurate description of reality but that it helps to constitute it in some ways. But they still use the legitimating claim of scientific knowledge to justify their argument. In other words, there is a telling kind of incongruity between the pedagogical standpoint and the methodological standpoint found in economics textbooks. In the fourth section of this chapter, I use the example of the Harvard Economics walk-out organised by students to highlight how this view of knowledge obscured some of the commitments in Mankiw's teaching of economics. Mankiw and the defenders of his position take the student complaint as a complaint about the realm of objectivity when the students' complaint is in fact about the realm of solidarity.

*Why economic ideas matter!*

It may be worthwhile to begin this discussion with the question of why the issue of economics textbooks should be considered important. My point is as simple as wide-ranging. Economics textbooks matter because economic ideas matter. This point has been frequently made. Keynes concludes his *General Theory* by writing that

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed

the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.<sup>224</sup>

This point has been taken up by a number of different scholars in different ways in recent years. George DeMartino focuses on the influence which economists as a profession have on policy-making. He writes: “The economic profession today has an enormous impact on the life chances of people across the globe: one that is far greater than that of most other professions.....Economic interventions of the sort undertaken by economists entail a responsibility that is, in a word, awesome.”<sup>225</sup> Tiago Mata and Steven Medema, by contrast, highlight the role which economists play as public intellectuals. They argue that “histories that connect the public utterances and interventions of economists are possible. They are fundamental to unlock a deeper understanding of the place of economic knowledge in our culture.”<sup>226</sup> Craufurd Goodwin has highlighted a complex blurred distinction between economists as scientists and economists as practitioners saying that “many scholar-economists have come to fear the effect practitioner-economists may have on the very system that is their subject of study and therefore have not come to grips with their existence.”<sup>227</sup>

Marion Fourcade in many ways summarises these issues and adds some further dimensions when she highlights the evolution of the economics profession over time:

Since the end of the nineteenth century, economists have developed increasingly distinctive discourses, credentials, and professional ambitions. In most countries the discipline of economics has become a legitimate, and a highly technical, field of scientific study and practice. It has secured a position within the higher educational system and has expanded its authority within a wide range of social institutions, including governments, corporations, and international organizations. As economic technologies and policy recipes have become inescapable features of

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<sup>224</sup> Keynes, John Maynard, *The General Theory of Employment, Interest and Money*, Chapter 25, Section 5.

<sup>225</sup> DeMartino, George, *The Economist's Oath: One the need for and content of professional economic ethics*, Oxford: Oxford University Press, 2011, pp.5-6.

<sup>226</sup> Mata, Tiago and Steven G. Medema, “Cultures of expertise and the public interventions of economists”, *History of Political Economy*, 45(suppl 1), 2013, p.17.

<sup>227</sup> Goodwin, Craufurd, “The heterogeneity of the economists' discourse: Philosopher, priest, and hired gun”, in Klamer, Arjo et. al. (eds.), *The consequences of economic rhetoric*, Cambridge: Cambridge University Press, 1988, p. 208.

the expert tool kits of modern social institutions, economic vocabulary and images saturate our culture.<sup>228</sup>

I am in complete agreement with much that has been written about the importance of economic ideas but I think too little appreciation has been given to the role of economics textbooks and economics undergraduate teaching. Economists are clearly important because they serve in policy arenas and as public intellectuals. But a very important dimension to their influence is that they are also tasked with educating the population at large about what the economy is and how it works. And many of the most important textbook authors were highly aware of this relevance. Paul Samuelson, whose *Principles* was the most popular economics textbooks until the 1970s, reportedly once remarked that “I don't care who writes a nation's laws – or crafts its advanced treaties – if I can write its economics textbooks.”<sup>229</sup>

The role and importance of economics textbooks have generally received very piecemeal attention. One tendency has been to link the issue of how textbooks teach the subject through the prism of particular issues. In this vein, Robert Cherry, writing in 1985, highlights the treatment of minimum wage discussions in 28 different economics textbook to find that “whatever the motivation for these textbook presentations, they are damaging to black youth and other constituents of the low-wage labor market.”<sup>230</sup> Susan Feiner and Barbara Morgan, writing in 1987, argue that “economics stands out as one of the few subjects represented in the college curriculum in which the relevant professional organization has neither adopted a position on the importance of race and gender balance nor initiated or funded “balancing” projects.”<sup>231</sup> Robert LePenies, by contrast, focuses on trade theory

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<sup>228</sup> Fourcade, Marion, *Economists and Societies: Discipline and Profession in the United States, Britain, and France, 1890s to 1990s*, Princeton: Princeton University Press, 2010, pp.1-2.

<sup>229</sup>Quoted in Zuidhof, Peter-Wim, “Thinking Like an Economist: The Neoliberal Politics of the Economics Textbook”, *Review of Social Economy*, 72(2), 2014, p.157. Also see footnote one of this publication for a brief history of this quote.

<sup>230</sup> Cherry, Robert, “Textbook Treatments of Minimum-Wage Legislation”, *Review of Black Political Economy* 13(4), 1985, pp. 25–38.

<sup>231</sup> Feiner, Susan and Barbara Morgan, “Women and Minorities in Introductory Economics Textbooks: 1974 to 1984”, *Journal of Economic Education* 18(4), 1987, pp. 376-392. For an excellent overview of the more recent

arguing that “all textbooks put forward trade policy recommendations in nearly identical manner” and that they therefore “tend to matter as vehicles, wittingly or unwittingly, of a political philosophy of a special kind.”<sup>232</sup>

Another tendency has been to highlight some of the methodological shortcomings of how economics textbooks present economic knowledge. Michael Watts reviews different conceptions of ideology and how they relate to the teaching of economics.<sup>233</sup> Will Carrington Heath briefly reviews fact/value distinctions in textbooks.<sup>234</sup> Silja Graupe, by contrast, argues that “the economics curriculum, under the surface of awareness, shapes an image of man, which splits society into mere cogs in the machine of the economy on the one side and the omnipotent social engineers on the other. The latter are portrayed as if they could steer this machine from the outside according to their own precepts.”<sup>235</sup>

A third tendency is to highlight the nature of economics textbooks as a transmission mechanism. Massimo M. Augello and Marco E.L. Guidi attempt to highlight how “textbooks and manuals contributed to the creation of market economic agents, with an economic representation of the social world and with economic tools to apply to their professional, social, and political activities.”<sup>236</sup> Neva Goodwin highlights the importance of economic textbooks by stating that “every year about 5 million people in the U.S. graduate from college having taken at least one economics course. These courses, and the textbooks that shape them, in turn contribute to a shared understanding of how things work in the world – and to a

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literature on Gender and Economics textbooks, see: Ferber, Marianne Julie Nelson, *Feminist Economics Today: Beyond Economic Man*, Chicago: University of Chicago Press, 2003.

<sup>232</sup> Lepenies, Robert, “Economists as political philosophers - a critique of normative trade theory”, *EUI Working paper*, 2014, p. 4 and p2.

<sup>233</sup> Watts, Michael, “Ideology, Textbooks, and the Teaching of Economics,” *Theory into Practice*, 26(3), 1987, pp. 90–197.

<sup>234</sup> Heath, Will, “Value Judgments and the Principles of Economics Textbook,” *Southern Economic Journal* 60(4), 1994, pp. 1060–1064.

<sup>235</sup> Graupe, Silja , “The Power of Ideas: The Teaching of Economics and its Image of Man”, *Journal of Social Science Education*, 11 (2), 2012, pp. 60-84.

<sup>236</sup> Augello, Massimo and Marco Guidi, “The making of an economic reader: the dissemination of economics through textbooks” in Augello, Massimo and Marco Guidi (eds.), *The Economic Reader: Textbooks, Manuals and the Dissemination of the Economic Sciences during the 19th and Early 20th Centuries*, London: Routledge, 2011, p.3.

general consensus on whose voices will be heard on economic subjects.”<sup>237</sup> Peter-Wim Zandorf further highlights the importance of economics textbooks outside the classroom. He writes: “While one need not have any illusions about how much students actually retain from their introductory course, textbook accounts are also what journalists, commentators, policy advisors, economists, and noneconomists alike tend to draw on when having to explain economics in public.”<sup>238</sup> I think one of the reasons why economics textbooks are so important in this regard is that they are they are usually the only output by professional economists that can be read in prose, rather than mathematics.

In many ways, what I am trying to accomplish in this chapter is to synthesise these various perspectives into a more comprehensive framework for understanding the role of economics textbooks. Starting with the background that knowledge is a matter of socialisation allows for a recognition of the various ways in which textbooks socialise and construct knowledge. Economics textbooks matter because they socialise the student and reader into a particular language and way of thinking. It is for this reason that economics textbooks are a much more powerful tool for the transmission of economic ideas at large than academic journals. Most readers of an academic journal in economics will already have learnt the ways of speaking and thinking like an economist. This is not the case with an undergraduate textbook where one of the explicit aims is to teach what it means to think and speak like an economist. Keith Tribe has pointed out that this learning of language is crucial for the way economic processes are envisioned. He writes that

we need to pay attention to the use of words, and discount claims that it is enough to define them—that we ‘know’ what capital, interest, wages, growth, and so on are, that all we need to do is refer to their definition in modern economics. When using

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<sup>237</sup> Goodwin, Neva, “The human element in the new economics: a 60-year refresh for economic thinking and teaching”, *Real-world economics review*, 68, 2014, p. 99.

<sup>238</sup> Zuidhof, Peter-Wim, “Thinking Like an Economist: The Neoliberal Politics of the Economics Textbook”, *Review of Social Economy*, 72(2), 2014, p. 159.



economic language, we would do well to pay attention to which language we are speaking.<sup>239</sup>

Arjo Klammer has already attempted to provide a reading, informed by what he terms a rhetorical perspective, of Samuelson's *Principles*, arguing that "the rhetorical perspective provides a mode of inquiry. It may eventually affect the way economists view the world - I have argued it should - but for now it guides explorations of what it is economists do."<sup>240</sup> In the following chapter, I attempt to add to this way of approaching economics textbooks.

Textbooks are also an interesting case because they embody a particular permutation of the image of *homo communicandis*. Unlike the image of *homo economicus*, who appears to know how to behave rationally from birth, the image of *homo communicandis* highlights that behaviours need to be learnt and socialised. Textbooks also embody a particular relationship between student and teacher but what makes this particular embodiment of *homo communicandis* different from the image I have been using is that the flow of communication is merely one way. The teacher communicates to the student rather than with the student. In order to function as a textbook, this also partly needs to be the case for it is only by laying a claim on a superior type of position that particular claims are likely accepted by the student as binding. Put differently, only because a teacher can claim to know how the world works, and the student does not, can the teacher then teach the correct way of looking at the world to the student. This is one important way of how ideas are socialised. But as far as concerns the image of *homo communicandis*, it is a poor example since that image is meant to emphasise the two-way relationship in communication. This is not to say there is a type meaningful communicative relationship that is free all power relations. All meaningful communicative relationships are shaped by such power relationships. But the teacher-student case in the case

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<sup>239</sup> Tribe, Keith, *The economy of the word: Language, History, and Economics*, Oxford: Oxford University Press, 2015, p.17.

<sup>240</sup> Klammer, Arjo, "The Textbook Presentation of Economic Discourse", in Samuels, Warren (Ed.), *Economics As Discourse: An Analysis of the Language of Economists*, New York: Springer Science + Business Media, 1990, p.151.

of higher education is a particularly one-sided case and I would just to emphasise this point at the outset.<sup>241</sup>

### *Mankiw's Principles*

If we begin our analysis to see how the study of economics is introduced and justified in textbooks, the first thing one encounters is how the tone of the book assumes a particular relationship between reader and author. Unlike some of the points raised earlier in the interlude, where an argument was reviewed that an author's intentions are 'neither desirable nor available' when approaching a written work, I think the author's intentions here are made abundantly clear. The author, as professor and economist, is presented as being in a position of having some sort of knowledge which the reader, as student, lacks. The aim of the author is to educate the reader, to tell him how things work in the world. This might appear to be an obvious point. And it is. The point of a textbook is for somebody to learn the material presented within that textbook. But by the very nature of this role, the textbook embodies an important power relationship. The student is put in a position where the professor with her superior knowledge is going to judge the student on how well she is able to reproduce this knowledge. The teacher is in a position to tell the student what she ought to do – what and how she ought to study.

Put this way, the economist has some responsibility for what she is asking the student to learn. Being in a position of power and tasked with the evaluation of how well a student manages to reproduce this knowledge, the economist is also responsible for the content of said knowledge. To use a bit of a crude example, if there was a certain subject in every university in the country that taught that women were inferior to men, and students were asked to reproduce this answer in various exams, would this subject not have some influence

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<sup>241</sup> This is also the case because grades in university have such an important role in the scramble for internships and jobs after graduation. So there is a real need for students to reproduce whatever ideas have been presented in class to the utmost degree.

– responsibility – on the arguments that are reproduced in popular discussions as to why women are inferior to men? In this way, textbook authors play a strong legitimating role. In presenting something as knowledge about how the world works, they naturalise certain understandings. My point here is not to criticise this fact (it is impossible to avoid) but to point out that this legitimation does take place and that it is an important point to keep in mind. Put differently, economics textbooks are one important mechanism by which the image of *homo economicus* is produced and transmitted and the discipline of economics is responsible for transmitting this image of human agency.

This point can be put another way. If one pores over a number of textbooks, one is very much reminded of the old relationship between master and apprentice craftsmen in a medieval guild.<sup>242</sup> Just like the master teaches the apprentice to learn the tools of the trade, the economics professor teaches the tools of economics to the student. The implicit assumption is that the craft of building a chair or printing textiles is of the same kind as thinking about an economic problem. David Begg et. al. even make explicit use of this metaphor but in a more contemporary context: “The formal study of economics is exciting because it allows a better understanding of the problem we face. Everyone knows a smoky engine is a bad sign, but sometimes only a trained mechanic can give the right advice.”<sup>243</sup> But clearly, if the master teaches the apprentice to build chairs that always break, does the master not bear some responsibility for the failures of the apprentice? And by learning to build chairs in the way the master has taught him, is the apprentice not justified in building chairs this way as opposed to another?

Framing the issue in these terms allows for a recognition that economists are responsible for the ideas they produce and ask students to learn. One question is clearly how

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<sup>242</sup> Quentin Skinner was maybe one of the first employ this metaphor when he was discussing the student-teacher relationship in history books. See Skinner, Quentin, *Visions of politics Volume I: Regarding Method*, Cambridge: Cambridge University Press, 2002, p. 9.

<sup>243</sup> Begg, David et. al., *Economics*, Maidenhead: McGraw-Hill Higher Education, 2005, p. 1.

economists approach this issue of responsibility. The central argument I advance is that economics as it is taught not only ignores this problem of power and responsibility, but actively tries to reject that it exists in the first place. The way this is accomplished is to posit that economic theory is in the business of uncovering fundamental laws of human nature – finding out the truth. Economists thus assume the existence of an unmediated experience of the world. By unmediated, I mean that no matter who we are, when or where we were born, there is a single perspective that correctly captures the way the world really works. There not only exists something like a knower in general who has access to experience in general but also a unique universal standard by which this experience can be assessed.<sup>244</sup>

Most economics textbooks use the introductory section as a guide for why one should study economics in the first place. Knowing economics will not help the student to fix a car engine. So, what use is the economic knowledge which the professor is promising to impart on the student? Mankiw makes some far-reaching claims about the variety of ways in which knowledge of economics is going to enrich the student's life:

The first reason to study economics is that it will help you understand the world in which you live. There are many questions about the economy that might spark your curiosity. Why are apartments so hard to find in New York City? Why do airlines charge less for a round-trip ticket if the traveller stays over a Saturday night? Why is Johnny Depp paid so much to star in movies? Why are living standards so meagre in many African countries? Why do some countries have high rates of inflation while others have stable prices? Why are jobs easy to find in some years and hard to find in others? These are just a few of the questions that a course in economics will help you answer.<sup>245</sup>

If there was something that could explain everything from why Jonny Depp is paid so much to why African countries are so poor, this is good stuff. But Mankiw promises more. Not only does studying economics allow one to understand the world but it also puts one in a position to benefit from this understanding. There is an implicit distinction drawn between the

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<sup>244</sup> See chapter one for a more in depth discussion of this point.

<sup>245</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.1.

amateurs and those who really know economics and it is only the latter who become an “astute participant in the economy”. It is the astute who have the best chance of becoming rich:

The second reason to study economics is that it will make you a more astute participant in the economy. As you go about your life, you make many economic decisions. While you are a student, you decide how many years to stay in school. ....Someday you may find yourself running a small business or a large corporation, and you will decide what prices to charge for your products. The insights developed in the coming chapters will give you a new perspective on how best to make these decisions. Studying economics will not by itself make you rich, but it will give you some tools that may help in that endeavor.<sup>246</sup>

So we might conclude from this introduction that the study of economics is basically the study of business, the ways in which one can make money. But Mankiw quickly dispels this idea as much too narrow. Economics is not primarily concerned with how to make money but rather with how people interact. “There is no mystery to what an economy is. Whether we are talking about the economy of Los Angeles, the United States, or the whole world, an economy is just a group of people dealing with one another as they go about their lives.”<sup>247</sup>

So knowledge of economics somehow teaches us how to become rich and how we should deal with other people. An insolent student might object that if this is the case, economics is no longer a craft like fixing an engine at all. It is one thing to learn about how a certain inanimate object has to be manipulated in order to obtain the desired results but it is quite a different matter how I choose to interact with my fellow beings. This criticism could be countered by saying that economics does in fact not teach you how to become rich AND how to interact but it teaches you how to interact so as to become rich. This certainly is true enough but it does not solve the problem of authority, the question of what kind of person I

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<sup>246</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.1.

<sup>247</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.4.

ought to be. Surely, being rich is great, but what if the only way to be rich is also to be lonely and miserable? Mankiw would try to assuage such concerns by highlighting the fact that every person faces decisions and economics will just help with the process of making decisions:

A household faces many decisions. It must decide which members of the household do which tasks and what each member gets in return: Who cooks dinner? Who does the laundry? Who gets the extra desert at dinner? Who gets to choose what TV show to watch? In short, the household must allocate its scarce resources among its various members, taking into account each member's abilities, efforts, and desires.<sup>248</sup>

But this seems perplexing. Why would every family in the world have the same rationale for choosing who cooks dinner? Surely, there can be no all-encompassing rationale which establishes regularity in dinner and laundry making?

Mankiw answers this point with an appeal to the notion of scarcity. One is obviously free to make decisions however one likes. But the fact of the matter is that resources are scarce so if we want the best outcome for everybody, we better learn how to make the best decision. As Mankiw explains:

The management of society's resources is important because resources are scarce. Scarcity means that society has limited resources and therefore cannot produce all the goods and services people wish to have. Just as each member of a household cannot get everything he or she wants, each individual in a society cannot attain the highest standard of living to which he or she might aspire.<sup>249</sup>

The student is asked to accept that the economist has caught onto a fundamental, universal fact of life. In just the same way as it is self-evident that one day we are all going to die, it is clear that resources are scarce. Economists are telling students about how the world works. The economist is speaking the truth and the student can either accept this and learn what the economist has to teach or choose to remain ignorant. Frank and Bernanke, authors of another

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<sup>248</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.3.

<sup>249</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.4.

widely used textbook which I explore in the next section, put this nicely when they write that “scarcity is a fundamental fact of life.”<sup>250</sup> It is up to the student to recognise this fact. If they fail to do so, it is the student’s fault and not due to the fact that the notion of scarcity may be questionable. After all, some of the most important things in life do not seem to be scarce at all. Parents love their children unconditionally and so does a partner during adulthood,<sup>251</sup> and for most people there is ample air to breathe and water to drink. What is implied to the student is that there is a correct way of looking at the world, namely the way the economist is telling them to look and if one looks that way, one sees that resources are scarce.

Even though Frank and Bernanke judge the idea that scarcity is a fundamental fact of life to be self-evident, the idea itself is actually a fairly recent development in the history of economic thought. In fact, the first time this definition was put forth explicitly was in Lionel Robbins’s *An Essay on the Nature and Significance of Economic Science*, first published in 1932.<sup>252</sup> But, as Roger Backhouse and Steven Medema have pointed out, this definition was not widely accepted for another three decades after the publication of the essay. In other words, “though Robbins’s definition is often presented as self-evidently correct, as a depiction of the economic problem faced by either individuals or societies, both the definition and the developments that it has been used to support were keenly contested.”<sup>253</sup>

Backhouse and Medema highlight in particular that the Robbins definition was first accepted in economics textbooks and only subsequently found its way into academic journals. In other words, the direction of knowledge transmission ran opposite from what one would commonly expect. As Backhouse and Medema comment, “if one thinks of knowledge being created in the journals and then finding its way into textbooks, this pattern is

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<sup>250</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2012, p.4.

<sup>251</sup> Note: For the sake of brevity, the complications of finding such a partner cannot be considered here.

<sup>252</sup> Robbins, Lionel, *An Essay on the Nature and Significance of Economic Science*, Second Edition, London: Macmillan Press, 1935, p.15

<sup>253</sup> Backhouse, Roger and Steven Medema, “Defining Economics: The Long Road to Acceptance of the Robbins Definition”, *Economica*, 76, 2009, p.805.

strange.”<sup>254</sup> What appears to have happened is that the textbooks which trained the next generation had presented the scarcity definition of economics as the definition, and the younger generation became socialised into thinking of the discipline in those terms. As a result, it was the textbooks that created the idea and the knowledge of what the discipline of economics was ultimately concerned with, not the journals. This highlights that important socialisation processes happen during the early years of one’s college education, not necessarily during graduate school. This is yet another reason to consider the way knowledge is presented by an economics textbook like Mankiw’s as highly important.

The fact that there are potentially a number of legitimate ways to define the discipline of economics raises again the question of authority. By what authority is the economist telling the student to look at the world one way? What we find at this juncture is the attempt to side-step the question of authority by appealing that there are intrinsically certain ways with which one looks at the world. The difficulty is not that the economic way of looking at the world is special but simply that this way of looking at the world is not as familiar as other ways. Mankiw explains that “the purpose of this book is to help you learn the economist’s way of thinking. Just as you cannot become a mathematician, psychologist, or lawyer overnight, learning to think like an economist will take some time”<sup>255</sup>

In order to learn to think like an economist, Mankiw notes that one must learn how to speak like one:

Every field of study has its own language and its own way of thinking. Mathematicians talk about axioms, integrals, and vector spaces. Psychologists talk about ego, id, and cognitive dissonance.... economics is no different. Supply, demand, elasticity, comparative advantage, consumer surplus, deadweight loss—these terms are part of the economist’s language. In the coming chapters, you will encounter many new terms and some familiar words that economists use in specialized ways. At first, this new language may seem needlessly arcane. But as

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<sup>254</sup> Backhouse, Roger and Steven Medema, “Defining Economics: The Long Road to Acceptance of the Robbins Definition”, *Economica*, 76, 2009, p.815.

<sup>255</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p. 21.



you will see, its value lies in its ability to provide you with a new and useful way of thinking about the world in which you live.<sup>256</sup>

What appears to be strange is that on the one hand there are supposed facts of existence which any person can recognise. Yet, one needs to learn the language of economics in order to recognise them. So how can they be facts which one can experience straightforwardly?

In order to surmount this difficulty, Mankiw displaces this question with an appeal to a certain notion of objectivity and science. Students surely have no problem with accepting the idea that physics teaches us how the physical world works, so they should have no problem with the idea that economics teaches us how the economic world works.

Economists try to address their subject matter with a scientist's objectivity. They approach the study of the economy in much the same way as a physicist approaches the study of matter and a biologist approaches the study of life: they devise theories, collect data, and then analyse these data in an attempt to verify or refute their theories. ...The essence of science...is the scientific method – the dispassionate development and testing of theories about how the world works. This method of inquiry is as applicable to studying a nation's economy as it is to studying the earth's gravity or a species' evolution.<sup>257</sup>

If one looks at this statement carefully, it amounts to nothing more than saying that there are certain facts of life to be discovered and the economist is trying to uncover them. Somebody like Mankiw is of course aware that he is using a rhetorical strategy but he nevertheless believes in the essential applicability of his argument, its truth. And the truth is that the methodology economics employs – which Mankiw claims is the same methodology as other sciences – means that the economist is able to reach judgments that are “free of bias and ideology”.

Economists like to strike the pose of a scientist. I know, because I often do it myself. When I teach undergraduates, I very consciously describe the field of economics as a science, so no student would start the course thinking he was embarking on some squishy academic endeavor. Our colleagues in the physics department across campus may find it amusing that we view them as close cousins, but we are quick to remind anyone who will listen that economists formulate

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<sup>256</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p. 21.

<sup>257</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.22.

theories with mathematical precision, collect huge data sets on individual and aggregate behavior, and exploit the most sophisticated statistical techniques to reach empirical judgments that are free of bias and ideology (or so we like to think).<sup>258</sup>

Mankiw essentially employ a simple deductive argument:

The natural sciences produce results free of bias and ideology.  
Economics uses the same methodology as the natural sciences.  
Economics is value free.

What he fails to do, of course, is to provide an argument for his belief that the natural sciences provide results free of bias and ideology and that why, by merely employing a certain methodology, one is bound to arrive at the correct results. In fact, it should be repeated here that the natural sciences, especially mathematics and physics, have long abandoned this idea of methodology.<sup>259</sup> I should also note that part of the unlearning I needed to do in order to write this dissertation was to let go of these kinds of methodological pronouncements I had learnt during my undergraduate days.

So how does one arrive at results free of bias? As Mankiw explains above, the essential feature is that one “devise theories, collect data, and then analyse these data in an attempt to verify or refute....theories”. Even if this was persuasive (which it is not) there is clearly the problem of where one is to get the data and how one is to test it. A scientist has her laboratory, but the economist does not. So where is the data to come from? Mankiw’s answer is that it comes from history:

To find a substitute for laboratory experiments, economists pay close attention to the natural experiments offered by history....Throughout this book, therefore, we consider many historical episodes. These episodes are valuable to study because they give us insight into the economy of the past and, more important, because they allow us to illustrate and evaluate economic theories of the present.<sup>260</sup>

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<sup>258</sup> Mankiw, Gregory, “The Macroeconomist as Scientist and Engineer”, *Journal of Economic Perspectives*, 20 (4), 2006, p.1.

<sup>259</sup> For a more detailed point, see discussion around pages 55-57.

<sup>260</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.23.

Mankiw has now arrived at the basis for his argument. It is that history entails episodes by which we can ‘test’ economic knowledge. What Mankiw obviously fails to specify is what historical data is supposed to be used for what economic theory. And this is a true conundrum. There are supposedly some undeniable facts of existence but the only place we can find those facts is in the past. But the past clearly does not tell us which facts to select. History simply has no facts to offer. It is a matter of deciding which parts of the past we want to select.

And here we return to the issue of identity and experience. Anybody’s view of the past depends on their position in the present. Our experience of the present is also a product of the history of our community. The end of slavery in the United States following the Civil War looks very different depending if you are the young daughter of a former slave or the young son of a plantation owner. In each case, the life you have known is about to radically change, but in different ways. It is this belief that underlies everything Mankiw writes. There is a single overarching perspective that is right, some procedure and standard which we can decide whether the young plantation owner or the young slave is right. That there is one truth that can be found. The facts are to be found in the experience of history and once these facts are known, they must be assented to.

It is this belief in the single right answer that guides all of economic theory. Mankiw admits that it may not always be feasible to follow the right answer (the truth) but this does not discredit the fact that this single right answer exists. Mankiw puts this very nicely when he writes:

Throughout this text, whenever we discuss economic policy, we often focus on one question: What is the best policy for the government to pursue? We act as if policy were set by a benevolent king. Once the king figures out the right policy, he has no trouble putting his ideas into action.<sup>261</sup>

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<sup>261</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p. 33.

What Mankiw forgets is that the best policy for one person may not be the best policy for the next person. One needs to recognise that the basis of living together in a community with other people is mutual exchange and communication and that most societies no longer accept the idea that somebody ought to be in the position of a king. But if we open the door to democracy, the idea that there is a right policy is simply tough to grasp. In order to open up space for discussion on social issues, it is paramount that we abandon the idea that there is anything like ‘one right answer’. In fact, it may very well be the case that the belief in one right answer is what has led to such extreme poverty in contemporary discussions of the role financial markets play. The first step for a more reflexive discussion needs to be a realisation that one right answer cannot exist on most issues.

#### *Frank and Bernanke and Pedagogy*

In this section, I compare the methodological position found in Mankiw’s book with the pedagogical advice given in another economics textbook. For this purpose, I turn to Robert Frank’s and Ben Bernanke’s *Principles of Economics*. The reason is similar to the choice of Mankiw. Where Mankiw is very vocal about methodology, Frank and Bernanke are very vocal about pedagogy. However, I also must admit that I had never been assigned Frank and Bernanke as a textbook as a student so my relationship to the book is intrinsically different from Mankiw. However, unless my memory entirely deceives me, I did come across the book on a number of occasions during my undergraduate studies because it is just one of those textbooks which any university library tends to carry. I hope to show that the pedagogical advice runs directly counter to the methodological standpoint. In giving their pedagogical advice, they are also quite vocal about the commitments that economics actually makes. Economic thinking encapsulates a way of life: a way of life that cherishes considerations of efficiency above all other concerns.

Frank and Bernanke begin their textbook with the statement that “the philosophy of this text rests on two pillars: the development and repeated application of a set of core economic principles, without the usual clutter.”<sup>262</sup> I say more about the nature of these principles in a bit but for now I focus on the idea of “repeated application”. Frank and Bernanke go on to explain that “the best way to teach introductory economics – or virtually any subject, for that matter – is to expose students to repeated applications of a short list of the core ideas of the discipline.”<sup>263</sup> In presenting economics this way, Frank and Bernanke very much invoke the notion of the Kuhnian exemplar discussed earlier. It is indeed very sound pedagogical advice for many areas of teaching. But it does not hold for all ideas. Consider a few notions which most people hold to be self-evident, such as Euclid’s principles:

Things that are equal to the same thing are also equal to one another.  
If equals are added to equals, then the wholes are equal.  
If equals are subtracted from equals, then the remainders are equal.  
Things that coincide with one another equal one another.  
The whole is greater than the part.

It might appear pedantic to insist that the study of economics is not equal to understanding any of these propositions but there is a very important point here. Whatever status the study of economics has, it is not self-evident. Even Euclid’s propositions need to be taught and so economic knowledge certainly needs to be taught. But if it needs to be taught, there are choices to be made in what is taught. And if there is a choice to be made, then whatever this choice is, it reflects some bias, some ideology. So how could the study of economics ever be value-free if there are value judgments made in the way it is taught?

There are also other aspects of interest to the importance of repetition. One is that in some instances, repetition serves to facilitate a confidence in doing a certain activity or

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<sup>262</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p.ix.

<sup>263</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p.ix.

process. In this sense, repetition is key to technical mastery. Taking a derivative would be a good example of this. For most people, when they first learn how to take a derivative, it is a slow process and prone to error. But as one practices this mathematical operation more frequently, one gets better and faster. It is exactly this benefit of repetition which Adam Smith pointed out in the context of the division of labour. Yet, the effects of repetition of this kind are fairly narrow. They are contained to a single operation and have quite limited effects on any other operation. Just because one is good at taking a derivative does not make one any better at dividing matrices, for example.

It becomes quite apparent that Frank and Bernanke are not interested in the effects of repetition as technical mastery per se. Rather, they are interested in the effects repetition can have on the overall person. They write that “[t]he introductory course will be taught most effectively if it begins with a well-articulated list of some sort, and then doggedly hammers away at it.....It may be hackneyed to say but it is nonetheless true that economics is a way of thinking, not a fixed body of facts to be memorized.”<sup>264</sup> What they are really saying by referring to economics as “a way of thinking” is that the study of economics is not exhausted by the solution of some technical problems. The study of economics entails an entire way of approaching the world, or as Wittgenstein says, a form of life. A good way of comparing this might be to say that the study of art may help you to develop a certain way of thinking about the world aesthetically.

It is sometimes said that physics is also a way of thinking or approaching the world. Yet, I am arguing that the economic way of thinking reaches into many more spheres of life than that of physics. Hence why it makes sense to use the term *homo economicus*. Thinking like a physicist is contained to the problems of physics. Once a physicist leaves the realm of study and research for his everyday life, most physicists leave their subject matter. In

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<sup>264</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p. ix.

economics, this is not the case. Frank and Bernanke also clarify that it is one of the chief aims of their textbook to get students also to think like an economist outside the classroom environment. They hope that students apply the perspective taught in their textbook in every area of their daily life. Frank and Bernanke call this economic naturalism. In the vocabulary I have been using, what Frank and Bernanke call economic naturalism is the very same image of human agency as that of *homo economicus*. Frank and Bernanke explicitly and consciously want to socialise their students into becoming this type of person:

In our efforts to train students to think like economists, we aim not just for them to be able to apply core economic principles, but also to have an inclination to do so. The most effective strategy we have discovered for achieving this goal is to encourage students to become economic naturalists....Studying economics can enable students to see the everyday details of ordinary existence in a bright new light. Throughout the text, Economic Naturalist examples show students the relevance of economics to their world.<sup>265</sup>

Since ‘studying economics can enable students to see ordinary existence in a new light’, it immediately follows that there is more than one way to look at ordinary existence. Frank and Bernanke, even according to their own logic, are saying that the economic point of view is more important, or better, than any other point of view that could be adopted. This makes the study of economics unlike any other of the natural sciences. No physicist, chemist, or biologist would ever claim that their teaching is intrinsically more important for all problems than that of any other discipline. Rather, they are content to shed light on certain aspects of the problem under investigation. But in economics, there tends to be a claim towards a total domination of all viewpoints, what Ben Fine has called economics imperialism.<sup>266</sup>

Yet, this total domination of all points of view is exactly what Frank and Bernanke have in mind. They suggest that the economic way of thinking needs to be internalised so much so that students are no longer aware they are using this logic. It is not a question of

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<sup>265</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p.x.

<sup>266</sup> Fine, Ben and Dimitris Milonakis, *From Economics Imperialism to Freakonomics: The Shifting Boundaries between Economics and other Social Sciences*, London: Routledge, 2009.

consciously applying a given framework to a specific problem but of applying the economic logic habitually in every area of life. They state quite explicitly that “Merely understanding a concept.....is different from knowing it. Even the brightest students never fully internalise a concept unless they use it repeatedly.”<sup>267</sup> In internalising the logic proposed by Frank and Bernanke, they want to make the economic point of view they are trying to advance self-evident and thus to be beyond the realm of critical scrutiny. “Once students realise they can pose and answer such questions on their own, they’re hooked. A lifetime trajectory begins in which their mastery of economic principles not only doesn’t decay with year after the completion of the course, but actually soars higher.”<sup>268</sup>

Now I can finally ask what exactly it is that Frank and Bernanke want students to internalise? And here we come to their central concern, that of economic efficiency:

Although we believe pedagogy is extremely important, ours is not solely a book about pedagogy, ours is not only a book about pedagogy. Indeed, the decision about what to teach is as important to us as the decision how to teach it.....we believe the most central concern of economics is efficiency. Throughout the book, it underlies our ongoing argument in support of economic efficiency as an important social goal. Rather than speaking of tradeoffs between efficiency and other goals, we stress that maximizing economic surplus aids the achievement of all goals, both public and private.<sup>269</sup>

If we return to Mankiw’s idea that “We [the authors of the textbook] act as if policy were set by a benevolent king”, we begin to realise that the authors have effectively turned themselves into that benevolent king. But rather than ruling by force, they rule through their ideas. On the one hand, they make claims about the value-freedom of the nature of economic thought. And thus there can be no grounds for disagreeing with their logic, for it derives from its premises. Yet, on the other hand, there is a claim that efficiency is the most important goal. But by making efficiency the central consideration, economic analysis is no longer value-free. Efficiency is a value. By pretending as if this were not the case, economists essentially

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<sup>267</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, xi.

<sup>268</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, xi.

<sup>269</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p. xii.



attempt to move the notion of efficiency beyond the control of democratic institutions. For once enough people have internalised the logic of efficiency, it will indeed become the central concern of society. But it is a vision of society I do not share and therefore this dissertation is also an attempt to argue for a different vision of society.<sup>270</sup> In the last section of this chapter, I turn to a particularly poignant episode which highlights how students have tried to highlight and resist the way of thinking pushed upon them by economics textbooks and economics teaching. I also review two of the responses with which the student resistance has been met to highlight how a belief in a methodology that guarantees truth obscured an understanding of the actual nature of the student complaint.

*An Illustrative Example: The Harvard Intro Econ Walk-out*

On the 7<sup>th</sup> November 2011, a small portion of the students of Harvard's Introductory Economics course decided to leave their class in protest. They justified their action in a one-page letter published in the Harvard Crimson. I want to use this event as an opportunity to concretise some of the issues I have touched upon in the last two sections. But as interesting as the walk-out itself has been the response which the walk-out received. As I am unable to discuss the variety of reactions in the popular media, I focus on two exemplary cases: Gregory Mankiw's own response and that of Amity Shlaes. Mankiw's response in many ways represents the standard response that would be given by a neoclassical economist. It engages with the core claims even though it subsequently rebukes them. Amity Shlaes, on the other hand, represents an influential fraction of American public intellectuals who preach an even more narrow-minded vision of economics than Mankiw. Unlike Mankiw, who at least tries to make an argument for this point of view, Shlaes basically preaches: it's her way or the

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<sup>270</sup> Then the question obviously becomes what exactly constitutes my vision of society. It is obviously impossible for me to answer this question in anything but the most superficial way but let me just say that even though efficiency can be a pleasant aspect (trains running on time, clear organisation), efficiency alone does not make life worth living. So my claim is best read as an argument for a society which sees efficiency as one value amongst others, not as the ultimate value in all circumstances.

highway. I want to include such a position in this dissertation because I want to demonstrate that my call for a rejection of a notion of universal truth does not mean I think every position is equally valid. There are still important considerations by which arguments become persuasive, like consistency, humility, clarity, providing particular instances which seem to support the general assertion, etc. Abandoning the idea of truth does not entail an abandonment of all standards of debate. In fact, it makes such standards even more important.

When the students staged their walk-out, they justified their actions in an open letter as follows:

Today, we are walking out of your class, Economics 10, in order to express our discontent with the bias inherent in this introductory economics course. We are deeply concerned about the way that this bias affects students, the University, and our greater society....[The] course.... espouses a specific—and limited—view of economics that we believe perpetuates problematic and inefficient systems of economic inequality in our society today. A legitimate academic study of economics must include a critical discussion of both the benefits and flaws of different economic simplifying models.... the biased nature of Economics 10 contributes to and symbolizes the increasing economic inequality in America.<sup>271</sup>

This single complaint actually encapsulates a number of different dimensions. First, there is the overall theme that the economics course espouses a specific and limited view of what economics is. The students refuse to accept that efficiency is the sole consideration for all of economics. But they go further and argue that not only is efficiency not the prime goal of economics but the notion of efficiency as it is actually conceptualised is misleading. The students used the notion of bias to make reference to the “legitimate academic study of economics” which brings up questions of authority, community, and power. They thus share my concern with about the authority with which economic knowledge is presented and that they do not recognise this authority. In their actions, they basically urge other members of society not to accept this authority either. They also talk about “increasing economic inequality” which brings up practical concerns with how Americans as a community live

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<sup>271</sup> “An Open letter to Gregory Mankiw”, *Harvard Political Review*, 2011. Available at: <http://harvardpolitics.com/harvard/an-open-letter-to-greg-mankiw/>. Last accessed 11<sup>th</sup> of August 2015.

their daily lives. This is another point where the central notion of efficiency is being questioned. The students simply do not care whether the current state of affairs is efficient according to some standard. They care that every member of society enjoys certain benefits, no matter whether this arrangement is deemed to be efficient. The needs of the community are primary, not considerations of efficiency.

Gregory Mankiw responded a month after the walk-out in the *New York Times*.<sup>272</sup> In his response, he is quite conscious of the fact his presentation of economics does have important effects on the way students think about the world. He writes that “I have written a textbook that has introduced millions of students to the mainstream economics of today. If my profession is slanted toward any particular world view, I am as guilty as anyone for perpetuating the problem”. Mankiw eventually does take the position that “like most economists, I don’t view the study of economics as laden with ideology”, but he acknowledges a number of issues: First, he notes: “That is not to say that economists understand everything” and that “Widening economic inequality is a real and troubling phenomenon, albeit one without an obvious explanation or easy solution”. Second, he notes that even though the “inchoate feeling that standard economic theory is inherently slanted toward a conservative world view” has in fact a long tradition, he goes on to note that the current complaints “seemed to me to be a grab bag of anti-establishment platitudes without much hard-headed analysis or clear policy prescriptions.”

To a large extent, this feeling is indeed understandable. It is one thing to voice discontent about the existing state of affairs but quite another to realise the full complexity which an alternative arrangement needs to take into account. So I sympathise with Mankiw’s urge on the importance of practical action. But what he does not seem to realise is that practical action is itself related to the view we take of the world. If you do not allow people to

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<sup>272</sup> It actually seems a bit strange to me that Mankiw took an entire month to write a 1000 word response but he may very well have had better things to do. See Mankiw, Gregory, “Know What You’re Protesting”, *New York Times*, December 4, 2011.

voice an alternative as legitimate, it is very hard to develop alternative routes for practical action. And given that fundamentally Mankiw does not see the “study of economics as laden with ideology”, he cannot recognise that efficiency is just one goal which societies may strive for.

A further response to the students’ complaint was written by Amity Shlaes, a week after the walk-out.<sup>273</sup> In contrast to Mankiw’s mild-mannered presentation, Shlaes epitomises a very different type of response. To begin, she misconstrues what the students are actually complaining about. In her mind, one of “their specific criticisms [is] that economics as taught in this class, formally called Economics 10, failed to prevent the financial crisis”. Given this imagined primary concern, her answer is that “[t]here are two theories that could have predicted the financial crisis of 2008, and that have much to say about inequality. Neither of them would be considered progressive.” In her mind, the two theories that explain financial crises are Austrian economics and Public Choice theory.

If Shlaes had actually engaged with the core of the student concern that economic theory is, as Mankiw nicely paraphrases, “inherently slanted toward a conservative world view”, she would realise that her apparent dismissal of the student complaint is actually a confirmation. For if it is the case that there are only two theories which explain the financial crisis but neither of which is progressive that just goes to show that there is indeed a slant towards a certain ‘ideology’, even according to her own terminology. Why is there no theory of progressive politics that explains the financial crisis, as outlined by Shlaes? Even though I do not want to engage with this argument further here, I would like to note that even by the terms of her own statement, she is mistaken. There are a number of other theories that can explain the financial crisis, take Minskyian theory, Post-Keynesian or standard Marxian theory as examples. As Steve Keen has pointed about his own Minskyian model that the

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<sup>273</sup> Shlaes, Amity, “Harvard’s Walkout Students Misunderstand Economics: Amity Shlaes”, *BloombergView*, November 10, 2011. Available at: <http://www.bloombergview.com/articles/2011-11-11/harvard-walkout-students-misunderstand-economy-commentary-by-amity-shlaes>. Last Accessed August 13, 2015.

“transition from the Great Moderation to the ‘Great Recession’ was inexplicable from a neoclassical point of view, but could be inferred from my Minsky model.”<sup>274</sup> The point is that she either does not know about these theories or does not care to engage with them. Either way would be a support of the criticism in the official student complaint.

Two other points are worth making. On the question of Mankiw’s relation to Keynesian theory, Shlaes notes that “Mankiw hasn’t thrown Keynes out the window, like a Frisbee into Harvard Yard. He has merely updated him and presented him in the best light.” But one would have to ask who decides the standard according to which this ‘bestness’ is to be judged. For surely, according to some standard an interpretation of Keynes would be the best, whilst according to some other standards it would be the worst. So who gets to pick the standard? The problem is that Shlaes already knows what she wants Keynes to have said and this would be the true standard of judgement.

But Shlaes goes on to make two stronger claims. The first is that the introductory economics course is much more intellectually diverse than other courses. As she states: “Look closely at the Harvard protest and you find a problem opposite to the one alleged. Ec 10, though still Keynes-flavoured, does feature intellectual variety relative to the rest of Harvard’s curriculum.” Sadly, she offers not a single example in support of this assertion. Even more, what is the definition of intellectual variety? How does one compare the intellectual content of economics with that of art history? The second claim is that she seems to suffer from the common misunderstanding that what she thinks of as free markets is somehow less ideological than other theoretical approaches. She states that “the course’s message of free markets and trade, and less-regulated prices, rings at odds with the ideology on offer in many Harvard courses labelled “history,” “sociology” or “government.”” Shlaes never specifies what exactly she means by this statement but one can assume that she thinks

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<sup>274</sup> Keen, Steve, “Predicting the ‘Global Financial Crisis’: Post-Keynsian Macroeconomics”, *Economic Record*, 89, (285), 2013, p. 240.

of her free market position as neutral whilst what she regards as intervention into the supposed workings of the market as unnatural and undesirable. Shlaes appears to exhibit a typical case of what Terry Eagleton has said in general about ideology, namely that “nobody would claim that their own thinking was ideological, just as nobody would habitually refer to themselves as Fatso. Ideology, like halitosis, is in this sense what the other person has.”<sup>275</sup> With the help of greater self-reflection, however, and bearing in mind the image of *homo communicandis*, we may to avoid the worst cases of halitosis. It will never be possible to be aware of all the ways in which one’s perspective is shaped but this is also not necessary. It suffices that one recognises that one’s perspective on nearly all issues of relevance is simply not neutral but shaped by biological, cultural, and idiosyncratic factors. This recognition could then be the basis for a humility for the respect for other perspectives. It is this humility that is particularly lacking in Shlaes’ defence.

### *Conclusion*

In this chapter, I examined two widely used economics textbooks to demonstrate what narrative, arguments, and rhetorical devices are used in order to construct economic knowledge and economic ideas. I argued that economics textbooks, especially Mankiw’s *Principles*, rely on arguments about what constitutes the methodology of economics in order to justify the argument that efficiency is the most important economic and social criterion for any society. I also highlighted how the methodological claims stand in stark contrast to the pedagogical claims made by economics textbooks. I used Frank and Bernanke’s *Principles* as a particular example to further elaborate this claim. I concluded the chapter by showing how the methodological position advocated by economics textbooks makes it impossible to understand the basis and justification of why students would like to see a more pluralistic and

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<sup>275</sup> Eagleton, Terry, *Ideology; an introduction*, London: Verso, 1991, p.2.

diverse teaching in economics. In the next chapter, I demonstrate how a more pluralistic way of teaching economic knowledge could be accomplished. The aim is to lay the theoretical foundation to argue that economic ideas can also be taught through works of fiction. In order to do this, I turn to some seminal work in literary criticism and cultural history that has highlighted how literary texts both reflect and produce particular cultures.<sup>276</sup>

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<sup>276</sup> This clearly already holds for economics textbooks. But this understanding does not matter as much in the case of economics textbooks since economics textbooks represent what our culture or society deems to be economic knowledge. Economic knowledge is partially constituted by the fact that it is included in an economics textbook. For works of fiction, by contrast, the issues are more complicated. Hence, why I shall take an entire chapter to explore these points in detail.

## **Chapter 4:**

### *How novels foster solidarity*

#### *Introduction*

The aim of this chapter is to connect Rorty's heuristic of solidarity vs. objectivity developed in the second chapter with the discussion of how economics textbooks produce knowledge found in the third chapter. I already suggested at one point in the third chapter that economics textbook can be understood as an attempt to generate meaning by positing a world of objectivity in Rorty's sense. In this chapter, I want to highlight how language can also be used to create bonds and empathy. In order to do this, I want to think of as language as reflecting and producing particular cultures. One can thus think of economics textbooks as producing a culture of objectivity and novels as producing a culture of solidarity.

In order to develop this argument, the chapter proceeds in four parts. First, I revisit some of the points raised in the second chapter about the notion of language games and how language games can be used to understand culture simultaneously as being reflected in the kind of language games that are being played and as being produced by those very same games. In particular, I want to think about the nature of language games along the lines of Rorty's objectivity vs solidarity. The second section then develops this argument further by showing that novels are one site which indicates the kinds of language games a particular community likes to play – they reflect a particular culture and can thus be used to understand the concerns, issues, and questions a particular culture grapples with. The third section enlarges this point by arguing that the relationship between novels and culture is more complex than suggested in the second section. Novels not only reflect culture but also actively produce and transform it. I end the third section by suggesting that novels are a better way to foster solidarity than economics textbooks. In the fourth section, I give a brief outline



of why this is the case: Novels are intrinsically more open than economics textbooks. It is this openness that ultimately is a prerequisite for solidarity.

### *Language as culture*

The idea that language is a cultural tool and artefact is by no means uncontroversial.<sup>277</sup> A large number of scholars still think of language mostly in terms of a tool to describe reality. A more nuanced version of this view is the theory of universal grammar developed by Noam Chomsky which has been adapted in numerous different guises, most notably Stephen Pinker's *The Language Instinct*. Their differences aside, all scholarship sympathetic to universal grammar shares the conviction that all languages share at least some of the same properties which are innate to every normal human being. As a result, language does not have to be taught. Every human is naturally equipped with the syntactical structures to speak any language and universal grammar will reveal what exactly these structures are. Universal grammar effectively posits that all language use can be understood through a few universal grammatical rules. For those following universal grammar, the meaning of a sentence is a straightforward extension of its grammatical structure.

Wittgenstein, in his *Philosophical Investigations*, provides a very different account of language. For Wittgenstein, all language rules are local. There are no universal rules that tell us what an expression means. Rather, we have to strenuously learn the meaning of different utterances. The derivation of the meaning of an utterance is the result of a complex interplay between experience, grammatical structure, word choice, and context. Wittgenstein employed the term language games to demonstrate and capture how an utterance itself does not carry the rules by which it can be understood. Rather, we already need to have learnt the rules of an utterance in order for us to be able to correctly grasp its meaning. Wittgenstein uses the

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<sup>277</sup> I have borrowed the phrase cultural tool from: Everett, Daniel, *Language: The cultural tool*, New York: Random House, 2012.

wonderful example of an arrow or signpost. Even though we all take an arrow to be guiding us in the direction of its head rather than its nook, the arrow itself does not tell us that this is how we ought to apply the rule. We have to have mastered the rule before we can understand what the arrow is trying to tell us. Wittgenstein phrases this issue wonderfully by writing: “To understand a sentence means to understand a language. To understand a language means to be master of a technique.”<sup>278</sup>

Because understanding a language requires mastery of a certain technique, language is best regarded as an instrument. And we have to learn how this instrument is to be used. Wittgenstein asks his readers to “think of the tools in a tool-box: there is a hammer, pliers, a saw, a screw-driver, a rule, a glue pot, glue, nails, and screws – The functions of words are as diverse as the functions of these objects. (And in both cases there are similarities).”<sup>279</sup> As instruments could be used in many different ways, the exact ways in which we do use them shows our belonging to a group with whom we share this usage. This is one of the reasons why Wittgenstein calls speaking language a form of life. Another way of saying this would be to say that language is a cultural tool, as Daniel Everett does.

One of the ways we can therefore think about the nature of our culture is to think about what expressions are used and learnt. The question becomes “how did we learn the meaning of this word (“good” for instance). From what sort of examples? In what language games?”<sup>280</sup> Because every word can be used in a variety of language games, each word can be regarded as belonging to a family of resemblances:

We see a complicated network of similarities overlapping and criss-crossing: sometimes overall similarities, sometimes similarities of detail. I can think of no better expression to characterise these similarities than “family resemblances”; for the various resemblances between members of a family: build, features, colour of eyes, gait, temperament, etc., etc. overlap and criss-cross in the same way. – And I shall say: ‘games’ form a family.<sup>281</sup>

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<sup>278</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §199.

<sup>279</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §11.

<sup>280</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §77.

<sup>281</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §67.

This vision of language was also espoused by one of Wittgenstein's contemporaries, J.L Austin. Austin also provides a great contribution to an understanding of the cultural nature of our language. Where Wittgenstein uses the term language game, Austin uses the term speech act.<sup>282</sup> Austin argues that some speech acts are performative utterances. A performative utterance brings about something just by the mere fact that it has been uttered. Austin's wonderful example is a priest uttering 'I pronounce you Man and wife'. What is interesting about such utterances is that certain conditions must be fulfilled for these utterances to function. Even though Austin never used the term himself, these conditions are generally known as felicity conditions today. In other words, if a friend at some bar pronounces two people as man and wife, the felicity conditions have not been met, and the utterance does not carry any weight. The utterance itself, however, does not tell us anything about whether these conditions are in fact fulfilled, or even, what they are. Not only do we need to learn what these conditions are but they can differ fundamentally between different cultures.

Felicity conditions play an important role in the production of economic knowledge and economics as a discipline. It needs to be remembered that the question of who counts as an economist in many ways is decided by the collective self-understanding of the community of economists. And this self-understanding is reflected in the kind of work that is deemed admissible in research journals and doctoral dissertations. If I briefly allow the autobiographical angle to break through to the surface of the narrative again, it might be worth noting that this dissertation is also characterised by not being the kind of work that is admissible in an economics department. As it stands, I would not be awarded a doctoral degree in economics at any of the top tier schools in Anglo-Saxon countries for the kind of work I am writing here. Despite the fact that I explore how economics knowledge and ideas

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<sup>282</sup> There are some differences in usage but I shall not discuss these here.

are produced, this dissertation does not meet the felicity conditions of being considered a doctoral dissertation in economics. Again, one would not be able to infer this from the nature of the text alone – one needs to know what those conditions are in the first place.

The felicity conditions that are imposed on research in turn have grave consequences for the way economics is taught at university. It may make sense to think of a doctoral dissertation as a membership card to a private club. Once one has received the card, one is in principle a member. One may not be considered a full member at the outset but one is, as the saying goes, at least part of the club. By virtue of having been granted this club membership (which is frequently the prerequisite of teaching in an economics department), one fulfils the felicity conditions in order to create performative utterances within a classroom environment. By virtue of being appointed as a lecturer or professor in a university context, one's utterances about what counts as economics take on a performative character: Economics is, whatever it is, because one has said so. There may be disagreements amongst colleagues about the exact nature of economics but this becomes secondary in the classroom. A lecturer or professor is invested with the authority to enforce his vision of the subject on the students.<sup>283</sup> Given that most people's vision of the subject also influences the kind of work which they personally research, the style of one's research is often reflected in the kind of teaching one does.

It is obviously true that there are limits on the kind of utterance that can be made performative in a classroom environment. Just saying 'the world is flat' will not make the world flat. Nor would it even convince most students that the world is flat. In other words, there is a certain background knowledge and understanding of the world which the economist as teacher needs to tap into in order to make his utterances truly performative. In the third section of this chapter, I suggest that novels can be understood as one vehicle which helps to

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<sup>283</sup> I should also note that this authority is generally more pronounced in the American system than in the British system. In the American system, all work is graded by the professor in question whereas in Britain there is a chance that the grading is done by third parties.

contribute to this background understanding (as could movies, social media, newspapers, etc.).

One important aspect to the performance of an economist as teacher, or all performance for that matter, is sociality. In participating in acts of communication, we become part of social interactions. In fact, language can only enact its performative character if the community bond amongst different speakers of that language is recognised. If the community does not take the words “I now pronounce you man and wife” to be in any way binding, the pronouncement will lose the meaning which we would currently attach to it (as somebody who is part of a community where this pronouncement under the right felicity conditions is indeed transformative of the social context of the two people in question). In other words, we can see how the idea of *homo communicandis* is inherently tied to a social conception of human nature. But it also implies that language is somehow part of the processes by which our culture is created. Claire Kramsch puts this issue nicely when she states: “Language is the principal means whereby we conduct our social lives. When it is used in the context of communication, it is bound up with culture in multiple and complex ways.”<sup>284</sup> Daniel Everett provides a useful way of thinking about what constitutes culture vs language:

Language is how we talk. Culture is how we live. Language includes grammar, stories, sounds, meanings, and signs. Culture is the set of values shared by a group and the relationship between these values, along with all the knowledge shared by a community of people, transmitted according to their tradition.<sup>285</sup>

One important aspect to this interrelation between language and culture is the very creation and consolidation of social bonds. Everett tries to emphasize this dual role of language:

all human languages are tools. Tools to solve the twin problems of communication and social cohesion. Tools shaped by the distinctive pressures of their cultural niches – pressures that include cultural values and history and which in many cases account...for the similarities and differences between languages.<sup>286</sup>

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<sup>284</sup> Kramsch, Claire, *Language and Culture*, Oxford: Oxford University Press, 1998, p.3.

<sup>285</sup> Everett, Daniel, *Language: The cultural tool*, New York: Random House, 2012, p.6.

<sup>286</sup> Everett, Daniel, *Language: The cultural tool*, New York: Random House, 2012, p.6.

Everett is following a number of other scholars to try to emphasise the role and contribution of language to human evolution.<sup>287</sup> Everett and others are interested in how “it is that the values we hold as members of a human societies shape the ways in which we communicate....Our cultures, linguistic forms, and minds evolve together from birth to death and even beyond the lifespan of any individual – each language is a history of symbiosis of grammar, mind, and culture.”<sup>288</sup> I share the concerns of Everett and other evolutionary scholars but I am also interested in the reverse story, namely how the ways we communicate shapes our cultural values. Hence my interest in economics textbooks and other artefacts that produce economic ideas.

This realisation is the starting point of the excellent work of many cultural historians. Stuart Hall provides one the best examples of how language can be used to understand culture. In *The Hippies – An American Moment*, Hall relates the language and slogans of the Hippie movement in the US to their overall cultural project. He writes:

I try to view the Hippie Style as a project for a certain section of American youth (rather than a symptom). I stress that this is both a description, and an interpretation, because, as will be apparent, I am trying to manifest what are, by definition, the latent meanings of a way of life: a way of life which rejects and despises, precisely, the language and act of interpretation.<sup>289</sup>

Hall uses Hippie slogans as an example of how “most subcultures dramatise the gap between their own world and the world of ‘others’ in language – the most expressive mediation or objectivation of all.”<sup>290</sup> This is because, and I think Hall is right in making this claim, the chosen language reflects a particular vision of what make life worthwhile. Hall writes:

The symbols, expressive values, beliefs, and attitudes, projects and aspirations of groupings like the Hippies constitute, taken together, a significant, meaningful way of being in the world for them. It is by learning to read the meanings of these

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<sup>287</sup> See: Hurford, James, *The Origin of Meaning: Language in the Light of Evolution*, Oxford: Oxford University Press, 2007. Boyd, Brian, *On the Origin of Stories: Evolution, Cognition, and Fiction*, Cambridge: Harvard University Press, 2010. Carey, Susan, *The Origin of Concepts*, Oxford: Oxford University Press, 2011.

and the Origin of Concepts

<sup>288</sup> Everett, Daniel, *Language: The cultural tool*, New York: Random House, 2012, p.9.

<sup>289</sup> Hall, Stuart, “The Hippies: An American Moment”, *University of Birmingham*, 1968, p.2.

<sup>290</sup> Hall, Stuart, “The Hippies: An American Moment”, *University of Birmingham*, 1968, p.5.

‘signs’ that we come to understand the global vision of the world, the weltanschauung, the project which organises and makes coherent the many disparate strands.<sup>291</sup>

Other cultural historians have taken up the idea that language can be traced in order to understand historical developments. Alan Munslow’s *Discourse and Culture* is a great example in this regard. Munslow uses the work of Hayden White as a starting point. White argues that “each of the epochs in Western cultural history, then, appears to be locked within a specific mode of discourse, which at once provides its access to “reality” and delimits the horizon of what can possibly appear as real.”<sup>292</sup> Given this background, Munslow argues that “the explanations for American cultural formation in the late nineteenth-century are to be derived not only from the examination of the evidence of factory life and urban living conditions, but also from the analysis of discourse of dominant and subordinated groups represented in the voices of class, race and gender.”<sup>293</sup> In order to accomplish this task, Munslow “examines five language terrains or discourses which were integral to the creation of American culture in the late nineteenth and early twentieth centuries.”<sup>294</sup> He identifies these as “the language of capital accumulation and enterprise, the producer tradition that was largely destroyed by economic change, the nationalist discourse of written history, the language of social reconstruction and the constitution of gender, and finally the language of race.”<sup>295</sup> Munslow tries to understand the nature of each of these discourses by focusing on the work of a single representative individual – Andrew Carnegie, Terence V. Powderly, Frederick Jackson Turner, Jane Addams, Booker T Washington, and W.E.B du Bois. In this way, he aims to “assess [each discourse] through the role of a key intellectual chosen for his

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<sup>291</sup> Hall, Stuart, “The Hippies: An American Moment”, *University of Birmingham*, 1968,p.4.

<sup>292</sup> White, Hayden, “Foucault Decoded: Notes from Underground”, *History and Theory*, 12( 1), 1973, p. 34.

<sup>293</sup> Munslow, Alun, *Discourse and culture: the process of cultural formation in America 1870 – 1920*, London: Routledge, 1992, p.1.

<sup>294</sup> Munslow, Alun, *Discourse and culture: the process of cultural formation in America 1870 – 1920*, London: Routledge, 1992, p.5.

<sup>295</sup> Munslow, Alun, *Discourse and culture: the process of cultural formation in America 1870 – 1920*, London: Routledge, 1992, p.5.

or her significance in the process of cultural representation and ideological formation.”<sup>296</sup> In some ways, the methodology of the next chapter follows Munslow’s ethos since I try to assess the linguistic terrain of economic ideas through an assessment of representational novels.

Judi Atkins et. al. have attempted to carry the spirit of such work to an analysis of British society. Rather than using the terms discourse or language, Atkins et al. prefer the term rhetoric. They think that

rhetoric is more than just surface language, an ornament to underlying ideas. Rhetoric is, arguably an analytical framework for academic inquiry, a broad-ranging methodology for interpreting social symbols, centring on ethos, logos, and pathos as a conceptual that reveals much about the strategic use of language by individuals and that also bring to light key themes in public life.<sup>297</sup>

They want to use rhetoric as an analytical framework in order to “consider the ways in which rhetoric constructs the social order. That is, how does rhetoric contribute to the texture of British politics and society?”<sup>298</sup> They analyse different instances of political speech to show how rhetoric is inherently involved in each instance. They show how

through rhetoric, individuals – whether the prime minister, public commentators, journalists, or ordinary Britons – cope with change and stake their own claims about it is to be British, about who should be praised and who vilified, about what makes British culture and about what we should do politically to adapt to social change. The very idea of Britishness is negotiated through rhetoric, although never with a single voice.<sup>299</sup>

Examples such as those provided by Atkins et. al. demonstrate the deep and intrinsic interrelationship between language, culture and identity. But there is another important dimension to this consideration, namely that culture is simultaneously both liberating and constraining for an individual. Claire Kramsch highlights this issue nicely when she states:

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<sup>296</sup> Munslow, Alun, *Discourse and culture: the process of cultural formation in America 1870 – 1920*, London: Routledge, 1992, p.5.

<sup>297</sup> Atkins, Judi and Nick Turnbull, “Conclusion: Rhetoric, British Identity and Interdisciplinarity”, in Atkins , Judi et al, *Rhetoric in British Politics and Society*, London: Palgrave, 2014, p.179.

<sup>298</sup> Atkins, Judi and Nick Turnbull, “Conclusion: Rhetoric, British Identity and Interdisciplinarity”, in Atkins , Judi et al, *Rhetoric in British Politics and Society*, London: Palgrave, 2014, p.173.

<sup>299</sup> Atkins, Judi and Nick Turnbull, “Conclusion: Rhetoric, British Identity and Interdisciplinarity”, in Atkins , Judi et al, *Rhetoric in British Politics and Society*, London: Palgrave, 2014, p.173.



Social conventions, norms, and social appropriateness are the product of communities of language users. As the Dickinson poem, poets and readers, florists and lovers, horticulturists, rose press manufacturers, perfume makers and users, create meanings through their words and actions. Culture both liberates people from oblivions, anonymity, and the randomness of nature, and constrains them by imposing on them a structure and principles of selection. This double effect of culture on the individual – both liberating and constraining – plays itself on the social, historical, and metaphorical planes.<sup>300</sup>

This double effect is of particular importance in the context of economic ideas and knowledge. Contemporary economic ideas are intrinsically tinged with a particular vision of how freedom is constituted. In the next chapter, I examine how one contemporary novel has taken up this issue as its central theme in order to ask the reader to reflect on just what it means to be free in contemporary America.

However, at the same time as language helps to constitute cultures and identities, it is also a marker of difference. Language can be studied to understand cultural difference and what such differences consists in. Karen Risager highlights

how cultural differences express themselves and are created via various forms of linguistic practice and discourse, how culturally different conceptual systems and world views are contained in the semantic and pragmatic system of various languages, and how language development and socialisation contribute to the development of cultural identities and cultural models around the world.<sup>301</sup>

Because language expresses difference, language and discourse can also be regarded as “sites of cultural contest.”<sup>302</sup> For Shi-Xu, the very terms by which cultural practices are described already inherently reflect certain cultural preconceptions. There is no neutral ground from which to analyse any cultural practice. Shi-Xu also highlights that the vast majority of commentary on cultural practices has been written by scholars educated in the Western tradition. He emphasises the “lived but ignored fact that international scholarship on discourse, and for that matter language and communication, has been mainly a West-

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<sup>300</sup> Kramsch, Claire, *Language and Culture*, Oxford: Oxford University Press, 1998, p.6.

<sup>301</sup> Risager, Karen, *Language and Culture: Global Flows and Local Complexity*, Clevedon: Multilingual Matters, 2006, p.1.

<sup>302</sup> Shi-Xu, “Discourse Studies and Cultural Politics” in Shi-Xu (ed.), *Discourse as Cultural Struggle*, Hong Kong: Hong Kong University Press, 2007, p.3.

dominated enterprise and, consequently, culturally univocal and monological in nature, rather than pluralistic and reflexive.”<sup>303</sup> He posits that most discussions of cultural practices and cultural values reflect particular conceptions of culture that are indigenous to the West only. As a result, he thinks of scholarship as reflecting and reproducing a particular type of monoculture which poorly represents the diversity of human knowledge and experience:

This unhappy state of the international discourse scholarship has broader consequences for the development of human knowledge, and ultimately, on the survival of human cultures. For, when such a culturally unbalanced communication system, as manifested in the powerful cultural symbolic practices of (text)books, journals, conferences, research projects, classroom teaching and so on, keep producing and reproducing culturally singular and perhaps circular ways of understanding, pre-emptying the cultural diversity of knowledge (seeking) and invalidating the relevance of dialogue and critique between culturally different traditions, thereby genuine intellectual growth becomes difficult, if not impossible.<sup>304</sup>

I think that Shi-Xu makes a very important and pertinent point that is worth keeping in mind as a reader of this dissertation. For whatever my assessment and critique of economic ideas and knowledge amounts to, it is still the assessment and critique of a Western, Western-educated, privileged, white male. I can reflect on my particular experience and subjectivity at a particular point in time but my perspective will always be tinged by my subjectivity. Shi-Xu’s criticism is also of importance for me as the writer of this dissertation for it highlights the inherent incompleteness and bias of everything I think and write. With that in mind, I can now review of the novel has been conceptualised as reflecting a particular culture.

### *The novel as a reflection of culture*

Modern academic scholars interested in understanding whether and how a particular culture could be understood to be reflected in works of fiction, or literature in general, appears to have arisen more or less simultaneously in a number of very different writings. This first

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<sup>303</sup> Shi-Xu, “Discourse Studies and Cultural Politics” in Shi-Xu (ed.), *Discourse as Cultural Struggle*, Hong Kong: Hong Kong University Press, 2007, p.4.

<sup>304</sup> Shi-Xu, “Discourse Studies and Cultural Politics” in Shi-Xu (ed.), *Discourse as Cultural Struggle*, Hong Kong: Hong Kong University Press, 2007, p.5.

wave of scholarship took place in the late 1930s and early 40s but it took from the late 50s until to the early 70s for these writings to be publicly available. The best examples of this scholarship are: Georg Lukacs' *The Historical Novel*, written in 1936-37 but only available in English in 1962; Ian Watt's *The Rise of the Novel*, begun in 1937 but only published in 1957; and Michel Bakhtin's *The Epic and the Novel*, written in 1941, but only available in English from the mid 1970s.<sup>305</sup>

Their differences notwithstanding, the early scholars seem to be in agreement that following the industrial revolution in England and the French revolution in France, Europe underwent significant social and economic transformations. One of the ways in which these transformations could be understood was to turn to works of fiction, especially novels. A couple of preliminary points are noteworthy: First, it counts as certain that none of these scholars had been in correspondence with one another so that the simultaneous emergence of this scholarship is already a striking factum in and of itself. Second, it is also striking that even though these works all agree that novels can be used to understand social and economic transformations, there is perhaps a surprising amount of disagreement as to what these transformations amount to. As a consequence, I would like to briefly review some of the main points of each contribution.

In his *The Historical Novel*, Lukacs wants to contribute to both Marxist aesthetics and a materialistic treatment of literary history showing that the advent of the modern industrialisation and its consequent social transformations gave in fact rise to a new form of novel.<sup>306</sup> Lukacs differentiates historical novels of the 17<sup>th</sup> and 18<sup>th</sup> century from those of the 19<sup>th</sup> century, in that the historical dimension of the former did not extend beyond "their

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<sup>305</sup> Two other important examples are Walter Benjamin's *The author as producer*, written in 1934 but only published in 1966 and Irving Howe's *Politics and the Novel* published in 1954. I have left out both of these works due to spatial constraints. See Walter, Benjamin, *The author as producer*, London: Verso, 1996. Howe, Irving, *Politics and the Novel*, London: Stevens & Sons, 1957.

<sup>306</sup> Lukacs published an even earlier work with a similar theme called *The Theory of the Novel*. However, this work was not available in English until 1971. Lukacs also later distanced himself from what he had written so I will focus on his later work instead.

purely external choice of theme and costume.”<sup>307</sup> It was only in the later that the characters started to understand themselves as figures at a particular time and place. Lukacs writes: “What was lacking in the so-called historical novel before Sir Walter Scott is precisely the specifically historical, that is, derivation of the individuality of characters from the historical peculiarity of their age.”<sup>308</sup>

Of crucial importance for Lukacs is the fact that 19<sup>th</sup> century novels started to reflect the unmistakable truth of a Hegelian understanding of history and a Marxian understanding of capitalist exploitation:

Progress is no longer seen as an essentially unhistorical struggle between humanist reason and feudal-absolutist unreason....The most important thing here is the increasing historical awareness of the decisive role played in human progress by the struggle of classes in history. The new spirit of historical writing....concentrates precisely on this question: on showing historically how modern bourgeoisie society arose out of the class struggles between nobility and bourgeoisie, out of the class struggles which raged throughout the entire ‘idyllic Middle Ages’ and whose last decisive state as the great French revolution.<sup>309</sup>

For Lukacs, it is clear that the transformation in the concerns of certain novels reflects the changing understanding and concerns of society as a whole – most importantly how to bring about the overthrow of capitalist regimes world-wide. This assessment might strike the contemporary western reader as a delicate mixture between naiveté and outlandishness. Yet, I think such a reaction dangerously underestimates the realness of such feelings in substantial parts of the Western world at the time of his writing. And it is exactly through a consideration of popular novels which enjoyed widespread appeal, rather than narrow academic writing, that the realness of these concerns can be uncovered retrospectively (as well as seen contemporaneously).

Ian Watt, by contrast, argues that novels of the 18<sup>th</sup> and 19<sup>th</sup> century reveal quite different social concerns. Watt shares Lukacs assessment that novels written during this

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<sup>307</sup> Lukacs, Georg, *The Historical Novel*, London: Merlin Press, 1962, p.15.

<sup>308</sup> Lukacs, Georg, *The Historical Novel*, London: Merlin Press, 1962, p.15.

<sup>309</sup> Lukacs, Georg, *The Historical Novel*, London: Merlin Press, 1962, pp.25-26.

period for the first time considered individuals in their historical specificity. In this vein, Watt writes about Defoe that “his fiction is the first which presents us with a picture both of the individual life in its larger perspective as a historical process, and in its closer view which shows the process being acted out against the background of the most ephemeral thoughts and actions.”<sup>310</sup> However, the historical specificity which Watt alludes to is decidedly not that of a Marxist revolution. Very much on the contrary, Watt believes to be witnessing the rise of modern individualism. He writes:

The novel's serious concern with the daily lives of ordinary people seems to depend upon two important general conditions: the society must value every individual highly enough to consider him the proper subject of its serious literature; and there must be enough variety of belief and action among ordinary people for a detailed account of them to be of interest to other ordinary people, the readers of novels. It is probable that neither of these conditions for the existence of the novel obtained very widely until fairly recently, because they both depend on the rise of a society characterised by that vast complex of interdependent factors denoted by the term 'individualism'.<sup>311</sup>

Like Lukacs, Watt believes that the rise in this new way of looking at the world is directly linked to changes in the economic and social reality in England. However, Watt's assessment of what this social reality amounts to is again starkly at odds with Lukacs. Where Lukacs emphasises how novels highlight the destructive and exploitative character of modern capitalism, Watt highlights how novels highlight how much the standard of living and personal freedoms enjoyed by the average Englishperson had increased under the new economic order:

Capitalism brought a great increase of economic specialisation; and this, combined with a less rigid and homogeneous social structure, and a less absolutist and more democratic political system, enormously increased the individual's freedom of choice. For those fully exposed to the new economic order, the effective entity on which social arrangements were now based was no longer the family, nor the church, nor the guild, nor the township, nor any other collective

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<sup>310</sup> Watt, Ian, *The rise of the novel: Studies in Defoe, Richardson, and Fielding*, Berkeley: University of California Press, 1957, p.23.

<sup>311</sup> Watt, Ian, *The rise of the novel: Studies in Defoe, Richardson, and Fielding*, Berkeley: University of California Press, 1957, p.60.

unit, but the individual: he alone was primarily responsible for determining his own economic, social, political and religious roles.<sup>312</sup>

We see here how novels written at the same time can highlight very different social realities. Even more, Lukacs and Watt are concerned mostly with works from different countries: While Lukacs is mostly concerned with French and German novels, Watt is exclusively focused on English novels. Whether or not these geographical differences entirely explain the different social realities attributed to the novel, however, is doubtful. Part of the difference might simply consist in the fact that Lukacs and Watt looked at the world in different ways. However, the very nature of the novel may help to decrease such differences.

This is exactly the argument put forth by Michael Bakhtin in *The novel and the Epic*. For Bakhtin, the nature of the novel reflects the fact that for the first time in Europe there appears to be intercultural exchange at the popular level. Whilst Europe has certainly witnessed inter-cultural exchange at the level of the Monastery and Sovereign as well as commerce, such internationality did not extend beyond the very elite of society. With the novel argues Bakhtin, we can see the how this started to change in Europe:

[The] characteristics of the novel are all organically interrelated and have all been powerfully affected by a very specific rupture in the history of European civilization: its emergence from a socially isolated and culturally deaf semi patriarchal society, and its entrance into international and interlingual contacts and relationships. A multitude of different languages, cultures and times became available to Europe, and this became a decisive factor in its life and thought.<sup>313</sup>

Like Lukacs and Watt, Bakhtin argues that this transformation resulted in a genuinely new cultural perspective. However, where Lukacs and Watt focused on the material changes which accompanied the life of the average person, Bakhtin focuses on the intellectual changes that are occurring, in particular the rise of polyglossia (speaking/understanding many languages).

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<sup>312</sup> Watt, Ian, *The rise of the novel: Studies in Defoe, Richardson, and Fielding*, Berkeley: University of California Press, 1957, p.60-61.

<sup>313</sup> Bakhtin, Mikhail, *The Dialogic Imagination: Four Essays*, Austin: University of Texas Press, 1981, p.11.

The new cultural and creative consciousness lives in an actively polyglot world. The world becomes polyglot, once and for all and irreversibly. The period of national languages, coexisting but closed and deaf to each other, comes to an end. Languages throw light on each other: one language can, after all, see itself only in the light of another language. The naive and stubborn coexistence of "languages" within a given national language also comes to an end—that is, there is no more peaceful co-existence between territorial dialects, social and professional dialects and jargons, literary language, generic languages within literary language, epochs in language and so forth.<sup>314</sup>

Even though both Lukacs and Watt realised that novels could also aid in the production of certain cultures, their focus remained on showing how novels reflected certain cultural trends. Bakhtin, by contrast, was much more heavily interested in showing that the novel could help to produce new cultures in which the relationship between the word and the world is radically different from before:

In this actively polyglot world, completely new relationships are established between language and its object (that is, the real world)—and this is fraught with enormous consequences for all the already completed genres that had been formed during eras of closed and deaf monoglossia. In contrast to other major genres, the novel emerged and matured precisely when intense activation of external and internal polyglossia was at the peak of its activity; this is its native element. The novel could therefore assume leadership in the process of developing and renewing literature in its linguistic and stylistic dimension.<sup>315</sup>

The idea that novels also help to produce culture, first developed by Bakhtin, has since found enormous reception. This point is of tremendous importance for my argument and I shall thus review some major contributions in more detail in the next section.

### *The Novel as producing culture*

Bakhtin first hints that novels, and literature in general, produce knowledge was subsequently developed by a vast variety of scholarship.<sup>316</sup> The knowledge produced is not only knowledge of literature. Rather, what is produced is knowledge about people, society, history and more.

In short, novels produce knowledge about one's own culture and, to the extent that this

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<sup>314</sup> Bakhtin, Mikhail, *The Dialogic Imagination: Four Essays*, Austin: University of Texas Press, 1981, p.12.

<sup>315</sup> Bakhtin, Mikhail, *The Dialogic Imagination: Four Essays*, Austin: University of Texas Press, 1981, p.12.

<sup>316</sup> I would like to caution that I can only present a highly selective review – the proverbial drop in the ocean. But I think this should suffice in order to ground the discussion of the next chapter.

knowledge is internalised by readers, they effectively produce culture. This idea very much runs counter to certain epistemologies which see the only possible creation of knowledge within the domain of scientific activity – roughly the results of experiments in controlled conditions that are subject to repetition. However, the realm of knowledge extends much further: It extends to ideas of how one behaves at a dinner party, whether to trust strangers in the street, and whether poor people deserve their fate. It is because novels contribute to this vast range of knowledge that they also help in the production of a given culture.

One of the most brilliant works which elaborates these themes is Jean Francois Lyotard's *The Postmodern Condition* where he argues that the reason why both scientific activity and novels help in the production of culture is that they are both forms of narration. Narration, for Lyotard, is the basis of all knowledge. He writes: "Narration is the quintessential form of customary knowledge, in more ways than one."<sup>317</sup> This sentiment is also very much echoed by Alistair McIntyre in *After Virtue*: "Narrative history of a certain kind turns out to be the basic and essential genre for the characterization of human actions."<sup>318</sup>

One of the key reasons for the power of narratives is that they contribute to identity formation. The constant telling of narratives teaches us and reminds us of who we are. Charles Taylor's *Sources of the Self* probably provides the best discussion of this point:

in order to make minimal sense of our lives, in order to have an identity, we need an orientation to the good which means some sense of qualitative discrimination, of the incomparably higher... this sense of the good has to be woven into my understanding of my life as an unfolding story. But this is to state another basic condition of making sense of ourselves, that we grasp our lives in a narrative.... In order to have a sense of who we are, we have to have a notion of how we have become, and of where we are going...<sup>319</sup>

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<sup>317</sup> Lyotard, Jean Francois, *The Postmodern Condition: a report on knowledge*, Manchester: Manchester University Press, p.19.

<sup>318</sup> MacIntyre, Alasdair, *After Virtue: a study in moral theory*, Notre Dame: University of Notre Dame Press, 2007, p.208.

<sup>319</sup> Taylor, Charles, *Sources of the Self: The Making of modern identity*, Cambridge: Harvard University Press, 1989, p.47.



This is one of the reasons why historical facts can be of secondary importance to the self-image and identity of a group – what matters is how these historical events are taken up in contemporaneous narration. Lyotard writes that

a collectivity that takes narrative as its key form of competence has no need to remember its past. It finds the raw material for its social bond not only in the meaning of the narratives it recounts, but also in the act of reciting them. The narratives' reference may seem to belong to the past, but in reality it is always contemporaneous with the act of recitation.<sup>320</sup>

The very nature of narratives that we can find in a society contain all the knowledge this society not only about itself but also about its environment.

A wonderful elaboration of this point is made by Benedict Anderson in *Imagined Communities*. Anderson argues that we are best served to understand the modern nation state as an imagined community. For Anderson, the nation is imagined “because the members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communion.”<sup>321</sup> But this imaginary status of the nation in no way undermines the reality of the nation state or masks some other true community. Imagination and the narratives that it produces are the basis of for the birth and continued existence of the nation state.

Interestingly, Anderson very much follows Bakhtin in the idea that the rise of polyglossia was one of the prerequisites for the modern nation. The narratives that sustain modern understandings of the nation first and foremost required legitimisation against previously dominant cultural systems, the religious community and dynastic realm. For, as Anderson reminds us, “both of these, in their heydays, were taken-for-granted frames of reference, very much as nationality is today.”<sup>322</sup> Nationalism, like the religious community

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<sup>320</sup> Lyotard, Jean Francois, *The Postmodern Condition: a report on knowledge*, Manchester: Manchester University Press, p.22.

<sup>321</sup> Anderson, Benedict, *Imagined Communities: Reflections on the origin and spread of Nationalism*, Revised Edition, London: Verso, 2006, p. 6.

<sup>322</sup> Anderson, Benedict, *Imagined Communities: Reflections on the origin and spread of Nationalism*, Revised Edition, London: Verso, 2006, p. 12.

and dynastic realm, makes claims as to the ontological reality of the world. And these claims are inherently linked to the languages used by the cultural system: “In effect, ontological reality is apprehensible only through a single, privileged system of re-presentation: the truth language of Church Latin, Qur'anic Arabic, or Examination Chinese.”<sup>323</sup> It is only when these single privileged truth-languages had lost their power over the imagination that new narratives could emerge. And this is where literature plays a transformative role for it was particularly the “novel and the newspaper...[that] provided the technical means for re-presenting the kind of imagined community that is the nation.”<sup>324</sup> Lyotard and Anderson both highlight that narratives are and provide modes of legitimation. Lyotard writes:

Narratives, as we have seen, determine criteria of competence and/or illustrate how they are to be applied. They thus define what has the right to be said and done in the culture in question, and since they are themselves a part of that culture, they are legitimated by the simple fact that they do what they do.<sup>325</sup>

If we accept that fiction, and novels in particular, provide a kind of knowledge, the next question to ask is what kind of knowledge they provide. Richard Rorty provides some very interesting thoughts on this matter. The principal strength of the novel, for Rorty, is that it fosters human solidarity. It does so because novels foster “the imaginative ability to see strange people as fellow-sufferers.”<sup>326</sup> Rorty elaborates on this wonderfully:

Fiction...gives us the details about kinds of suffering being endured by people to whom we had previously not attended... gives us the details about what sort of cruelty we ourselves are capable of, and thereby lets us redescribe ourselves. That is why the novel, the movie and the TV program have, gradually but steadily, replaced the sermon and the moral treatise as the principal vehicles of moral change and process.<sup>327</sup>

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<sup>323</sup> Anderson, Benedict, *Imagined Communities: Reflections on the origin and spread of Nationalism*, Revised Edition, London: Verso, 2006, pp.14-15.

<sup>324</sup> Anderson, Benedict, *Imagined Communities: Reflections on the origin and spread of Nationalism*, Revised Edition, London: Verso, 2006, p.25

<sup>325</sup> Lyotard, Jean Francois, *The Postmodern Condition: a report on knowledge*, Manchester: Manchester University Press, p.22, p.23.

<sup>326</sup> Rorty, Richard, *Contingency, Irony, Solidarity*, Cambridge: Cambridge University Press, 1989, xvi.

<sup>327</sup> Rorty, Richard, *Contingency, Irony, Solidarity*, Cambridge: Cambridge University Press, 1989, xv-xvi.

Like Anderson, Rorty emphasises that novels help to produce a culture with a different ontology and epistemology. In his *Essays on Heidegger*, he elaborates:

A society which took its moral vocabulary from novels rather than from ontotheological or ontico-moral treatises would not ask itself questions about human nature, the point of human existence, or the meaning of human life. Rather it would ask itself what we can do so as to get along with each other, how we can arrange things so as to be comfortable with one another, how institutions can be changed so that everyone's right to be understood has a better chance of being gratified.<sup>328</sup>

This idea is further developed by Martha Nussbaum in *Poetic Justice* where she argues that the very value of literature is that it is at odds with some of core demands of *homo economicus*. Nussbaum emphasises the increasing tendency to subject all aspects of life to calculating rationality. For Nussbaum, however, there are aspects of life that are irreducible in their nature. Nussbaum believes that engaging with novels can help readers to be reminded of this irreducibility, thereby fostering a more complex vision of life as emphasised by the notion of *homo communicandis*:

Economics has an even greater hold over the political and intellectual life of my society that it did over the society known to Dickens's characters, or to the narrative voice in his novel. I notice that the type of cost-benefit analysis favoured by economics has become so familiar in public policy that it is taken for granted; at the same time, public servants are less and less likely to be readers of literature, where they would discover a more complex vision of human life.<sup>329</sup>

Nussbaum thus emphasises that novels can also serve subversive purposes. They show how a different vision of life than that advanced by advocates of *homo economicus* is not only possible, but how it might also be desirable. She writes:

Literature expresses, in its structures and ways of speaking, a sense of life that is incompatible with the vision of the world embodies in the text of political economy; and engagement with it forms the imagination and the desires in a manner that subverts that science's form of rationality.<sup>330</sup>

I think this point is of crucial importance if we are to appreciate what fiction does, and can do, in contemporary culture. In the next section, I briefly demonstrate that one reason why

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<sup>328</sup> Rorty, Richard, *Essays on Heidegger and others*, vol.2, Cambridge: Cambridge University Press, 1991, p.78.

<sup>329</sup> Nussbaum, Martha, *Poetic Justice: The literary imagination and public life*, Boston: Beacon Press, 1995, p.8.

<sup>330</sup> Nussbaum, Martha, *Poetic Justice: The literary imagination and public life*, Boston: Beacon Press, 1995, p.1.

novels are able to subvert the rationality encapsulated in *homo economicus* is also due to their openness. By being open to potentially radically different interpretations, they highlight that there can be multiple perspectives on the same issue. This stands in direct contract to the vision of *homo economicus* where every issue is to be captured by a single right perspective. I briefly demonstrate this openness by highlighting how the novel *American Psycho* has been subject to radically different interpretations.

### *Openness as Solidarity*

*American Psycho* is exemplary to the extent to which it has been subject to radically different interpretations. In this section, I review four radically different interpretations of the book. For this purpose, I review the responses of Tara Baxter, Naomi Mandel, James Annesley, and Georgina Colby. I would like to give the reader a sense of the degree of openness with which a novel can be read. It is this openness which makes novels such powerful tools to teach about the nuances of economic and social life.

Tara Baxter, a feminist activist, judges *American Psycho* to perpetuate, what she feels to be, constant violence against woman in American culture. For her, Bret Easton Ellis is an integral player in the patriarchy that upholds and fosters narratives of male dominance and objectification against woman. She writes: “American psychos like Bret Easton Ellis (and all men like him) are an integral part of that patriarchy; and they need to be deal with in a swift and appropriate manner.”<sup>331</sup> For Baxter, fighting against narratives like those contained in Ellis’ works is an integral part of being a feminist activist. As she writes:

As long as woman are being raped, tortured, and murdered at the rate that we are, it is imperative that we seriously consider all the strategies to decorticate male dominance. One strategy, is refusing to accept violent, exploitative male fantasy, wherever it may be expressed – whether in fiction, art, pornography, in the public

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<sup>331</sup> Baxter, Tara and Nicki Craft, “There are better ways of taking care of Bret Easton Ellis than just censoring him...” in Russel, Diana (ed.), *Making Violence Sexy: Feminist Views on Pornography*, New York: Teachers College Press, 1993, p.248.

sphere, or in our home. Otherwise we collaborate in our own victimisation by remaining silent during this war that men are waging against us.<sup>332</sup>

James Annesley's *Blank Fictions* shares the assessment of Ellis as a perpetrator of American culture but he differs in emphasis. Rather than exclusively focusing on the role of violence against woman, Annesley notes how *American Psycho* perpetuates the very ethos of commercialisation and objectification that the books seemingly satirises. For Annesley, *American Psycho* can "be read as a text that participates in the process of commercialisation and objectification that were the forces is set out to satirise."<sup>333</sup>

An almost diametrically opposed reading of the text is provided by Naomi Mandel who argues that *American Psycho* is in fact highly subversive and critical. Rather than upholding the very narratives which Baxter finds so despicable, Mandel believes *American Psycho* to subvert these. She writes:

If *American Psycho* demands a different approach to violence's critique, it may be because the novel posits violence as critique, as adjudicating agent and not just the object of discussion. Born in violence, formed by text, reforming the real by de-forming it, *American Psycho*'s critique of violence offers violence as critique, confronting sadism with masochism, discourse with practice, literal with literary, word with violent world.<sup>334</sup>

A fourth type of position is offered by Georgina Colby. Colby argues that Ellis's work, particularly *American Psycho*, should be read as neither endorsing certain narratives or as subverting them. Rather, the entire point of Ellis's writing to refrain from taking a position. She writes: "I suggest that Ellis refrains from adopting a moral or ethical stance in his novels."<sup>335</sup> She elaborates that her "book seeks to argue against any branding of the author, since to brand Ellis is to enact precisely the reductions found in the relation of productions

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<sup>332</sup> Baxter, Tara and Nicki Craft, "There are better ways of taking care of Bret Easton Ellis than just censoring him..." in Russel, Diana (ed.), *Making Violence Sexy: Feminist Views on Pornography*, New York: Teachers College Press, 1993, p.253

<sup>333</sup> Annesley, James, *Blank Fictions: Culture, Consumption and Contemporary American Narrative*, London: Pluto Press, 1998, p.22.

<sup>334</sup> Mandel, Naomi, "Right Here in Nowheres: *American Psycho* and Violence's Critique" in Durand, Alain-Philippe and Naomi Mandel (eds.), *Novels of the Contemporary Extreme*, London: Continuum Publishing, 2006, p.9.

<sup>335</sup> Colby, Georgina, *Bret Easton Ellis: Underwriting the contemporary*, London: Palgrave Macmillan, 2011, p.7.

that he is critiquing.”<sup>336</sup> She moreover highlights that “Ellis plays with truth and fiction in interviews. He is constantly contradicting himself, wearing masks, playing with the media through playing with truth...” Colby goes on to argue, correctly I think, that *American Psycho* invites such different readings because it fundamentally operates on different levels at the same time. On one level, the stylised depiction of violence and consumerism honestly mirrors some of the worst excesses of American culture in these areas. At another level, however, such an honest portrayal also makes such practices appear questionable even though they are never explicitly condemned by the author, narrator, or characters. Colby writes:

This book [Underwriting the contemporary] suggests that reading Ellis’s work as at once destabilising the culture in which he operated by writing below it, while taking responsibility for the modes of objective violence inherent in the very which in which we live, opens up new avenues of perceiving and understanding our contemporary world and the function of the writer within it.<sup>337</sup>

I think Colby’s observations are very astute and I would like use the examples of Jonathan Franzen’s *Freedom* and DFW’s *The Pale King* to explore ‘such new avenues of perceiving and understanding out contemporary world.’ But I also want the reader to keep this point in mind because the next section represent one possible reading of the novels. Many other readings may be available but I think my reading is very helpful and insightful for my purposes.

### *Conclusion*

I make two separate but related arguments in this chapter. My first point is that works of fiction also participate in the production and transmission of ideas. My second point is that novels may be a better way to transmit economic ideas to foster a vision of solidarity than

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<sup>336</sup>Colby, Georgina, *Bret Easton Ellis: Underwriting the contemporary*, London: Palgrave Macmillan, 2011, p.22.

<sup>337</sup>Colby, Georgina, *Bret Easton Ellis: Underwriting the contemporary*, London: Palgrave Macmillan, 2011, p.22.

current economics textbooks. Current economics textbooks contribute to the production of a culture of objectivity and the image of *homo economicus* is one aspect to this culture. In order to make this argument, I revisit the notion of language games first introduced in the second chapter of this dissertation to show that language games also produce and reflect our cultures. I then argue that novels simultaneously reflect and produce particular culture. I end the chapter by highlighting how one of the reasons why novels can contribute to the realm of solidarity is that they are intrinsically open to different interpretations. In the next chapter, I turn to two particular examples of contemporary novels, Jonathan Franzen's *Freedom* and DFW's *The Pale King*, to show just how they contribute to the vision of *homo communicandis* which fosters the Rortian realm of solidarity rather than the objective image of *homo economicus*.

## **Chapter 5:**

### *Socialisation through novels*

#### *Introduction*

In this chapter, I explore Jonathan Franzen's *Freedom* and David Foster Wallace's (DFW) *The Pale King* as two examples of how novels participate in the reproduction, transmission, and transformation of economic ideas. My aim in this chapter is three-fold. First, and to a reader with a background in literary criticism this might seem obvious, I want to foster the recognition that works of fiction indeed participate in (re)production of economic knowledge and ideas. If a reader with a background in economics or political economy comes away having gained this understanding, I would judge this chapter already as a success. The second aim is to undertake a deeper textual exploration of how particular economic ideas are taken up by these works. I think both books are great examples of how certain economic themes are picked up in popular writings. The success of both books suggests that the themes to which these books speak find resonance with a widespread readership. The third aim is to highlight that even though these books reflect concerns which are shared by many readers, they still allow for a variety of different interpretations. Novels can therefore be regarded as much less prescriptive in advocating or rejecting particular economic ideas than economics textbooks. Because of this characteristic, novels can be regarded as much more attune to the image of *homo communicandis*. Rather than positing some objective reality in which the only way to live is to maximise preferences like *homo economicus*, novels highlight the diversity of the human experience. They also showcase how the human experience becomes meaningful because we are part of a larger social and cultural whole. In this way, novels directly contribute to a Rortian sense of solidarity. They put us in touch with other people, their



feelings, desires, fears and worries. Novels can invite to us see how we can generate meaning for our own life by considering the lives of others, even if these lives are fictional.

The chapter proceeds in two sections. In the first section, I examine Jonathan Franzen's *Freedom*. I highlight how Franzen explores two themes that are at the heart of economics. The first theme concerns what responsibility one holds towards others (and to oneself). One prescription of economic theory is to say that each person is to be seen as entirely sovereign in every aspect of their life. In other words, each person is expected to assume responsibility for every choice they make in their life; as a consequence, it can then be assumed that every situation in which a person finds herself is a result of the choices she has willingly and knowingly made. In many ways, such a line of thinking can be incredibly seductive and powerful for it always provides a rationale for the fact that the existing state of affairs is not only natural but also perfectly justified. The question, however, which effectively is assumed away from the outset, is whether we are, in fact, entirely in charge of our own destiny in every way. After all, we do not choose our parents, our place of birth, our native language, our socio-economic class, our sex, our natural talents, and innumerable other characteristics. Galen Strawson in fact argues that we are not responsible for anything. Strawson summarises this basic argument as follows:

1. When you act, you do what you do - in the situation in which you find yourself - because of the way you are.
2. If you do what you do because of the way you are, then in order to be ultimately responsible for what you do you must be responsible for the way you are.
3. But you cannot be ultimately responsible for the way you are.
4. So you cannot be ultimately responsible for what you do.<sup>338</sup>

Franzen's *Freedom* can be read as an attempt to come to terms with what it means to act morally towards oneself and towards other people. As a result, Franzen's book is also a meditation on the question of identity in modern society.

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<sup>338</sup> Strawson, Galen, "The Bounds of Freedom" in *The Oxford Handbook of free will*, Oxford: Oxford University Press, 2005, p.443. I have slightly simplified Strawson's argument in order to avoid his usage of symbolic logic.

The question of identity is taken up as a second theme in *Freedom*. Presumably, there is a good reason for why Franzen choose this as the title of his book. Most of Franzen's readers will have grown accustomed to the idea of freedom as a lack of constraint. In fact, this is a core aspect to freedom in economic theory. In standard decision-making theory, an individual consumes at the point of tangency between her indifference curve and her budget constraint. Move the constraint outwards, and one has more freedom of choice, thus more freedom. If only one did not have a budget constraint to grapple with, one could be infinitely free. I would go so far as to suggest that this idea is at the very heart of current American culture. People either consciously embrace it, unconsciously embrace it, or consciously reject it but it is an issue that speaks to the vast majority of readers. Franzen uses different characters to explore just what a lack of constraint might mean and do to an individual. Again, Franzen relies heavily on the question of identity to deal with this issue.

The second section of this chapter focuses on *The Pale King*. As in the case of *Freedom*, I want to explore two issues in greater depth. First, *The Pale King* in many ways mirrors the discussion of this dissertation about how truth, knowledge, and meaning are generated. Second, DFW relates this issue of truth and knowledge generation to the nature of work in the contemporary United States. This is the second issue I want to focus on. There are two important dimensions to the issue. The first is that DFW tries to problematise the consequences of living with and working in seemingly ever bigger, more powerful and impersonal bureaucracies. In this way, DFW echoes a sentiment that Hannah Arendt voiced nearly fifty years ago:

in a fully developed bureaucracy there is nobody left with whom one can argue, to whom one can present grievances, on whom the pressures of power can be exerted. Bureaucracy is the form of government in which everybody is deprived of political freedom, of the power to act; for the rule by Nobody is not no-rule, and where all are equally powerless we have a tyranny without a tyrant.<sup>339</sup>

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<sup>339</sup> Arendt, Hannah, *On Violence*, London: Harcourt Brace Jovanovich Publishers, 1970, p.81.

On the one hand, large bureaucracies are ever-present in our life. Just take the McDonalds Corporation, as an example. McDonalds has over 1.8 million employees, over 35,000 outlets, and operates in around 120 countries. Chances are, wherever you are, especially in the developed world, a McDonalds is near you. Yet, almost all these outlets and people are not accountable for how the McDonalds Corporation operates. Just try asking your local McDonalds to purchase ingredients from a local farmers market. Even if the workers in your local outlet would like to do so, they literally could not. The near omnipresence of large bureaucracies like McDonalds stands in stark contrast to the fact that decision-making is highly centralised and far removed from the centre of operations. This is obviously not an entirely new reality but I think what characterises contemporary American culture is that the disjuncture between the omnipresence of the façades of large bureaucracies and the ever-absent decision centres are felt particularly acutely. It is probably not an exaggeration to say that that there is not a single American adult alive today who cannot tell a story of some Kafkaesque trial through the machinations of some bureaucracies' call centre – explaining an issue to operator after operator, merely to be passed along to yet another person. These bureaucracies have a lot of influence in shaping the nature of public and political discourse. What should be considered as the truth in light of the financial might these corporations put to work on advancing their agendas?

DFW uses *The Pale King* to ask the reader to reflect on some very interesting questions about the nature of work. For example, there is a question whether the nature of work becomes intrinsically different if one works for a large bureaucracy rather than a small family company. There is also a question of whether to successfully function in a large bureaucracy somehow poses different challenges for an individual than working in a small organisation. These questions are almost entirely ignored in standard economics. But the fact that they are not recognised as important can also be taken to mean that they make no

difference to the lives of individuals. DFW explorations throughout his book highlight that large bureaucracies may indeed pose very different problems for individuals and that the nature of work may be greatly affected by this organisational form.

As part of asking what it might mean to work for such large bureaucracies, DFW also explores what it means to work in general. Why do we work? And what makes work rewarding? Again, this is an issue at the heart of economics and most of the readership of DFW needs to come to terms with this question for their own life. Standard economics tries to tell students that the question of work is a question about the relationship between work and leisure. Leisure is what people want, work is what they have to do in order to afford leisure. As Mankiw notes: “Probably no trade-off is more obvious or more important in a person’s life than the trade-off between work and leisure. The more hours you spend working, the fewer hours you have to watch TV, enjoy dinner with friends, or pursue your favourite hobby.”<sup>340</sup> So the basic question about work for an economist is what you need to be paid in order to give up your leisure time. Standard economics makes allowance for the fact that some jobs are easier than others. And since easier jobs are more similar to leisure, easier jobs are preferable. As Mankiw writes:

When a worker is deciding whether to take a job, the wage is only one of many job attributes that the worker takes into account. Some jobs are easy, fun, and safe, while others are hard, dull, and dangerous. The better the job as gauged by these nonmonetary characteristics, the more people there are who are willing to do the job at any given wage. In other words, the supply of labor for easy, fun, and safe jobs is greater than the supply of labor for hard, dull, and dangerous jobs. As a result, “good” jobs will tend to have lower equilibrium wages than “bad” jobs.<sup>341</sup>

What gets lost in this way of seeing work is that it entirely neglects the idea that people derive meaning through their work. The question is what makes a job “good” and this will be a function of the historical and cultural background of the person. One of Mankiw’s

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<sup>340</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.383.

<sup>341</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.398.

examples makes it wonderfully clear that the idea that work is a source of meaning for people's life is entirely lost:

For example, imagine you are looking for a summer job in a local beach community. Two kinds of jobs are available. You can take a job as a beach-badge checker, or you can take a job as a garbage collector. The beach-badge checkers take leisurely strolls along the beach during the day and check to make sure the tourists have bought the required beach permits. The garbage collectors wake up before dawn to drive dirty, noisy trucks around town to pick up garbage. Which job would you want? Most people would prefer the beach job if the wages were the same. To induce people to become garbage collectors, the town has to offer higher wages to garbage collectors than to beach-badge checkers.<sup>342</sup>

Because the way in which work can be source of meaning for the lives of individual gets lost in the way the nature work is presented in economics, all that matters about a job is how much it pays, given how difficult it is to do (and get hired). So all an individual has to decide is between means and ends, given initial endowments. Individuals have different talents and they should choose to make the best use of these talents in order to maximise their risk adjusted earnings. So the decision to go to university will somehow be a reflection of the cost of attending college (both in terms of tuitions fees, time lost and forgone earnings) and the increase in earnings a university degree enables over your lifetime, discounted back at some risk weighed factor. As a result, many people do indeed tend to consider the nature of work as irrelevant except for the wage it pays. But given how much of our time is spent working, this may be a reason for the perceived meaninglessness which many people reportedly experience in their life.

### *Jonathan Franzen's Freedom*

In many ways, Franzen's *Freedom* continues a tradition that deals with the nature of individualisation in society. As such, his work echoes Watt's analysis in *The Rise of the Novel*. However, it seems that there has been a fundamental shift in emphasis in how

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<sup>342</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.398.

individualism is understood. The novels which Watts analyses attempt to highlight the emancipatory aspects of individualism. Individuals were able to free themselves from the commitments of tradition, church, and feudality. Individualism contributed to feeling of increasing personal freedom for many parts of the population and this enthusiasm is captured in some of the characters of Defoe and Fielding. The characters of Franzen's work, by contrast, find themselves in a markedly different situation. They find themselves in a world where all commitments are optional. But rather than experiencing this state as absolute freedom, they experience it as deeply troubling. Franzen clarified in an interview that this problematic forms the basis of the title of the novel. He says: "I wanted to write a book that would free me in some way. And I will say this about the abstract concept of 'freedom'; it's possible you are freer if you accept what you are and just get on with being the person you are, than if you maintain this kind of uncommitted I'm free-to-be-this, free-to-be-that, faux freedom."<sup>343</sup>

In many ways, each of the characters and the central plots lines can be understood as a meditation on different ways of understanding freedom and responsibility towards self and other. Franzen also makes it quite explicit to the reader how his book can be understood as an attempt to deal with these questions vis-à-vis the view that is fostered by economic theory. One of the central ways in which the book picks up on this issue is Patty's life story. Patty was born into an affluent family in Westchester County in New York State. Her mother was a state assembly woman, her father a lawyer. As a teenager and young adolescent, Patty was an outstanding basketball player, first for her high school and then for the University of Minnesota. Writing about her senior year of high school, the narrator notes that "Patty

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<sup>343</sup> Haslam, Dave, "Jonathan Franzen: Close up Interview", Available at: <http://www.davehaslam.com/#/jonathan-franzen/>. Last accessed: 1<sup>st</sup> of September, 2014.

became a real player, not just a talent. She all but resided in the field house”.<sup>344</sup> After high school, the reader is told that:

Patty went out to Minnesota in July for special jock-summer camp followed by special, early, jocks only freshmen orientation, and then she lived in a jock dorm, made exclusively jock friends, ate exclusively at jock tables, cluster danced at parties with her jock-teammates, and was careful to never sign up for a class without plenty of other jocks to sit with and (time permitting) to study with.<sup>345</sup>

Her life consisted of basketball; nothing else. Effectively, then, Patty had no personal freedom in her life. Her entire personality was subsumed under the commitment of being a great high school and college athlete. It is obviously true that Patty could have made the decision to no longer be an athlete but on one level this misses the point: Once Patty decided to be an athlete, many other personal questions were effectively answered.

This situation changes abruptly when Patty injures her knee so badly that she is forced to retire from playing. At first, Patty attempts to fill the void left by basketball through a romantic engagement with Walter, or, as the narrator put it: He [Walter] may not have been exactly what she wanted in a man, but he was unsurpassable in providing the rabid fandom which, at the time, she needed even more than romance.”<sup>346</sup> Over time, and after having gotten married and given birth to two children, however, the void left by sports became increasingly filled by alcohol: “She didn’t think she was an alcoholic. She wasn’t an alcoholic. She was just turning out to be like her dad, who sometimes escaped his family by drinking too much....But once one or two glasses turned into six or eight, everything changed...It wasn’t alcoholism, it was self-defence.”<sup>347</sup>

As the reader learns more about Patty’s life, he is faced with a difficult conundrum. One the one hand, Patty seems to have been most fulfilled during her time as a basketball player. On the other hand, she appears to have been so busy as not to really be able to live

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<sup>344</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.50.

<sup>345</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.52.

<sup>346</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.126.

<sup>347</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.158.

fully. Neither the narrator nor Patty's character resolve this conundrum for the reader. Instead, we are left wondering about how we should personally approach our life. Maybe less choice and more commitments makes life easier. Or maybe, they cause one to miss all that is important. Either way, it is something which each of us needs to decide.

The example of what is gained and given up by assuming commitment is also a central theme in the character of Walter, Patty's husband and father of their son Joey. Unlike Patty, Walter comes from a very simple background. His parents operate a motel in rural Minnesota. When Walter was a teenager, he dreamt of becoming an actor or filmmaker but because of the dire financial situation of his family, he decided he needed a more reliable education in order to help with the running of the motel. During and after college, Walter then wanted to become a political activist but once again decided to take the economically safe route and so he settled for a job at a blue-chip corporation:

Poor Walter. First he'd set aside his acting and film making dreams out of a sense of financial obligation to his parents, and then no sooner had his dad set him free by dying than he teamed up with Patty and set aside his planet-saving aspirations and went to work for 3M, so that Patty could have her excellent old house and stay home with the babies."<sup>348</sup>

Interestingly, however, all these commitments do not make Walter miserable. In fact, they seem to have him kept grounded. After his marriage has failed and after he quits his corporate job to pursue a job in nature activism, Walter's life becomes increasingly turbulent. This development culminates in a speech on stage that decries the hypocrisy of his chief donor (LBI) and some of the people he had convinced to resettle (against substantial compensation) in order for a new nature habitat to be build (as well as new mining activity). I will reproduce a quote at some length because it wonderfully highlights how Franzen interweaves the

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<sup>348</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.131.



question of personal responsibility with the real world consequences of our collective decisions (which economic theory often ignores):<sup>349</sup>

Welcome to the middle class. That's what I wanted to say. Although quickly, before I go any further, I also wanted to say to Mr. Mathias [representative of the village which will be resettled] here in the front row: I know you don't like me. And I don't like you. But, you know, back when you were refusing to have anything to do with us, I respected you. I didn't like it, but I had respect for your position. For your independence. You see, because I actually came from a place a little but like Forster Hollow myself, before I joined the middle class. And now you're middle class, too, and I want to welcome you all, because it's a wonderful thing, our American middle class. It's the mainstay of economies all around the globe....You, too, can help denude every last scrap of native habitat in Asia, Africa, and South America! You, too, can buy six-foot-wide plasma TV screens that consume unbelievable amounts of energy, even when they're not turned on. But that's ok because that's why we threw you out of your homes in the first place, so we could strip-mine your ancestral hills and feed the coal-fired generators that are the number one cause of global warming and other excellent things like acid rain. It's a perfect world, isn't it. It's a perfect system, because as long as you've got your six-foot-wide plasma TV, and the electricity to run it, you don't have to think about any of the ugly consequences. You can watch *Survivor: Indonesia* until there is no more Indonesia.<sup>350</sup>

A number of issues come out in this single paragraph. First, Franzen highlights the price of living the American dream for all those who happen not to be fortunate enough to be living it. In standard economics, growth and rising incomes are always considered a good thing. The existence of externalities like pollution is accepted but always considered as an afterthought to be solved later. Franzen posits that a considerable portion of the economic growth which the US has witnessed over the last decades was mainly due to its ability to outsource all externalities to other countries around the world. To a significant extent, the promise of the American dream is built upon the nightmare for many other people.

Franzen also playfully satirises the promises of economic theory. Standard economic theory presents the market system as if it was perfect: perfect information, perfect competition, and perfectly smooth running. Walter takes up these themes of perfection but

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<sup>349</sup> It is obviously customary to distinguish between narrator and author but I have judged this differentiation not to be of grave importance to the issues I am discussing. Hence, I freely equate the voice of the narrator with that of Franzen.

<sup>350</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, pp.513-514.

shows that the seemingly perfect system has far from perfect consequences. In fact, the only thing that makes the system perfect is that it tranquilises the beneficiaries of the system into a completely misplaced sense of entitlement. When Walter points out this misplaced sense of entitlement to the people concerned, he is booed off stage and loses his job.

The character of Joey is another powerful exploration of the extent to which an individual could ever act along the lines of *homo economicus*. In fact, Joey appears to be the model of the purely self-reliant, individualistic, and self-focused person as imagined in economic theory. Joey, even as a child, sees himself already as a fully responsible consumer. Other people, including his parents, have no right to question his consumption choices, such as when he chooses to go to bed. As Patty explains:

He is being such a little shit,” she told the other mothers during the long winter of the Bedtime Wars, when Joey was asserting his right to stay awake as late as Patty and Walter did....“He’s questioning the basis of our authority. We make him turn the lights out, but his position is that he shouldn’t have to go to sleep until we turn our own lights out, because he’s exactly the same as us.”<sup>351</sup>

But, as most rebellious youngsters know, parental authority does prevail for a little while. It is revealing, however, how Joey rationalises his acceptance of parental demands. It is not out of some sense of love, duty, gratitude, or morality. What matters is that parents extend their purchasing power to him. For Joey, only money provides a legitimate basis for authority. Since children do not have sufficient money to provide housing, food, and entertainment for themselves, they have to accept parental oversight as punishment for being inadequate in this regard. As the narrator explains: “According to Patty, the lesson that Joey had learned from his incessant arguments with Walter was that children were compelled to obey parents because parents had the money.”<sup>352</sup> The lesson, for Joey, is clear. Provide for

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<sup>351</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.8.

<sup>352</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.12.

yourself and you are freed from parental demands. With the help of his girlfriend's family, Joey attains his independence at the age of sixteen.<sup>353</sup>

Another distinguishing feature of Joey's character is that he personifies the coldly calculating individual who knows what they want. He is purely ends oriented and will do whatever it takes to accomplish his goals. He never loses his composure; never cries. The narrator sometimes refers to "Joey, in his precocious self-mastery."<sup>354</sup> This self-mastery finds its preliminary pinnacle when he informs his father that he will move in with his girlfriend. Carol, his girlfriend's mother, emphasises Joey's composure in this situation as responsible and contrast it with the sheer wild emotionality of Joey's father, Walter.

"Joey was so calm, so calm," Carol said. "I swear to God, you couldn't melt butter in his mouth...And Joey was totally responsible like always...He says he's not asking permission, he's just informing them about what he's going to do, and there's nothing to discuss...And that's when Walter loses it. Just loses it. He's got tears running down his face he's so upset. YOU ARE SIXTEEN YEARS OLD AND YOU ARE NOT GOING ANYWHERE UNTIL YOU FINISH HIGH SCHOOL."<sup>355</sup>

An important component of this self-mastery is that Joey is fully convinced of his superiority. This conviction informs everything that he does and also gives him the confidence to act as he does. Joey has no doubts about what to do because whatever he ends up doing, is was the right thing to do in those circumstances. Again, in making Joey understand the world in this manner, Franzen brilliantly mirrors some of the tendencies of economic theory to not only ascribe perfect information and perfect foresight but knowledge that one as perfect information and foresight to individuals.

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<sup>353</sup> It is striking how closely Joey's logic resembles popular discussion regarding the provision of public benefits in the United States. Because only those individuals who financially self-reliant are full citizens, the argument follows that if a person is unable to practice consumer sovereignty, if he requires state assistance in order to live, then this person also relinquishes their status as an equal member of society. As a result, it is entirely justified that public authorities take over decision-making in other areas where full member of the community are considered unencroachable by the state.

<sup>354</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.12.

<sup>355</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, pp.24-25.

But as most economists know, sometimes there occur exogenous shocks which shatter the idea of perfect information and foresight. Franzen uses the idea of such a shock to shatter Joey's perfectly smooth world. The exogenous shock which Franzen employs is 9/11. It is a turning point for life as Joey knows it and it can well be read to imply that it is also a turning point for an America guided by the same ideology that had seemingly made Joey such a superman. The fact that the narrator informs the reader that Joey preferred attending his intermediate economics lecture, rather than watch the events that made the world he knew disappear, is a wonderfully subtle point of irony on Franzen's part:

Growing up in St. Paul, Joey Berglund had received numberless assurances that his life was destined to be a lucky one. The way star halfbacks talk about a great open-field run, the sense of cutting and weaving at full speed through a defense that moved in slow motion, the entire field of play as all-visible and instantaneously graspable as a video game at Rookie level, was the way every facet of his life had felt for his first eighteen years. The world had given unto him, and he was fine with taking. He arrived as a first-year student in Charlottesville with the ideal clothes and haircut and found that the school had paired him with a perfect roommate from NoVa (as the locals called the Virginia suburbs of D.C.). For two and a half weeks, college looked like it would be an extension of the world as he had always known it, only better. He was so convinced of this—took it so much for granted—that on the morning of September 11 he actually left his roommate, Jonathan, to monitor the burning World Trade Center and Pentagon while he hurried off to his Econ 201 lecture. Not until he reached the big auditorium and found it all but empty did he understand that a really serious glitch had occurred.<sup>356</sup>

Joey starts to realise that even when things work out well for him, there are people who endure real suffering as a result of his success. Through a number of connections of his roommate Jonathan, who hails from a wealthy Southern family, Joey becomes responsible for procuring parts for large multinational (LBI) which supports the military invasion of Iraq. In return for finding spare parts for a particular truck, Joe stands to make a quick profit of \$600,000.<sup>357</sup> But upon tracking down these parts in Paraguay, he realises they are of very poor quality and will probably result in the deaths of American soldiers in Iraq which

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<sup>356</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.247.

<sup>357</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.409.

prompts his “thinking what a very inconvenient time this was to be developing a conscience.”<sup>358</sup>

In this way, the character of Joy can be read as a direct rejection of the image of *homo economicus*. Franzen highlights that the question of preferences cannot be neatly separated from larger questions of identity and morality. It may be worth recalling how a standard economics textbook envisions the nature of preferences:

Economists tend to view preferences as given. Taking them as given, they calculate what actions will best serve those preferences. This approach to the study of behaviour is widely used both other social scientists and by game theorists, military strategists, philosophers, and others. In its standard form, it assumes purely self-interested preferences for present and future consumption of good of various sorts, leisure pursuits, and so on. Concerns about fairness, guilt, honor, sympathy, and the like typically play no role.<sup>359</sup>

Franzen clearly demonstrates that ultimately, even for a person as close to the image of *homo economicus* as Joey, issues like fairness and guilt do eventually matter. Most people are not completely immune against the suffering of others, particularly if it is caused by them. In other words, most people do have sympathy and empathy. Adam Smith pointed out long ago that even the most hardened criminal is not entirely without sympathy. Smith writes:

That we often derive sorrow from the sorrow of others, is a matter of fact too obvious to require any instances to prove it; for this sentiment, like all the other original passions of human nature, is by no means confined to the virtuous and humane, though they perhaps may feel it with the most exquisite sensibility. The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it.<sup>360</sup>

Franzen directly counters the vision that it is desirable, or indeed possible, to live entirely without a consideration of others. In fact, it is only after Joey redeems himself by considering how his actions affect others, that the character becomes somewhat likeable in the eyes of the reader. It is interesting to see that Joey appears to redeem himself by the very act of communication with his father. In the vocabulary I have been using, Franzen can be said to

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<sup>358</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.464.

<sup>359</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p. 265.

<sup>360</sup> Smith, Adam, *The Theory of Moral Sentiments*, Indianapolis: Liberty Fund, 1984, p.9.

make a very strong appeal to the notion of *homo communicandis*. By opening himself up to his father, by showing his vulnerability, Joey moves from an embodiment of the idea of *homo economicus* to that of an embodiment of *homo communicandis*.

Franzen also uses Joey's conundrum for another exploration of one of the central questions of economics: What is value? In discussing the quality of the truck parts with Connie, the reader is treated to the following conversation:

"It sounds like you did fantastic," Connie said. "I mean, twenty thousand dollars, that's a great price, right?"

"Except that it's about nineteen thousand more than the stuff is worth."

"No, baby, it's worth what Kenny will pay you."

"And you don't think I should be, like, morally worried about this? About selling total crap to the government?"

She went silent while she considered this. "I guess," she said finally, "if it makes you too unhappy, you maybe shouldn't do it. I only want you to do things that make you happy."

"I'm not going to lose your money," he said. "That's the one thing I know.".....

Out on the tarmac, under an unsettled gray Floridian sky, proven weapons of mass destruction were taxiing hither and thither. Joey wished there were some different world he could belong to, some simpler world in which a good life could be had at nobody else's expense.<sup>361</sup>

At first, Joey is worried that the government might reject the parts due to their low quality. Once he learns that they have been accepted and that he will receive his \$600,000 profit for something that will literally kill American soldiers, his purely ends-oriented persona finally breaks. "And then, one night, on CNN, he saw the news of an ambush outside Fallujah in which several American trucks had broken down, leaving their contract drivers to be butchered by insurgents....he become so anxious that he had to drink himself to sleep."<sup>362</sup>

The character of a Joey (like Patty and Walter) is a reminder of the fragility of most human psyches. Unlike *homo economicus*, we are not just automata. Joey is a reminder that even somebody endowed with enormous intellectual talent, single-mindedness, and the ability and willingness to work incredibly hard, can find himself in a situation where he

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<sup>361</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, pp.464-5.

<sup>362</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.469.

requires the emotional help of another.<sup>363</sup> But because we are likely to be in need of another, this indebtedness should always guide our actions from the outset. And because of this, personal financial gains are not the only relevant metric when making any decision. There are other concerns that can and should influence our behaviour – be it the lives of other humans, the environment, or other species.

Having examined three characters on their own accord, I next examine how Franzen combines different characters into plotlines which further heighten the awareness of how economic thinking influences everyday life. One of the most powerful excerpts in this regard occurs in the chapter entitled ‘Free markets foster competition.’ In explicitly framing the chapter in terms of economic theory, Franzen invites the reader to think of the different character constellations as markets. There are a myriad of three-way constellations to be found in this chapter but the most important ones are the constellation of Walter-Patty-Richard, Richard (or Blake)-Joey-Walter, and, Patty-Joey-Walter.<sup>364</sup> Franzen invites the reader to think of these constellations as a competition for love, affection, recognition, safety etc.

The Richard-Joey-Walter constellation is a good example of how Franzen gets the reader to question the standard competition model. Clearly there is competition in a sense but this competition involves the issue of somebody’s identity. In the image of competition in economics, one actor never cares about the character of another. All one cares about is outcomes. Means, as long as they are legal, are irrelevant. What matter is to successfully attain the ends. But with people, the means of how things are done are just as important, sometimes even more important, than whether they are accomplished. Franzen illustrates that the decision of who we want another person to be is also at the same time a reflection of who

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<sup>363</sup> In Joey’s case, it is actually his father who he had despised as weak who helps him out with this situation.

<sup>364</sup> Other constellations include Patty-Walter-Eliza, Patty-Elisa-Richard, Patty-Joey-Connie.

we want to be. In other words, the identity of others has important consequences for our own identity:

And here is an actual serious personal failing of Walter's: he couldn't accept that Joey wasn't like him. If Joey had been shy, and diffident with girls, if Joey had enjoyed playing the role of child, if Joey had wanted a dad who could teach him things, if Joey had been helplessly honest, if Joey had sided with underdogs, if Joey had loved nature, if Joey had been indifferent to money, he and Water would have gotten along famously. But Joey, from infancy onwards, was a person more in the mould of Richard Katz – effortlessly cool, ruggedly confident, totally focussed on getting what he wanted, impervious to moralizing, unafraid of girls – and Walter carried all his frustration and disappointment with his son to Patty....<sup>365</sup>

This issue also plays a role in Joey's relationship with Patty but along quite different lines. Patty has an intense need to be liked and respected by Joey. The fact that Joey exhibits many of the same characteristics that she found attractive in Richard as a young woman probably complicates the story further. Like Water, she has a vision of who she wants Joey to be and one aspect of this vision is that he does not settle for the relatively plain neighbourhood girl, Connie:

If she'd been honest with herself, what she really wanted was for Joey to be delighted by her. She didn't see how he could possibly be loyal and devoted to the neighbour girl. She thought that Connie Monaghan, sneaky little competitor that she was, had managed to get some kind of filthy little momentary hold on him. She was disastrously slow to grasp the seriousness of the Monaghan menace, and in months when she was underestimating Joey's feelings for the girl – when she thought that she could simply freeze Connie out and make light-hearted fun of her trashy mom and her mom's boneheaded boyfriend, and that Joey would soon enough be laughing at them, too – she managed to undo fifteen years of efforts to be a good mom. She fucked up royally, Patty did, and then proceeded to become quite unhinged.<sup>366</sup>

Because Patty thinks so highly of Joey, she believe he deserves, and ought to aim for, a girl which was truly special on some way – from a rich family, gorgeous, or just very talented in some way. And later in life, Joey meets this kind of girl. As in the example of Walter's relationship with Joey, Franzen invites the reader to question whether relationships should be

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<sup>365</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.158.

<sup>366</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.159.



assessed in terms of pure ends and the extent to which it makes sense to rate a partner by any kind of objective criteria, like wealth, looks, connections, fame, etc. In this way, Franzen invites the reader to contemplate what makes a relationship meaningful and it becomes pretty clear throughout the book that whatever this may be, it is not some criteria that could be maximised subject to a constraint, as is envisioned in the standard account of decision-making.

Patty's difficulty with Joey also complicates Patty's relationship with Walter. It is another one of countless instances in which the constitution of one relationship has grave ramifications for the constitution of another relationship. The economic parlance for this phenomenon would be contagion but because contagion is intrinsic to every close relationship, it makes no sense to pretend as if some relationship could operate according to a non-contagion principle. Because Joey fails to become the son both Patty and Walter wish for, he undermines the viability of the relationship between Patty and Walter.

She has terrible fights with Walter in which he blamed her for making Joey ungovernable and she was unable to defend herself properly, because she wasn't allowed to speak the sick conviction in her heart, which was that Walter has ruined her friendship with her son. By sleeping in the same bed with her, by being her husband, by claiming her for the grownup side, Walter had made Joey believe that Patty was in the enemy camp. She hated Walter for this, and resented the marriage, and Joey moved out of the house and in with the Monaghans and made everybody pay in bitter tears for their mistakes.<sup>367</sup>

Rather than individuals being atomistic and self-sufficient, here we find individuals who heavily rely on others for their mental stability. Once this stability is removed, an individual can quickly fall apart. In the case of Patty this takes the form of becoming an alcoholic. In highlighting the relational aspects between different individual characters, Franzen in a way also picks up on the issue of solidarity. Each character understands herself via the other characters not via some external truth.

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<sup>367</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.159-160.

One of the most poignant scenes in the Walter-Patty-Richard constellation is when Patty leaves a road trip she had been on with Richard to visit Walter at his parents' house in Hibbing. Walter had been enraged that Patty had gone on this road trip with Richard in the first place. Franzen writes that "Walter stared at her furiously. "Then why did you go with him? Why was he in Chicago with you? Why the fuck? I don't understand!"<sup>368</sup> During this conversation Walter repeatedly tries to explain to Patty that his anger is only partially directed at her "This is not about you", he said. Do you get that? I love every bit of you. Every inch. From the minute I saw you. Do you get that?"<sup>369</sup>

Walter is trying to tell Patty, and Patty appears to partially understand, that the question of who gets to be with her is also a question about the relationship between Walter and Richard. And in trying to get Walter to explain this point to Patty, Franzen is also explaining the inappropriateness of seeing human relationships in the standard competition model to the reader. For clearly in an actual competition, the ends are the only thing that matters. If Patty truly was a product to be bought, say at auction, then it would only be about her. But as Walter says repeatedly, it is not about Patty. Rather, the nature of her relationship with Richard also constitutes an important aspect of the relationship between Walter and Richard. And the relationship between Walter and Richard is an important aspect to how Walter sees himself – to his identity. Walter does not want Patty to be the cause why his relationship with Richard falls apart but he also fears that Richard through Patty might endanger who he wants to be himself. These kinds of interrelations between the actors strongly highlights the degree of difference between the normal image of competition and that which should be invoked in order to understand the complexity and nuance of human relationships.

Through these constellations, Franzen tries to show that without these constellations, the protagonists would not be who they are. People become who they are because they

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<sup>368</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.135.

<sup>369</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p. 135.

participate in various constellations, in each of which they are a partial but necessary part.<sup>370</sup> Seeing individuals in this way is very different from the competition model advocated by economics where each individual firmly constitutes herself. Again, the issue here mirrors the discussion of *homo economicus* vs *homo communicandis*. Franzen, in what I think is one of the best metaphors on this issue ever written, compares the work of individuals to the minutes in an individual's workday:

There's a hazardous sadness to the first sounds of someone else's work in the morning; it's as if stillness experiences pain in being broken. The first minute of the workday reminds you of all other minutes that a day consists of, and it's never a good thing to think of minutes as individuals. Only after other minutes have joined the naked, lonely first minute does that day become more safely integrated in its dayness.<sup>371</sup>

The day is made up of minutes just as society is made up of individuals. But just as the day is made of the integration of different minutes, the character of society not made up of simply adding individuals: They have to become integrated into the whole in order for society to truly manifest itself. It is this vision of individuality that is the basis of *homo communicandis* and solidarity.

### *David Foster Wallace's The Pale King*

DFW's *The Pale King* is another outstanding example how works of fiction reflect, produce, and question economic ideas. DFW shares Franzen's concern about the nature of economic subjectivity – what it means to be a responsible economic agent in the United States at the beginning of the 21<sup>st</sup> century. However, whereas *Freedom* heavily emphasises how individuals produce meaning and identity through their relationships and how this relates to world-wide economic and social processes, *The Pale King* focuses much more on the nature of work and where this work takes place. In fact, it is probably one of the best explorations

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<sup>370</sup> In my terminology, this is another instance where Franzen appeals to an image of *homo communicandis* over *homo economicus*.

<sup>371</sup> Franzen, Jonathan, *Freedom*, London: Fourth Estate, 2010, p.168.

of what it means to work as part of a large, impersonal, modern bureaucratic structure, demonstrating that work is not just as about earning income. The way in which work is seen solely as a means to achieve an income in economic theory overlooks crucial aspects of what it means to work. Work is much more deeply intertwined with our psyche. Not only do we construct meaning through it but work can also be a source of great psychological anxiety and stress. In some ways, *The Pale King* asks the reader to contemplate the possibility that the demands made by modern bureaucratic structures place a very high burden on the psyche of the individual.<sup>372</sup> One particular burden is that the whole process by which truth and meaning is generated becomes interlinked with these bureaucratic structures.

One of the aspects that make *The Pale King* such an appealing example for me is that some of the themes in the book mirror my discussions in the first part of this dissertation. In fact, DFW explicitly asks his readers to let go of the idea that truth is accurate representation of reality.<sup>373</sup> In the book, DFW takes issue with one of his colleagues on the grounds that this colleague fails to realise that different kinds of narratives produce different kinds of truth and that there is no universal criterion which makes one kind of truth intrinsically better than another. He writes:

What a logorrheic colleagues like Fogle failed to understand is that there are vastly different kinds of truth, some of which are incompatible with one another. Example: A 100 percent accurate, comprehensive list of the exact size and shape of every blade of grass in my front lawn is ‘true,’ but it is not a truth that anyone will have any interest in. What renders a truth meaningful, worthwhile, & c. is its relevance, which in turn requires extraordinary discernment and sensitivity to context, questions of value, and overall point—otherwise we might as well all just be computers downloading raw data to one another.<sup>374</sup>

In this paragraph, DFW clearly mirrors, or to be more accurate foreshadows, the concerns with *homo economicus*. DFW clarifies that there is no unique perspective that can somehow

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<sup>372</sup> For a different type of exploration on the same theme see: Graeber, David, *The utopia of rules: On technology, stupidity, and the secret joys of bureaucracy*, London: Melville House, 2015.

<sup>373</sup> It is astounding to me that somebody would manage to be able to tie such sophisticated points into a fictional narrative without making it boring or cumbersome but this is exactly one of the strengths of DFW’s writings

<sup>374</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p. 261.

be used to evaluate the world. Unlike the idea of *homo economicus*, which relies on one right perspective, all perspectives are contextual. This contextuality highlights the need for solidarity, rather than objectivity in Rorty's sense.

DFW asks the reader to accept his book as saying something true, in the sense as saying something relevant, about contemporary American society, even though, as a novel, the book is invented. To this end, DFW wants to eradicate the border between narrator and author. He wants to insist that even though the narrating persona is fictitious, an invention of out of thin air, there is also a real body occupying time and space, the author. For the purposes of this book, the voice of the narrator is the same as the voice of the author. It is his voice. Unconventionally, therefore, DFW addresses the reader directly in a foreword on page 69.<sup>375</sup>

Author here. Meaning the real author, the living human holding the pencil, not some abstract narrative persona. Granted, there sometimes is such a persona in *The Pale King*, an entity that exists just for legal and commercial purposes, rather like a corporation; it has no direct, provable connection to me as a person. But this right here is me as a real person. David Wallace, age forty, SS no 997-04-2012, addressing you from my Form 8829-deductible home office at 725 Indian Hill Blvd. Claremont 91711 CA, on the fifth day of spring 2005, to inform you of the following: All of this is true. This book is really true.<sup>376</sup>

The reason why DFW cannot just speak with his bodily persona is that the bureaucratic legal structures of contemporary American society will not allow him to be heard. DFW points to the legal disclaimer at the beginning of the book, which reads: "The characters and events in this book are fictitious. Any similarity to real persons, living or dead, is coincidental and not intended by the author."<sup>377</sup> In any book, part of the task of the narrator is to set the terms through which the novel is to be understood. Yet, the copyright law in the

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<sup>375</sup> What makes this issue even more complex and interesting is that this foreword is obviously another narrative device. DFW is aware of the power relations between himself as author and the reader and this way of breaking up the narrative of the book is one way in which the reader is made aware of this power relationship. Even more interestingly, the personal details which DFW provides are false.

<sup>376</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p. 68.

<sup>377</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.6.

beginning of the book essentially disempowers DFW's narrator to assume the position the author would like him to take.

DFW demonstrates in a very clear way how different power structures, in this case the United States legal system, shape the nature of language and information. They influence what can be said and how. The narrator is not allowed to be identified with the real persona of David Foster Wallace. To DFW, the legal disclaimer at the beginning of the book forecloses certain possible realisations for him as an author and also for the reader. The fictitious nature of the narrator, the characters, and the story does not mean that the reader should not accept the book as saying something true.

Even more interestingly, though, DFW is able to subvert these power structures. In being open about how these power relations shape his work and what can be done, in creating an awareness on part of the reader, the narrator is able to assume the position which the legal structure claimed was impossible. This, however, is only possible so long as the reader is willing to invest some mental effort to understand DFW's position:

This might appear to set up an irksome paradox. The book's legal disclaimer defines everything that follows it as fiction, including this Foreword, but now here in this Foreword I'm saying that the whole thing is really nonfiction; so if you believe one you can't believe the other, & c., &c. Please know that I find these sorts of cute, self-referential paradoxes irksome, too – at least now that I'm over thirty I do – and the very last thing this book is some kind of clever metafictional titty-pincher. That's why I'm making it a point to violate protocol and address you here directly, as my real self.<sup>378</sup>

DFW is aware that he is asking a lot from the reader but through this awareness, DFW also highlights that true meaning and connections can come about no matter how powerful the structures which attempt to foreclose such possibilities. All that matters in the end is the willingness to be heard and the willingness to listen. As long as these abilities are fostered and cultivated, no institutional structure will be able to prevent the reaching of an understanding between two willing interlocutors. Put differently, by appealing directly to the

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<sup>378</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.69

reader, DFW also tenderly develops an image of *homo communicandis* for the reader. He tries to connect to the reader, tries to tell her that he is trying to say something important for how to live one's life. Not only that, but DFW also tries to convey the importance of the fact that he is trying to make this connection: that making connections is ultimately what people do (unlike his logorrheic colleague Fogle).

Following DFW, or his narrator, requires nothing short of suspending a particular understanding of truth – whereby all statements are either true or false. Legally speaking, what DFW is writing is false. In terms of how it generates meaning for the reader, it is true. Even more interestingly, there is a near complete reversal between truth and fiction: Normally, a law would be considered true and a novel a kind of lie, or at least as not-true. One way of escaping particular power structures may therefore be to recognise that there is nothing inevitable about a law always being seen as more truthful than fiction.<sup>379</sup> It depends on the law and the questions under consideration:

The only bona fide 'fiction' here is the copyright page's disclaimer—which, again, is a legal device: The disclaimer's whole and only purpose is to protect me, the book's publisher, and the publisher's assigned distributors from legal liability. The reason why such protections are especially required here—why, in fact, the publisher has insisted upon them as a precondition for acceptance of the manuscript and payment of the advance—is the same reason the disclaimer is, when you come right down to it, a lie.<sup>380</sup>

DFW is keen to emphasise that power structures shape the nature of how narratives are produced. Because their nature is so omnipresent, power structures do not just influence narratives on the margin. Rather, they are integral to the very production of truth and narratives:

The point I'm trying to drive home here is that it's still all substantially true – i.e. the book this Foreword is part of – regardless of the various ways some of the forthcoming §s have had to be distorted, depersonalized, polyphonized, or otherwise jazzed up in order to conform to the specs of the legal disclaimer. This

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<sup>379</sup> For a similar position advanced by legal scholars see for example: Kennedy, Duncan, *A Critique of Adjudication: fin de siècle*, Cambridge: Harvard University Press, 1998. Posner, Richard, *Law and Literature*, Third Edition, Cambridge: Harvard University Press, 2009.

<sup>380</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.70.

is not to say that this jazzing up is all just gratuitous titty-pinching; given the aforementioned legal-slash-commercial constraints, it's ended up being integral to the book's whole project.<sup>381</sup>

DFW further decreases the distance between himself as author and the reader by helping the reader understand why he choose to write this book. And what truly stands out here is the honesty which DFW brings to this task. DFW portrays the book as the result of an intermeshing of commercial and artistic interests. He wants to produce art but he also wants to make a living:

The simple truth is that I, like so many other Americans, have suffered reverses in the volatile economy of the last few years, and that these reverses have occurred at the same time that my financial obligations have increases along with my age and responsibilities; and meanwhile all sorts of US writers - some of whom I know personally, including one I actually had to lend money to for basic living expenses as late as spring 2001 – have recently hit it big with memoirs and I would be a rank hypocrite if I pretended that I was less attune and receptive to market forces than anyone else.<sup>382</sup>

The first point to emphasise is the exceptional degree of honesty in the paragraph. But perhaps more interestingly is how strange it is to be struck by such honesty in the first place. It is pretty much unimaginable that an undergraduate economics textbooks opens with the admission that the author was motivated by the multi-million dollar advance offered by the publisher. Most textbook authors make it seem as if their book was only written for the erudition of students when in fact the income from textbooks sales was almost certainly also a point of consideration. And most informed students and teachers know this. The same goes for most academic writings. There is hardly a reference to be found about how an article or book was written to satisfy particular demands for career-advancement. Yet, we all know that this plays a role. So why the silence on these issues? Why the hypocrisy?

I think part of the reason is that for most people there still exist tensions between commercial interests and artistic or scholarly worth. And there clearly are such tensions. But

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<sup>381</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.74.

<sup>382</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.83.



the right way to go about these tensions is to admit their existence and not to attempt to silence them out of existence. Not all works suffer from this tension equally – one can still produce works of great artistic or scholarly worth whilst also benefiting financially. And to openly admit this is the case. As our society becomes more thoroughly commercialised, making such a shift is important. For the only way to produce commercially non-viable products in a thoroughly commercial system is to leave the system entirely. But some of the best work usually has the danger of being commercially non-viable and we, as a society, risk losing such work if we do not make sure that there are some safeguards for those who want to take such risks. We should also demand more honesty from academic authors. It is quite probable that there is a strong correlation between those authors who remain silent on their commercial interests and those who have most commercial interests at stake. It is ok to have a commercial interest but commercial interests should not override all other interests. Again, this position is a very far cry from what economic theory would teach us. The value of any product is its price – or its commercial viability. Therefore products are produced with this end in mind. But it never occurs in this story that producing products solely for sale might somehow decrease the quality of the product:

As all mature people know, it's possible for very different kind of motives and emotions to coexist in the human soul. There is no way a memoir like *The Pale King* could be written solely for financial gain. One paradox of professional writing is that books written solely for money and/or acclaim will almost never be good enough to garner either. The truth is that the larger narrative encompassing this Foreword has significant social and artistic value. That might sound conceited, but rest assured that I wouldn't and couldn't have put three years hard labour (plus an additional fifteen months of legal and editorial fuzzing) into *The Pale King* if I were not convinced this was true.<sup>383</sup>

Another dimension to DFW's discussion is that it also rejects the notion that financial gain is the only reason why people work. Unlike *homo economicus*, who only enjoys financial gains, *homo communicandis* is concerned with other issues as well. In fact, DFW suggest that true

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<sup>383</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.83-84.

artistic accomplishment cannot be the solely the result of the profit motive. The second point is that DFW is aware of the fact, and wants the reader to be aware of this fact, that what he is writing about and how he has chosen to express himself is also a reflection of the larger economic, cultural and political context. The spirit of DFW's discussion here mirrors my own in chapter four. At the heart of understanding how works of fiction can be used to study economic, cultural and political systems is that they share a particular context with the reader, enabling works of fiction to question how this context is to be seen and understood. DFW emphasises in this regard that his book can also be understood as another manifestation of the erasure of the line between public and private, or between the private and the performative:

One disadvantage of addressing you here directly in the cultural present of 2005 is the fact that, as both you and I know, there is no longer any kind of clear line between the personal and the public, or rather between the private and the performative. Among the obvious examples are web logs, reality television, cell-phone cameras, chat rooms....not to mention the dramatically increased popularity of the memoir as a literary genre. Of course popularity is, in this context, a synonym for profitability.<sup>384</sup>

DFW highlights that what appears to get lost in the erasure between public and private as part of an all-encompassing commercialisation is that it is harder to accomplish the satisfaction derived from a task that has successfully been completed. This touches upon another aspect that does not receive any attention in modern economic theory. The standard story says that people work, and produce, in order to earn an income. If there are no controls in place, individuals will produce poor quality work. Because work is, after all, work and what individuals want is leisure. Leisure is the only thing that is pleasurable. But why can't work also be intrinsically pleasurable? DFW emphasises that one can also find pleasure in work. He gives the example of his father:

Well, my dad used to like to mow the lawn in little patches and strips....It took a little while to realise he did this with the lawn because he liked the feeling of

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<sup>384</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.82.

being done. Of having a job and feeling like he did it and it was done. You know? By dividing the lawn into like seventeen small little section, which our mom thought was nuts as usual, he could feel the feeling of finishing a job seventeen times instead of just once.<sup>385</sup>

At one level, much of *The Pale King* is an exploration of the extent to which this simple pleasure of a job well done can still be attained in a modern bureaucracy. The impression one gets from reading the book is that whilst this is still possible, it is much more difficult. DFW raises the point that in a modern bureaucracy, the list of tasks appears to be endless. Because of its size and complexity, there is no end to the amount of work that can potentially be achieved. Unlike a lawn which once it is mowed, stays mowed for at least a little while, modern work is potentially never ending. DFW suggests that the awareness of this knowledge of never-being-finished makes it much harder for one to enjoy the feeling of being actually having accomplished something. DFW comments about the checking of particular tax forms that “an average 1040 takes around twenty-two minutes to go through and examine and fill out the memo on.... Each completed job gives you that solid little feeling. The thing here is that the returns never stop. There’s always the next one to do. You never really finish.”<sup>386</sup>

Another important aspect which seems to contribute to the difficulty of enjoying work is the increase in complexity and arcane detail of much of the performed work. DFW does not just tell the reader that this may be the case but shows how it is the case. *The Pale King* powerfully evokes the feeling of auditing tax records, and by going into miniscule details about the daily operations, the reader is left with a vivid sense of what it must mean to do such work for 8 hours a day, every day, for years. For example, he gives the following example of how a particular tax return is to be checked:

RM §781(d) AMT Formula for Corporations: (1) Taxable income before NOL deduction, plus or minus (2) All AMT adjustments excepting ACE adjustment, plus (3) Tax preferences, yields (4) Alternative Minimum Taxable Income before NOL deduction and/or ACE adjustment, plus or minus (5) ACE adjustment, if

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<sup>385</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.117.

<sup>386</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.117.

any, yields (6) AMTI before NOL deduction, if any, minus (7) NOL deduction, if any (Ceiling at 90%), yields (8) AMTI, minus (9) Exemptions, yields (10) AMT base, multiplied by (11) 20% AMT rate, yields (12) AMT prior to AMT Foreign Tax Credit, minus (13) AMT Foreign Tax Credit, if any (Ceiling at 90% unless Exceptions 781(d) (13-16) apply, in which case attach Memo 781-2432 and forward to Group Manager), yields (14) Tentative Alternative Minimum Tax, minus (15) Standard tax liability before credit minus standard Foreign Tax Credit, yields (16) Alternative Minimum Tax.<sup>387</sup>

The nature of these tasks thus gives rise to a very peculiar work environment. Again, DFW describes the environment in such vivid detail that it is worth reproducing it at some length:

‘Irrelevant’ Chris Fogle turns a page. Howard Cardwell turns a page. Ken Wax turns a page. Matt Redgate turns a page. ‘Groovy’ Bruce Channing attaches a form to a file. Ann Williams turns a page. Anand Singh turns two pages at once by mistake and turns one back which makes a slightly different sound. David Cusk turns a page. Sandra Pounder turns a page. Robert Atkins turns two separate pages of two separate files at the same time. Ken Wax turns a page. Lane Dean Jr. turns a page. Olive Borden turns a page. Chris Acquistipace turns a page. David Cusk turns a page. Rosellen Brown turns a page. Matt Redgate turns a page. R. Jarvis Brown turns a page. Ann Williams sniffs slightly and turns a page. Meredith Rand does something to a cuticle. ‘Irrelevant’ Chris Fogle turns a page. Ken Wax turns a page. Howard Cardwell turns a page. Kenneth ‘Type of Thing’ Hindle detaches a Memo 402-C(1) from a file. ‘Second-Knuckle’ Bob McKenzie looks up briefly while turning a page. David Cusk turns a page. A yawn proceeds across one Chalk’s row by unconscious influence Ryne Hobrathshck turns a page. Latrice Theakston turns a page. Rotes Group Room 2 hushed and brightly lit, half a football field in length.<sup>388</sup>

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<sup>387</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.388.

<sup>388</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, pp.312. The full passage continues as follows:

“Howard Cardwell shifts slightly in his chair and turns a page. Lane Dean Jr. traces his jaw’s outline with his ring finger. Ed Shackleford turns a page. Elpidia Carter turns a page. Ken Wax attaches a Memo 20 to a file. Anand Singh turns a page. Jay Landauer and Ann Williams turn a page almost precisely in sync although they are in different rows and cannot see each other. Boris Kratz bobs with a slight Hassidic motion as he crosschecks a page with a column of figures. Ken Wax turns a page. Harriet Candelaria turns a page. Matt Redgate turns a page. Ambient room temperature 80° F. Sandra Pounder makes a minute adjustment to a file so that the page she is looking at is at a slightly different angle to her. ‘Irrelevant’ Chris Fogle turns a page. David Cusk turns a page. Each Tingle’s two-tiered hemisphere of boxes. ‘Groovy’ Bruce Channing turns a page. Ken Wax turns a page. Six wigglers per Chalk, four Chalks per Team, six Teams per group. Latrice Theakston turns a page. Olive Borden turns a page. Plus administration and support. Bob Mc-Kenzie turns a page. Anand Singh turns a page and then almost instantly turns another page. Ken Wax turns a page. Chris ‘The Maestro’ Acquistipace turns a page. David Cusk turns a page. Harriet Candelaria turns a page. Boris Kratz turns a page. Robert Atkins turns two separate pages. Anand Singh turns a page. R. Jarvis Brown uncrosses his legs and turns a page. Latrice Theakston turns a page. The slow squeak of the cart boy’s cart at the back of the room. Ken Wax places a file on top of the stack in the Cart-Out box to his upper right. Jay Landauer turns a page. Ryne Hobrathshck turns a page and then folds over the page of a computer printout that’s lined up next to the original file he just turned a page of. Ken Wax turns a page. Bob Mc-Kenzie turns a page. Ellis Ross turns a page. Joe ‘The Bastard’ Biron-Maint turns a page. Ed Shackleford opens a drawer and takes a moment to select just the right paperclip. Olive Borden turns a page. Sandra Pounder turns a page. Matt Redgate turns a page and then almost instantly turns another page. Latrice Theakston turns a page. Paul Howe turns a page and then sniffs

Even by merely reading this section, one gets a sense of an almost life-stifling monotony. DFW manages to make the reader feel what it must be like to work in such an atmosphere. One gets a sense of an atmosphere that somehow feels oppressive and claustrophobic. In allowing the reader to feel what it must be like, or at least to get a sense of what it must be like, to process tax returns, DFW fosters a sense of empathy with these workers. When a standard economics textbook invites us to think about work as the result of a conscious calculation about the trade-off between income and leisure time, it becomes very difficult to feel genuine empathy for anybody. After all, the trade-off must work out for a particular person, otherwise she would have made a different choice. But there are many aspects of work that are not up to a particular individual – working hours, working atmosphere, colleagues, etc. It is only once we consider that work is an important aspect to a person's life, that it is part of their identity and part of how they derive meaning for their life that we can

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circumspectly at the green rubber sock on his pinkie's tip. Olive Borden turns a page. Rosellen Brown turns a page. Ken Wax turns a page. Devils are actually angels. Elpidia Carter and Harriet Candelaria reach up to their Cart-In boxes at exactly the same time. R. Jarvis Brown turns a page. Ryne Hobratschk turns a page. 'Type of Thing' Ken Hindle looks up a routing code. Some with their chin in their hand. Robert Atkins turns a page even as he's crosschecking something on that page. Ann Williams turns a page. Ed Shackleford searches a file for a supporting document. Joe Biron-Maint turns a page. Ken Wax turns a page. David Cusk turns a page. Lane Dean Jr. rounds his lips and breathes deeply in and out like that and bends to a new file. Ken Wax turns a page. Anand Singh closes and opens his dominant hand several times while studying a muscle in his wrist. Sandra Pounder straightens slightly and swings her head in a neck-stretching arc and leans forward again to examine a page. Howard Cardwell turns a page. Most sit up straight but lean forward at the waist, which reduces neck fatigue. Boris Kratz turns a page. Olive Borden raises the little hinged flag on her empty 402-C box. Ellis Ross starts to turn a page and then stops to recheck something higher up on the page. Bob McKenzie hawks mucus without looking up. 'Groovy' Bruce Channing worries his lower lip with a pen's pocket clip. Ann Williams sniffs and turns a page. Matt Redgate turns a page. Paul Howe opens a drawer and looks inside and closes the drawer without taking anything out. Howard Cardwell turns a page. Two walls' paneling painted over in Baker-Miller pink. R. Jarvis Brown turns a page. One Chalk per row, four rows per column, six columns. Elpidia Carter turns a page. Robert Atkins's lips are soundlessly moving. 'Groovy' Bruce Channing turns a page. Latrice Theakston turns a page with a long purple nail. Ken Wax turns a page. Chris Fogle turns a page. Rosellen Brown turns a page. Chris Acquistipace signs a Memo 20. Harriet Candelaria turns a page. Anand Singh turns a page. Ed Shackleford turns a page. Two clocks, two ghosts, one square acre of hidden mirror. Ken Wax turns a page. Jay Landauer feels absently at his face. Every love story is a ghost story. Ryne Hobratschk turns a page. Matt Redgate turns a page. Olive Borden stands and raises her hand with three fingers out for the cart boy. David Cusk turns a page. Elpidia Carter turns a page. Exterior temperature/humidity 96°/74%. Howard Cardwell turns a page. Bob McKenzie still hasn't spit. Lane Dean Jr. turns a page. Chris Acquistipace turns a page. Ryne Hobratschk turns a page. The cart comes up the group room's right side with its squeaky wheel. Two others in the third Chalk's row also stand. Harriet Candelaria turns a page. R. Jarvis Brown turns a page. Paul Howe turns a page. Ken Wax turns a page. Joe Biron-Maint turns a page. Ann Williams turns a page."

fully appreciate what it means to work as part of a modern bureaucracy. This appreciation is entirely lacking in how the nature of work is understood in standard economics.

One of DFW's suggestions in *The Pale King* appears to be that the crucial feature of working in modern bureaucracies is an increased exposure to dullness and boredom. DFW suggests that the rise of the availability of information has also lead to an increase in the need to distinguish the relevant from the irrelevant. In DFW's eyes, most individuals in a modern economy need to shift through ever increasing amounts of pure data, in order to find something that is relevant for their lives. DFW writes how he learned to navigate boredom like a terrain and that talking about the dull appears to be a non-topic in his conversations with friends and popular culture in general:

The memoir-relevant point here is that I learned, in my time with the Service [the IRS], something about dullness, information, and irrelevant complexity. About negotiating boredom as one would a terrain, its levels and forests, and endless wastes. Learned about it extensively, exquisitely, in my interrupted year. And now ever since that time have noticed, at work and in recreation and time with friends and even the intimacies of family life, that living people do not speak much of the dull. Of those parts of life that are and must be dull. Why this silence? Maybe it's because the subject is, in and of itself, dull, . . . only then we're back to again right back where we started, which is tedious and irksome. There may, though, I opine, be more to it, as in vastly more, right here before us all, hidden by virtue of its size.<sup>389</sup>

DFW tries to resolve the irksome paradox of why talking about the dull, is in and of itself, dull, by suggesting that exposure to boredom forces us to face deep existential questions about ourselves. Once again, seeing individuals in this light is a far cry from the kind of person that is found in economics textbooks. In an economics textbooks, individuals are portrayed as making conscious choices about what to do and how they life. DFW suggests that underneath the realm of everyday living and choices, is another darker realm that many of individuals do not like to access too much or too often. One advantage of the increase in entertainment options, the increasing in working hours in some professions, or the

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<sup>389</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p. 87.

information society in general is therefore that it allows individuals greater possibility of not having to face such existential anxieties:

To me, at least in retrospect, the really interesting question is why dullness proves to be such a powerful impediment to attention. Why we recoil from the dull. Maybe it's because dullness is intrinsically painful; maybe that's where phrases like 'deadly dull' or 'excruciatingly dull' come from. But there might be more to it... but surely something must lie behind not just Muzak in dull or tedious places anymore but now also actual TV in waiting rooms, supermarkets' checkouts, airports' gates, SUVs' backseats. Walkmen, iPods, BlackBerries, cell phones that attach to your head. This terror of silence with nothing diverting to do. I can't think anyone really believes that today's so-called 'information society' is just about information. Everyone knows it's about something else, way down.<sup>390</sup>

Increasing exposure to boredom, on the one hand, and the difficulty of dealing with it, on the other hand, leads DFW to suggest that the key ability to succeed in a modern bureaucracy is the ability to withstand boredom. This is a fascinating suggestion and radically different from the kind of abilities that are suggested for success in any economics textbook. Again, DFW invokes the notion that working in an atmosphere of a tax office is devoid of any kind of vitality. But the kind of person who can do so successfully, without taking physical harm, is the true winner of modern bureaucratic societies. In DFW eyes, the person who is immune to boredom becomes the new Superman:

I discovered...the real skill that is required to succeed in a bureaucracy. I mean really succeed: do good, make a difference, serve. I discovered the key. This key is not efficiency, or probity, or insight, or wisdom. It is not political cunning, interpersonal skills, raw IQ, loyalty, vision, or any of the qualities that the bureaucratic world calls virtues, and tests for. The key is a certain capacity that underlies all these qualities, rather the way that an ability to breathe and pump blood underlies all thought and action. The underlying bureaucratic key is the ability to deal with boredom. To function effectively in an environment that precludes everything vital and human. To breathe, so to speak, without air. The key is the ability, whether innate or conditioned, to find the other side of the rote, the picayune, the meaningless, the repetitive, the pointlessly complex. To be, in a word, unborable. ....It is the key to modern life. *If you are immune to boredom, there is literally nothing you cannot accomplish.*<sup>391</sup>

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<sup>390</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.87.

<sup>391</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.411. Emphasis mine.

But in framing the issues this way, DFW also highlights that the vast majority of people are not immune against boredom and dullness. There is an evocative chapter in the *Pale King* which depicts a report written by the Assistant Commissioner for Human Resources of the IRS which lists symptoms which staff have experienced on postings longer than three years:

Conclusion of ACIRHRMSOEAPO Survey/Study 1-76—11-77:  
AMA/DSM(II)-authorized syndromes/symptoms associated with Examinations  
postings in excess of 36 months (average term of posting on report: 41.4  
months), in reverse order of incidence (per medical/EAP service claim per  
IRSM §743/12.2(f-r)):

Chronic paraplegia  
Temporary paraplegia  
Temporary paralysis agitans  
Paracatatonic fugues  
Formication  
Intracranial edema  
Spasmodic dyskinesia  
Paramnesia  
Paresis  
Phobic anxiety (numerical)  
Lordosis  
Renal neuralgia  
Tinnitus<sup>392</sup>

DFW suggests that the transformation in the work environment which many people are experiencing is also making them psychologically and physically sick. DFW has certainly hit upon an empirical reality that is hard to explain. Despite its wealth (and growth in wealth over time), the United States is experiencing what has been called an epidemic in anxiety disorders with surveys suggesting at least twenty-five percent of American adults suffer from one form of anxiety disorder at some point in their life.<sup>393</sup> The WHO also notes that the US has by far the largest prevalence of mental disorders of any of fourteen developed countries

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<sup>392</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.88. The list continues: Peripheral hallucinations, Torticollis, Cantor's sign (dextral), Lumbago, Dihedral lordosis, Dissociative fugues, Kern-Børglundt syndrome (radial), Hypomania, Sciatica, Spasmodic torticollis, Low startle threshold, Krendler's syndrome, Hemorrhoids, Ruminative fugues, Ulcerative colitis, Hypertension, Hypotension, Cantor's sign (sinistral), Diplopia, Hemeralopia, Vascular headache, Cyclothymia, Blurred vision, Fine tremors, Facial/digital ticking, Localized anxiety, Generalized anxiety, Kinesthetic deficits, Unexplained bleeding.

<sup>393</sup> Kelley, Maura, "An Anxiety Epidemic Is Sweeping The US", *Business Insider*, Jul. 17, 2012. Available at: <http://www.businessinsider.com/an-anxiety-epidemic-has-swept-across-america-and-our-broken-meritocracy-is-to-blame-2012-7?IR=T>. Last accessed August 13, 2015.



and that this rate has strongly increased over the last fifty years.<sup>394</sup> A number of commentators have offered different suggestions as to why this might be the case. Richard Wilkinson and Kate Pickett, for example, argue that what is missing in the US is equality. According to their view, inequality leads to anxiety and mental disorders.<sup>395</sup> Avner Offer, by contrast, suggest that “affluence breeds impatience, and impatience undermines well-being”.<sup>396</sup> Jane Twenge argues that it is “decreases in social connectedness and increases in environmental dangers” which explain increases in anxiety.<sup>397</sup> I think DFW’s suggestion about the nature of work in a modern economy is as good a suggestion as any of the others and it would be worthwhile to consider just how dealing with boredom and monotony affects the psyche of individuals.

DFW also tries to highlight that the issue of boredom goes far beyond the personal realm. Because individuals try their hardest to avoid dullness, there is an opportunity for cunning politicians and corporate managers to get the public into not caring about issues which they should care about. In other words, dullness can be exploited as a very effective tool for governance. If questions of governance can only be made dull enough, citizens will be unwilling to engage with the issue:

if sensitive issues of governance can be made sufficiently dull and arcane, there will be no need for officials to hide or dissemble, because no one not directly involved will pay enough attention to cause trouble. No one will pay attention because no one will be interested, because, more or less a priori, of these issues’ monumental dullness. ...<sup>398</sup>

DFW suggests that this issue of boredom is intrinsically related to the issue of personal responsibility in the United States. DFW notes a distinct tendency to engage less with

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<sup>394</sup> Demyttenaere, Koen et. al., "Prevalence, severity, and unmet need for treatment of mental disorders in the World Health Organization World Mental Health Survey", *Journal of the American Medical Association*, 2004, 291 (21), pp. 2581–2590.

<sup>395</sup> Wilkinson, Richard and Kate Pickett, *The Spirit Level: Why equality is better for everyone*, London: Penguin, 2010.

<sup>396</sup> Offer, Avner, *The Challenge of Affluence*, Oxford: Oxford University Press, 2006, p.1.

<sup>397</sup> Twenge, Jean, “The age of anxiety? The birth cohort change in anxiety and neuroticism, 1952–1993”, *Medical Journal of Personality and Social Psychology*, 79(6), 2000, pp. 1007.

<sup>398</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p.87.

difficult questions in an intricate and complex world. Individuals only think of themselves as consumers – as suggested by economic theory. But individuals also have obligations in a democracy. They need to be willing to engage with big and difficult questions in order to elect the right officials to govern on their behalf. But this, DFW suggest, is no longer happening. Rather, individuals are abdicating their responsibility to decide on what kind of society they would like to live in to the government and increasingly also to corporations.

There is something very interesting about civics and selfishness, and we get to ride the crest of it. Here in the US, we expect government and law to be our conscience. Our superego, you could say. It has something to do with liberal individualism, and something to do with the capitalism, but I don't understand much of the theoretical aspect – what I see is what I live in. Americans are in a way crazy. We infantilize ourselves. We don't think of ourselves as citizens, -- parts of something larger to which we have profound responsibilities. We think of ourselves as citizens when it comes to our rights and privileges, but not our responsibilities. We abdicate our civic responsibility to the government and expect the government, in effect, to legislate morality. I am talking mostly about economics and business here, because that's my area.<sup>399</sup>

DFW suggests that this is a worrisome development. He warns that it is not possible to run a vibrant democracy in the image of a corporation. Profit making cannot be the only and final end of social interactions. He also warns that corporations and other influences are seducing individuals into thinking that this is indeed the right way to go about life. But if this trend continues, the character of the United States as an open democracy may, or already has, become a mere appearance:

Citizens are constitutionally empowered to choose to default and leave the decisions to corporations and to a government we expect to control them. Corporations are getting better and better at seducing us into thinking what they think – of profits as the telos and responsibility as something to be enshrined in symbol and evaded in reality. Cleverness as opposed to wisdom. Wanting and having instead of thinking and making....We'll either wake up and take our freedom or we'll fall apart utterly. Like Rome – conqueror of its own people.<sup>400</sup>

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<sup>399</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, p. 132.

<sup>400</sup> Wallace, David Foster, *The Pale King*, London: Penguin, 2012, pp.132-133.

## *Conclusion*

I use this chapter to show how contemporary novels reflect, reproduce and question economic ideas. I want to highlight the sophisticated ways in which novels take up economic and social issues. I use both Jonathan Franzen's *Freedom* and DFW's *The Pale King* to highlight how individuals derive meaning for their life through economic activity and how both novels incorporate reflections on what it means to be a responsible individual in contemporary times. As such, the discussion is also a concrete example of what it takes to offer a serious case for the vision of *homo communicandis*. In the case of *Freedom*, I focus on how an author can use different characters and the interrelationships between those characters to question many of the underlying ideas which one finds in economics textbooks. In *The Pale King*, by contrast, I focus on how DFW describes the nature of work and how it affects individuals and society in general. What unites both works, however, is that they reject the notion of *homo economicus*. In fact, both novels are highly critical of the extent to which the image of *homo economicus* and Rorty's objectivity have taken hold in American society. Instead, they offer a vision of subjectivity very much in line with the Smithian notion of sympathy which is also connected to the vision of *homo communicandis* which I try to advocate in this thesis. Both Franzen and DFW are interested in how to create solidarity amongst people without appeal to some kind of objective truths (in Rorty's sense). In the next part of the dissertation, I am going to conclude the discussion by focusing on two select concepts and how they are implicated in the discussion of *homo economicus* vs *homo communicandis*.

# Part III

In this final part of the dissertation, I would like to give special attention to two issues that have been touched upon throughout the thesis but that I have never been able to address in the appropriate detail. I have argued in part one of this dissertation that knowledge is not the result of accurate representation of reality but of becoming socialised into a particular epistemic community. I also argued that language plays a crucial part in such socialisation processes. In the second part, I examined two ways of being socialised into economic ideas: Economics textbooks and contemporary novels. However, until now I have mostly remained at a fairly general level of abstraction and I have not really tried to show just in what ways language is used to socialise economic ideas and with what consequences. I would like to rectify this issue in this part, the third and final part of this dissertation.

In chapter six, I analyse one of the central economic concepts of our times: the concept of the market. I argue that the concept of the market is used in economics as a means to foster a particular idea of how economic and social interactions work, and also should work. As such, the concept of the market is the essential piece in the construction of the image of *homo economicus*. It teaches that markets are arenas of competition where products are bought and sold. As a result, markets are portrayed as if they were impersonal institutions who ran according to their own inalterable logic. However, the market also has a variety of different meanings in everyday language. I will appropriate a heuristic found in Jürgen Habermas' *Theory of Communicative Action* to show that the concept of the market can be used to make three very different type of claims. By pretending as if the concept of the market only had one particular meaning, economic theory bewitches us into thinking of markets in a much more narrow way than we would otherwise. Habermas' heuristic can be used to lift the bewitchment and thus allows for a recognition of the versatility of the concept of the market. By recognizing the versatility of the concept of the market, with its deeply contextual meanings, I once again want to draw attention to the image of *homo*

*communicandis* and how the conception of the market partakes in acts of communication and how communication can foster solidarity in the Rortian sense.

In chapter seven, I want to explore another way of thinking about the difference between the image of *homo communicandis* and *homo economicus*. I want to explore if there is an argument to be made about the fact that it is somehow problematic to be socialised in the image of *homo economicus*, even from the perspective from the individual concerned. I begin the chapter by reviewing some data which suggests that the US is experiencing something akin to a public health epidemic. I then hypothesise that the cause for this development may be the kind of socialisation that is taking place in the US – which is socialisation in the image of *homo economicus*. In order to make this claim, I appropriate Johan Galtung's theory of violence as the difference between potential and actual to argue that socialisation processes are the chief way in which potential individualities become actualised. All socialisation is therefore violent but some processes are more violent than others. In fact, I would like to suggest that the socialisation of economic ideas through economics textbooks is more violent than through novels.

I would like to conclude this dissertation with a discussion of some of the things I have learnt during the process of researching and writing. I also comment on some of the limitations of an autobiographical approach for the study of economic ideas and knowledge. I do so by revisiting some of the issues which Judith Butler raised in her *Giving an account of oneself*. I highlight how this dissertation has given me a much greater appreciation for my own contingency but how the autobiographic method is also dangerous if it slips into a self-glorifying narcissism. The best cure against narcissism, however, is a continual emphasis of the relation of the self with others.

## **Chapter 6:**

### *Speaking about markets*

#### *Introduction*

The aim of this chapter is to examine one of the key concepts, maybe even the single most important concept, which is employed to foster and socialise the image of *homo economicus*: that of the market. My suggestion that the concept of the market is central to economics is not overly controversial. Even the suggestion that the concept of the market is problematic would be accepted by all but the most narrow-minded economic thinkers. In fact, scholars have used a wide variety of perspectives to argue for the centrality of the concept of the market and its inadequacies. What all of these accounts have in common, however, is that they employ the strategy of claiming that the problem with the definition of markets is that it does not adequately capture the reality of markets. In other words, economics defines markets one way but in reality they are something different. Therefore, a revised account is needed that is somehow closer to reality. Whilst this type of intervention has its place, a more fundamental problem thus far has not received attention: that in defining markets to be a certain way, economics also socialises individuals into looking at the world in a particular way. In other words, economics does not just describe the world but it also informs as to what the world should be seen as. Economics therefore also fosters the image of *homo economicus*. My hope in writing this dissertation is to show that we can practice economics and also foster the idea of *homo communicandis*. In fact, there is a notable disjuncture between sophisticated account of markets found in critical academic journals and the simplistic ways of teaching them in economics textbooks and the public sphere.

Consequently, this chapter proceeds in three sections. In the first section, I use the example of Gregory Mankiw's *Principles* to show how readers of his book are socialised into

thinking of markets as arenas of competition. This conceptualization has wide-ranging consequences for how society and politics are envisioned. In the second section, I review some select contributions which have called attention to the ways in which this kind view of perceiving markets is inadequate. In the third section, I provide a different way of framing the problem with the way markets are introduced in economics, namely that individuals are socialised into thinking of the market in one way. They get seduced into thinking of this way as the only possible way when in fact they also use the concept of the market in everyday speech in completely different ways. In order to highlight the variety of ways in which the concept of the market can be used, I appropriate a heuristic found in Habermas' *Theory of Communicative Action*. I attempt to show that no single conceptualization of the market can account for the various conversational contexts in which it is used. What is therefore needed is a conceptual framework that allows us to envision the concept of the market in a variety of ways. The most promising framework for doing so is to regard the concept of the market as operating in three distinct spheres: An objective sphere, a social sphere, and a subjective sphere. The kind of justification, and thus also the kind of legitimization, that can be expected in each sphere is markedly different. Understanding the different ways the concept of the market is actually used can be a first step to prevent the narrow definition of markets in economics from bewitching the mind.

#### *Markets as arenas of competition*

To begin the discussion, it may be worthwhile to return to the example of Gregory Mankiw's *Principles of Economics* which was already the subject of discussion in chapters three and five. I want to highlight that the concept of the market does not only function descriptively, i.e. solely to describe reality. Rather, the concept of the market, like other concepts, partly constitute reality – they are a lens through which reality becomes understandable. The market is a crucial concept for how economic and social processes are made understandable and I



use the following section to show how Mankiw's constructs a particular understanding of the world through the way in which he defines the concept of the market.

Mankiw introduces the notion of markets as "a group of buyers and sellers of a particular good or service. The buyers as a group determine the demand for the product, and the sellers as a group determine the supply of the product."<sup>401</sup> Mankiw acknowledges that different groups of buyers and sellers can operate according to different organizational principles but that the outcomes of all organizational structures are always determined by demand and supply.

Markets take many forms. Some markets are highly organised, such as the markets for many agricultural commodities. In these markets, buyers and sellers meet at a specific time and place, where an auctioneer helps set prices and arrange sales. More often, markets are less organised..... consider the market for ice cream in a particular town..... the group of ice-cream buyers and ice-cream sellers forms a market.<sup>402</sup>

The idea is that since buyers want to pay as little as possible and sellers want to charge as much as possible, it is the existence of a price that ultimately structures market interaction. In this way, the operation of the price mechanism appears to ensure three levels of competition. First, there is competition within the group of buyers to receive the best possible deal because the buyer who pays the least to a seller will have an advantage over other buyers. Second, there is competition amongst the group of sellers for the best possible deal because the seller who receives the most will have an advantage over other sellers. And third, there is competition amongst each pair of buyers and sellers to compensate as little and receive as much as possible.

In framing the issue this way, Mankiw is able to bypass many considerations that also have a bearing on the issue of how markets become constituted. For starters, how is it possible that there are already groups of buyers and sellers in the first place? Nobody is born

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<sup>401</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p. 66.

<sup>402</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.66.

to sell a particular product and nobody is born to buy it either. Rather, we become buyers and sellers of products and services through multiple processes of socialisation that teaches us what can be bought and sold and how. It is obviously true that the conception of markets as arena of competitions was not invented by Mankiw. In fact, one could go back to Adam Smith, or even further, and find similar descriptions of the marketplace as a physical place of exchange where buyers and sellers compete for wares. What differentiates Mankiw's conception of the market from conceptions in earlier political economy is that market activity is no longer seen as embedded within a broader culture and sociality.<sup>403</sup> In Smith, we find a vision of *homo communicandis*, who as part of communicating and participating in a community, also receives and acts upon price signals. Communication, for Smith, is a necessary precondition for the pricing system. Mankiw essentially reverses this situation. Price signals are now seen as a precondition for communication. It may only be a small exaggeration to claim that in Mankiw's world, the disappearance of prices would also mean that humans have no longer any basis or reason for interacting. This assessment is also shared by William Davies who writes that "price provides a logical and phenomenological ideal of how human relations can be mediated without the need for rhetorical, ritualized or deliberately performative modes of communication. Indeed, price may even suggest that peaceful human interaction is feasible without speech at all."<sup>404</sup> For *homo economicus*, price signals matter because they are ultimately what humans care about so as to maximize their utility. No considerations of a broader culture or sociality have any relevance.

Mankiw attempts to support this vision of *homo economicus* by asking students to think of markets only in terms of commercial exchange where there are buyers and sellers. But markets exist wherever there is exchange amongst humans. Commercial exchange is but

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<sup>403</sup> There is a case to be made that Paul Samuelson noticeably contributed to this development through various revisions between the different editions of his *Principles*, but I will not consider this point further here.

<sup>404</sup> Davies, William, *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*, London: Sage, 2014, p.4.

a small sub-section of the exchange we undertake. We exchange goods, but we also exchange opinions, favors, and glances and I think it is no coincidence that we use the same word to describe each of these connections. Even economists who try to be more reflective about the nature of markets, like Israel Kirzner, fundamentally fall into the trap for regarding all markets as commercial exchange. Kirzner writes for example:

Society consists of individual human beings. Each human being is eager to act to improve his position, whenever this appears possible. In order to satisfy his desires, a man may act on his own (as, for example, when he paints his house by himself), or he may fulfill his ends indirectly through exchange (as when he pays another man to do the painting).<sup>405</sup>

We can see here that Kirzner starts on the right track. The whole reason why we have markets is because we are social beings. Society comes first, not the individual. But this also means that there can be no useful distinction between fulfilling desires directly or indirectly. How do you directly fulfill your desire for conversation without involving another person? So in framing markets as commercial exchange, Mankiw seduces us into looking at the world as if there were no types of exchange other than commercial exchange. Given the definition, it becomes easy to forget that there exists a much broader conception of market activity which we can also appeal to.<sup>406</sup>

Mankiw subsequently expands on this conception of markets to argue that the prices of commercial markets also determine resource allocation. In other words, given this concept of the market, he is trying to get his readers to regard transactions as somehow resulting in a natural allocation of resources. Since, for Mankiw, all exchange happens on the basis of prices, it makes sense for him to assert that “supply and demand determine prices in a market economy and...prices, in turn, allocate the economy’s scarce resources.”<sup>407</sup> He uses his conception of markets as a foundation to make it appear as if prices somehow automatically

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<sup>405</sup> Kirzner, Israel, *Market Theory and the Price System*, Auburn: Ludwig von Mises Institute, p.1.

<sup>406</sup> On this point see: Sennett, Richard, *Together: The Rituals, Pleasures and Politics of Cooperation*, London: Penguin, 2013.

<sup>407</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.65.

allocate resources. But they clearly do not. Supply and demand determine prices but the allocation of our resources is not determined by price. Humans determine the allocation of our resources, given prices. The question of how we allocate our resources is a statement that does not concern commercial exchange but how we want to structure this exchange instead. And in framing the concept of markets in the way Mankiw does, it can easily seem as if there is actually nothing to structure. We can just leave all transactions to themselves and somehow a socially optimal allocation of resources will result.

Mankiw himself offers a number of examples to supposedly illustrate this point. He asks us to think of the following:

When a cold snap hits Florida, the price of orange juice rises in supermarkets throughout the country.

When the weather turns warm in New England every summer, the price of hotel rooms in the Caribbean plummets.

When a war breaks out in the Middle East, the price of gasoline in the United States rises....<sup>408</sup>

Mankiw's suggestion certainly seems plausible enough but he is curiously silent on the question of allocation of resources. In framing his conception of markets as commercial exchange, Mankiw implicitly is trying to argue that the ability to pay is the only relevant criterion why anybody should have access to a resource. It is one thing to note that the price of orange juice goes up, and quite a different matter to decide who gets to have access to this orange juice. Price can never be a justification for how a resource is to be allocated – which is what Mankiw wants us to believe. Consider the following counter-example:

(1) When you ask me why orange juice costs \$10 a liter, I can justify the price by pointing out that there was a cold snap and so there is only very little juice which makes it more expensive.

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<sup>408</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.65.

(2) If you can no longer afford to buy any orange juice at that price but I still can, and you ask me to justify why it is that I still get to drink orange juice and you do not, I cannot justify myself by saying there was a cold snap.

(3) You would right point out that the cold snap has nothing to do with you not getting any orange juice. After all there is still orange juice and I am getting it. So why don't I share my orange juice with you?

(4) I would then have to explain that I ought to have all the orange juice because I alone can pay for it. And the ability to pay entitles me to the orange juice (a moral principle).

In framing the concept of the market thus, Mankiw is trying to get us to believe that the ability to pay is the only appropriate consideration in all transactions. It is for this reason that Mankiw believes and wants us to believe that “the forces of supply and demand allocate resources efficiently. That is, even though each buyer and seller in a market is concerned only about his or her own welfare, they are together led by an invisible hand to an equilibrium that maximizes the total benefits to buyers and sellers.”<sup>409</sup> But this statement only makes sense if you accept that the ability to pay ought to be the only determinant of the potential life which somebody gets to enjoy. This principle cannot be given by nature but needs to be accepted by the member of the community as valid. It is a norm. The point is not that this needs to be an intrinsically bad arrangement but that it needs to be recognised that there are arguments for and against such a norm. So when commentators present efficiency as a fact about the world, they try to immunize their view of the world from criticism. They try to make it appear as it is somehow natural and the only correct way of looking at the world. They are constructing a vision of what the world ought to be like. This particular construction should be resisted. For if it is not, the ability to pay may over time become the overarching moral principle of our society. And I think it is not a particularly good principle for our society.

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<sup>409</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.150.

Mankiw provides a further elaboration of the ability to pay principle in an article written in defense of the 1%. Mankiw advocates a philosophical position which he calls ‘just deserts theory’ based on the principle that “people should get what they deserve. A person who contributes more to society deserves a higher income that reflects those greater contributions.”<sup>410</sup> Based on this theory, Mankiw sees the problem of inequality as the problem of “the extent to which the high incomes of the top 1 percent reflect high productivity rather than some market imperfection.”<sup>411</sup> After providing no support for this assertion whatsoever, Mankiw concludes that “my own reading of the evidence is that most of the very wealthy get that way by making substantial economic contributions, not by gaming the system or taking advantage of some market failure or the political process.”<sup>412</sup>

Mankiw is only able to come to this conclusion because he has already decided that the only kind of contribution to society is high income. But there is nothing natural about valuing high earnings above all other traits or abilities: as a society, we could value artistic talent, ascetic talent, or modesty as the most important contribution to society. There is nothing natural about seeing earnings as the only contribution to society. It is just another permutation of the ability-to-pay principle. Mankiw also completely disregards that particular social norms enable and legitimise particular individuals to make a high income on the basis of exploitation. No gaming of the system or market failure is necessary. Take plantation owners in the Southern United States before the Civil War. They had a very efficient system of planting, harvesting, and selling cotton. And so according to Mankiw, the high income of a plantation owner would have to count as justified. But this high income was only possible because of a social system which enabled the ownership of slaves. But there is nothing natural, inevitable (or desirable in my opinion) about the social norm of slavery. As a result,

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<sup>410</sup> Mankiw, Gregory, “Spreading the Wealth Around: Reflections Inspired by Joe the Plumber”, *Eastern Economic Journal*, 36, 2010, p.295.

<sup>411</sup> Mankiw, Gregory, “Defending the One Percent”, *Journal of Economic Perspectives*, 27( 3), 2013, p.30.

<sup>412</sup> Mankiw, Gregory, “Defending the One Percent”, *Journal of Economic Perspectives*, 27( 3), 2013, p.30.

the theory of just deserts, as the ability to pay principle, is always necessarily an excuse for whatever the status quo happens to be.

Mankiw himself provides another immensely misguided discussion of this point. He takes up the idea of a market for organs. He notes that “our society makes it illegal for people to sell their organs. In essence, in the market for organs, the government has imposed a price ceiling of zero. The result, as with any binding price ceiling, is a shortage of the good.”<sup>413</sup> In other words, here we have a market where the ability to pay does not trump other norms. So far, we have decided that ability to pay is irrelevant to whether you get access to fresh organs. We judge actual human flesh to fall outside possible considerations of commercial transactions, no matter what demand and supply happen to be. So do most economists want to realise that there are indeed other moral considerations except the ability to pay? Judging from Mankiw’s rhetorical answer, I think not. He writes:

Many economists believe that there would be large benefits to allowing a free market in organs.... Such a market would lead to an efficient allocation of resources, but critics of this plan worry about fairness. A market for organs, they argue, would benefit the rich at the expense of the poor because organs would then be allocated to those most willing and able to pay. But you can also question the fairness of the current system. Now, most of us walk around with an extra organ that we don’t really need, while some of our fellow citizens are dying to get one. Is that fair?<sup>414</sup>

We can see clearly here how Mankiw argues that only a state of affairs where organs can be exchanged on the basis of price could be efficient. All other arrangements are deemed inefficient, and thus inferior. So in Mankiw’s opinion, the current system which seems to be based on fairness (nobody is forced to sell organs for cash) is not really fair since there are those who would be able to pay a lot of money but are not getting any organs. The point is that both ways could be valid ways of organizing a society. But in presenting the discussion in the way he does, Mankiw is trying to get students to look at the world like him.

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<sup>413</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.150.

<sup>414</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.150.

As the above example demonstrates, Mankiw realises that commercial transactions can also be subject to societal regulations which he subsequently summarises under the concept of the state. Mankiw writes that the “economy is governed by two kinds of laws: the laws of supply and demand and the laws enacted by governments.”<sup>415</sup> But he then goes on to say that the laws of government are also determined by demand and supply. He writes that “the basic lessons of this chapter will not change: When analyzing government policies, supply and demand are the first and most useful tools of analysis.”<sup>416</sup> This seems perplexing. How can supply and demand have anything to say about government policies? They say something about the price of a particular product but nothing about how we ought to live our life. What we see here again, as we saw on the previous example, is that Mankiw takes the ability to pay as the only and overarching norm of all societies. We can see this idea come out even more clearly in Mankiw’s discussion of taxation. There, he writes:

Here we have seen that when the government imposes taxes on buyers or sellers of a good, society loses some of the benefits of market efficiency. Taxes are costly to market participants not only because taxes transfer resources from those participants to the government but also because they alter incentives and distort market outcomes.<sup>417</sup>

Mankiw implicitly assumes that the ability to pay is the most important societal consideration, hence why he calls a tax a loss to society. It is only because Mankiw already has taken this idea for granted, and because he wants the reader to take it for granted as well, that he believes governments should only think about how their policies will affect demand and supply.

I hope to have given some insight with this discussion how Mankiw manages to use the concept of the market to try to get readers to look at the world in a particular way. In

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<sup>415</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.128.

<sup>416</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.128.

<sup>417</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p. 167.



Mankiw's world, the ability to pay is the only relevant criterion for all interaction. Any regulation that restricts the ability of those with money to buy the goods and services they want at the lowest possible price will therefore be deemed inappropriate. But the point is that we do not need to subscribe to this worldview. And one way to realise that we do not need to subscribe to it is to call into question the definition of the market and the supposed consequences Mankiw has drawn from his definition. In the following section, I review some contributions that have already provided such an analysis. In the third section, I then offer a different way of conceptualizing the market – one that emphasises the constructive role of language and the concept of the market.

### *Criticisms of the simple concept of the market*

Ha-Joon Chang has argued for a framework he calls institutionalist political economy. He argues that “in the neo-liberal discourse, the market is seen as a ‘natural’ economic phenomenon that grows spontaneously out of the universal human nature of exploit gains from trading.”<sup>418</sup> For Chang, we have to focus on different institutions in order to understand how markets work. This focus should consist of three dimensions:

all markets are based on institutions that regulate who can participate...Second, there are institutions which determine the legitimate objects of market exchange (and, by implication, ownership)...Third, even when the legitimate participants in and the legitimate objects of exchange have been stipulated, we need institutions that define what exactly each agents rights and obligations are in which areas...Finally, there are numerous institutions that regulate the process of exchange itself.<sup>419</sup>

Aleksandr Buzgalin and Andrey Kolganov have similarly argued that “most theoretical economists in their everyday work reduce the economy as a whole to the market. This goes

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<sup>418</sup> Chang, Ha-Joon, “Breaking the mould: an institutionalist political economy alternative to the neo-liberal theory of the market and the state”, *Cambridge Journal of Economics*, 26, 2002, p.552.

<sup>419</sup> Chang, Ha-Joon, “Breaking the mould: an institutionalist political economy alternative to the neo-liberal theory of the market and the state”, *Cambridge Journal of Economics*, 26, 2002, p.552-553.

unnoticed and at the same time is not questioned.”<sup>420</sup> The problem is that “the market-centric model of economic theory cannot provide the answers to fundamental questions of modern economy.”<sup>421</sup> In order to avoid this shortcoming, they argue for “a critical redefinition both of classical political economy and of the Marxist approach”<sup>422</sup> which they term Post-Soviet School of Critical Marxism.

William Jackson also finds the concept of the market highly problematic. Jackson highlights how economics lacks any appreciation of how markets actually become constituted in reality and that markets are always guided by underlying social structures:

Markets have always been central to economics, yet they remain strangely ill-defined and amorphous. Economic theory often conflates them with other activities and says little about how they are constituted or whether they have an underlying social structure. People are assumed to act naturally as competitive sellers and buyers without pre-existing structures or institutions; a market then reflects spontaneous individual behavior rather than structured social relationships.<sup>423</sup>

Jackson suggests the need for a layered theory that reflects different personal and social relations of individuals. He states: “In a layered theory, markets consist of social structures among buyers and sellers, together with the trading behavior of individual agents. Trading takes personal or anonymous form, and agents may feel constrained by market roles and activities or enabled by them.”<sup>424</sup>

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<sup>420</sup> Buzgalin, Aleksandr and Andrey Kolganov, “Critical political economy: the ‘market-centric’ model of economic theory must remain in the past – notes of the Post-Soviet School of Critical Marxism”, *Cambridge Journal of Economics*, 39, 2015, p.5.

<sup>421</sup> Buzgalin, Aleksandr and Andrey Kolganov, “Critical political economy: the ‘market-centric’ model of economic theory must remain in the past – notes of the Post-Soviet School of Critical Marxism”, *Cambridge Journal of Economics*, 39, 2015, p.5.

<sup>422</sup> Buzgalin, Aleksandr and Andrey Kolganov, “Critical political economy: the ‘market-centric’ model of economic theory must remain in the past – notes of the Post-Soviet School of Critical Marxism”, *Cambridge Journal of Economics*, 39, 2015, p.1.

<sup>423</sup> Jackson, William, “On the social structure of markets”, *Cambridge Journal of Economics*, 31, 2007, p.225.

<sup>424</sup> Jackson, William, “On the social structure of markets”, *Cambridge Journal of Economics*, 31, 2007, pp. 250-251.

Matthew Watson's central problem, by comparison, is that "the market is treated as an actor within its own environment."<sup>425</sup> As a result of framing the concept of the market in this way, commentators loose

any sense of conscious human agents seeking to impose a particular type of market relations, which produce the effects that are then misattributed to the market itself...If it is simply 'the market' that creates these effects there are no conscious human agents to hold to account...it is impossible to identify those who are to blame for the effects that the process enacts.<sup>426</sup>

For Watson, "however enticing [it] may be as an analytical shortcut, no real analytical meaning can be derived from treating 'the market' as a willful political actor in its own right."<sup>427</sup>

All of these criticisms rightly point out that the concept of the market as presented in economics misdescribes reality in certain ways. And I think it is important to call attention to this fact. Another point, however, has not received nearly as much attention, namely that the concept of the market also constitutes how we see reality. Siobhan Austen and Therese Jefferson have recently tried to make this point based on a case study of Australia's equal remuneration hearings. However, rather than focusing on the concept of the market specifically, they have tried to analyse economic theory in its totality. They have tried to do so using the umbrella term ideology to capture the various ways in which economic theory influences speech and thought. They follow Tony Lawson who distinguishes two types of ideology:

1) Ideology<sub>1</sub>: a relatively unchallenged set of (possibly distorted or misleading) background ideas that every society or community possesses which forms the basis of, or significantly informs, general opinion or 'common sense', a basis that remains somewhat invisible to most of its members, appearing as 'neutral', resting on preconceptions that are largely unexamined. A consequence is that viewpoints significantly out of line with these background beliefs are intuitively seen as

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<sup>425</sup> Watson, Matthew, *Foundations of International Political Economy*, London: Palgrave Macmillan, 2005, p.162.

<sup>426</sup> Watson, Matthew, *Foundations of International Political Economy*, London: Palgrave Macmillan, 2005, p.164.

<sup>427</sup> Watson, Matthew, *Foundations of International Political Economy*, London: Palgrave Macmillan, 2005, p.164.

radical, nonsensical or extreme no matter what may be the actual content of their vision.

2) Ideology<sub>2</sub>: a set of ideas designed, or anyway intentionally employed, in order to justify, preserve or reinforce some existing state of affairs, where this state of affairs is preferred, perhaps because it facilitates or legitimates various advantages for some dominant or privileged group, and where these ideas mostly work in the manner described by way of intentionally masking or misrepresenting the nature of reality.<sup>428</sup>

Austen and Jefferson argue that Australia's equal remuneration hearings [FWA] helped to reveal the ideological underpinnings of economics.<sup>429</sup> In reviewing the type of debates between different economists, Austen and Jefferson allow a first glimpse about how economic theory does not just describe reality but how reality is approached. Austen and Jefferson describe how Austen had to defend her position against another economist, Deborah Cobb Clarke. In her attack, Cobb Clarke argues:

Based upon a review of the Associate Professor's [Austen's] curriculum vitae I note that she is amongst other things an Associate Professor in the Department of Economics and Finance at Curtin University of Technology. As *an economist* the notion of 'undervaluation' has a particular meaning which requires comparison of 'like with like'. . . . *From an economist's perspective*, the information which is contained within Article 1 [by Cobb-Clark and Tan] is not detailed enough to draw conclusions in relation to whether undervaluation is present or whether the differences in wages are due to market conditions. . . . *From an economist's perspective* wages should be equal to the value of what you are producing [at the margin].<sup>430</sup>

This example vividly demonstrates how economic theory also involves a way of viewing the world. And this way of looking at the world is learnt by anybody who successfully learns and internalises economic theory. Cobb Clarke appeals to this way of viewing the world and cannot accept that anybody, least of all an economist, could dare to look at the world in a different way. In this vein, Cobb Clarke

claimed several times the institutional approach was 'not sensible'; and that the only way to understand wage outcomes is in terms of the individual characteristics

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<sup>428</sup> Lawson, Tony, "Mathematical Modelling and Ideology in the Economics Academy: competing explanations of the failings of the modern discipline?", *Economic Thought*, 1, 2012, p.5.

<sup>429</sup> Austen, Siobhan and Therese Jefferson, "Economic analysis, ideology, and the public sphere: insights from Australia's equal remuneration hearings, *Cambridge Journal of Economics*, 39, 2015.

<sup>430</sup> Austen, Siobhan and Therese Jefferson, "Economic analysis, ideology, and the public sphere: insights from Australia's equal remuneration hearings, *Cambridge Journal of Economics*, 39, 2015, p.413.

of workers, their jobs and what they produce. She expressed surprise that an economist could view the issues in any other way, and she sought to call into question the expertise of any economist who did not subscribe to the same worldview.<sup>431</sup>

Even though no obvious reference to the market is made, I think it does not go too far to suggest that Cobb Clarke uses the conception of the market as presented by Mankiw. And clearly this conception of the market bears upon how reality is understood. But as Austen and Jefferson highlight, economic theory also constitutes how we look at the world.

Without explicitly making this link, Austen and Jefferson effectively reiterate what has become known as performativity.<sup>432</sup> The term performativity is employed in a number of different ways by different scholars but a good starting point is Donald MacKenzie who writes that the “academic discipline of economics does not always stand outside the economy, analyzing it as an external thing; sometimes it is an intrinsic part of economic processes. Let us call the claim that economics plays the latter role the performativity of economics.”<sup>433</sup> MacKenzie goes on to distinguish between four levels of performativity – generic, effective, Barnesian, and counter-performativity. By generic performativity, MacKenzie means that “an aspect of economics (a theory, model, concept, procedure, data set, etc.) is used by participants in economic processes, regulators, etc.”<sup>434</sup> Effective performativity means that “the practical use of an aspect of economics has an effect on economic processes”<sup>435</sup> and Barnesian performativity means that the “practical use of an aspect of economics makes economic processes more like their depiction by economics.”<sup>436</sup>

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<sup>431</sup> Austen, Siobhan and Therese Jefferson, “Economic analysis, ideology, and the public sphere: insights from Australia’s equal remuneration hearings, *Cambridge Journal of Economics*, 39, 2015, p.413.

<sup>432</sup> There is a very large literature in performativity which stretched over a number of disciplines. I only review some select contributions here.

<sup>433</sup> MacKenzie, Donald, *An Engine not a camera: How Financial Models Shape Markets*, Cambridge: The MIT Press, 2006, p.16.

<sup>434</sup> MacKenzie, Donald, *An Engine not a camera: How Financial Models Shape Markets*, Cambridge: The MIT Press, 2006, p.17.

<sup>435</sup> MacKenzie, Donald, *An Engine not a camera: How Financial Models Shape Markets*, Cambridge: The MIT Press, 2006, p.17

<sup>436</sup> MacKenzie, Donald, *An Engine not a camera: How Financial Models Shape Markets*, Cambridge: The MIT Press, 2006, p.17

Counter-performativity means that the “practical use of an aspect of economics makes economic processes less like their depiction by economics.”<sup>437</sup> Put into the language of performativity, Austen and Jefferson argue that the discipline of economics has a performative role at least in the effective sense in the FWA hearings in Australia.

Michel Callon prefers to use the term performance to describe how economics plays a role in bringing about a particular picture of how market interaction becomes constituted. His image of performance is performativity of the generic or effective kind. He highlights that economics as a discipline plays a role in how the functioning of markets is envisioned:

By ridding ourselves of the cumbersome distinction between economics (as a discipline) and the economy (as a thing) and showing the role of the former in the formatting of markets, we find ourselves free from a positivist or, worse still, a constructivist conception of law. Market laws are neither in the nature of humans and societies-waiting for the scientist, like a prince charming, to wake and reveal them-nor are they constructions or artefacts invented by social sciences in an effort to improvise simple frameworks for explaining an opaque and complex reality.<sup>438</sup>

Callon highlights that if one gets rid of this separation between economics and the economy, the concept of the market takes on a different form. Rather than being seen as an embodiment of some kind of transcendental logic, the performative perspective highlights that the conceptualization itself partakes in the variety of practices that constitute market interactions: As Callon states: “The market is no longer that cold, implacable and impersonal monster which imposes its laws and procedures while extending them ever further. It is a many-sided, diversified, evolving device which the social sciences as well as the actors themselves contribute to reconfigure.”<sup>439</sup> Callon urges sociology not to complicate the vision of *homo economicus* but to abandon it all together: “What we expect from sociology is not a more complex *homo economicus* but the comprehension of his simplicity and poverty.”<sup>440</sup> Given

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<sup>437</sup> MacKenzie, Donald, *An Engine not a camera: How Financial Models Shape Markets*, Cambridge: The MIT Press, 2006, p.17

<sup>438</sup> Callon, Michel, *The laws of the market*, Oxford: Blackwell, 1998, p.46

<sup>439</sup> Callon, Michel, *The laws of the market*, Oxford: Blackwell, 1998, p.51.

<sup>440</sup> Callon, Michel, *The laws of the market*, Oxford: Blackwell, 1998, p.50.

the emphasis on a vision towards *homo communicandis* in this dissertation, I can only wholeheartedly agree with Callon's assessment. However, one of the problem's with Callon's and MacKenzie's approach to performativity is that one still gets the impression as if there is a way to directly approach empirical reality. In other words, empirical reality was seen as one way, then economic enters the scene, and empirical reality changes. As good as Callon's and MacKenzie's work undoubtedly is, they underappreciate the ways in which concepts contribute the constitution of empirical reality in the first place.

Judith Butler's account of performativity does not lack this shortcoming. Butler highlights that by reemphasizing the idea of markets as autonomous processes in different settings, it is economic theory which brings about the idea of the market economy. Butler calls this the 'market presumption':

economic theory contributes to the making of the sphere of economics and, in particular, economic theory can be understood as one of the processes that performatively bring about the market, or what we might call 'the market presumption'. In the place of a methodological assumption of something called 'the market economy' we have a set of processes that work to fortify that very assumption, but also to call into question its pre-given ontological status as well as the supposition that it operates by causal necessity.<sup>441</sup>

In other words, Butler highlights how it is "a series of discursive and non-discursive practices and institutions [that] re-constitute the idea of the market as an existing and autonomous reality."<sup>442</sup> By constituting the idea of the market as an autonomous reality, economics also invites us to look at the world in this way and to behave as if markets really were autonomous. The consequence is that society becomes more like it is envisioned in economics. In the next chapter, I will suggest that a further consequence of this view of markets may be that it contributes to the mental health epidemic in the US.

Performativity, as developed by Butler, is another way of phrasing and framing the central concerns and issues of this dissertation. It highlights how language contributes to the

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<sup>441</sup> Butler, Judith, "Performative Agency", *Journal of Cultural Economy*, 3(2), 2010, p.148

<sup>442</sup> Butler, Judith, "Performative Agency", *Journal of Cultural Economy*, 3(2), 2010, p.148

constitution of reality which means that one of the central propositions of positivism must be misleading. We can thus study our vocabularies to explore just what kind of realities these vocabularies bring about. As Butler writes:

Performativity seeks to counter a certain kind of positivism according to which we might begin with already delimited understandings of what gender, the state, and the economy are. Secondly, performativity works, when it works, to counter a certain metaphysical presumption about culturally constructed categories and to draw our attention to the diverse mechanisms of that construction. Thirdly, performativity starts to describe a set of processes that produce ontological effects, that is, that work to bring into being certain kinds of realities or, fourthly, that lead to certain kinds of socially binding consequences.<sup>443</sup>

I would like to use the next section to highlight in just how many ways the concept of the market contributes to the way we think and talk about economic and social processes.

#### *Distinguishing claims about markets into three spheres*

Having reviewed a number of different criticisms about how markets are portrayed in economics, I would now like to add my voice to this debate. Even though I share the ethos of the commentators reviewed in the last section, I think it is also necessary to approach the issue from a different angle. The commentators reviewed in the last section (with the exception of Butler) follow a strategy of pointing out that the conception of markets in economics does not capture how markets operate in reality. My strategy, by contrast, is to look at how the concept of the market as it is used in everyday speech in order to see how the concept is actually used. I highlight that the concept of the market can be used in a number of very different ways. One of the problems with insisting on a single definition of the market is that it seduces us into thinking of the market only in those terms – when we are in fact also using the concept quite differently. I think it can be of great help to keep in mind the variety of meanings attached to the concept of the market. It helps each person who uses the concept

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<sup>443</sup> Butler, Judith, “Performative Agency”, *Journal of Cultural Economy*, 3(2), 2010, p.147.



to get a closer understanding of their own presuppositions but it can also be of help when trying to understand how other commentators might arrive at opposing arguments.

I attempt to show that no single definition of the market can account for the various meanings it takes in conversational contexts. However, I think it is possible to differentiate three very different types of claims in which the concept of the market is employed. This heuristic was first suggested by Karl Popper in “Epistemology without a Knowing Subject” where Popper differentiates between three worlds of knowledge:

We may distinguish the following three worlds or universes: first the world of physical objects or physical states ; secondly, the world of states of consciousness, or of mental states, or perhaps of behavioural dispositions to act; and thirdly, the world of objective contents of thought, especially of scientific and poetic thoughts and of works of art.<sup>444</sup>

This idea was subsequently adopted by a number of scholars, most notably Ian Jarvie and Jürgen Habermas.<sup>445</sup> For my purposes, the work of Jürgen Habermas, especially in his *Theory of Communicative Action*, is the most useful starting point and I closely follow his characterization. I highlight that the concept of the market is employed within each of the three worlds. The kind of justification, and thus also the kind of legitimization, that can be expected in each sphere is markedly different. Failing to understand these distinctions and the different ways of justification that go hand in hand with them is probably one of the chief reasons why different commentators often talk past one another when discussing the concept of the market.

However, I should caution at the outset that I appropriate this distinction in ways that are quite foreign (even opposed to) to the way Habermas envisions. As I make no intention of providing any sort of commentary on Habermas’ work except for my own purposes, I shall keep this comment brief. But I want to prevent any confusion that although I freely use his

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<sup>444</sup> Popper, Karl, “Epistemology without a Knowing Subject”, in Rotselaar, Van and J.F. Staal, (eds.), *Logic, Methodology and Philosophy of Science III*, Amsterdam: North-Holland, 1968, p. 333.

<sup>445</sup> Jarvie, Ian, *Thinking About Society: Theory and Practice*, Dordrecht: D. Reidel Publishing Company, 1968.

work, I do not share the ultimate goal which Habermas tries to accomplish.<sup>446</sup> I agree with Habermas' attempts to work out the conditions of possibility of coming to an agreement and thereby showing what needs to be entailed for us to justify and accept a statement in different circumstances. I disagree with Habermas that it makes sense regard these rules of justification as providing an ultimate foundation on which the entire edifice of reason can be constructed. Habermas posits that "the rationality inherent in this [communicative] practice is seen in the fact that a communicatively achieved agreement must be based in the end on reasons". But how could this be? Wittgenstein always cautions that "Explanations come to an end somewhere"<sup>447</sup> Any rule or justification we give, always presupposes a way of life: "What people accept as a justification is shown by how they think and live"<sup>448</sup> Wittgenstein asks further, "How am I able to obey a rule? – if this is not a question about causes, then it is about the justification for my following the rule in the way I do. If I have exhausted the justifications, I have reached bedrock and my spade is turned. Then I am inclined to say: This is simply what I do."<sup>449</sup> Wittgenstein tries to show the absurdity of desperately trying to find a concept that could ground all others: "So in the end when one is doing philosophy one gets to the point where one would like to just emit an inarticulate sound. – But such a sounds is an expression only as it occurs in a particular language game, which should now be described."<sup>450</sup> Tully puts this point wonderfully when he writes:

Activities (language games) of justification, of giving reasons, are themselves grounded in customary or conventional uses of words; in what is not called into question in the course of our activity of asking and answering question, of offering, rejecting, and accepting reasons. A critical activity that frees us from customary usage itself rest on other customary usages and cannot justify these in turn, on pain of infinite regress.<sup>451</sup>

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<sup>446</sup> For a thorough and much more sophisticated critique see: Tully, James, *Public philosophy in a new key: Volume I*, Cambridge: Cambridge University Press, 2008, pp. 39-70.

<sup>447</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §1

<sup>448</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, § 325

<sup>449</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, § 217.

<sup>450</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §261.

<sup>451</sup> Tully, James, *Public philosophy in a new key: Volume I*, Cambridge: Cambridge University Press, 2008, pp. 50-51.

Bearing in mind the fact that all theories of justification are themselves customary, we can nevertheless use the three world distinction as elaborated by Habermas' to shed light on how the concept of the market is used in each world of knowledge. Compare the following statements:

1. Strawberries are more expensive than raspberries at the local market.
2. The job market for teachers is not very good at the moment.
3. The new Ferrari is the most beautiful car in the market.

I hope to show that even though all three statements use the term 'market', we should not be lead astray to conclude that the term has the same meaning in each instance or that the same rules guide each application. In fact, I hope to demonstrate that the term has a very different kind of meaning in each instance. Each of these instances concerns a different world, namely the objective world, the social world; the subjective world.<sup>452</sup>

Each world possesses a different requirement for believing a given assertion to be justified. In the case of the objective world, it makes sense for us to inquire as to the objective truth of a proposition. The question whether a strawberries are more expensive than raspberries at the market does have an objectively true answer. We are able to point to the world as we find it to provide this answer. In the case of the subjective sphere, no claim can be evaluated according to such a standard. The assertion "I believe a Ferrari is the most beautiful car" cannot be evaluated with reference to an objective world. There can be no grounds for disagreement about what I feel. The case of the social world is the most interesting because here claims are justified with reference to norms. The claim the 'job market for teachers is not very good' can only be justified by making reference to other norms which an interlocutor either shares or does not share.

This has two crucial ramifications: First, as far as the social sphere is concerned, the concept of the market is inherently connected with a larger theory of morality and ethics. By

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<sup>452</sup> Habermas, Jürgen, *Theory of Communicative Action: Reason and the rationalization of society*, Boston: Beacon Press, 1984, p.100.

highlighting the connection between the concept of the market and questions of morality, I also highlight that the narrow conception of markets as arenas of competition blinds us to these ethical connections. If the ethical connection is taken seriously, the image of *homo economicus* becomes difficult to maintain. Highlighting the connection is thus another way of emphasizing the image of *homo communicandis*.

Second, genuine disagreement about markets is not only possible but inevitable: Disagreement about markets are disagreements about what kind of life is worth living. So the aim of our conversations should not be to attempt to find an all-encompassing definition of markets. Rather, we should become cognizant of the varying moral standard each of us employs when making claims about markets. The fact that moral standards differ is another way to underline the image of *homo communicandis*. Only by engaging in genuine communication and conversation with others can we come to appreciate those differences. I now turn to a more in depth exploration of each of the three spheres.

### Objective World

Wittgenstein states “the world is all that is the case.”<sup>453</sup> How we approach this world is a different, highly complicated matter. But it should not detract from the realization that we undeniably share the same world, being endowed with very nearly identical biological qualities. This sharing of the same life space and our biological similarity provides a number of regularities which we can all relate to.<sup>454</sup> We all experience the regular rhythm of day and night; every one of us has to innate ability to learn a language; we know what it means to be cold and hot; we know the sensation of hunger and thirst; we have all once been young and

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<sup>453</sup> Wittgenstein, Ludwig, *Tractatus Logico-Philosophicus*, London: Routledge, 2001 (1921), §1.

<sup>454</sup> I should caution that this statement only holds above the quantum level.

will all die one day. In short, there really is a lot we have in common with the rest of humanity.<sup>455</sup>

Michael Pollner coined the term “mundane reasoning” to describe this ability to relate to each other’s life experience. Pollner emphasises that it is because we inhabit a commonly shared world with being who are similar to us that communication becomes possible:

The assumption of a commonly shared world does not function for mundane reasoners as a descriptive assertion. It is not falsifiable. Rather, it functions as an incorrigible specification of the relations which exist in principle among a community of perceivers' experiences of what is purported to be the same world.... In very gross terms, the anticipated unanimity of experience (or, at least of accounts of those experiences) presupposes a community of others who are deemed to be observing the same world, who are physically constituted so as to be capable of veridical experience, who are motivated so as to speak ‘truthfully’ of their experience, and who speak according to recognizable, shared schemes of expression.<sup>456</sup>

Because of this shared world, we can communicate in some respects with an objective basis. This is because for the purpose of talking about the objective world, we are able to invoke a concrete set of standards which we consider the right and relevant standards under consideration. As a result, the usual response to a disagreement amongst two interlocutors is not that the world is somehow variable but that one of the interlocutors has got it wrong.

Pollner explains:

That a community orients itself to the world as essentially constant , as one which is known and knowable in common with others, provides that community with the warrantable grounds for asking questions of a particular sort of which the prototypical representative is: How come, he sees it and you do not?<sup>457</sup>

When the language game under consideration is concerned with the objective sphere, we are generally interested in how far our pictures correspond to reality, thereby evaluating

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<sup>455</sup> I do not want to forget here that even though we all share some of the same capabilities, the ability to enjoy those capabilities is currently hugely unequal. There are millions of people around the world who sadly will never know the sensation of fullness.

<sup>456</sup> Pollner, Melvin, *Mundane Reason: Reality in Everyday and Sociological Discourse*, Cambridge: Cambridge University Press, 2010, pp.47-8.

<sup>457</sup> Pollner, Melvin, *Mundane Reason: Reality in Everyday and Sociological Discourse*, Cambridge: Cambridge University Press, 2010, p.40.

statements according to propositional truth. The reason why we can do this is that within these particular language games, our concepts are taken to have a fixed identity.<sup>458</sup> Sometimes these concepts are called natural kinds. For some of our concepts and as long as they are part of certain games, we have laid down criteria for unequivocally identifying them. There is a process of matching the criteria with the appearance of the entity. If I have learnt that carnivorous animals with a mane are called lions, I can justify calling something a lion by pointing to its mane and carnivorous nature. Of course, somebody else' criteria for identifying a lion may be different, say that it lives in a pride and has brown/orange fur but. If our criteria momentarily give opposing answers whether an entity is a lion, there is a way to identify whose criteria are correct. In the case of a lion, this could be a DNA test. Ronald Dworkin explains this as follows:

It seems settled now— no other assumption makes sense of our practices— that animal and mineral species are fixed by the most basic biological or chemical properties of these natural kinds: the animal's DNA and the metal's molecular structure. If I insist that some animal before us is a small lion rather than a very large pussy cat, even after I had grasped genetics and learned that the beast had the DNA of a cat, this would show either that I had misunderstood what a lion is or that you and I appeal to different concepts when we speak of a "lion".<sup>459</sup>

The decision procedure for natural kinds within games that concern the objective sphere is of paramount importance. There can be no genuine disagreement about what a lion is. Once we agree on the facts under consideration, there can be no uncertain or indeterminate conclusion. This is important because when people disagree in a conversation about whether something is a lion, there truly is an answer to be found. One unique answer. It makes no sense to say that I think it's a lion, you think it's a tiger. It's either one or the other. Dworkin writes:

People do not share a concept of [a natural] kind unless they would accept a decisive test— a kind of decision procedure— for finally deciding when to apply the concept (except in cases they agree are marginal). Genuine disagreement

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<sup>458</sup> I use Dworkin quite extensively here even though I do not share his defense of the Hedgehog. See: Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011.

<sup>459</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p.165.

about application is ruled out once all pertinent facts are agreed upon. We would not share the concept of a lion if we disagreed about the lionhood of an animal even when we agreed that it did or did not belong to the biological species historically designated as lions.<sup>460</sup>

It is important to remember though that these decision procedures function within certain games – not across games. If a little child aims to dress up as a lion for carnival and some other child thinks she dressed up as a tiger, there is no longer a unique decision procedure to decide if the child dressed up as a lion or a tiger. Very frequently, however, participants would and do accept that there is unique decision procedures which guide the usage of a concept in a particular game. Decision procedures also change over time since criteria underlying the procedures get revised and transformed. This means it was objectively true that prior to 2006, Pluto was a planet, and that it is also objectively true that since 2006 it is no longer a planet. Asking what Pluto is really like, in some transcendental way, however is not a question that can be answered. Habermas makes this point by invoking the notion that the limits of our language are the limits of our world:

For members of the same culture the limits of their language are the limits of the world. They can broaden the horizon of their form of life in an ad hoc manner, but they cannot step out of it; to this extent, every interpretation is also a process of assimilation. Inasmuch as worldviews refer to totalities, we cannot get behind them as articulations of an understanding of the world, even if they can be revised.<sup>461</sup>

If we apply these ideas to instances when we use the concept of the market, we realise that many instances of using the concept revolve around natural kinds, permitting exact decision procedures. When I claim that there is no demand for a combine Harvesters in the UK in January, we both implicitly agree that if you found certain farmers who do require these machines at that time, I would have to revise my statement. Because the identity of natural kinds is fixed and because natural kinds partake in other regular cycles, there are a many aspects that we can understand in the objective sphere. Strawberries grow in the

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<sup>460</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p. 160.

<sup>461</sup> Habermas, Jürgen, *Theory of Communicative Action: Reason and the rationalization of society*, Boston: Beacon Press, 1984, p.58.

summer, so there are more strawberries in summer than in winter, so I am quite justified to claim that strawberries usually are cheaper in summer than in winter. If you compiled data from a lot of supermarkets which showed that strawberries were actually cheaper in winter than in summer, I would have to admit that this strikes me as odd and that I want to check your data collection and evaluation. But if no mistake is found, I would have to concede that this is indeed the state of affairs and at least during the period of data collection, strawberries were cheaper in winter than in summer. In the objective sphere, utterances of markets take the form of descriptive statements about how the world currently is. It is not saying anything about how the world ought to be, has been, or will be. We can and do talk about markets as a descriptive reflection about the world as we find it.

This is an important aspect to understanding the concept of the market. Our current usage in many instances would literally be quite senseless if we did not believe in such an objective sphere. However, quite often different commentators seem to believe that the concept of the market is only used within the objective sphere. This is a grave misunderstanding. There are two other types of games in which the concept of the market figures predominantly and neither of these is concerned with evaluating statements according to propositional truth and fixed decision procedures. Many economists are particularly guilty of this confusion.

### The subjective world

I next want to turn to games within the subjective sphere. They are concerned with the inner experience of a person. Feelings and desires appear to be quite different from natural kinds. Habermas correctly observes that “a subject capable of expression does not “have” or “possess” desires and feelings in the same sense as an observable object has extension,



weight, color, and similar properties.”<sup>462</sup> One way in which this difference is vocalized is to say that there are no accepted criteria for when it is appropriate to feel a certain emotion or desire. You may truly be upset that your football team lost a big game, and I may comment that the loss of a football team is completely irrelevant to your life. I may have grounds for urging you to put the loss into the larger perspective of life but clearly this is not sufficient grounds for thinking you are actually not upset about the loss. I have no basis on which to evaluate your feeling since feelings truly are subjective: “They cannot be expressed otherwise, cannot enter into relation with the external world, whether the objective or the social.”<sup>463</sup> Because there are no criteria against which feeling can be assessed, it makes sense to distinguish the type of validity claims we make in the subjective world from the claims we make for the objective world.

An important related point is that strictly speaking, like in the objective sphere, there is no room for genuine disagreements. A speaker’s utterance either was or was not sincere in comparison to how she truly felt. The problem is that we have no access to the true feeling. We therefore need to judge a person’s apparent actions and compare these with the purported feelings. If both actions and purported feelings agree, we have good grounds for believing somebody to be sincere. But again, there are no criteria for what actions are appropriate, given certain feelings. Even worse, we frequently do not know what we actually feel. Not only are our feelings hidden from other members of the species, certain type of feelings also appear quite hidden from ourselves. I may think that the reason why I find it difficult to talk to a particular woman is that I somehow cannot stand her. But it may also be the case that the reason why I find it difficult to talk to this woman is that I am actually in love with her. Thus, the subjective world also involves questions of sincerity and authenticity. Even though there

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<sup>462</sup> Habermas, Jürgen, *Theory of Communicative Action: Reason and the rationalization of society*, Boston: Beacon Press, 1984, p.91.

<sup>463</sup> Habermas, Jürgen, *Theory of Communicative Action: Reason and the rationalization of society*, Boston: Beacon Press, 1984, p.92.

is no room for genuine disagreement about how I am feeling, there are ample grounds of disagreement for why one feels a certain way. And given the intrinsic relation between the nature of a feeling and its cause, knowledge of the subjective world can be highly fragile and subject to multiple reinterpretations.

As other people have no access to our subjective experience, we need to perform our experience for them. In this way, the inner experience of a person is always related to its manifestation, how this experience is performed in everyday life. In other words, “performance enables the actor to present himself to his audience in a certain way; in bringing something of his subjectivity to appearance, he would like to be seen by his public in a particular way.”<sup>464</sup> This idea of the performance brings out the idea of self-image: The fact that each of us has an identity (each of us has a vision of who we want to be as a person) and that our daily actions reflect that identity in some way. In performing ourselves, we are able to share who we are, try to be, or want to be with others. Goffman wrote as far back as 1959:

When an individual plays a part he implicitly requests his observers to take seriously the impression that is fostered before them. They are asked to believe that the character they see actually possess the characteristics he appears to possess, that the task he performs will have the consequences that are implicitly claimed for it, and that, in general, matters are what they appear to be.<sup>465</sup>

We can use the above considerations to throw additional light for an understanding of the market. In many instances, the concept of the market is used within the subjective sphere. When somebody states their preference for Coca-Cola over Pepsi or for Samsung over Apple products, we really cannot evaluate their statements in the same way as we do in the objective sphere. All we can judge is whether their statement is sincere or not whether it fits with the overall view of the person. But even though we cannot evaluate the claim as to its truth in a

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<sup>464</sup> Habermas, Jürgen, *Theory of Communicative Action: Reason and the rationalization of society*, Boston: Beacon Press, 1984, p.90.

<sup>465</sup> Goffman, Erving, *Presentation of self in everyday life*, New York: Doubleday Anchor Books, 1959, p.10.

straightforward manner, our appeal to a conceptualization of markets in the subjective sphere is clearly important. When people talk about why they prefer certain brands, why they choose to practice one profession or another, they are enacting their self-image. Personal identity is thus at the heart of certain understandings of markets. Interestingly, some economists have started to explore this dimension in more detail, most notably George Akerloff in his *Identity Economics* where he writes that “People’s identity defines who they are—their social category. Their identities will influence their decisions, because different norms for behavior are associated with different social categories.”<sup>466</sup> But Akerloff overlooks in this discussion the constitutive character of language in the generation and transmission of norms. Bearing in mind the subjective sphere of the concept of markets is thus essential to any understanding to the number of ways in which the concept can be used.

### Social world

Language games within the social sphere are concerned with moral and normative statements and questions. From a collective point of view, morality is not given. It has to be constructed by each community and is subject to constant revisions. But at the same time, it is true that all individuals living at a specific moment in time construct their own moral personality, given the environment in which they find themselves. The social world consists of institutions and norms which a person internalises, acts upon, and reflects upon. Validity claims in this sphere therefore can only be evaluated against what a person can justify to the community in question. But a community will not just accept any kind of claim. Habermas explains that we can think of certain norms as having “social currency”:

as the meaning of the objective world can be elucidated with reference to the existence of states of affairs, the meaning of the social world can be elucidated with reference to the existence of “norms”.....a norm exists, is in force, or enjoys

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<sup>466</sup> Akerloff, George and Rachel Kranton, *Identity Economics*, Princeton: Princeton University Press, 2010, p.13.

social currency, when it is recognised as valid or justified by those to whom it is addressed<sup>467</sup>

As in the objective world, the social world is subject to alteration and change. This change may be instigated by individual members of a community but it will take time for these changes to spread throughout the social sphere. So the stock of norms in any community at any point in time is a fluid field of different norms. Some claims may serve as a justification to some members of a community but not suffice for others.

There is, however, a grave complication with the view of norms having social currency. The value of \$5 is \$5. It would take quite a contrived example to find disagreement about whether a \$5 bill is really worth \$5. This comes back to the fact that there is an agreed decision procedure for what counts as \$5. Because of the existence of agreed criteria, there cannot be any genuine disagreement. By genuine, I mean that we both hold equally valid reasons for believing in our position without there being any test that could decide which of our positions is actually better. Dworkin put this nicely when he asks:

We must ask: When do people share a concept so that their agreements and disagreements are genuine? We share some concepts because we agree, except in cases we all regard as borderline, about what criteria to use in identifying examples. We mainly agree about how many books there are on a table, for example, because we use the same tests in answering that question. We don't always agree because our criteria are sometimes slightly different: we might disagree because you count a large pamphlet as a book and I don't. In that special borderline case our disagreement is illusory: we don't really disagree.<sup>468</sup>

Many of our norms, such as freedom, equality, fairness, justice do not appear to have such criteria attached to them. We may agree that freedom is indeed a value we want to embrace but we could differ markedly on what freedom actually consists in. It is as if we agreed to accept the dollars as our currency without printing any nominal amounts on them (or other identifying characteristic). We would seem to agree on their value, just not on what this value actually is. I might take a blank dollar to represent \$100 and you might think it only

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<sup>467</sup> Habermas, Jürgen, *Theory of Communicative Action: Reason and the rationalization of society*, Boston: Beacon Press, 1984, p.88.

<sup>468</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p.6.

represents \$10. I might even call on a friend to support my take on its value by having him say that I accepted it as \$100 and so you have an obligation to accept it as such as well. But would you really have to accept that as a justification (and if so, what would be the basis)?

I think this example demonstrates our situation quite nicely. Even though we agree on the desirability of the concept of freedom, liberty, human rights, justice, happiness, the actual guidance for action we take away from embracing these values differs markedly between people. And there seems to be no decision procedure for deciding whether your vision of freedom is better than mine. Dworkin makes this point very convincingly:

How can I show that one conception of equality or liberty or democracy is right and rival conceptions wrong? We must pause to consider what political concepts are and how we might be said to agree or disagree about their application. If you and I mean something entirely different by “democracy,” then our discussion about whether democracy requires that citizens have an equal stake is pointless: we are simply talking past one another.<sup>469</sup>

The fact that conversational partners assume they share a concept when they use the word freedom or liberty, when in fact they really have quite different conceptions of what this concept entails, is one of the reasons why much political discussions and commentary is so hopelessly misguided. The point is not that we disagree about the value of freedom but what freedom actually means for the way we live. Dworkin implicates much of the Western political science tradition in mistakenly assuming the existence of concepts where none can be found:

There is nothing to be said for the standard definitions of equality, liberty, and democracy proposed by Mill, Rawls, and most political scientists. They do not track the criteria everyone uses when he identifies egalitarian policies, liberal societies, or democratic institutions. There are no such shared criteria; if there were, we would not argue in the way we do. Some philosophers who assume that all concepts are criterial conclude that the failure of agreement makes the concepts useless and that we should manage without them. We should ask not what is democratic but what system of government is better on the whole; not whether equality or liberty is good but what distribution of resources or opportunities is best. This reductive approach is deceptive, however. It is appropriate only for those who already hold some theory, like the more fantastic

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<sup>469</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p.6

versions of utilitarianism, that offer a single factual metric of political value against which all policies and institutions can be tested. Without such a fantasy we are left with no rudder in the current. How do we even begin to decide what form of government or distribution of resource is better, if we have no background ideals to guide us?<sup>470</sup>

Dworkin uses the term interpretive concepts to distinguish concepts used in the social world from those of the objective world. These interpretive concepts have very strong family resemblances, meaning they appear in many of the same language games. Frequently, one conception is called upon to support another. Similar conceptions of freedom tend to be combined with similar conceptions of equality. Dworkin highlights how on one level the resemblances between interpretive concepts make the process of interpretation into a holistic enterprise. It makes little sense for me to hold a conception of freedom which regards the existence of a government only as a possible disruption of our freedom and also to hold that it is the duty of government to ensure that the minimum needs of every citizen are met. Given the interconnections, changing our vision of one interpretative concept therefore can lead to a reevaluation of our entire worldview.

Interpretation is pervasively holistic. An interpretation weaves together hosts of values and assumptions of very different kinds, drawn from very different kinds of judgment or experience, and the network of values that figure in an interpretive case accepts no hierarchy of dominance and subordination. The network faces the challenge of conviction as a whole; if any one strand is changed, the result may be locally seismic.<sup>471</sup>

However, at another level, the local nature of all language games means a certain insularity of different interpretive concepts – or even of the same concept. So I think Dworkin slightly overstates the degree of interconnection. Unlike in standard economic theory, where an agent's preferences are perfectly transitive, actual people are often torn between different visions of the same interpretive concept in various circumstances. At times, they may appeal to one vision; at other times to another, even without being aware that such a shift has in fact

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<sup>470</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p.349.

<sup>471</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p.154.

taken place. In other words, interpretive concepts function as part of a variety of language games and the rules that guide the application in the different games does not necessarily have to be the same – nor is it in practice.

Within the social sphere, the concept of the market also functions as an interpretive concept. It is tied to other moral and political concepts, such as fairness, equality, and obligation. Conceptualizations of the market in the social sphere are necessarily tricky because they reflect different views of morality at large. Statements such as market allocate resources most effectively appear to be descriptive statements but they are actually moral claims about the world. Very often, people use who the market as an interpretive concept are not even aware that they are doing this. I could give a whole list of examples but let me just offer three different cases of respected economists using the concept of the market in the social sphere without being aware that they are doing so.

A first example is Gary Becker who argues that the decision to get married is exclusively concerned with considerations of income. As he states, “my analysis of marriage markets implies that the incentive to remain single depends on income while single relative to income expected if married.”<sup>472</sup> Becker seems to forget that the norms that guide whether people decide to get married are socially constructed and there may be conflicting visions as to what kind of norms ought to guide this decision. There is no such thing as a neutral and eternal criterion which people turn to in order to decide whether to get married (nor is there such a criterion that decides what kind of commitments a marriage involves from the respective partners). Put differently, here we have a clear case where the image of markets as arenas of competition blinds somebody, and a Nobel prize-winning economist for that matter, into complete disregard for the social structures that ultimately provide the foundation of market activity (marriage markets in this case).

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<sup>472</sup> Becker, Gary, *A treatise on the family: enlarged edition*, Cambridge: Harvard University Press, 1991, p.15.

Another useful example comes from Mankiw's *Principles*. Mankiw states that competitive markets automatically remedy any discrimination by employers. He writes: "Competitive markets contain a natural remedy for employer discrimination. The entry into the market of firms that care only about profit tends to eliminate discriminatory wage differentials" what counts as discriminatory?"<sup>473</sup> What Mankiw forgets is that what exactly counts as discrimination, or a discriminatory wage differential, is a social norm. There are conflicting visions as to what counts as justifiable discrimination. Should a graduate of Harvard University receive a higher salary than somebody from a no-name school? Is it justifiable to pay woman less for the same job? Again, Mankiw uses the image of markets as arenas of competition to portray market outcomes as an automatic result. When in fact the results just reflect whatever norms are currently being widely accepted (or in the particular company). And these norms themselves are not given by the market but by a more general vision of what life ought to be like.

As a final example, Frank and Bernanke provide a very similar sort of discussion on the housing market. According to Frank and Bernanke, the only reasons to demand rent controls is if one does not understand the issues or if one somehow stands to benefit from such regulation. They write:

In their opposition to rent controls and similar measures [in the housing market], are economists revealing a total lack of concern for the poor? Although this claim is sometimes made by those who don't understand the issues, or who stand to benefit in some way from government regulations, there is little justification for it. Economists simply realise that there are much more effective ways to help poor people than to give them apartments and other goods at artificially low prices.<sup>474</sup>

Frank and Bernanke somehow overlook the fact that there are also people who benefit from the absence of rent controls. So why should those people benefit while others cannot afford housing? Frank and Bernanke clearly believe that the absence of such controls is somehow

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<sup>473</sup> Mankiw, Gregory, *Principles of Economics*, Sixth Edition, Mason: South-Western Cengage Learning, 2012, p.409.

<sup>474</sup> Frank, Robert and Ben Bernanke, *Principles of Economics*, Maidenhead: McGraw-Hill Education, 2001, p.84.



more natural. But the question whether a society wants to enact rent controls also reflects particular social norms. Frank and Bernanke, like Becker and Mankiw in the earlier examples, confuse making statements about markets which concern the objective world with those that concern the social world.

Each of the three previous examples contributes to a vision of market activity which emphasises a Rortian image of objectivity. Somehow there exists an objective procedure which automatically solves social questions in an optimal way. And this optimal way is a unique solution that does not reflect any subjective or social dimensions. As a result, all three examples also contribute to the image of *homo economicus*. As there is an optimum that is objectively guaranteed by the market mechanism, there is no need for discussion and compromise. All that is required is the exact solution be calculated and implemented. By emphasizing that statements about markets can include issues of the subjective and the social world, which need to be communicated to and performed for others, the three world heuristic also stresses the idea of *homo communicandis*. Because the kind of action that is deemed to be acceptable within a given market context is variable, there is a need to discuss just what kind of behaviors and what kind of norms a given society wants to regard as appropriate. This also requires that these norms are publicly and privately discussed which is just what the image of *homo communicandis* invites us to consider.

Another effect is that the uniform appearance of the term market often functions to obscure our moral commitments from ourselves and others. Only by paying greater attention to what we and others actually mean when we use the term ‘market’, can we begin “a debate internal to modern capitalist society in which both the advantages and disadvantages of capitalism as a form of ethical life are directly confronted.”<sup>475</sup> This debate necessarily includes a discussion of the conception of truth and the ways in which our language reflects

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<sup>475</sup> Blaney, David and Naem Inayatullah, *Savage Economics*, New York: Routledge, 2010, p.3.

and reproduces particular cultural commitments. In this way, this dissertation should also be read as an attempt to contribute to a postcolonial conception of truth. In the social sphere, it is not a matter of giving evidence but of making a case for a particular vision of the world.

Dworkin writes:

We have touched on a postcolonial conception of truth many times in this book: in explaining why politics needs truth, unmasking external scepticism, defining moral responsibility, locating truth in interpretation, distinguishing interpretive concepts, and finally, in taking truth to be itself an interpretive concept. Our journey has been steadily one of liberation. Ethics and morality are independent of physics and its partners: value is in that way freestanding. We cannot certify the truth of our value judgments through physical or biological or metaphysical discoveries; no more can we impeach them that way. We must make a case, not supply evidence, for our convictions, and that distinction demands a kind of integrity in value that in turn sponsors a different account of responsibility.<sup>476</sup>

The concept of the market is intrinsically involved in many arguments about a particular vision of the world. It is often unconsciously used to state and propagate some of our deepest moral convictions. Reflecting on the way in which the concept of the market is employed by others, and by ourselves, is a way to uncover those convictions. Being aware of what kind of world we actually want, and are advocating for, is one way in which to increase the sophistication of contemporary discussions of the economic and social system.

### *Conclusion*

In this chapter, I try to highlight the ways in which the concept of the market partakes in the construction of economic ideas and knowledge. I make three interrelated arguments. My first argument, and one that goes back to the argument in chapter three, is the economics textbook do not just describe reality but construct economic ideas. I turn to the concept of the market as a case in point and highlight how this seemingly-descriptive concept is ultimately used to argue that the ability to pay is the only relevant ethical consideration for our society. The problem with such a definition is not only that it is ethically and socially questionable. A

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<sup>476</sup> Dworkin, Ronald, *Justice for Hedgehogs*, Cambridge: Harvard University Press, 2011, p.418.

problem is also that this definition of market overpowers the other ways in which we continue to use the concept as part of everyday speech. My second argument is that many different scholars have highlighted inadequacies of how the concept of the market is presented in economics but these criticisms have mostly focused on how economics misdescribes reality. After reviewing some prominent ways in which the concept of the market has been criticised, I move onto my own argument where I try to show in what ways the concept of the market constructs meaning. I appropriate Popper's three world distinction, as developed by Habermas, to show that the concept of the market can be used to make three very different kinds of knowledge claims. Learning the concept of the market as presented in economics seduces us into superimposing this particular definition on the different ways in which the concept is actually used and thus often confuses and impoverishes debates about the advantages and disadvantages of particular social arrangements. In the next chapter, I turn to the question of whether the conception of markets as arenas of competition can also be said to contribute the impoverishment of mental health in the contemporary US.

## **Chapter 7:**

### *The violence of socialisation*

#### *Introduction*

In this final chapter, I want explore how one could think about the burden of being socialised along the lines of *homo economicus* rather than *homo communicandis*. In other words, from the perspective of a single individual, are there reasons why it would be preferable to be asked to act along the lines of *homo communicandis* rather than *homo economicus*? I suggest that there are, because I argue that socialisation in the image of *homo economicus* is inherently more violent against the self than in the image of *homo communicandis*. I know that this is a large claim to make and I am only able to offer some preliminary points in order to support this assertion. But I think it is still a point worth considering.

The chapter proceeds in three sections. In the first section, I offer some further arguments as to why it may be important to think about the burden of socialisation of the image of *homo economicus*. I review some data which suggests that the United States (and the United Kingdom) is currently experiencing a public health epidemic and that no accepted explanation has emerged which can explain this trend. My hypothesis is that this trend can be understood once we understand the violence intrinsic to socialisation. In order to develop this claim further, the second section reviews how previous scholarship has conceptualised violence. I argue that many conceptualisations have ended up unable to give an account of the nature of violence. In the third section, I argue that violence needs to be fundamentally reconceptualised in the manner suggested by Johan Galtung. Rather than seeing violence as an avoidable act, Galtung sees violence as an ontological condition of the world where violence is the difference between potential and actual. Using this perspective on violence

allows one to appreciate how socialisation in the image of *homo economicus* may be more violent than in the image of *homo communicandis*.

One further advantage of Galtung's approach to violence is that it also complements the autobiographical approach I have chosen. For it was only after having encountered Galtung's work that I started to ask myself about the different ways in which I have tried to become actualised. In order to become the person I am today, I had to enact a type of violence against myself. It is this violence which forges the processes of becoming. As I mentioned in the prologue, I have encountered many different regimes of socialisation – be it by living in different countries or by working for different organisations. Galtung's work also led me to ask myself about the different amounts of violence each of these regimes of socialisation asks one to commit. In this way, Galtung approach for the first time gave me a way of conceptualising just what makes drastic change (be that changing jobs or changing the country one lives in) psychologically difficult to bear. With each change in circumstances, our potential also changes. With each drastic change, our previous personality is in need to adapt to the new situation and in order to adapt, we also have to enact a type of violence against ourself. Galtung's approach gave me an entirely new perspective on the question of the burden of socialisation and the nature of violence. It is a perspective that may well be useful to examine the nature of capitalism more generally which is what I attempt to do in this chapter.

#### *The mental health crisis in the US and the problem of modernity*

There appears to be a perplexing and disturbing discrepancy between material and mental welfare in the United States today.<sup>477</sup> Americans have come to enjoy unprecedented material abundance – both comparatively as well as historically. The US not only has the largest Gross

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<sup>477</sup> A similar argument could also be made for the United Kingdom but I will focus on the US for the sake of simplicity.

Domestic Product (GDP) of any country but its GDP / capita ratio has also increased about three-fold since the 1950s.<sup>478</sup> In a very real sense, things could not be, and have never been, any better. At the same time, looking at the mental and emotional health of the country yields exactly the opposite picture. A whole number of issues could be mentioned but the following description by Kalle Lasn provides a pretty good picture of the situation:

If you add up all the psychological ailments Americans complain of, the portrait that emerges is of a nation of basket-cases. Ten million suffer from Seasonal Affective Disorder. Fourteen million are alcoholics. Fifteen million are pathologically socially anxious. Fifteen million are depressed. Three million suffer panic attacks. Ten million have Borderline Personality Disorder. Twelve million have "restless legs." Five million are obsessive/compulsive. Two million are manic-depressive. Ten million are addicted to sex. Factoring in wild-card afflictions like Chronic Fatigue Syndrome and multiple chemical sensitivity, and allowing for overlap (folks suffering from more than one problem), Windolf concluded that "77 percent of the adult population is a mess." With a couple of new quantifiable disorders, "everybody in the country will be officially nuts."<sup>479</sup>

Some scholars have suggested that this apparent crisis should not be taken too seriously. The somewhat plump argument is that the rise in mental health issues reflects the fact that Americans have nothing else to worry about and so invent these ailments in order to preoccupy themselves. Lasn also considers this as a possibility:

Americans are turning into annoyingly self-absorbed hypochondriacs. Why? Because they can. Go ahead and cry, says the prevailing psychological wisdom. Any trifling discomfort you might feel has been legitimized. Your pain is valid. If you think you're sick, you are. There may be a grain of truth to this. People who live in a time relatively free of crises, amidst widespread peace and a galloping economy, will sometimes manufacture crises, inflating minor irritants into major traumas.<sup>480</sup>

However, like Lasn, I believe the explanation that Americans are inventing these symptoms simply out of boredom is unlikely to account for the entire phenomenon. Although given the discussion of boredom provided by David Foster Wallace in chapter five, it is certainly

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<sup>478</sup> Offer, Avner, *The Challenge of Affluence*, Oxford: Oxford University Press, 2006, p.1.

<sup>479</sup> Lasn, Kalle, *Culture Jam: How to reverse American's Suicidal Consumer Binge – and why we must*, New York: HarperCollins, 2000, p.9.

<sup>480</sup> Lasn, Kalle, *Culture Jam: How to reverse American's Suicidal Consumer Binge – and why we must*, New York: HarperCollins, 2000, p.10-11.

possible to imagine that boredom also has something to do with these issues. So what is driving this phenomenon?

It may be worthwhile putting this discussion within the context of the question of modernity. Many commentators, especially those in the economics profession, appear to hold the view that living in the contemporary world cannot possibly have any disadvantages compared to living in less modern times. A highly industrialised, high-income society involves no trade-off. Economic progress, measured in terms of rising real GDP/capita, seems to be the only thing that is unequivocally beneficial. Scholars from numerous other disciplines have questioned this view. Even though they readily acknowledge the advances which modern societies have made in numerous domains – just think of health care, affordable transportation, instant communication networks, and leisure opportunities – they are keen to emphasise that these advances also extract a heavy burden on individuals.

Yet, what exactly these costs consist of is much less clear. Foucault argues that the costs are borne out through an increased individual exposure to disciplinary power;<sup>481</sup> Beck argues that the costs are reflected in the way that individual lives are increasingly seen in terms of risk assessment;<sup>482</sup> Giddens highlights the disappearance of ontological security for the individual;<sup>483</sup> Bauman points out how there is a disturbance to the relationship between space and time;<sup>484</sup> and Sennett argues that individuals suffer from being unable to form lasting commitments.<sup>485</sup> Appadurai captures the underlying spirit of such commentary when he writes that there is a radical rupture between today and earlier times.<sup>486</sup> The modern world is not only different, it is different in kind from earlier times.

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<sup>481</sup> Foucault, Michel, *Discipline and Punish*, New York: Random House, 1975.

<sup>482</sup> Beck, Ulrich, *Risk society*, Frankfurt: Suhrkamp, 1986.

<sup>483</sup> Giddens, Anthony, *Modernity and Self-Identity*, Cambridge: Polity Press, 1991.

<sup>484</sup> Bauman, Zygmunt, *Liquid Modernity*, Cambridge: Polity Press, 2000.

<sup>485</sup> Sennett, Richard, *The culture of the new capitalism*, New Haven: Yale University Press, 2006.

<sup>486</sup> Appadurai, Arjun, *Modernity at Large*, Minneapolis: University of Minnesota Press, 1996.

What makes the discussion of modernity so relevant to my argument is that the very nature of modernity appears to be defined by the rise of the image of *homo economicus* and by the need to enact this image in an ever greater variety of circumstances in our daily life. In other words, the image of *homo economicus* as advanced by what we today term neoliberalism is at the heart of the entire phenomenon we call modernity. One of the first definitions of neoliberalism, given in the Walter Lippmann Colloquium in 1937, defined it as “the priority of the price mechanism, the free enterprise, the system of competition, and a strong and impartial state”<sup>487</sup>. I think this definition is still very much applicable today. If we compare this to a contemporary definition of modernity, we recognise that the basic spirit appears to be exactly the same. Giddens, in what is a widely-accepted definition of modernity, defines it as:

A shorthand term for modern society, or industrial civilization. Portrayed in more detail, it is associated with

- (1) a certain set of attitudes towards the world, the idea of the world as open to transformation, by human intervention [free enterprise];
- (2) a complex of economic institutions, especially industrial production and a market economy [the priority of the price mechanism, the free enterprise, the system of competition];
- (3) a certain range of political institutions, including the nation-state and mass democracy [a strong and impartial state].

Largely as a result of these characteristics, modernity is vastly more dynamic than any previous type of social order. It is a society—more technically, a complex of institutions—which, unlike any preceding culture, lives in the future, rather than the past.<sup>488</sup>

William Davies correctly notes, however, that “neoliberalism is clearly not a unified doctrine....”<sup>489</sup> A number of different ideas have been advanced as to how to differentiate between different aspects of neoliberalism. Steven Gill has suggested the term “disciplinary neoliberalism” to capture that “neoliberal forms of discipline are not necessarily universal

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<sup>487</sup> Quoted in Mirowski, Philip and Dieter Plehwe (eds.), *Road from Mont Pelerin*, Cambridge: Harvard University Press, 2009, p.14.

<sup>488</sup> Giddens, Anthony and Christopher Pierson, *Conversations with Anthony Giddens: Making sense of modernity*, Redwood City: Stanford University Press, 1998, p.86.

<sup>489</sup> Davies William, *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*, London: Sage, 2014, p.3.



and consistent.”<sup>490</sup> Jamie Peck and Adam Tickell contrast what they call “roll-back neoliberalism” with “roll-out neoliberalism”.<sup>491</sup> By roll-back neoliberalism, Peck and Tickell mean “the philosophical project of the early 1970 when the primary focus was on the restoration of a form of free-market thinking with the economics profession.”<sup>492</sup> Roll-out neoliberalism, by contrast, refers to the “neoliberal transformation...in the early 1990s...associated with the political foregrounding of new modes of “social” and penal policy making.”<sup>493</sup> For my purposes, however, Davies’ characterisation of neoliberalism is by far the most helpful. Davies argues that the

origins of the neoliberal movement can be traced to the contributions of Hayek and Ludwig Von Mises to the ‘socialist calculation debate’ of the 1920s and 1930s. The intellectual project of reinventing liberalism was scattered between London, New York, Chicago, Freiburg and Vienna, up until the 1970s. The application and adaptation of these ideas spread no less haphazardly, serving various masters as they went.<sup>494</sup>

Davies emphasises that even though there are multiple ways of telling the history and neoliberalism, and multiple dimensions which are worth examining, the central feature of commonality between the different accounts is that they share a hostility towards ambiguity of political categories:

But what, I suggest, is the common thread in all of this – and what makes the term ‘neoliberalism’ a necessary one – is an attempt to replace political judgement with economic evaluation, including, but not exclusively, the evaluations offered by markets. Of course, both political and economic logics are plural and heterogeneous. But the central defining characteristic of all neoliberal critique is its hostility to the ambiguity of political discourse, and a

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<sup>490</sup> Gill, Stephen, “Globalisation, Market Civilisation, and Disciplinary Neoliberalism”, *Millennium - Journal of International Studies* December, 24, 1995, p. 411.

<sup>491</sup> Peck, Jamie and Adam Tickell, “Neoliberalizing Space” in Brenner Neil and Nik Theodore, *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, London: Blackwell, 2002, p.41.

<sup>492</sup> Peck, Jamie and Adam Tickell, “Neoliberalizing Space” in Brenner Neil and Nik Theodore, *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, London: Blackwell, 2002, p.41.

<sup>493</sup> Peck, Jamie and Adam Tickell, “Neoliberalizing Space” in Brenner Neil and Nik Theodore, *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, London: Blackwell, 2002, pp.41-42.

<sup>494</sup> Davies William, *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*, London: Sage, 2014, p.3

commitment to the explicitness and transparency of quantitative, economic indicators, of which the market price system is the model.<sup>495</sup>

Putting this issue into the vocabulary I have been using, we can say that it is also the belief in unmediated experience which underlies the vision of *homo economicus* which gives rise toward this feeling of hostility towards ambiguity. The image of *homo communicandis*, by contrast, is meant to emphasise that the ambiguity and plurality of perspectives and political categories is not an intrinsic weakness that somehow needs to be rectified but that it is an necessary precondition for allowing the coexistence of different visions of life. The image of *homo economicus* is therefore also intrinsically related to the image of the neoliberal subject and the modern subject.<sup>496</sup>

I think the various discussions on the burden of modernity are both enlightening but also ultimately limited. Beck, Giddens, Bauman and others demonstrate wonderfully that there is a price to be paid for modernity and that the economists' dream of a phenomenon without a trade-off remains just that: a dream. Modernity clearly places various burdens on the lives of individuals and these burdens are different from earlier times. However, it mostly remains a mystery how the psychic burden of modernity, or to put it in my own vocabulary, the psychic burden of enacting an image of *homo economicus*, is processed by the individual. I hope by putting this burden within a theory of socialisation, I can help to provide a slightly deeper explanation of this issue.

Given a broad conception of socialisation as “the comprehensive and consistent induction of an individual into the objective world of a society or a sector of it”<sup>497</sup>, it would appear that the psychological ailments of America must in one way or another be related to the way in which Americans are socialised. Putting the issue this way leads to two important

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<sup>495</sup> Davies William, *The Limits of Neoliberalism: Authority, Sovereignty and the Logic of Competition*, London: Sage, 2014, p.3

<sup>496</sup> Some interesting points may be made about the different traditions that give rise to these respective vocabularies but such commentary is beyond the confines of this chapter.

<sup>497</sup> Berger, Peter and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, London: Penguin, 1991, p. 150.

questions. First, what exactly causes these effects of socialisation in America? Second, is there a basis for arguing that it is better to be socialised in one country, rather than another? As with most explorations in this dissertation, there is an autobiographical angle to this question. I have spent my formative years in three different countries - Germany, the United Kingdom, and the United States. I have been socialised in all manner of overlapping ways which makes it impossible for me to say which part of my personality is related to which experiences. But it does make me wonder what kind of person I would have become if I had not lived in one of these countries. Would I be a happier/better person today by some standard? I do not hope to provide any definite answers in the following discussion but I wish to provide a new perspective to how this problem could be understood and framed.

An important dimension to this discussion is the role which language plays in processes of socialisation. As I have argued throughout this dissertation, language is an important vehicle through which we become socialised. In fact, I argued in chapter six that the concept of the market is central to how the image of *homo economicus* becomes popularised. Thinking about socialisation through language is also another way of saying that language does not just describe reality, but that it helps to constitute it (as I have tried to show in chapter one and two). But as part of this constitution, language also deeply affects how individuals feel and are made to feel. If this is the case, then there may also be value in saying that the language that fosters *homo economicus* is also fundamentally violent. I turn to this issue in more detail in the third section of this chapter.

Another issue is that there are nearly an infinite number of ways (often also contradictory) in which we are and become socialised: Interactions with family, parents and friends, popular culture (films, computer games, television, books, magazines), formal education (kindergarten, high school, university), sports, employment, technology, and just living on an everyday basis. Despite the near endless variety of sources of socialisation, I

think there is a dominant theme: namely that all of this is somehow related to the vision of humanity as presented by economics. This argument has also skilfully been made by Stephen Marglin who argues that “the presuppositions of this now worldwide culture are the assumptions of economics. Economics, this book has argued, is the formalisation of the dominant world-view of the modern West....a common human nature is assumed:...a homo economicus striving to maximise his well-being as a self-interested individual.”<sup>498</sup> So this chapter should also be read in the light that it may be this vision of what it means to be human fostered by economics that causes such psychological problems for people. In other words, the vision of what it means to be human that underlies economic theory is one that is particularly hard to realise for many people. Hence the effects.

In this third section, I develop this argument further by using a particular conception of violence. For most people, the image of violence is that of physical harm. One way of potentially understanding the experience of the United States requires a much broader notion of the nature of violence. I follow Johan Galtung who argues that violence is the difference between potential and actual. Rather than viewing violence as the result of particular acts, Galtung’s view makes violence an ontological condition of the world. In this view, violence becomes something ever-present that is necessary and constitutive of our experience of the world. This also shifts the question of violence from a binary opposition (i.e. violence vs non-violence) to a question of the degree of violence involved.

What makes this view so appealing is that it links perfectly with the nature of socialisation. Socialisation is the way in which our potential personalities become actualized. This also means that all socialisation is inherently violent – but this violence is necessary for us to become a person at all. I suggest that not all socialisation is equally violent – some types of socialisation are more burdensome than others. I am speculating, then, that the nature of

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<sup>498</sup> Marglin, Stephen, *The Dismal Science: How thinking like an economist undermines community*, Cambridge: Harvard University Press, 2008, p.247.

socialisation in the United States has become more violent over the last decades and is also somehow more violent than the nature of socialisation in other countries. I speculate that it is ultimately greater exposure to the violence of socialisation which explains the rise in psychic disorders.

This way of framing violence also has three further useful side effects. First, to reconceptualise violence is also a way to think about the problem of modernity. By examining the nature of violence and how it operates in modernity, we can come to a better understanding of what modernity means for the life of individuals. In fact, I argue that one of the central features of modernity is a transformation in the kind of violence which is inflicted in society.

Second, one of the oversights of many writings on socialisation is that the question of socialisation for an individual is frequently reduced to the dimension of how successful the process has been. One offshoot of such a way of framing the problem of socialisation is that all ways of being socialised appear equally desirable. As a result, within the different literatures on socialisation, it is very hard, if not impossible, to find any kind of criterion that would allow for an adjudication between better and worse ways of being socialised. We could also rephrase this problematic into the standard terminology of economics by asking what is the trade-off between one way of socialisation and another? Clearly, there can never be a single criterion that can tell us about the desirability of socialisation. Even if it was desirable to be socialised as a fascist, homophobic bigot from the perspective of a particular individual, there are ample other criteria which would argue that such a socialisation is ultimately not desirable. But I think it would be a starting point to at least begin to think about how the trade-off between different types of socialisation could be conceptualised.

Third, some commentators have recently concluded that violence has decreased noticeably over time. Stephen Pinker, for example, writes that: “Believe it or not—and I

know that most people do not—violence has declined over long stretches of time, and today we may be living in the most peaceable era in our species’ existence.”<sup>499</sup> Pinker is exclusively concerned with physical violence. If, however, violence is the difference between potential and actual, Pinker’s arguments do not follow. We could have experienced a shift in violence from physical harm to other kinds of violence. As a result, the total amount of violence experienced by society may have stayed the same, or even increased. It is also possible to make a stronger criticism of violence as physical harm. If our way of conceptualisation of violence routinely blinds us to various instances in which violence is committed, it unwittingly helps to condone these acts. Willem Schinkel rightly points out that “not noticing violence when it nonetheless exists – albeit not in a way that conforms to the prevalent legalistic definition of violence – is to silently condone it, to ratify and legitimize it.”<sup>500</sup> In order to appreciate why viewing violence as an ontological condition of the world may be useful, I begin the argument by reviewing some previous scholarship which has tried to come to terms with the problematic nature of violence before further elucidating on Galtung’s definition of violence.<sup>501</sup>

### *The problem of violence*

In order to appreciate why a reconceptualization of violence may be desirable, it is worth recalling that the actual nature of violence, what makes an act violent, is far from understood. The most frequent image of violence is that of physical harm but this image may be too narrow to account for the different ways in which violence can be experienced. A quick thought experiment may help to clarify this issue. According to the view of violence as

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<sup>499</sup> Pinker, Stephen, *The better angels of our nature*, London: Penguin, 2011, xix.

<sup>500</sup> Schinkel, Willem, *Aspects of Violence: A Critical Theory*, London: Palgrave Macmillan, 2010, p.17.

<sup>501</sup> I would like to point out once again that I am only able to provide a very limited overview of the subject matter. In particular, I would like to highlight that I have made no attempts to include the work of Walter Benjamin or Slavoj Žižek. For a much more comprehensive overview of the literature on violence see: Schinkel, Willem, *Aspects of Violence: A Critical Theory*, London: Palgrave Macmillan, 2010, pp. 3-117.

physical harm, violence is an act perpetrated by a person on another person. Yet, if we think about this image in more detail, it becomes confusing. Imagine I punch another person. In this case, it would appear that the violence of the act is entailed by the fact that I physically hurt this person. But now imagine that I do not actually punch the other person but just very aggressively shout in their face and threaten to punch them, without actually doing so. Is this situation necessarily less violent than the first? Or to put it another way, would I necessarily feel less violated in the second case? My feeling, and this appears to be shared by many others, is that these situations may very well be judged equally violent. So what does the violence of these two acts actually consist in? One response might be that it is the threat of violence that really matters. But this does not really seem to work either. In the first instance, there is no threat, just a punch. Add to this the fact that we regularly speak of people having their dignity violated, their rights violated, or how they were wounded by words and it becomes apparent that it is really quite unclear what exactly the nature of violence is in each of these instances.

Because of these theoretical confusions, the concept of violence has been met with continuous unease over the last century. George Sorel wrote as far back as 1908 that “the problems of violence still remain very obscure”.<sup>502</sup> Hannah Arendt, writing 60 years later, remarked that “what Sorel remarked...is as true today as it was then”.<sup>503</sup> Fast forward another 25 years, and Zygmunt Bauman essentially remarked the same thing saying that “virtually all writers attempting to come to grips with the phenomenon of violence find the concept either under-, or over-defined, or both”.<sup>504</sup>

This does not mean, however, that conceptions of violence have undergone no change. One important contribution was to begin differentiation between violence and power. Traditionally, this had not been the case. Max Weber, in one of his most famous definitions,

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<sup>502</sup> Sorel, Georges, *Reflections on Violence*, London: Ruskin House, 1916, p.47

<sup>503</sup> Arendt, Hannah, *On violence*, New York: Harcourt Publishers, 1970, p.35.

<sup>504</sup> Bauman, Zygmunt, *A life in fragments: Essays in Postmodern Morality*, Oxford: Blackwell, 1995, p.139.

says that the state is “the rule of men over men based on the means of legitimate, that is allegedly legitimate, violence.”<sup>505</sup> An even stronger formulation of this view is given by C. Wright Mills who writes that “all politics is a struggle for power; the ultimate kind of power is violence.”<sup>506</sup> Hannah Arendt tried to break with this view. She writes that “power is indeed of the essence of all government, but violence is not.”<sup>507</sup> For Arendt, power but not violence is an inherent aspect to human communities. A democratically elected state exercising power is justified and legitimate, but resorting to violence is not. “Violence can be justifiable, but it never will be legitimate.”<sup>508</sup> For Arendt, “power and violence are opposites; where the one rules absolutely, the other is absent.”<sup>509</sup> Even though the differentiation of violence and power may have had important ramifications, it actually does nothing to solve the problem of the nature of violence. It still remains unclear what exactly violence consists in or of. Johan Galtung was the first to tackle this problem and I shall turn to his contribution in the next section.

### *Johan Galtung’s approach*

According to Galtung, what is needed is an extended concept of violence that moves away from the narrow focus on physical harm. Galtung rightly suggests that in order to understand the nature of violence, it is not sufficient to merely equate violence with undesirable states of affairs: “Hence, an extended concept of violence is indispensable but that concept should be a logical extension, not merely a list of undesirables.”<sup>510</sup> Galtung goes on to say that “violence is here defined as the cause of difference between the potential and the actual, between what

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<sup>505</sup> Max Weber quoted in Arendt, Hannah, *On violence*, New York: Harcourt Publishers, 1970, p.35.

<sup>506</sup> Mills, Charles Wright, *The power elite*, Oxford: Oxford University Press, 1956, p.171.

<sup>507</sup> Arendt, Hannah, *On violence*, New York: Harcourt Publishers, 1970, p.51.

<sup>508</sup> Arendt, Hannah, *On violence*, New York: Harcourt Publishers, 1970, p.52.

<sup>509</sup> Arendt, Hannah, *On violence*, New York: Harcourt Publishers, 1970, p.56.

<sup>510</sup> Galtung, Johan, “Violence, Peace, and Peace Research”, *Journal of Peace Research*, 6 (3), 1969, p.168.



could have been and what is.”<sup>511</sup> Equipped with this conception, Galtung broadens our perspective to the different kind of agencies that can commit violence, saying that “we shall refer to the type of violence where there is an actor that commits the violence as personal or direct, and to violence where there is no such actor as structural or indirect.”<sup>512</sup>

Despite Galtung’s brilliant reconceptualization, there appear to be two crucial ramifications of his own work which he was unwilling to fully embrace.<sup>513</sup> The first point is that he is unable to come to term with the fact that his way of conceptualising violence makes it into an ever-present phenomenon. Even though Galtung subsequently extends his definition of structural violence to include what he terms cultural violence, he is not able to appreciate the full ramifications of his work. For Galtung, cultural violence includes “the symbolic sphere of our existence - exemplified by religion and ideology, language and art, empirical science and formal science that can be used to justify or legitimize direct or structural violence.”<sup>514</sup> Even though he admits that structural violence is “built into the social structure”, he paradoxically is not ready to abandon the idea that violence is avoidable: “I see violence as avoidable insults to basic human needs, and more generally to life, lowering the real level of needs satisfaction below what is potentially possible.”<sup>515</sup> But how could this be the case? It would imply a state of affairs where there is no difference between potential and actual with regards to anything. Everything would have needed to already have reached its potential. Time would have ended. Clearly, this is not a state of affairs humanity can aspire to. Rather, violence is an omnipresent part of human existence. It is not a question of whether or not violence is present in any situation but merely a question of as to what degree.

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<sup>511</sup> Galtung, Johan, “Violence, Peace, and Peace Research”, *Journal of Peace Research*, 6 (3), 1969, p.168.

<sup>512</sup> Galtung, Johan, “Violence, Peace, and Peace Research”, *Journal of Peace Research*, 6 (3), 1969, p.169.

<sup>513</sup> This is not to suggest that Galtung’s work has been uncontroversial. For two works which heavily criticise Galtung approach see: Boulding, Kenneth, “Twelve Friendly Quarrels with Johan Galtung”, *Journal of Peace Research*, 14(1), 1977 pp. 75-86; Coady, Cecil, *Morality and Political Violence*, Cambridge: Cambridge University Press, 2008.

<sup>514</sup> Galtung, Johan, “Cultural Violence”, *Journal of Peace Research*, 27 (3), 1990, p.291.

<sup>515</sup> Galtung, Johan, “Cultural Violence”, *Journal of Peace Research*, 27 (3), 1990, p.292.

The second realisation is that Galtung never elaborates the point that his conception of violence manages to escape the pitfalls of having to posit some fixed idea as to what is entailed in human nature. Under the conception of violence as physical harm there is often a tendency to disregard that which might otherwise be considered violent practices on the basis that they are considered normal. Typical examples of this include violence against women or children or violence at workplaces. My point is not that these practices should not be considered violent, because they are, but that they should be regarded as violent without necessarily having to posit a standard which all human behaviour everywhere has to obey. Galtung, in an important way, connects the issue of violence to a postmodern conception of man which has its roots in Hegel. The Hegelian idea is that man produces himself through thought and human nature was therefore compatible with different forms of living. In other words, there is always already a difference between the life we actually live and the life we could potentially live. We therefore need to resist the temptation to begin theorizing with an a priori theory of the subject, a theory of how humans universally behave. This is also very strongly emphasised by Foucault who writes: “I had to reject a certain a priori theory of the subject in order to make this analysis of the relationships which can exist between the constitution of the subject or different forms of the subject and games of truth, practices of power and so forth.”<sup>516</sup> This assessment of Galtung’s work is also shared by William Schinkel who writes that Galtung finally “breaks with a dogmatic notion of the subject as an autonomous agent whose intentional actions can be traced back to this cognitive unity”.<sup>517</sup>

Returning to the previous examples, it becomes much easier to appreciate the nature of violence. Punching somebody in the face, or just threatening to do so, are both violent actions because both situations had the potential to be different. In this particular case, both situations could have been less violent without the punch or the threat. But it was not the acts itself that

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<sup>516</sup> Fernet-Betancourt, Raúl et. al., “The ethic of care for the self as a practice of freedom: an interview with Michel Foucault on January 20, 1984”, *Philosophy & Social Criticism*, 12, 1987, p. 121.

<sup>517</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.40.

constitute the violence. Rather, the violence is constituted in the fact that some potential options have been forgone. The greater the distance between this actual and potential, the greater the amount of violence which any situation entails.

Willem Schinkel furthers elaborate and extends Galtung's work. Schinkel asks if violence is truly seen as the difference between the actual and the potential, what is it that makes this situation problematic in some way? The obvious answer seems to be that some kind of lessening has taken place – a reduction of some sort. Galtung himself writes that “violence is present when human beings are being influenced so that their actual somatic and mental realizations are below their potential realizations.”<sup>518</sup> But what exactly does it mean that realizations have been reduced? Well, that obviously depends on the situation, but generally it is exactly the very nature of the situation that is reduced in one way or another – the general nature of being has somehow been reduced.

Schinkel and Galtung are both following Heidegger's conception of being. For Heidegger, “man, as being, is Dasein.”<sup>519</sup> Humans are characterised by the fact that we inherently have the potential to become different kinds of persons. And we can constantly be aware of this fact. Heidegger writes that in

determining itself as an entity, Dasein always does so in the light of a possibility which it is itself and which, in its very Being, it somehow understands. This is the formal meaning of Dasein's existential constitution. But this tells us that if we are to interpret this entity ontologically, the problematic of its Being must be developed from the existentiality of its existence.<sup>520</sup>

Humans at birth, and to a lesser extent throughout their life, have the possibility of developing a vast variety of personalities – of becoming somebody different. Schinkel argues that in selecting to become a particular type of person, we need to enact violence against

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<sup>518</sup> Galtung, Johan, “Violence, Peace, and Peace Research”, *Journal of Peace Research*, 6 (3), 1969, p.168.

<sup>519</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.46 .

<sup>520</sup> Heidegger, Martin, *Being and Time*, Oxford: Basil Blackwell, 1962, p.69 (p.43 in the German edition). The quote continues: “This cannot mean, however, that "Dasein" is to be construed in terms of some concrete possible idea of existence. At the outset of our analysis it is particularly important that Dasein should not be Interpreted with the differentiated character [Differenz] of some definite way of existing, but that it should be uncovered [aufgedeckt] in the undifferentiated character which it has proximally and for the most part”

ourselves. Existence (heaving learnt one language rather than another, having been born at one place and one time rather than another, etc.) forces us to forgo all these potential ways of being and this sacrifice of our different types of potential is violence. In the process of sacrificing various potential ways of being we reduce our ontological horizon and thus become an actual person.

But at the same time, we always need to enact this violence against others as well. In our interactions with other people, we always have the possibility of acting in various ways. But because we have to act one way, existence once again forces us to relinquish those potential ways of acting. The loss of this potential is both violence against ourselves but also violence against the other person. As Schinkel writes: “Violence is precisely that aspect of human interaction which consists of a reduction of being, of selection of ontological aspects and simultaneous non-selection of others.”<sup>521</sup> Schinkel provides this wonderful passage in which he highlights how the need to select and reduce complexity inherently gives rise to the reduction of both self and other:

social beings operate under the pressure of selection, of reduction of complexity. If no aspects are selected the other is not allowed to be, which is a reduction itself. That is how I feel a fundamental insight is gained when violence is defined as the reduction of being. Violence is always present, yes, but all is not violence. The level of violence, the degree to which ‘violence’ is highlighted as an aspect of a certain praxis, or – in frozen perspective – social situation, is precisely the degree of reduction of that horizon and of the possibility of a change of aspect(s). This involves the basic reduction of an ontological horizon by means of selection of aspect(s) and the reduction of the possibility of aspect-change. The latter is therefore the reduction of the possibility of another reduction of that ontological horizon. *To be is to be reduced, objectified as a subject, by both self and other.*<sup>522</sup>

Because every instance of selection is also an instance of violence, the question of which aspects of any situation are selected is crucial to the violence of any situation. Schinkel states that “the question of violence now hinges on the potential to realise potential, that is, on

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<sup>521</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.49.

<sup>522</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.68.

the possibility of changing the aspect of the other.”<sup>523</sup> He goes on to say that “any interaction entails a selection of some aspects of being of those involved in interaction and non-selection of other aspects, that is, that any interaction involves a reciprocal reduction of the ontological horizon of those involved in interaction...”<sup>524</sup> Schinkel gives the example of how the relationship between a professor and student normally becomes constituted saying that the “professor is a professor to a student. He or she is not usually a friend, lover or neighbour of the student. In their interaction, the student reduces the other to a professor, whereas the professor is much more than that.”<sup>525</sup> This means that in the end “both are constrained by the need to regard the other as professor or student, and this causes some things to be banned from interaction.”<sup>526</sup> The question therefore becomes if the other can “be seen in light of any aspect of his or her being, or can alternative aspects of being not be actualized?”<sup>527</sup> Schinkel notes that on many cases professors and students are able to accomplish this task, “to change the aspect of the other when interaction requires this, to see the other in a different light. They then retain the richness of the other’s being. When they do so to a lesser degree, a more severe reduction of being takes place. The further the ontological horizon of the other is reduced, the more violently the other is treated.”<sup>528</sup> This means that violence can be regarded as a continuum along a sliding scale where the amount of violence inherent in a situation is inversely proportional to the ease with which the participant allows for a change of aspect to take place. Schinkel writes that:

Violence is as severe as the reduction of an ontological horizon that entails a reduction of the possibility of changing the aspect within that horizon. Therefore, to call someone a name constitutes a lesser violence than to throw sticks and stones at him or her. To kill a person is an extreme violence in which only the

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<sup>523</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.49.

<sup>524</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.50.

<sup>525</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.50.

<sup>526</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.50.

<sup>527</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.51.

<sup>528</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, pp.51-2.

material aspect of someone's being is highlighted, without the possibility of a change of aspect.<sup>529</sup>

It strikes me that Schinkel's idea of allowing for a change of aspect for a situation is very close to Adam Smith's idea of sympathy. For Smith, it is sympathy which gives us the ability to put us in somebody else's shoes – to experience what they are experiencing. But to experience a situation as another is just another way of allowing for a change of aspect to take place. In many ways, Schinkel's conception of violence also unwittingly tries to revive the notion of sympathy as found in Adam Smith.

The previous quote also highlights the importance of language. Language is inherently intertwined with and co-constitutive of violence. Schinkel writes that “violence is supported by language and language by violence.”<sup>530</sup> Language functions by reducing and in order to reduce the complexity of the world. In the process of categorizing the world around us, by naming something as this rather than that, humans draw divisions. These divisions are a necessary precondition for our existence but the important fact is that these divisions are not given by nature. Since learning a language is not learning the definition of a term but the rules for how different terms are employed, we also learn to subjectify and to objectify through language. This is the basis of violence. Schinkel writes that “violence is the very subjectification and objectification that precedes the situational existence or appearance of a subject. Before one can speak of a subject, there has been violence.”<sup>531</sup> Schinkel makes the nice comparison about how violence is a precondition for existence in the same way as the rules of chess are a precondition for playing chess. He writes that only “the rules of chess provide the freedom to play chess, they are a necessary precondition for it. Violence is productive in a similar fashion: it is an ontological precondition of ontic being.”<sup>532</sup>

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<sup>529</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.71.

<sup>530</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.81.

<sup>531</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.77. Emphasis mine.

<sup>532</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.54.

One advantage of this view of violence is that it emphasises the power relations that are constituted through language and practice. Schinkel highlights how in the process of reducing another, in ascribing a particular identity to another, we simultaneously establish a particular power relation between us and the other. At the same time as we socialise others towards particular identities, and are socialised into our identity by others, we participate in various fields of power relations. This also means that the issue of identity is at the heart of the problem of violence and socialisation. In becoming socialised into a particular person, and in deciding to contribute to the socialisations of others, we participate in the formation and maintenance of particular identities and this contribution is an inherently violent process.

A direct consequence of this view is that academic research and teaching is deeply complicit in processes of violence. Schinkel points out that the social sciences teach many of the tools and ways through which social interactions become understood. But in teaching these ways, the social sciences also teach which aspects of any situation should be selected. They therefore teach us just what kind of violence to enact. But practitioners in the social sciences are by and large not aware of this issue and how they blindly contribute to reproducing particular types of violence. Schinkel writes that “Especially where the concepts of social science are not fully metatheoretically developed, chances are that these concepts contribute to a status quo which necessarily involves a structural violence that is at times significantly highlighted.”<sup>533</sup>

Schinkel highlights that better social science means practicing social science with more awareness of what one is doing as a social scientist. Social Scientists need to be more reflexive. I have tried to follow Schinkel’s advise by following an autobiographical approach. By brining my own subjectivity to the centre of the analysis, I have tried by be more reflexive about how my own subjectivity informs my work. So I think Schinkel is right to suggest that

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<sup>533</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.221.

more reflexivity in social science research means greater ability to change the aspect of issues under consideration: “Reflexivity in social science means being prepared to change the aspect of social science by changing the aspect of the object of social science. It is in this sense that the aspect of violence of a reflexive social science is less highlighted than it would be in case of lesser reflexivity.”<sup>534</sup>

An implication of this point is that the image of *homo economicus* appears to invite little self-reflection. After all, what is there to reflect on? I have my preferences and my primary goal as a human is to satisfy them to the greatest extent possible. How I came to hold these preferences, and whether they are good preferences for me to hold is completely irrelevant for *homo economicus*. It is exactly for this reason that Becker and Murphy can describe drug addiction, even to heroin, as the result of a rational calculation: “Does an alcoholic or heroin user maximize or weigh the future?...we claim that addictions, even strong ones, are usually rational in the sense of involving forward-looking maximization with stable preferences.”<sup>535</sup> In other words, it should never matter to me as a person what preferences I happen to hold, even if this preference happens to be addiction to heroin.<sup>536</sup> If heroin addiction is not a cause to reflect on one’s life decisions, clearly very little else is worth wondering about. It probably does not go too far to argue that in the image of *homo economicus* as advocated by Becker and Murphy, self-reflection is a near impossibility.

But because there is no need, or possibility, for self-reflection, there is also no need to reflect upon the fate of others. Since I automatically maximise my preferences, I know that every other person must also be doing that. There can therefore be no ground to ever judge anybody else’s judgements, since, by definition, they are doing what is best for them. In this way, the image of *homo economicus* also stands in the way of a sense of solidarity with the

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<sup>534</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.222.

<sup>535</sup> Becker, Gary and Kevin Murphy, “A Theory of Rational Addiction”, *Journal of Political Economy*, 96 (4), 1988, p.675.

<sup>536</sup> On this point see also: Stigler, George and Gary Becker, “De Gustibus Non Est Disputandum”, *The American Economic Review*, 67(2), 1977, pp. 76-90.



suffering of others. The image of *homo economicus* thus stands in the way of fostering a Rortian sense of solidarity or a Smithian sense of sympathy. In this way, violence is enacted in multiple dimensions: through the socialisation as well as through the practices done in the name and through the justification of the image of *homo economicus*.

But this lack of reflexivity also holds true for the supposedly purely empirical research done in economics and other social sciences. Schinkel highlights how the frequent dismissal of conceptual or theoretical research in favour of empirical work in violence research is one of the ways in which social science blindly fosters various preconceptions without allowing these issues to be examined:

All the dismissiveness towards ‘conceptual work’ because it is not ‘practical’, ‘empirical’, ‘implementable’ and ‘societally relevant’ prevents the social science of violence from in fact becoming what its name suggests. For without a solid conceptual ground that utilizes concepts not arbitrarily defined, or borrowed from a semantics of violence that is the handmaiden of a status quo, whatever ‘empirical’ work is done will involve not only aspect blindness, but also its violence, doubled by the violence of the blindness to aspect blindness.<sup>537</sup>

I think Schinkel’s assessment also very much holds true for research beyond violence. In fact, I would say this dismissiveness towards conceptual research and the consequent blindness is nowhere as developed as it is in economics.

Through this dismissiveness and blindness, research and teaching in economics also propagates violence. In particular, it is now possible to appreciate that economics textbooks entail a significant degree of violence. Economics textbooks teach students what aspects of any situation to select. In other words, they teach what kinds of violence to enact. But economics textbooks are also very stringent in framing all particular situations in one way. Every situation is supposed to be assessed in terms of whether resources are allocated efficiently. But in insisting that every situation is assessed in those terms, economics textbook outlaw and prohibit any change of aspect from taking place. Every situation is only ever seen

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<sup>537</sup> Schinkel, Willem, *Aspects of Violence: A critical theory*, London: Palgrave Macmillan, 2010, p.224.

through one perspective and it is suggested that this is in fact the only perspective. But in order to do justice to our humanity – to allow for a recognition that we always have the potential to be and become somebody different – it is pertinent that the ability to change aspect is fostered and supported. Economics textbooks, as they are currently written, undermine this ability. As vehicles of socialisation, they teach students to ignore the importance of allowing for a change of aspect to take place and even provide a rationale of justification and legitimation for doing so.

One of the suggestions of this dissertation is that economic ideas and knowledge could be taught less violently by relying on works of fiction, rather than economics textbooks. Novels are much more open in enabling the reader to appreciate any situation from a number of different angles. In this way, novels can help to create an awareness of the importance of allowing for changes of aspect to take place. As I hope to have demonstrated in chapter six, novels are able to incorporate sophisticated economic ideas without forcing a reader to subscribe to these ideas in the terms suggested by the novel. Teaching in economics would greatly improve if greater use was made of material that is less prescriptive in the kind of subjectivity it wants to bring about.

Seeing violence as reduction of being also allows for a reframing of the problem of living with large bureaucracies. It now appears that there are good grounds for judging interactions with large bureaucracies to be more violent than smaller institutions. When interacting with a large bureaucracy, a person becomes reduced to the bare minimum. Only those aspects relevant to the interaction with the bureaucracy are usually admitted by the representative of the bureaucracy. We are just a number on a screen. It does not matter if we are a man or a woman, sad or happy, in a rush or have time. The representative of the bureaucracy just follows the predefined operating procedures. The situation in a smaller organisation can be markedly different. In our interaction with somebody from a small

organisation, there remains the possibility that it is recognised that we are not just a customer in this particular transaction. A great example of this image could be the local butcher or baker who is aware that we fulfil many more roles than just being a customer and who will treat customers differently depending on various contexts. This willingness to consider alternative ways of behaving in any situation is one way in which we can allow for a potential change of aspect. So far, large bureaucracies have been entirely incapable of allowing or fostering practices which would allow changes of aspect even to be considered, let alone be practiced.

### *Conclusion*

In this chapter, I have tried to round up the discussion which I began in the prologue of this dissertation. I began by wondering how economic ideas and knowledge become socialised and how these issues are related to questions of personal identity. I then argued in the first part of this dissertation that a particular image of knowledge, ideas, and methodology – fostered by positivism and a naïve belief in the scientific method – fundamentally stand in the way of our understanding of these issues. This image of knowledge, ideas, and methodology is the precondition for the belief in a particular kind of objectivity and the idea of *homo economicus*. In the second part of the dissertation, I looked at ways in which the idea of *homo economicus* becomes socialised. For this purpose, I examined undergraduate economics textbooks and contemporary novels. I highlighted that the openness of novels also enables a questioning and subversion of the idea of *homo economicus*. In the third part of the dissertation, I looked at particular ways in which the idea of *homo economicus* is socialised. I looked at the language which underlies the idea of *homo economicus*, especially the idea of the market as an arena of competition. In this chapter, I finally asked if there are grounds for believing that the very socialisation along the lines of *homo economicus* is problematic. I

argued that if we understand violence as a reduction of being, we can appreciate that the reduction of being that needs to be undertaken to enact the image of *homo economicus* is much greater than that required to bring about an image of *homo communicandis*. This is also because there is no room for self-reflection and no room for compassion for others. I suggested that socialisation in the image of *homo economicus* may be the reason why the United States is currently experiencing what has been described as a public health epidemic. It may also be the case that the issue of *homo economicus* is the defining feature of the nature of modernity. As such, it may be the need to constitute oneself as a *homo economicus* that is at the heart of some of the dissatisfaction with contemporary life. Again, I would like to caution once more that the content of this chapter is highly speculative but I also think that a reconceptualization of violence gives at least a useful starting point to seriously consider the burden of socialisation in general, and the burden of becoming *homo economicus* in particular. In writing this dissertation in the way I have done, I hope to both argue for and practice a version of *homo communicandis*. I try to appreciate that my own subjectivity has important ramifications for how I think about the world and that others have good grounds for thinking about the world in ways different from mine. This is also one of the reasons why I adopted an autobiographical method in this thesis. For clearly, there are few ways of emphasising one's subjectivity more than in an autobiography. I would next like to conclude this dissertation with a discussion of some of the things I have learnt during its writing as well as some of the limitations of an autobiographical approach for the study of economic ideas and knowledge.

## Conclusion

Having arrived at this point, it may be worthwhile to begin the conclusion with a consideration about what I have learnt about myself in choosing to attempt to understand the production and transmission of economic ideas in the light of an autobiographical method. This is a very tricky question to answer so I will turn to what is probably one of the best discussions of the issues that concern me here: Judith Butler's *Giving an account of oneself*.

At the most general level, I think I have gained an appreciation for the contingency with which I tell stories about myself. In other words, because I have chosen to write a dissertation about the production and transmission mechanism of economic ideas, I have come to understand an important aspect of my own subjectivity within the terms I have used for this purpose. But this means that I have simultaneously forsaken other ways of understanding myself. In the introduction, I spoke of this issue in terms of the image of an Escherian stairwell. One can always keep on going but there seems no way to truly step outside of the self. Judith Butler puts this point very nicely, when she writes about the work of Foucault that any reflexive action takes place within the context of some kind of rationality:

There will be a reflexive action of a subject, and this action will be occasioned by the very rationality to which it attempts to conform or, at least, with which it negotiates. This form of rationality will foreclose others, so that one will become knowable to oneself only within the terms of a given rationality, historically conditioned, leaving open and unaddressed what other ways there may have been, or may well yet be, in the course of history.<sup>538</sup>

One concept that plays a particularly important role both when one attempts to provide an account of oneself and when one attempts to provide an account for how economic ideas become accepted is the notion of truth. In the first and second chapters, I took issue with the notion of truth as accuracy of representation. Instead, I urge a vision of truth as justified

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<sup>538</sup> Butler, Judith, *Giving an account of oneself*, New York: Fordham University Press, 2005, p.120.

belief within particular language games. In this way, I have tried to highlight the need to move beyond a very narrow conception of methodology as a procedure for arriving at truth which is at the heart of positivism. I argue that this vision of methodology still informs much research and teaching in economics and that it blinds us to how ideas and knowledge are produced as a result of particular interpretive and epistemic communities which act within various fields of sociality. I argue furthermore that this vision of methodology also contributes to the vision of *homo economicus* as a coldly calculating asocial being. When I introduced the notion of language games in chapter two, my aim was to emphasise this social, communicative nature of humans. My aim was to move the image of human nature from *homo economicus* to *homo communicandis* and thus to revive an older tradition of political economy, as found in Adam Smith. This vision also gives preference to solidarity over the striving for objectivity, as Rorty has suggested.

The notion of truth might also lead to a problem when one is trying to understand what one has learnt or, to phrase the same issue another way, how one has become a certain way. I would again like to go back to Judith Butler's very interesting discussion of this point in relation to Foucault's attempts to provide his intellectual autobiography. Butler argues that in order to tell the truth about oneself, in order to provide an autobiography at all, one also needs to suspend a critical relation with the regime of truth in which one happens to live:

For Foucault, it seems, there is a price for telling the truth about oneself, precisely because what constitutes the truth will be framed by norms and by specific modes of rationality that emerge historically and are, in that sense, contingent. Insofar as we do tell the truth, we conform to a criterion of truth, and we accept that criterion as binding upon us. To accept that criterion as binding is to assume as primary or unquestionable the form of rationality within which one lives. So telling the truth about oneself comes at a price, and the price of that telling is the suspension of a critical relation to the truth regime in which one lives.<sup>539</sup>

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<sup>539</sup> Butler, Judith, *Giving an account of oneself*, New York: Fordham University Press, 2005, p.121.

What strikes me about this passage is that if Butler is correct, and that the price of telling the truth about oneself is the inability to think critically about the regimes of truth that produce oneself, is that I may not have been telling the truth about myself after all. My purpose in this dissertation was, first and foremost, to explore the regimes of truth which I have been, and continue to be, subjected to. I was hoping to use myself as an example through which to understand these regimes of truth. So maybe, in trying to understand these regimes of truth, I have misunderstood myself. Possibly, however, the situation is not as bad as Butler suggests. Maybe the point is that the truth to be found out about oneself is somehow of a different kind than the truth about the regimes that produce us. So that while it is never possible to subsume these different truths under a single overarching truth, and in telling one kind of truth we also lose the ability able to tell another kind at the same time, just maybe the price is not quite as high as Butler would suggest.

In the second part of the dissertation, I tried to highlight how different kinds of economic truths get produced through different texts. Another way of saying this would be to say that I have explored some of the sites in which the regime of economic knowledge operates and which in turn operate on the regime of economic knowledge. I chose the site of the economics textbook and the site of the contemporary novel as a comparison. My choice of books was meant to represent examples that have had a noticeable impact on my own life. An important aspect to knowledge production is learning what criteria to bring to bear on a particular question, novels also contribute to production and transmission of economic knowledge. I know that for many classically trained social scientists and philosophers the idea that fiction produces knowledge just sounds like complete nonsense. But this is because they are still wedded to a picture of truth as accurate representation of reality. Once we let go of this idea of truth, in favour of truth as justified beliefs, the idea of novels as producing knowledge seems quite natural. Popular novels often present characters who find themselves

in situation not too dissimilar from our own. In being presented the characters' course of action, as well as their justification for having taken this particular course, a reader learns what criteria might be considered relevant in a given situation. In being shown the misfortunes of a particular character, a reader might also be told something about the inadvisability of using particular criteria to make certain choices. What can differentiate novels from economic textbooks as vehicles for socialisation is that novels tend to be less prescriptive about the exact nature of the criteria that are to be used. They have less authority over the position to be taken by the reader. Whereas textbooks emphasise the spirit of objectivity in Rorty's sense, novels are better at fostering a spirit of solidarity. They are better at creating an awareness of the other – and of allowing one to accept the other as other. But it can also be the case that since novels present protagonists within an explicit social and economic context, the identification of a reader with the characters in the text can be of a much deeper and thorough nature. If this identification is deep enough, a character's way of seeing the world can become a model to be emulated in one's own personal life. And if a particular novel fosters the image of *homo economicus* as the image of human action to be emulated, particular novels can be even more forceful in fostering this particular way of looking at the world than textbooks. In fact, it may not go too far to suggest that Ayn Rand's novels were as important for Alan Greenspan's outlook on the economy as any formal textbook he read.<sup>540</sup>

As I began thinking about awareness of others, I realised that this awareness was particularly absent from economics and *homo economicus*. It is a big claim to make, especially as I am not going to substantiate it further, but it strikes me that all understanding might be relational at its core. We ultimately understand one thing only via another.<sup>541</sup> A

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<sup>540</sup> Greenspan pretty much suggests this much himself. See: Greenspan, Alan, *The Age of Turbulence: Adventures in a New World*, London: Penguin Books, 2009, pp. 51-53.

<sup>541</sup> Matthew Watson has pointed out to me that a very similar point has been made by Adam Smith in his *History of Astronomy*. However, I am yet to look into this issue more closely.



corollary of this is that I can only understand myself via, or through, others. It only makes sense to speak of an 'I' if there is a 'you' somewhere to be spoken to. This means that the very writing of this dissertation already assumed the existence of another, somewhere. The other is an ever present shadow, hovering not only over, behind, and on the edges of my writing and understanding. Rather, the other is infused into the very core of my being. So at the same time as this dissertation serves as an account of myself and of the economic ideas and the economic knowledge I have encountered, the account only makes sense in light of somebody who might hear the account. The fact that hardly anybody might read this account, or that I might be misunderstood is beside the point. What matters is that any account only makes sense if there is in principle another to be spoken to. Butler makes this point very eloquently in her *Giving an account of oneself*:

If I am trying to give an account of myself, it is always *to* someone, to one whom I presume to receive my words in some way, although I do not and cannot know always in what way. In fact, the one who is positioned as the receiver may not be receiving at all, may be engaged in something that cannot under any circumstances be called "receiving," doing nothing more for me than establishing a certain site, a position, a structural place where the relation to a possible reception is articulated. So whether or not there is an other who actually receives is beside the point, since the point will be that there is a site where the relation to a possible reception takes form. The forms this relation to a possible reception can take are many: no one can hear this; this one will surely understand this; I will be refused here, misunderstood there, judged, dismissed, accepted, or embraced.<sup>542</sup>

Obviously, a PhD dissertation is very peculiar piece of writing. After all, it will almost certainly be the case that this piece of writing has some very influential readers: the PhD examiners.<sup>543</sup> They get to decide if this piece of writing fundamentally represents an 'original contribution to knowledge' and thus warrants the award of a degree. However, and this comes back to what I wrote in the introduction, I do not think that the way a contribution to knowledge is generally framed in social science research is necessarily a useful way of

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<sup>542</sup> Butler, Judith, *Giving an account of oneself*, New York: Fordham University Press, 2005, p.67

<sup>543</sup> Even though I am writing this sentence merely a week before I am planning to submit my thesis, I must admit my ignorance as to who exactly these examiners are going to be.

thinking about knowledge production and transmission. It invites the image of knowledge production as a linear and cumulative process which happens according to some objective criteria of truth – when in fact knowledge production is a matter of playing particular language games within particular epistemic and interpretive communities. So even though my examiners in one sense are the most important readers of this dissertation, I must admit that the image of the other as an examiner has not really been important in how I decided to write this thesis.<sup>544</sup>

Rather, the image of the other that has been driving this thesis is the particular members of the epistemic and interpretive communities who I interact with. Or, to put it in less formalistic terms, my friends, supervisor, and colleagues. So it would be more correct to say that the other has influenced this dissertation not in the shadows but in the flesh and blood: In the conversations in cafés, hallways, and on Skype, during conferences, at parties. I have tried to find ways of saying something important and interesting about the nature of economic phenomena to the people who surround me and who I talk to.<sup>545</sup> Because my friends and colleagues are based in many different disciplines – economics, law, philosophy, politics, sociology, anthropology, etc. – this project necessarily was written outside the boundaries and vocabularies of any one discipline. Instead, I have tried to find ways of speaking and framing the issues that reach across disciplines. In order to do this, I had to sacrifice being able to comment on the breath which with different disciplines have taken up relevant points of discussion and I also had to abandon any consideration of the finer nuances of different positions within larger debates.

As substantial a sacrifice as this undoubtedly represents for a PhD, I think much can be gained by it. The questions which animate this dissertation – the content and status of economic knowledge – is of central importance for the way in which we organise our society:

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<sup>544</sup> Time will tell if this was a very bad idea indeed.

<sup>545</sup> Which obviously is just another way of emphasising the image of *homo communicandis*.

how we write laws, how we design institutions, and how we treat others. And as I have tried to suggest, too much authority is granted to the discipline of economics to speak for and about these issues. Any serious attempt that tries to bring together scholars from different disciplines to highlight the shortcomings of the particular understandings of rationality and human agency as advanced by contemporary economics is therefore worth whatever losses in disciplinary specificity have to be taken into account.

But in a very real sense this dissertation has also been written for another other: myself. It sounds slightly strange to put it like this but it also strikes me as true. Writing this dissertation has also given me an opportunity to see the other within myself. What I mean by this is that in having gained a greater appreciation for my own contingency, for that fact that I also could have become, and still can become a genuinely different type of person, I also carry within me the seeds of an other. An other me. Writing this dissertation with an autobiographical angle has given me manifold more reasons to think about the various ways in which I have been socialised than I had occasion to do at any other point in my life. And these reflections have somehow meant I have gotten to know some other me's in some very limited ways. The recognition that had I taken a different fork in the road at different times, I would today also be a different kind of person, somehow also taught me something about who I am today. So that in writing this dissertation I both learnt about myself as me who I currently am, as well as about myself as other – about who I could have become, might yet become, and will never become.

Given the multiple dimensions with which the other partook in this dissertation, it is doubly striking just how much the other is absent in economics as it is currently practiced. The image of *homo economicus* continuously asks us to think of human agency in terms of a Robinson Crusoe alone on an island. But, as Matthew Watson has highlighted, there is

something strange about this invitation.<sup>546</sup> For if markets are arenas of competition, what is required are both sellers and buyers. But Robinson Crusoe solitary. How can he serve as an image of what it might mean to act economically? In other words, economics at the same time teaches the utter insularity of the individual whilst at the same time also assuming the existence of other people for the purposes of exchange. By introducing the notion of *homo communicandis*, I hope to have shown that economics can be practiced without the need to uphold this awkward paradox. In fact, I have argued that an economics which rejects the insularity of *homo economicus* for a vision of human beings in their full sociality is the only economics which can assume the responsibility which it has in virtue of the fact that it socialises individuals into a particular way of looking at the world.

I hope to have made a case for the fact that political economy in its Western infancy, as practiced by Adam Smith, both had others as a core consideration and that it is desirable to return to this conception of economic agency. Economic agency along the lines of *homo economicus* can contribute to the erasure of much that makes human life enjoyable: Random acts of kindness, cooperation, unconditional friendship and love. All these acts involve and require an other and an economics that has no space for this other is not a healthy way of thinking for a social creature.

The importance of the other also brought home the importance of humility. In some sense, one of the prerequisites for writing this dissertation in the way I have done is to appreciate my own contingency and limitations. This holds true in a number of different dimensions. On one level, writing this dissertation required me to let go of ideas and things I formerly strongly believed. It required realizing that to a large extent, I believed whatever I believed partly as a result of historical contingency – if I would have been born in a different time, at a different place, I also would have believed different things. Appreciating one's

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<sup>546</sup> See: Watson, Matthew, "Competing Models of Socially Constructed Economic Man: Differentiating Defoe's Crusoe from the Robinson of Neoclassical Economics", *New Political Economy*, 2011, 16(5), pp. 609-626.

contingency in this way becomes one of the requirements in order to unlearn something, rather than just to forget it. The awareness of one's historical contingency also loosens one's self-identity. I realised that the things I believed, which in some ways are related to the person I saw myself as, were also accidental. In other words, even though my beliefs are important to who I am, they cannot define me. If I would have been born at a different place and at a different time, say my parents decided to move to Papua New Guinea just before or after I was born, I would physically still be the same although intellectually I could have become somebody quite different.

This discussion obviously echoes the problems of where the self is to be located, but the point I want to make is that unlike *homo economicus*, I do not have sole authorship of the person I am. The fact that I lack sole authorship, however, does not mean I have no input whatsoever. I have some input but it is heavily mediated by cultural and historical factors. The awareness of this contingency creates an associated awareness of the limits of knowing and how these limits are also reflected in the language we use to describe ourselves and others. In fact, trying to provide simultaneously an account of myself as part of economic ideas and of economic ideas as part of myself has also given me an appreciation for the fact that there comes a point when we reach the limits of language. Wittgenstein often spoke about how "explanations come to an end somewhere"<sup>547</sup> and how "If I have exhausted the justifications I have reached bedrock, and my spade is turned. Then I am inclined to say: "This is simply what I do."<sup>548</sup> I have also reached this point a number of times during this dissertation - a point where I felt unable to go on inquiring further about the formation of my own self without somehow going back to where I started. Again, Butler provides some very nice further reflections on this point which I think are worth quoting at length:

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<sup>547</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §2.

<sup>548</sup> Wittgenstein, Ludwig, *Philosophical Investigations*, Oxford: Blackwell, 1958, §217.

To tell the truth about oneself involves us in quarrels about the formation of the self and the social status of truth. Our narratives come up against an impasse when the conditions of possibility for speaking the truth cannot fully be thematized, where what we speak relies upon a formative history, a sociality, and a corporeality that cannot easily, if at all, be reconstructed in narrative. Paradoxically, I become dispossessed in the telling, and in that dispossession an ethical claim takes hold, since no “I” belongs to itself. From the outset, it comes into being through an address I can neither recall nor recuperate, and when I act, I act in a world whose structure is in large part not of my making—which is not to say that there is no making and no acting that is mine. There surely is. It means only that the “I,” its suffering and acting, telling and showing, take place within a crucible of social relations, variously established and iterable, some of which are irrecoverable, some of which impinge upon, condition, and limit our intelligibility within the present. And when we do act and speak, we not only disclose ourselves but act on the schemes of intelligibility that govern who will be a speaking being, subjecting them to rupture or revision, consolidating their norms, or contesting their hegemony.<sup>549</sup>

In the third part of the dissertation, I examined two particular concepts and how they can be used to understand different interrelations between the production of economic ideas and the formation of our own self. The first concept I explored is the concept of the market. I tried to show that the concept of the market is not merely used to describe a place of exchange but that it is used to express issues of personal identity and social norms. In inviting us to think of the market merely in terms of a place of exchange, economic theory also bewitches us into a narrow conception of what markets are and how they operate, even though we use the concept with entirely different meanings than the one attached in economic theory. One aspect of this view of markets as advocated by economic theory is that it already assumes a distinction between the economic and the social. Butler puts this very nicely when she writes that “it is not just that the apparently autonomous sphere of economic markets is produced on the condition that a conceptual distinction has been made between the economic and the social. Rather, that very distinction is performatively produced through a process of selection, elision, and exclusion.”<sup>550</sup> By highlighting the different meanings attached to the concept of the market in everyday speech, I hope to be able to highlight just what kind of

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<sup>549</sup> Butler, Judith, *Giving an account of oneself*, New York: Fordham University Press, 2005, p.132.

<sup>550</sup> Butler, Judith, “Performative Agency”, *Journal of Cultural Economy*, 3(2), 2010, p.149.

selection and exclusion occurs in economic theory. And by being made aware of this selection and exclusion, I hope to be able to offer a remedy against a certain bewitchment by economic theory (and in fact, this way of viewing things has helped with my own bewitchment).

In the final chapter of the dissertation, I again picked up on Butler's idea that there is a price to thinking and being one way rather than another and I began to explore just how this price might have to be paid. My idea is that the price we have to pay to become socialised into a particular way of being is that we have to enact a kind of violence against ourselves. In framing the issue of violence this way, I follow the highly original idea of Johan Galtung who defines violence as the difference between potential and actual. Like Willem Schinkel, who already further elaborated on Galtung's idea, I think it can be enlightening to think of violence as an ontological condition of being. Socialisation is one of the primary ways through which we actualise our being. As such, all socialisation can be considered violent – but that does not make all socialisation equally violent. Rather, some ways of being pose a heavier burden on the individual than others. I go on to suggest that being socialised in the image of *homo economicus* places a particularly high burden on the individual since it negates the need and desire for community, communication, and empathy, and since it presents one's life outcomes as the sole responsibility of one's own decisions. In other words, by negating all cultural, historical, and structural factors that shape the life outcomes of a person, an individual is invited to both give themselves too much credit in case things work out, and too much blame in case they do not. But the negation also contributes to a belief that sympathy, empathy, and solidarity are not necessary or even desirable in the end. Highlighting the violence of socialisation is another way of highlighting the need for empathy and sympathy which underlies the vision of *homo communicandis*.

Having introduced the question of different ways of being socialised, one question that opens up is how representative is my way of having been socialised is? Or to put the same issue another way, how representative my account is for society in general. This way of framing the issue also brings up the issue of narcissism. After all, thinking about the ethical aspects of *homo economicus* from an autobiographical perspective, does potentially lead to a reification of the self over others. As Butler cautions:

If certain versions of self-preoccupied moral inquiry return us to a narcissism that is supported through socially enforced modes of individualism, and if that narcissism also leads to an ethical violence that knows no grace of self-acceptance or forgiveness, then it would seem obligatory, if not urgent, to return the question of responsibility to the question ‘‘How are we formed within social life, and at what cost?’’<sup>551</sup>

As Butler suggests, one of the preoccupations of this dissertation has been to return exactly to this question. I have tried to argue that there are costs to be paid – individually on the basis of the violence of socialisation – and socially on the basis of a society that devalues communication, corporation, sympathy and solidarity. If my assessment of the situation is correct, then my personal account is also representative of certain trends of contemporary Anglo-Saxon society in general. But at another level, it also strikes me that my account is also unrepresentative. After all, I could take four years, during which time I was paid to read books and write this manuscript. There are very few people who ever get a chance to do this. Surely, there is something in having been granted this luxury that shapes my perspective in ways that are not representative of anybody who has not been granted such a chance. And having been granted this chance, as well as so many other chances, given how many people are constantly denied anything even remotely similar, also makes me think that the game is somehow stacked in my favour. So it seems difficult to say just what it may ultimately even mean to claim my account has been (un)representative.

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<sup>551</sup> Butler, Judith, *Giving an account of oneself*, New York: Fordham University Press, 2005, pp.135-6.



But as far as concerns the issue of narcissism, at least, I think a more definite answer can be given. This answer revolves around the issue of the other. Even a self-preoccupied moral inquiry, such as this dissertation undoubtedly represents, can avoid the charge of narcissism if the self is approached as one amongst many diverse equals, rather than one above all others. If a self-preoccupied moral inquiry manages to place the self within a larger framework of other selves that may, or may not, face similar issues, and if it is admitted that the perspectives of other selves may justifiably be different from our own, then I think an inquiry can avoid narcissism. And hopefully this is something I have accomplished in this dissertation.

I also hope to have laid the foundation to undertake further research with this dissertation. In particular, this dissertation has given me an appreciation for the fact how economic knowledge and ideas are produced through a variety of mechanisms. I have also gained a much greater appreciation for the fact that economic concepts need to be constructed and that these constructions become part of larger narratives and discourses which in turn shape the nature of economic concepts.

I would next like to extend my research to examine the role which popular media plays in these processes. I would like to start with daily newspapers and then potentially move onto TV-programs, movies, and possibly even Social-media sites. The media is a fascinating case because it is another site where writers (or speakers) present a vision of how the 'economy' works and why particular social arrangements should be deemed beneficial or damaging. In particular, the media plays a key role in how economic and social issues are framed in popular debates. If one recalls the importance of framing (as discussed in the second chapter), this already makes the media of paramount importance. Writers in the media influence the terms in which an issue becomes publicly discussed. And the very terms that are chosen will influence the course of the public debate.

One particular example I would like to explore in this regard is the example of Quantitative Easing (QE). QE is a perfect case because it was a completely unknown concept until fairly recently. Even though the term was coined in the early 1990s to describe the actions taken by the Bank of Japan at that time, it was only in the aftermath of 2007 that the term started to be used in non-specialist literatures. QE was adopted by the Federal Reserve in November 2008 and by the Bank of England in March 2009. As QE comprises some highly technical operations, the media needed to find a way to construct knowledge about what constitutes QE in lay-terms.

One idea is to undertake a discourse analysis of different broadsheets, say a major financial paper (*The Financial Times*) and one or two more popular papers, like *The Guardian* and *The Times* (or *The Daily Telegraph*), in order to examine in what ways QE is made understandable to the public and what criteria are used to assess its desirability. I am also quite interested if it is possible to detect systematic differences in how QE is presented in the various papers. There are two preliminary considerations: First, is there a difference, either in detail, or in content, between the financial paper and the popular broadsheets? Second, is there a difference in the assessment of the desirability of QE between the politically left-leaning *Guardian* and the politically more conservative *Times/Telegraph*. Without having done any systematic research, either scenario is imaginable: On the one hand, the differences in political outlook should be reflected in how QE is assessed. On the other hand, I could also imagine that the technical nature of QE gives rise to a narrative that the program is politically neutral. Clearly, any government program of such proportions as QE will have consequences. However, it is up to the media to construct a plausible narrative about what these consequences are going to be and whether these are desirable for society.

QE is also an interesting case because it is an umbrella term for completely different practices. Even more, the practices that constitute QE vary from country to country. It would

be interesting to find out to what extent this realization is present in the media coverage. There is clearly a danger of miscommunication. If different commentators use the same term but mean to speak about different practices, confusion is likely to follow. So it will also be a point of investigation to try to analyse what practices are referred to when the term QE is used. The question of whether to emphasize the similarity of different forms of QE or their difference will therefore be of some interest to my research.

A related point regards the historical specificity of QE. Most commentators seem to emphasize the fact that QE is historically unprecedented. What makes this move interesting is that to claim unprecedentedness already shapes the criteria than can be used in order to assess the program. By calling QE unprecedented, the program is already immunized to some extent against historical comparisons. The fact that a new term began to be used and propagated might reflect the desire to emphasize the novelty of the program but from a narrative standpoint this practice also has other ramifications. Some scholars have already pointed out important similarities between QE and the Fed's actions during the 1930s and 1940s but the important point is that the actions undertaken by the program could have been reported under a term like expansionary Fiscal Policy, thereby allowing for a more obvious historical comparison. What this point therefore illustrates is the complex relationship between discourse and practice. By successfully naming the same practice differently, a different meaning can be established by which the practice is to be evaluated.

Last, and this directly follows from the previous point, is that the meaning of QE is also connected to the meaning and the role of money. The concept of QE can only be made understandable against a background understanding of what constitutes money in an economy. For the most part, the popular understanding of money sees it simply as the notes and coins in our wallets, or possibly as the money we have deposited at banks. However, if we think of money as a means of payment or the means to settle a debt, all modern

economies rely on another type of money – central bank reserves. What makes this money special is that it is only made available to very few participants of an economy. In fact, in 2007 there were only 59 financial and other institutions which held reserve accounts at the Bank of England. In other words, these 59 institutions have privileged access to a type of money not available or useful to anybody else. On the one hand, central banks reserves are clearly money as they are used to settle billions of debts every year but, on the other hand, they are also different from regular money because only a tiny fraction of participants of the economy can use them. Seen in this way, QE opens up some very interesting questions about the purpose of money. Who is money created for? Why do these institutions deserve their own type of money? What does it mean to make a different type of money available at favourable conditions to a small fraction of an economy? As these questions indicate, I am also hoping to use my findings about the narratives of QE in daily newspapers as a foundation to examine some broader issues about how the nature of the economy is presented in the media. The methodological and theoretical work done in this dissertation should serve as an ideal foundation to undertake such type of work.

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