

What good are economists if they all say the same thing ?

Manifesto for pluralist economics

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The starting point for this book was a letter sent in December 2014 by Jean Tirole to Geneviève Fioraso, who at the time was Secretary of State for Higher Education and Research. In this letter, the French economist threw all the prestige of his recent Nobel prize behind the sole objective of thwarting a reform that was supported by hundreds of academic economists. The sole aim of this eagerly awaited reform was to institute within the French university system a space for the expression of ideas at odds with mainstream economic thought. Jean Tirole's extraordinary initiative was unexpectedly successful: Geneviève Fioraso decided to withdraw her decree.

The affair is not without a certain piquancy. Economists are ordinarily best known for their critiques of administrative rigidities. Whether it be the labour market or social security, they are constantly harping on France's inability to reform itself which, in their jargon, means liberalise and privatise. So the spectacle of an economist advocate of economic liberalism, asking the state to help him maintain his monopoly position in the university system is, to say the least, entertaining. But that isn't the only paradox. There is another, no less surprising one. How can it be that the secretary of state in a socialist government finally decided to close the door on pluralism? After all, there was a time when it was the ambition of the left – and one it took pride in – to develop new, more equitable social relations, which quite obviously requires alternative economic thinking in order to evaluate the possibility of so doing. However, such thinking is now ostracised because of its very heterodoxy, and the reform so vigorously opposed by Jean Tirole was intended only to acknowledge its legitimacy. Why was this idea rejected by the very person who should have been the first to defend it?

As one might well suspect, there is nothing anecdotal about this affair. On the contrary, it raises a number of important issues. It would be a serious mistake to see it as just one more altercation between economists. If it affects the wider public, it does so, firstly, because we live in a world in which economic questions foist themselves upon us every waking moment, as is evidenced by what the polling organisation call the ‘main concerns of the French’. Out of a list of 16 items, seven fall largely within the sphere of economics and account for two-thirds of responses. They are the financial crisis, unemployment, the public deficit, purchasing power, taxation, pensions and housing. The first four, moreover, are by far the most important in French people’s eyes.

Consequently, it is not difficult to understand the considerable impact that economists can have on our lives. Nor is it difficult to understand how essential it is that their analyses are regularly investigated and challenged, particularly during open debates. What is at stake is nothing less than the very conditions under which we live our daily lives. This book is above all a cry of alarm about the risks we are running by letting a single school of thought hog the debate. Now it so

happens that in our universities today a certain concept of economics, the neo-classical or mainstream approach, has become the established orthodoxy (for an explanation of these terms, see the glossary at the end of the book).

CHAPTER 1

Pluralist economic analyses essential in a
democratic society

The financial crisis of 2008 perfectly illustrates the very real risks citizens incur as a result of the bad practices encouraged by economists and, in particular, the reign of dogmatism. The responsibility of mainstream economists for these risks is clearly established. The very ones who, in France as elsewhere, are the intellectual leaders in their academic discipline and in whose name Jean Tirole wrote to Geneviève Fioraso, saw absolutely nothing coming. The story is now a familiar one: because of their absolute belief in the efficiency of financial markets, they did not believe that such a crisis could ever happen. All the official reports of the time bear witness

to this ‘blindness to disaster’. These events have to be kept in mind, since they attest to an undeniable reality: economics cannot possibly be regarded as a science to which we can entrust our fate with eyes closed. In particular, it is abundantly clear that mainstream economic theory can be wrong, and on occasions spectacularly so! For example, in 1978, the celebrated economist Michael Jensen declared, without reservation, that: ‘there is no other proposition in economics which has more solid empirical evidence supporting it than the Efficient Market Hypothesis’. For the next three decades, economists propagated this false notion and in doing so contributed greatly to the excessive financialisation we are experiencing today.

What should have been done in order to prevent this disaster, for which we are all footing the bill and will be doing so for many years to come? It would be stupid to believe that the reform we are advocating would have been sufficient. Clearly, financialisation originates in and is driven by powerful interests that cannot be overcome by intellectual critiques alone, however well informed they might be. Without being too naïve, however, it would very likely have been beneficial to allow voices other than mainstream

economists to be heard more widely, since they would have constituted a healthy counterbalance. In particular, many non-mainstream studies have pointed up in no uncertain terms the risk of speculative forces. And do not think that this idea dates only from 2008. It has long been part of critical thinking. It is found, for example, in the writings of Marx, Keynes, Minsky and many others. It might be hoped, therefore, that if more attention had been paid to these heterodox analyses, the result would have been greater circumspection in the face of speculation and the financial markets.

What emerges from this episode is that the community of economists was desperately short of debate and controversy. Its virtual unanimity contributed greatly to the development of its blindness, and today it is the citizens who are paying the price. If we are to draw any lessons from this failure, we have to insist *a contrario* on the importance of the critical spirit and pluralism. In fact, this is a stipulation that is in no way specific to economics, since it lies at the heart of any enterprise based on the exercise of rationality. Doubt and criticism are unquestionably part of the scientific ethos. Indeed, they constitute its very foundations. This is why the citizens concerned to have

good quality economic information at their disposal must demand that research in economics be organised on a pluralistic basis, in which minority positions are respected and excessively homogeneous thinking mistrusted. It is quite extraordinary that we have to state the blindingly obvious in this way.

In other words, in a democratic society, it is normal and healthy for matters to be debated in such a way that citizens are as well informed as possible and hence able to determine their futures. This is the norm that underpins democratic life: the collective interest is constructed through the juxtaposition of divergent opinions. It is certainly not a simple matter to comply with this norm in societies shot through with contradictory interests, all of which are seeking to impose their strategy at any cost, even when it is clearly the road to catastrophe. There is no other way of resisting than through the widest possible democratic debate. However, such debate comes under serious threat, to the point of being made impossible, when the legitimacy of economic diagnosis is unfortunately monopolised by certain interests or certain concepts of the world. Instead of informed debate, what then prevails is the artificial imposition of

a solution, presented as being without any credible alternative. This risk is a familiar one. It is a product of intellectual orthodoxy: if people are offered just a single analysis described as scientific and rigorous by economists who are unanimous in their thinking, then debate is closed down and democracy threatened. In other words, in an open and balanced society, it is important that economic research is pluralist so that false interpretations and mistaken solutions can be excised by the scalpel of critical thinking. There is no other way in science to advance knowledge or in democracy to sustain effective debate.

At the very least, this requires a diversity of approaches to economics. And for a long time this was indeed the case. From its very beginnings, economics had always been pluralist because of the perpetual controversies that permeated the discipline. This is what gave it its historical richness and enabled it to advance. It is only in the last thirty years that this pluralism has been at risk of fading away or dying out altogether, with a rigid orthodoxy being imposed in its stead. Previously, the debates had been remarkably intense and were focused not on peripheral or secondary points, as is the case today in mainstream

economics, but on the basic concepts themselves, such as value, money, profit and unemployment. On all these questions, there is a wide range of radically divergent analyses with important social implications. To give some idea of the richness of this historical diversity of approaches, let us just mention a few names of heterodox economists, limiting ourselves to the 20th century: Veblen, Commons, Schumpeter, Keynes, Sraffa, Pasinetti, Kalecki, Robinson, Hayek, Galbraith. The list is impressive. Besides, if we really want to gauge the vitality that prevailed for so long, we have only to think of the French example. The country is the birthplace of two important heterodox schools of thought in economics, both of them undeniably international in their influence: regulation theory and the economics of convention.

So as we can see, economics is too important to be left to economists from a single school of thought, particularly one so lacking in perceptiveness and perspicacity. Whether we're considering austerity, inequality, unemployment, social protection or public services, it is important to have available to us contradictory and informed diagnoses on all these fundamental questions. Without them, there can be no

democracy. Today in France, however, non-mainstream approaches are being totally marginalised through the imposition of majority rule, which enables the dominant school of thought to impose utterly biased evaluation criteria on all aspects of the discipline. It is this story that we will now relate. While it is sad and worrying, we will see, nevertheless, that there is nothing inevitable about it and that pluralism can be restored.

WHAT GOOD ARE ECONOMISTS...

CHAPTER 2

The story of a thwarted attempt
to implement a necessary reform

Act I. The programmed death of pluralism

First, the facts. The teaching and research staff in French higher education institutions is divided into two bodies or corps that exist alongside each other: the corps of lecturers (*maîtres de conférences*) and the corps of university professors. As far as the latter is concerned, the facts are quite damning: the share of non-mainstream economists being appointed has fallen dramatically in recent years. Of the 209 professors recruited between 2000 and 2011, just 22 (10.5%) were heterodox. It is very worrying to note that this downward trend became stronger as the decade progressed. Between 2000 and 2004, non-mainstream

economists still accounted for 18% of the new professors recruited; between 2005 and 2001, however, this percentage fell to just 5%, such that of the 120 professors appointed during this six-year period, only six were non-mainstream, with all the various schools of thought taken into account! The trend is quite clear and is gathering strength.

The rejection of pluralism is probably less pronounced among lecturers, since it is access to professorships that is being systematically blocked. It is not difficult to understand the reason for this. It is connected with the structuring role that professors have within the university system, which far outweighs any influence that lecturers, who are confined to secondary positions, may be able to exert.

After all, university professors' function is not simply to transmit knowledge through the teaching they provide. They also play an essential part in producing the new blood the academic profession requires. It is they who direct master's programmes and research teams, supervise PhDs, chair journals' editorial boards and conference organising committees and, finally, select and appoint their colleagues.

Without professors, there would be no research master's programmes, no PhD students and therefore no new blood coming into academia. Consequently, if there are too few professors in a particular strand of economic enquiry, that strand will automatically wither and die, even though there might be a significant number of lecturers working within it. Clearly, a school of thought cannot exist without its journals, master's programmes, research teams, PhD examining panels or editorial boards, and in France all these bodies are usually the exclusive province of professors.

Thus in order to eliminate pluralism in economics without causing any fuss, it is sufficient simply to replace most of the heterodox professors who retire with young orthodox colleagues. And this is precisely the story that the figures cited above tell. The many heterodox professors have not been replaced, not because of a shortage of talented younger academics but because pluralism has been rejected by means of mechanisms that will be described below (see Counterargument 3). It should be noted that this shift away from pluralism is not unique to France. It has been going on across the world since the early 1990s.

And, moreover, it was very rapidly reflected in a general decline in both teaching and research.

As far as research is concerned, the alarm was sounded in 1992 in the *American Economic Review* in the form of a petition signed by 44 leading economists who were concerned about the threat of intellectual monopoly hanging over economics: 'Economists today enforce a monopoly of method or core assumptions, often defended on no better ground than that it constitutes the "mainstream." Economists will advocate free competition, but will not practice it in the marketplace of ideas. Consequently, we call for a new spirit of pluralism in economics, involving critical conversation and tolerant communication between different approaches.' Academic rigour would not suffer: 'an economics that requires itself to face all the arguments will be a more, not a less, rigorous science'. The signatories called for the new pluralism to be reflected 'in the character of scientific debate, in the range of contributions in its journals, and in the training and hiring of economists'. The signatories included big names from outside the mainstream, including Kenneth Boulding, Paul Davidson, John K. Galbraith, Albert Hirschman, Charles Kindleberger, János Kornai and Luigi Pasinetti. What is truly

revealing, however, is that they also included a number of winners of the Nobel Prize (more aptly called the ‘Bank of Sweden Prize’), such as Franco Modigliano, Paul Samuelson, Herbert Simon and Jan Tinbergen. Such open-mindedness would be inconceivable today. Which major mainstream figures today are concerned about the discipline’s narrow-mindedness and would associate themselves with such an initiative? One has only to remember how France’s 2014 Nobel laureate behaved.

With regard to teaching, it was in France that the first voices were raised in protest. Two movements initiated by economics students followed one another about ten years apart; they both adopted very similar slogans and spread from France to other countries. In June 2000, the first Student Movement for Reform of the Teaching of Economics, otherwise known as Autism-Economics, adopted as its principal demand ‘a pluralism of approaches to economics’. Referring to neoclassical theory and the approaches derived from it, the students wrote: ‘Of all the approaches that exist, we are generally presented with only one, and it is supposed to explain everything in accordance with an axiomatic approach, as if it were THE economic truth’.

This movement expanded to such an extent that the then Minister of Education, Jack Lang, asked the economist Jean-Paul Fitoussi to produce a report on the question. However, a previous report submitted in 1999 by Michel Vernières had already highlighted the problem, but nothing came of it. Ten years later, the situation had deteriorated further, to such a point that in February 2011 a second student movement, following on from the first one, launched an appeal 'For pluralist teaching in economics in higher education'. The title of this appeal speaks for itself. In order to dispel any ambiguity, the students explained that the pluralism they were seeking was theoretical, methodological and interdisciplinary in nature: 'Neoclassical theory must not remain as the sole pillar of teaching'. Since then, there has been no change at all, merely a continuing intensification of the same trend. This led to the establishment in 2015 of the International Student Initiative for Pluralism in Economics (ISIPE), made up of some 65 student associations from 30 different countries. Even worse, from 2010 onwards, the restrictions in higher education began to spread to secondary schools. The new economic and social sciences programmes in French high schools have replaced the rich tradition in which the teaching of

economics had its roots and which emphasised the role of history and socioeconomic factors in determining economic behaviour. Under the pretext of bringing the high school programmes into line with the university curriculum and against the wishes of teachers and ten academic associations in the social sciences (including AFEP), the tried and tested pluralist approach to economics, which was popular among high school students, was killed off. It has to be concluded from this that the economics community is more incapable than any other even of entertaining doubts about itself, let alone reforming itself, as the financial crisis of 2008 demonstrated once again.

As we have said previously, this dramatic event showed beyond a shadow of doubt that a large part of the financial and monetary reality of our developed economies totally eluded the dominant paradigm. What a shock! The Queen of England herself rebuked economists very severely for having seen and understood nothing. Faced with such a trauma, many articles and commentaries emerged in the months that followed calling for a change in economic thinking. Some newspapers were talking of a 'return to Keynes' or even of a 'return to Marx'. One book would not be

sufficient to give an account of the immediate aftermath of the crisis. The majority of the criticism was directed at the very heart of mainstream economics, whose theoretical flaws were laid bare. To speak of a ‘systemic failure of academic economics’, as some colleagues wrote, was by no means to exaggerate. It clearly reflected the general tenor of this literature. Ronald Coase, who won the Nobel Prize in economics in 1991, wrote: ‘At a time when the modern economy is becoming increasingly institutions-intensive, the reduction of economics to price theory is troubling enough. It is suicidal for the field to slide into a hard science of choice, ignoring the influences of society, history, culture, and politics on the working of the economy’. The accusation that mainstream economics ignores essential political and social realities crops up frequently, as does the allegation that economics has usurped the term ‘science’: ‘The standard approach has the appearance of science in its ability to generate clear predictions from a small number of axioms. But only the appearance, since these predictions are mostly false,’ wrote the theoretician of the firm John Kay.

By 2015, however, seven years after the crisis, it was apparent, with the exception of a few isolated initiatives, that this explosion of criticism had had no effect. Virtually no challenges to the mainstream had been launched and the orthodoxy still prevailed as if nothing had happened. What was worse, nothing had changed in the universities: the same things were being taught, in the same way. This was not specific to France; it was the same everywhere, including in the USA. This experience confirmed how inert the discipline of economics was. If a shock on such a scale had no consequences, there was good reason to doubt the ability of mainstream economists to evolve.

Act II – The founding of the AFEP and its proposals

It was in this climate, both nationally and internationally, that a group of French economists put forward the idea in 2009 of establishing a professional association with the aim of defending and illustrating pluralism in economics. The organisation they founded is the *Association française d'économie politique* or AFEP. Its success was equal to the situation, since it now counts among its members 600 PhDs in the social

sciences, of whom 90% are economists, most of them working in universities but also in the CNRS (The French National Centre for Scientific Research, the largest governmental research organisation in France) and other institutions. In order to have an idea of what this figure represents, it should be noted that the total number of lecturers and professors in economics in French universities is 1800.

While all AFEP members shared the same analysis and concerns, there was a lively and diverse debate on the specific measures to be taken in order to prevent pluralism in economics from wasting away. To begin with, a diagnosis of the causes of this crisis of pluralism had to be established. In order to explain this diagnosis, we have to briefly outline the mechanics of the French institutional system.

There are two main routes to a professorship in France. The first is via a competitive examination known as the *agrégation de l'enseignement supérieur*, which was long the dominant route. This is why it is the mechanism largely responsible for the marginalisation of heterodox economics (see Counterargument 8). However, its role has just been

considerably reduced, with the result that the second route, known as the ‘long route’, should henceforth be the preferred one. In this second process, it is the universities that select the applicants, but only after they have been nominated by the *Conseil national des universités* (National Council of Universities or CNU), the body responsible for recruiting academics and managing their careers. This nomination process is known as ‘qualification’. In other countries, the universities are the sole arbiters of who is worthy of appointment to an academic position. In France, with its Jacobin tradition, applicants must additionally have been approved and nominated by the CNU.

In order better to fulfil its remit, the CNU is divided into 77 sections covering the disciplines taught in universities. The members of these sections are academics in the discipline in question: 50% are lecturers and 50% professors. Two thirds are elected by their peers and one third are nominated by the Ministry of Education. The membership of each section is renewed every four years. While all members are present at qualification reviews for lecturers, only professors attend sessions at which lecturers are assessed for promotion to professorships. Unlike other

disciplines such as physics, biology, law and history, economics is confined to just one section of the CNU, namely Section 05 (see Counterargument 8).

It is easy to understand why the CNU plays a key role in our history since it is now the body that determines the criteria applicants have to fulfil in order to be appointed as university lecturers or professors. Consequently, a university cannot adopt a pluralist approach unless Section 05 adopts pluralist criteria. Is this possible? Under what circumstances? Let us start by noting that simply adhering to majority rule is not sufficient to ensure that pluralism prevails within Section 05. In fact the contrary is the case. After all, as soon as one doctrinal school gains a majority within this section, it will also legally be in a position to ratify all its decisions since all it has to do is to put them to votes that it will always win. We can speak of abuse of this majority position when the majority exploits its dominant position in order to restrict qualification to its candidates only. However, experience shows that more than a majority is required for such practices to become established: what is also required is inner certainty of the superiority of one's position. And indeed, mainstream economists are firmly convinced that they

possess the true knowledge that they are on the side of excellence. They dismiss heterodox economists because they regard them as unworthy of the status of university professor. In adopting this stance, they are both pursuing their own interests and heeding their consciences.

It should be emphasised that this notion of academic excellence has expanded exponentially ever since a way of measuring it was proposed: in order to judge the excellence of economists, it is sufficient, we are told, to observe in which journals they have published their research work. If they have published in allegedly excellent journals, they are *de facto* excellent; if they have published in journals at the bottom of the rankings, they are mediocre. Thus it all becomes very simple as soon as journals can be hierarchised, which is why the classification of journals has become the key instrument for all bodies involved in the appointment, evaluation and promotion of university teaching and research staff in France. *It is the keystone of the entire system that we are denouncing.* It should be noted that this is an exception in the social sciences, since virtually all the other sections in the CNU operate with a non-hierarchised list of journals.

It follows from this that mainstream economists now focus all their efforts on a single objective, namely publishing in the most highly ranked journals. The supreme goal, the Holy Grail, the one all these economists are chasing, is to publish in what is known as the Top Five, the five most highly ranked journals, all of them published in English. Those research centres that have the resources even offer bonuses of thousands of euros or even tens of thousands to reward those who have an article published in one of these journals. To be an economist today is to take part in this biased competition. And above all, do not dare to remark naively that, even in the most highly ranked journals, there are mediocre articles, which makes it impossible to judge an article simply on the basis of the journal in which it is published! And vice versa, as is illustrated by the fact that Einstein published some of his work in lesser journals. In other words, the link between the quality of an article and the quality of the journal that publishes it is highly variable.

As this concept of excellence gradually spread throughout France, the exclusion of critical thinking proceeded apace, to the point where it became a matter

of routine. The mechanism that explains this correlation is easily revealed: there are virtually no articles by heterodox economists in any of the major journals! This too is the result of an extraordinary drive to close down debate: these journals, which used to publish the work of economists such as Veblen, Keynes, Simon and Hirschman, are now closed to the heirs of these great figures. In other words, the hierarchical classification of journals that prevails today is utterly biased, since it leaves no room – or at best just a tiny niche – for non-mainstream journals. It is difficult to understand how our mainstream colleagues can refuse to see such a simple reality and persist in the view that this ranking of journals is a neutral instrument of evaluation. Does anyone seriously believe that the chance of an article written by a Marxist, a post-Keynesian or an adherent of the regulation school being published in one of the ‘Top Five’ journals is the same as that of a neo-classical article? How then does one explain the fact that there are virtually none to be found in such journals? Under these circumstances, it is not too difficult to understand why orthodox economists remain so attached to the journals hierarchy, which has been affirmed and reaffirmed time and time again in all universities. It is the

unfailing instrument of their domination, the ingenious device they use to implement what is increasingly tantamount to censorship. It enables them to impose their hegemony and, without encountering any opposition, marginalise all those who do not adhere to their paradigm while appearing to be impartial and objective in their appraisals. If an applicant protests about being refused a job, he or she will be told that they have not published in the top journals! This is how all the bodies involved in the recruitment of university professors in economics in France, including Section 05, have operated for years. Even before the evaluation process gets under way, potential applicants whose names do not appear in the highly ranked journals know they have no chance. They will be rejected simply because they have the misfortune to think differently from the majority. It is this system that has destroyed pluralism. How can we belong to a section that declares in the clearest possible terms that our ways of thinking are second-rate ways of thinking and our journals second-rate journals, to a system that judges and sentences us without even reading our work?

On the basis of this analysis, the AFEP, ever since its 2010 conference onwards, has championed the idea that there is only one viable solution if pluralism is to survive in France. This is to set up a new CNU section, separate from Section 05. There is no doubt, after all, that if we remain within the current institutional framework, the dominant power relations and concepts of what constitutes academic excellence mean that there can be no prospect of development for those theoretical approaches not supported by the standard paradigm. The rejection of pluralism is an utterly inevitable consequence of the journal rankings. As the statistical data presented at the beginning of this chapter show beyond peradventure, if nothing changes, we will surely witness nothing less than the death of pluralism, even though France had previously managed to retain a greater diversity of approaches to economics than other countries. Today, however, economists working outside the well-trodden paths of the standard paradigm are forced to seek refuge in other sections such as geography, sociology, management, philosophy and political science. In other countries, such as Germany, the UK, the USA and Canada, this same phenomenon, having begun much earlier, is even

more deeply entrenched. Heterodox economists are indeed hard to find in German universities.

This proposed new section, entitled ‘Economics and Society’, is intended to provide a home for all those working on economic objects who identify with its pluralist aims. We have proposed that the new section be set up on an experimental basis for four years. Depending on the results obtained, it would then be decided whether to make the experiment permanent or to put an end to it. The idea behind this new section is to turn the results obtained by heterodox economists to advantage by establishing dialogue not only within the non-mainstream community itself but also between them and adherents of neoclassical theory. Among the aims to be pursued, mention should be made of the desire to encourage:

- theoretical examination of the basic categories of economics, such as value, capital, profit and markets, as well as (re)distribution, production and consumption;
- practices that enable the discipline of economics to examine itself, through the history of economic

thought, the history of statistical techniques and modelling, epistemology and economic philosophy;
- and, last but not least, collaboration between economics and the other social sciences (anthropology, law, history, sociology, political science, etc.).

It is our particular ambition to initiate major theoretical debates, along the lines of those that, in the past, gave the discipline its richness and depth and which have now disappeared, not because they have lost any of their relevance but rather because the mainstream no longer regard them as being in its own interest.

It must be absolutely clear that our intention is not to establish a protected, self-contained field of enquiry. On the contrary, it should be evident that this new section's founding principle is that it will be open to the other disciplines that share our mission to investigate the economy as well as to the multitude of international research networks that share our dissatisfaction with the current situation. For the benefit of those who would be tempted, nevertheless, to pour scorn on a 'Francocentric' reform (conveniently

forgetting that it is difficult to implement reforms among our neighbours...), we will just mention the international conference organised by the AFEP in 2013 in collaboration with two international academic organisations, which was attended by 650 participants from 49 countries. To round off this brief outline of the proposed new section it should be emphasised that debate with Section 05 and the neo-classical paradigm will continue to be one of our priorities, as it always has been. In fact, this reform would take nothing away from Section 05 but merely extend academic freedoms.

Act III, scene 1, December 2014: the Secretary of State agrees

On 4 July 2012, this proposal for a new section was the subject of an appeal in *Le Monde* newspaper that attracted support from some big names in the social sciences. Its success among economists exceeded our expectations, since almost 300 academics in post signed a solemn declaration committing themselves to join this new section as soon as it was set up. Support on this scale, just in terms of sheer numbers, revealed how popular this pluralist approach to economics was

in our profession. It was clearly not a hare-brained idea dreamt up by a few isolated individuals but rather the expression of a strong collective desire for a new and more diverse approach to the way we do economics in our country. Many economists were prepared to invest all their energies in this new collective intellectual adventure. The number of people involved undoubtedly made our proposal viable, since it was greater than the numbers in some existing sections. All that was missing was the minister's signature.

When our proposals were made public and obtained the support described above, the AFEP contacted the Ministry of Education and secretariat of state responsible for higher education and research. The discussions took place over several years. Finally, on 11 December 2014, representatives of the Minister of Education, Najat Vallaud-Belkacem, and of the Secretary of State, Geneviève Fioraso, officially announced to us that a new CNU section would be established, which they had decided to name 'Institutions, economy, region and society'. It was agreed with the ministry that the official announcement of the new section would be made on 13 January 2015 at an extraordinary meeting of the AFEP.

Act III, scene 2, January 2015: the Secretary of State backtracks

At the meeting on 11 December 2014, nobody had anticipated the strength of the reactions this reform was to unleash, even less so the minister's backtracking. The official announcement was never to take place. The violence of the backlash makes this a story worth telling. It is extremely revealing of the intellectual climate in economics.

The harshest reaction came from the chair of Section 05, who threatened to resign if the ministerial decree was published and called an extraordinary meeting of the section for 5 January with the aim of inciting a collective resignation. This reaction was followed by an article in the newspaper *Le Figaro* of 4 January that explained the positions of the reform's opponents. The journalist Marie-Estelle Pech, who was reporting on statements by the chair of Section 05 and a number of economics faculty deans, wrote: 'For them, this new 'catch-all' section is basically going to serve only as a home for the failures and frustrated elements of the university system'. She added: 'One university vice-chancellor does not beat about the bush: in his view,

“the minister has been conned by the leftists”. True, these reactions are pretty visceral but they are for that very reason no less revealing of the prevailing frame of mind. Particularly since we are dealing here with people with considerable experience in public speaking who are able to express themselves very well indeed. The contemptuous tone in which this absolute conviction of superiority is expressed is here brought out into the open. There could be no clearer demonstration of the extent to which, in the current Section 05, the dice are loaded and dialogue has become impossible.

From the very moment Geneviève Fioraso withdrew her decree, it was no longer possible to argue with our opponents. They refused to enter into any public debate. The journal *EducPros*, which specialises in higher education, experienced this. The following was published in its pages: ‘*EducPros* suggested to individuals opposed to the establishment of a new CNU section in economics that they should hold a debate. They all declined the invitation. For the chair of Section 05, ‘to debate with a member of the AFEP would merely serve to tarnish the discipline’s image even further.’” In higher education, normally a fairly

genteel environment, it is rare to hear such virulent statements directed at colleagues. The chair of Section 05 does not even consider us worthy of debating with him!

As for the rational arguments that were advanced at this point, they were the same old ones. There is, declared Jean Tirole, ‘a single standard for academic evaluation based on journal rankings’ and ‘to seek to elude this judgement promotes the relativism of knowledge’. These statements encapsulate the principal argument advanced by opponents of reform. As we have expended much ink describing the partiality of these rankings, which can hardly be denied, let us now consider an alternative formulation of this same argument put forward by the vice-chancellors of three important universities (Paris-Dauphine, Aix-Marseille and Toulouse-Capitole) in a letter to Najat Vallaud-Belkacem and Geneviève Fioraso dated 5 January: ‘Furthermore, it is highly questionable to claim that certain researchers in economics do not have access to the best journals because of their epistemological position and are thereby disadvantaged in their careers. What is there to say, after all, about the careers of Amartya Sen, Joseph Stiglitz, Thomas Piketty or Jean-

Paul Fitoussi?'. In other words, the fact that four economists who have distanced themselves from the mainstream publish in the Top Five is supposed to prove that there are no barriers to publishing in these journals for all heterodox economists, as long as their work is of the required level.

This analysis is hardly persuasive. Let us disregard the fact that the economists mentioned, two of them Nobel laureates, are quite exceptional. It's rather like trying to prove that all women in 19th century England could obtain the jobs they sought by taking Queen Victoria and the royal family as examples. More seriously, nobody denies that some heterodox economists – in reality very few – can publish in these journals. As is explained in the glossary at the end of the book, there are many forms of heterodoxy. Some have enough points in common with the mainstream for some of their articles to be accepted in the Top Five. This applies to the economists cited by the vice-chancellors. To take Joseph Stiglitz as an example, all his work has been carried out within the formal framework of neoclassical theory, which he has enriched rather than critiqued. It is true that, once he had been awarded the Nobel Prize, he felt able, like

others before him, to ‘let himself go’ and become much more heterodox than he had been in his academic work. But this is not the real issue. Are our three vice-chancellors denying that certain research questions do not get an airing in these journals? Moreover, is it implicit in their argument that, in order to be recognised, non-mainstream economists necessarily have to publish in these journals? In the name of what can such a demand be made? Are economists of the regulation school to be criticised for wishing to publish in the *Revue de la regulation* because they know the readership is better able to understand and critique what they say? Is it normal for them to be penalised for this, regardless of the quality of their articles?

In fact, what our three vice-chancellors are saying is that publication in these journals has now become an obligation. In other words, to be an economist today is to devote oneself not so much to advancing knowledge but rather to publishing in the Top Five journals! Economists who do not wish to publish in these journals, for example because they consider them excessively biased towards the mainstream, will find themselves utterly thwarted in their careers. Take the example of an exceptional French economist, Michel

Aglietta. He has never published in the leading journals, those ranked 1e (for excellent) and 1. According to the criteria that prevail today, he could no longer be a professor, whereas he is certainly one of our most important economists. Does this not raise concerns? The same applies to another major French heterodox economist, Robert Boyer, who has published just one article in the so-called leading journals. Is it to be decreed that it is now compulsory for a researcher to publish in these journals? In other words, are researchers to lose the freedom to choose the journals with which they wish to collaborate? In order to be recognised, will the future Michel Agliettas and Robert Boyers have to publish in the so-called leading journals, which just happen to be mainstream journals? For what reasons?

This constitutes a serious attack on academic values. Basically, it is as if the nature of academic work had suddenly changed: what was merely an instrument of evaluation has become the goal itself. It is no longer a question of contributing to the advancement of knowledge but of publishing in the journals deemed to be of high quality, regardless of one's personal convictions. We're not seeking to paint a black picture

of the situation, but it is our responsibility to make it known that economics as practised today is increasingly characterised by this opportunistic drift towards the exclusion of non-mainstream economists. The pressure to publish in the 'major' journals ultimately takes precedence over any other objectives, and to an extent that is way beyond reasonable. Let us listen to Paul Krugman's story who, with all the authority of a Nobel Prize winner, is able to speak very clearly about the self-censorship and concessions required to be published in the journals that count and are counted: 'From the early 1980s onwards, the economists I spent time with were very much aware that the only way of publishing macroeconomic articles that were not completely off the wall was to wrap up sensible hypotheses on production and employment in something else. Something else that involved rational expectations and other intertemporal thingummyjigs in order to make the article respectable. Ah yes, it was certainly a conscious choice, producing the type of papers we were writing'.

CONCLUSION

The story we've just recounted is, first, one of frustrated hope, the hope of very many economists who wish to work in an environment governed by fair and pluralist rules. They can no longer tolerate being treated with contempt and regarded as second-class researchers on the simple pretext that they do not think like the majority and do not acknowledge neoclassical definitions of excellence. There was a time in French universities when this diversity of approaches did not pose any problems. However, this time is now past because of the close-mindedness of present-day mainstream economists. This has to be formally noted. There is no longer any possible future for pluralist approaches in Section 05. We have had long experience of this, but simple observation of the statistics dispels any possible ambiguity on this point. This is a view shared by more than 300 academics and there can be only one solution: divorce. Our objective is to open up a new working space and to embark on a new adventure together. This prospect deprives nobody of anything. On the contrary, it will create new opportunities without putting an end to the old ones, a situation economists describe as 'win-win'. There will

something in it for everybody. It is true for the mainstream which, as the financial crisis of 2008 amply demonstrated, urgently needs the spur of competition if it is going to maintain its credibility and capacity for innovation over the long term. And it's true, of course, for a whole generation of economists who are seeking to think differently and are unable to do so within the current institutional framework. What logic is there in opposing such a change of affiliation? Academic research needs convictions and also needs debates. Are our mainstream colleagues less attached than we are to freedom of thought? And then, after four years, we will be able to evaluate the results and draw conclusions from them. If it's a failure, it will be ended.

To conclude, as we've never tired of pointing out, this reform reaches out well beyond the confines of the university system. This is the whole reason for this manifesto. Members of the wider public also want pluralism in economics, since they want to be able to make informed decisions about their future. They don't want to hear that there is no alternative. They want to understand, deliberate and decide for themselves. So

the marginalisation of the heterodox approaches to economics is not good news for them either.

If you are persuaded by this analysis, the only remedy is to put pressure on the public authorities to agree to the establishment of this new section. Because of the existence of the CNU, it is they who hold the keys to the organisation of the university system. The CNU is the only body that can change the structure of the system (see Counterargument 10). To this end, at the very end of the book, we have published a petition. Its text is a condensed version of the arguments set out in the book. It appeared in *Le Monde* of Friday 30 January 2015. If you wish, you can sign it on the AFEP website. If you do, you will be adding your name to the first 5,000 signatories, from France and abroad, some of them academics in fields such as economics, law sociology and philosophy, others ordinary members of the public. It is in their name that we conceived and wrote this manifesto. We have publicised the first 150 signatories in order to highlight the support we have received internationally from economists and in France from researchers in the other social sciences as well as from economists. Sign if you want pluralism in economics to survive!

However, before we get to the text of the petition, it seemed to us important to set out our position more fully. We have done so in the form of 10 counterarguments that constitute responses to 10 objections that have been put to us. This provides an opportunity to examine various points in greater detail, albeit at the cost in some cases of a certain degree of repetition.

CHAPTER 3

Let's start the debate:
objections and responses

In this chapter, we put forward our responses to a series of assertions made by our adversaries. This will enable us to explain our position in detail and to reconsider some explanations that hitherto have been only briefly outlined. A glossary will follow.

Counterargument 1

They say: *Only one approach to economics is needed because there's only one way of doing economics.*

We reply: *The monopoly within the discipline is pernicious; a plurality of approaches is essential to the advancement of knowledge in economics.*

As we've already noted, for mainstream economists, there's indisputably just one 'single standard' for judging excellence, for distinguishing what is 'scientific' from what is not. Consequently, the proponents of just one programme of research among others have a very strange way of thinking and dealing with controversies, which is to make their way of looking at things a universal benchmark and to seek it to impose on everyone.

The problem would be less serious if the discipline of economics had been divided into several sub-disciplines, as law has been. However, this is not the case: for economics, there is just the one section (05), whose title in French is '*sciences économiques*' or 'economic sciences' in the plural. In reality, as we have already emphasised, this pluralism has disappeared; the discipline is being increasingly monopolised by what

used to be just one school of thought among others. We should heed the warning given by Lakatos, the great philosopher of science: ‘One must never allow a research programme to become a *Weltanschauung*, or an exclusive standard of scientific rigour, setting itself up as an arbiter between explanation and non-explanation, as mathematical rigour sets itself up as an arbiter between proof and non-proof. [...] What Kuhn calls ‘normal science’ is nothing other than a research programme in a monopoly position. [...] The quicker competition begins, the better it is for progress. *Theoretical pluralism is superior to theoretical monism*’.

The fact that academic economics in France is centrally organised further reinforces the monopoly position that Lakatos feared. Recruitment has long been biased and mainstream economists now hold all the key positions in the discipline, without any effective countervailing forces. All that remains is a few specialist niches, which are doomed to extinction. Thus the adherents of what has become the orthodoxy have got into the habit of distributing among themselves, through their clientelistic networks and on the basis of their own criteria, public resources intended to sustain the discipline as a whole, thereby

asphyxiating the alternative paradigms. It has been easy for them constantly to legitimise this monopolisation of resources by claiming that all this is merely the just reward for their academic excellence. Academic excellence determined by themselves, for themselves. The values of mainstream economics are now enshrined in the discipline's rules and instruments of governance: journal rankings, standards for PhDs and publications and the obligatory steps up the ladder into positions of increasing importance. Having been internalised by academics, they now govern their expectations and daily routines and determine the aspirations and training of would-be economists. Section 05 is now so tightly controlled that the 2008 crisis had no corrective effect – on the contrary, those on the heterodox margins have been disappearing at an even quicker pace than previously.

Adherents of mainstream economics regard representatives of alternative paradigms as illegitimate obscurantists. Some even hold this belief in good faith. The instruments adopted by the mainstream confer on them the power to banish these heretics from the economists' kingdom, by refusing to nominate them for entry into Section 05, blocking promotion for the refractory heterodox economists appointed in the past

and offering them only a choice between ‘conversion’ or exit from the discipline. If these critical economists regard economics as a social, moral and political science, let them seek nomination in another discipline, such as sociology, political science or regional development. However, they will no longer be able to claim to be economists and will not be able to take part in public debates in that capacity. This is the real underlying objective.

Clearly, the sectarianism espoused by those who have imposed their views on Section 05 will not permit pluralism to be restored. And the other social science sections are unable to accept those banished from economics, since the increasing shortage of jobs has led them – quite legitimately – to refocus on their core activities. Consequently, the only way of maintaining pluralism in economics is to set up a new section.

This is by no means an extraordinary undertaking. Many disciplines have several sections within the CNU. Thus there are three sections in law: private law and criminal sciences (Section 01), public law (Section 02) and history of law and institutions (Section 03). In physics, chemistry, biology and medicine, several sections exist alongside each other. And, if we may be so bold as to draw the parallel, theology is divided into

two sections: Catholic theology and Protestant theology. It should also be noted that some sections are openly multidisciplinary, such as Section 71 (information and communication sciences).

There is nothing revolutionary about establishing a new section. There is not even any cost involved, since all that has to be done is to change the existing university institutions. When it is not monopolised by a single school of thought, the CNU is a robust guarantor of uniformity of status and quality of recruitment. This request is the exact opposite of a partisan manoeuvre: the objective is to have it officially recognised that in the 21st century there cannot be just one established approach of school of thought within a university discipline.

Counterargument 2

They say: *Economics in Section 05 is already pluralist.*
We reply: *The only pluralism the mainstream tolerates is that which does not challenge its hegemony.*

Campaigning for pluralism in economics makes no sense if economics is already pluralist. This is the objection mainstream economists raise, often in good

faith. It is based on the evolution of the orthodoxy, in both time and space. Orthodox economics today is indeed looking to the other social sciences for good ideas that it can then model. As a result, so it is argued, it is already highly pluralistic.

This objection is not admissible, since it is based on a confusion between pluralism within the standard theory — which does not affect its fundamental principles — and external pluralism, which does not recognise the full legitimacy of the other research programmes.

When other social sciences are invoked, they remain confined to a role that prevents them from destabilising the mainstream. The use of sociology or psychology, for example, is confined to discussion of secondary hypotheses but does not ride roughshod over the hard core of mainstream theory. Pluralism *à la* mainstream is, after all, tolerable only if it never leads to acknowledgement of the fact that the economics community harbours within it a plurality of research programmes. This asphyxiation of critical debate amounts to nothing less than a negation of the spirit of academic enquiry. This is why this pluralism remains within the fundamental hypotheses underlying mainstream economics and serves to block the emergence of an external pluralism that might challenge

them. It is always permissible to draw on the numerous insights produced by the various social sciences in investigating the employment relationship but not to discard the fundamental hypothesis that human labour is regulated within a market. The numerous mainstream models of the labour market, whether or not they incorporate concepts drawn from elsewhere, all assume that unemployment is caused by malfunctioning of that market. Over and over again, the question of employment is approached in the same way as it was in the 1930s! This being so, it is hardly surprising that economic policies keep endlessly exploring the same old obsessions!

Another strategy the mainstream deploys in order to lay false claim to a non-existent pluralism is to hijack its critics. Thus there are critical economists who have forged successful careers. Some have been awarded the Nobel Prize: Herbert Simon (and the notion of bounded rationality), George Akerlof (and his embracing of sociology and anthropology), Amartya Sen (and his development of welfare economics) and Elinor Ostrom (and the New Institutional Economics and the theory of common pool resources).

While these scholars are recognised, they are nonetheless confined to a very reduced space and hence

do not have a destabilising effect on the mainstream. In short, they act as a sort of good conscience purchased at little cost before a return to business as usual. Recognition of their work stops short of any revision of the mainstream's main theoretical models or normative prescriptions. Some critical economists are acknowledged as dissidents. In other words, in Karl Popper's particularly telling terminology, far from being faced with a form of pluralism, what we are actually dealing with here is a form of immunisation strategy intended to render criticism harmless by immuring it in a specialist niche and superficially absorbing it. In order to make its dominant position more tolerable, the mainstream can then point to the existence of a small sector engaged in critical research without altering in any way whatsoever its own approach.

Counterargument 3

They say: *Heterodox economists are unwilling to submit to the common discipline of peer assessment.*

We respond: *Peer assessment is essential in any academic community; what we are protesting against is being subjected to arbitrary norms for assessment.*

Who can assess the work of a lawyer, doctor or physicist if not a group of lawyers, doctors or physicists? One of the characteristics of knowledge-intensive activities is that peer review is the only way in which their quality can be assessed. However, the peer assessment process must function properly. Since mainstream economists accuse their heterodox counterparts of ‘being unwilling to submit to the common discipline of peer assessment’, we need to examine this point, which has already been mentioned in previous chapters, in greater detail. How do the various bodies responsible for managing academic economics in France go about selecting candidates for qualification, promotion and, by extension, appointment? Firstly, books are ignored; even doctoral theses are not academic studies, according to a president of the French Economics Association. The only publications that count are articles in academic journals, which are themselves the object of an official ranking that is supposed to reflect a consensus view on what constitutes excellence in economics. Thus the CNRS has identified five categories of journals, which it ranks in decreasing order of excellence: 1e (the so-called Top Five), 1, 2, 3 and 4. Many academic journals, it should be noted, are not judged to be

worthy of inclusion in this list. In order to obtain a good assessment, an academic economist has to have published in journals ranked 1e, 1 or 2. In other words, what the public does not realise, is that it is not individuals who are being assessed but rather their publications, which are judged not by their content but simply by reference to the ranking of the journals that publish them. Now virtually all the journals at the top of the rankings (anglophone, naturally) exclude research questions that fall outside the scope of the dominant paradigm, whether because of their subject, methodology or initial hypotheses. You don't have to be a prophet to guess what such a system will lead to in the long term: on the one hand, academic practices that become increasingly less pluralistic and, on the other hand, an increasingly hypocritical discourse about the objectivity of the criteria, the transparency of the rankings, the claims of 'excellence', and so on.

Consequently, we are totally opposed to this biased assessment procedure, *but in no way are we resistant to the principle of peer assessment*. In our view, as soon as a journal adheres to the basic rules of peer-reviewed journals, namely anonymous refereeing by a minimum of two reviewers, it must be treated on an equal footing

with all other peer-reviewed journals. To proceed in any other way is to make *a priori* judgements about the value of the research programmes with which these journals are associated or, to put it more simply, to give a particular school of thought the status of an official discipline. It is true that abandoning the journal rankings will have a painful consequence, namely that in order to assess candidates, it will be necessary to actually *read* their work! It will no longer be sufficient simply to *count* the number of articles they have published in journals ranked 1 or 2.

People will retort that ‘not all journals are equal’, and we would agree. However, because it is complex and varies over time and with the researchers concerned, the journal ranking list turns into something quite different as soon as it is elevated to the status of a public norm. As a result of this institutionalisation, its significance is changed completely. On the one hand, the list’s official nature turns minorities into dissidents: those who see that their preferred journals have not been included on the list know they have been condemned in advance by the assessment procedure. Equality of opportunity has been abandoned. On the other hand, in the absence of any such official list,

academics who submit themselves to the judgement of their peers sitting on a review committee can always hope that their work will be read and evaluated; it so happens that this is indeed what takes place. So the first negative effect is that the ranking list creates an objective schism within the academic community. Merely by producing a normative and *a priori* definition of what constitutes excellence, it transforms the majority into an orthodoxy. In reality, however, this orthodoxy, which pits its adherents against the rest, is nothing other than the ‘normal science’ so well analysed by the great philosopher of science Thomas Kuhn and so rightly derided by Lakatos.

The dynamic does not stop there. The ‘normal science’ will itself degenerate into a ‘normalising science’. Social scientists who have studied performance indicators, or benchmarking, have clearly shown that an official ‘number’ changes its meaning when it has a retroactive effect on actors’ behaviour. Thus the authorities in Hanoi during the colonial period, anxious to combat rat infestations, decided to give a financial reward for each animal skin inhabitants of the city collected; the result was an increase in rat breeding! The same applies in academia: what was

merely an instrument designed to serve a higher purpose has become the much sought-after goal. Orthodox economists will attach greater importance to ensuring that their colleagues comply with the *formal* criteria resulting from the role this 'number' plays than to the *substantive* criteria linked to the usual virtues of the enquiring scientific mind. These include doubting all ideas as a matter of course, even those most widely accepted, focusing on the most important questions rather than the most gratifying or rewarding and, finally, striving non-opportunistically for a better understanding of the world, or indeed the 'truth'. Moreover, this use of bibliometrics gives a disproportionate amount of power to a few dozen individuals (the editors and referees of the most highly ranked journals), with no countervailing forces.

In reality, the bibliometric criteria of excellence espoused by orthodox economists function as classic barriers to entry into an (academic) sector controlled by a dominant actor (the mainstream). There is most definitely room for another concept of economics which, by ensuring a plurality of research programmes, would restore something that is now sadly lacking, namely genuine academic debate.

Counterargument 4

They say: *The new section will be third-rate economics.*

We reply: *'Economics and Society' will become an advocate of academic and ethical rigour.*

This new CNU section will constitute a space in which academic work drawing on the various strands of political economy can flourish, in close cooperation with the other social sciences. In accordance with the detailed principles set out in the AFEP charter, this new space will be collaborative, innovative and exacting.

Firstly, what do we mean by collaborative and innovative? The new section will not claim to have a monopoly, since it will be convinced of the benefits of interdisciplinary working, and will collaborate closely with those sections (economics itself, management, sociology, political science, history, geography, law, environmental sciences, etc.) that deal, to varying degrees, with the object of economics. Far from the imperialism of mainstream economics, the interdisciplinary approach advocated here will be based on mutual reciprocity and recognition. As far as

teaching is concerned, the section will cooperate with CNU sections, in particular the current economics section and with management (there are many economics and management faculties). By expanding the range of objects and methods, the teaching offer will become more varied and attractive and will have been tuned into the socioeconomic realities, institutions and firms that constitute economic life. In this way, the teaching offer will meet the expectations of students and employers alike. It will facilitate the development of joint courses, in economics and sociology or economics and law, for example and better meet the increasing demand for multiskilled graduates, well-versed in both qualitative and quantitative techniques.

This section will be exacting in evaluating research. Members of the new CNU section will commit themselves to evaluating the *content* of colleagues' work, which in our view is the only rigorous and legitimate form of evaluation. We reject the 'push-button' approach to evaluation based on the automatic counting of journals' star ratings (see Counterargument 3), which encourages unwelcome abuses (cloning of articles by the same author, 'salami slicing' of data, proliferation of articles with low value added, etc.). Books will be restored to their central position in

academic outputs. Far from being a mere juxtaposition of three unconnected articles, doctoral theses will constitute a rigorous, coherent and original whole. And rather than selecting from a narrow list subject to intense lobbying, we will refer to the *EconLit* list compiled by the *Journal of Economic Literature*, which comprises journals that comply with the fundamental rules of double-blind refereeing.

Finally, the new section will be independent in its pursuit of knowledge and mindful of the conflicts of interest that are increasingly sully mainstream economics. Thus among the rules on transparency set out in the proposed charter for the new section, it is specified that universities will have to declare all sources of supplementary income and list the amounts involved if they have any financial, ideological or political link with the research themes in question.

Counterargument 5

They say: *To establish a new CNU section is to promote 'epistemological relativism, the anteroom to obscurantism'.*

We respond: *In economics, the only bulwark against obscurantism is genuine pluralism.*

In his letter to Geneviève Fioraso, Jean Tirole quite rightly observes that knowledge is advanced through exchanges of views among peers. He then declares his opposition to the establishment of a new CNU section on the spurious grounds that it would prevent such exchanges of views:

'It is essential that the quality of research be assessed on the basis of publications, with all researchers being obliged to subject themselves to peer assessment. This is the very foundation on which the advancement of knowledge in every discipline rests. To seek to elude such judgement will encourage epistemological relativism, the anteroom to obscurantism. The self-proclaimed 'heterodox' economists owe it to themselves to obey this fundamental principle of academia. The establishment of a new CNU section is an attempt to exempt them from this discipline.'

In the preceding pages, we have demonstrated the need for a new section to promote pluralism of research programmes, objects and methods in economics. However, our aim is obviously not to advance the idea

that everything is of equal merit, such that ultimately nothing would be truly scientific. The accusation is so serious that we feel compelled once again to restate our case: the pluralism we are advocating is not inimical to the advancement of knowledge. On the contrary, it is the necessary condition for it. It fosters the advancement of knowledge rather than harming it.

Furthermore, this is the case in all the sciences, including the natural sciences. Nature does not immediately deliver up its secrets to anyone observing or investigating it. The world can be interpreted in many different ways. This obviously does not mean that one can say whatever one likes, but simply that different theoretical systems can produce different accounts and that the world appears differently to us through them. Thus for some it was the sun that rose, while for others the earth rotated; the universe has been variously described as closed or indeterminate, infinite or finite, flat or curved, static or expanding. These visions of the world, often incompatible with each other, have sometimes coexisted. In the natural sciences, these periods of coexistence – and confrontation – between rival theoretical systems have been described, by Kuhn and Lakatos among others, as the most fruitful in the history of science.

In a social science like economics, there are different reasons for pluralism to exist that are not known in the natural sciences. For example, one of the specific characteristics of the world that economists study is that it is possible to imagine it as a better place: richer, more prosperous, fairer and so on. It is a world of which one can approve or disapprove. It is judged by certain values and evaluated by certain criteria. It can even be transformed. ‘Social reality can only be studied by reference to human ideals,’ said Gunnar Myrdal (one of the few heterodox Nobel laureates). This is why economics is basically ‘political economy’ (in the full sense of the term): it thrives on debate and the confrontation of different sets of values.

The theories espoused by orthodox economists are no exception to this law. They are also relative to a set of values. One of their fundamental values, for example, is the recognition of individual sovereignty, based on the notion of the utility maximising individual. It is on this foundation that the efficiency criterion takes precedence over that of justice. The organisation that is regarded as the most ‘efficient’ and which serves as a reference point for the vast majority of orthodox models is called the ‘market’, which in the

collective imagination conjures up the myth of a mode of regulation that can function without the state.

Thus the mainstream is not free from values that cast society in a particular light. And yet, in rejecting politics, orthodox economists have led the world to believe that a watertight boundary exists in the social sciences that separates the scientific from the political and that, in order to be deployed as knowledge, economic theory had to be rid of its political trappings, which of course only they are able to do.

However, this is to ignore the fact that the political dimension of economic theories cannot be neutralised by denying it. By passing values off as truths, such a denial in fact opens the door to dogmatism, the anteroom to obscurantism. In order for it not to be incompatible with scientific rigour, it has to be assumed that this political dimension exists and economists have to force themselves to face up to two challenges. The first is to confront economic reality; it is outrageous, for example, that the crisis of 2008 did not throw the mainstream off balance at all. The second is to engage with their peers, or more particularly with the ideas associated with the rival paradigms. Economic knowledge is much more likely to be advanced by engaging in debates illuminated by history

than under the rule of a dogma that blithely ignores other concepts of society.

As we said in the introduction, what is at stake goes a long way beyond the sphere of academic knowledge, since economic theories have an impact on society, if only through the economic policies they suggest. Thus sustaining pluralism is a condition that has to be met if the choice between the various value systems is to take place where it is legitimate, namely in the political sphere. Suppressing pluralism *ipso facto* subordinates the political to the economic and consequently places the very possibility of democratic debate at risk.

Counterargument 6

They say: *Economics is a hard science.*

We respond: *Economics is a social science.*

The object of study in economics – the sphere of social action relating to the production, distribution and consumption of wealth – makes the discipline part of the family of social sciences. Nevertheless, mainstream economics constructed itself on the basis of a scientific imitation of some of the concepts used in mechanics at the beginning of the 19th century

(equilibrium, force and so on) with a view to developing a social form of physics. These energy-based metaphors enabled the neoclassical economists to declare that economics was one of the ‘hard’ sciences and to adopt a condescending attitude towards the other, so-called ‘soft’ or inexact social sciences. This ‘economic imperialism’ even went so far as to extend its model, based on notions such as *homo economicus*, market equilibrium and stable preferences, to areas that were once the preserve of the other social sciences (marriage, criminality, cf. box). By going beyond its initial sphere of interest and declaring itself the universal science of rational human choices, mainstream economics conquered new territory while at the same time completely disregarding the knowledge and methodologies accumulated by the other social sciences, which had long been exploring such territory. There are very few references in mainstream economics journals to the other social sciences, which themselves do cite other disciplines, including economics.

Gary Becker, criminologist

Becker, Chicago school economist and Nobel laureate, related how a new field of application for ‘economic reasoning’ was revealed to him: ‘I began to think about crime in the 1960s after driving to Columbia University for an oral examination of a student in economic theory. I was late and had to decide quickly whether to put the car in a parking lot or risk getting a ticket for parking illegally on the street. I calculated the likelihood of getting a ticket, the size of the penalty, and the cost of putting the car in a lot. I decided it paid to take the risk and park on the street. (I did not get a ticket.) As I walked the few blocks to the examination room, it occurred to me that the city authorities had probably gone through a similar analysis’. He then went on to generalise from his particular case to all crimes and misdemeanours, assuming that the public authorities, like potential violators, were driven by this same type of rationality. Without pause for further thought, he applied the *homo economicus* model, in which human beings are assumed to act rationally on complete knowledge out of self-interest and the desire for wealth: ‘Rationality implied that some individuals become criminals because of the financial rewards from crime compared to legal work, taking account of the likelihood

of apprehension and conviction, and the severity of punishment'. Contrary to the approach sociologists or anthropologists adopt when investigating these subjects, this explanatory model is not based on rigorous observation of criminal behaviour.

Behind the equations lies an ideological bias. On his own admission, Becker's goal was to counter explanations that emphasise the social determinants of criminal behaviours, which in his view were too conducive to the development of the rights of individuals accused of crimes. Thus according to Becker, criminals are highly calculating individuals who are perfectly aware of the choices available to them and free to make them. This model completely ignores behaviours shaped by individual passions, circumstances or other influences. In short, it excludes everything that makes individuals socially constituted beings.

In contrast to this concept of 'economic sciences', we subscribe to the alternative of a political economy rooted in the social sciences. Since an economy is embedded in its wider society, its regularities cannot be understood unless they are situated in their social, historical and cultural context. In its efforts to advance

knowledge, political economy seeks to adopt realistic and well thought-out hypotheses and to compare competing theories. It is against this background that the call for the establishment of a new section has to be understood; its proposed title - 'Economics and Society' – is clearly a nod in the direction of Weber and Polanyi, as well as Braudel and the Annals School of historians. Economics thus conceived would enter into dialogue and interact with the other social sciences instead of treating them with contempt or colonising them. The place of economics in the social sciences was most aptly described by the French sociologist Émile Durkheim when he wrote: 'Thus political economy loses the preponderance it accorded itself to become a social science like the others, linked to them in a close bond of solidarity without however pretending to direct them'.

Counterargument 7

They say: *Heterodox economists oppose the use of mathematics; they want a literary economics.*

We respond: *In our view, maths is a useful tool but not an end in itself.*

The hostility to the plan for a new section very quickly became swathed in a condescending rhetoric that suggested it would provide a refuge for followers of a 'soft', purely literary and qualitative form of economics incapable of standing on its own two feet on an international stage dominated by a brand of economics that sees itself as a rigorous 'hard' science based on mathematical models and/or quantitative techniques.

Just as there is no such thing as 'mathematical economics', as some like to claim, so it cannot be said that heterodox economists are against the use of mathematics. The dramatic scenario some have devised, in which a discursive economics, labelled heterodox, is pitted against the mathematicians, who are said to constitute the orthodoxy, is nothing less than a snare designed to deflect discussion of the real issues. Incidentally, wasn't the most fervent opponent of the mathematisation of economics Carl Menger, one of the founders of today's dominant school of thought? Conversely, the pioneers of several heterodox schools of thought contributed to the mathematisation of economics long before today's orthodoxy became hegemonic. In reality, both orthodox and heterodox economists use mathematics. This is not the real division within the discipline.

The plan for a new section is not intended to serve as a springboard for a non-mathematical form of economics; on the contrary, the aim is to restore mathematics (or quantitative techniques) fully to its status as instrument. This approach will prevent mathematics from being used inappropriately and thereby reinforcing all the failings of orthodox economics. It would open new opportunities for cooperation with our mathematician (or econometrician) colleagues.

From this point of view, mathematics is used in conjunction with a theoretical argument in order to construct a 'model', that is a set of equations that express the links the modeller assumes exist between the variables that seem important to him/her. The choices the modeller makes arise out of the ideas contained in the theory he/she has espoused. Thus each theory implies its own models. From this point of view, the use of mathematics does not precede but rather results from the theoretical deliberation. Unfortunately, in mainstream economics, the opposite often occurs: the means come to be sufficient unto themselves and turn into ends.

There is no doubt that mathematics can provide powerful support for economic arguments. However,

when economic thinking and mathematical thinking come to be regarded as one and the same thing, then the effects on both teaching and research can be catastrophic. Students turn into performing monkeys, form takes precedence over content and ‘rigour’ over relevance, maps are confused with territories, models of reality are confused with reality itself and there are misplaced claims of scientific exactitude. Moreover, the use of a terminology that is impenetrable to ordinary mortals makes economic debate the exclusive preserve of ‘experts’.

In reality, a new section, in which economics would once again become one of the human and social sciences instead of being reduced to a branch of applied mathematics, would not reduce but spectacularly increase the opportunities for cooperation between mathematicians and economists. The two groups would work together to establish the most appropriate formal tools for investigating (for example), bounded rationality, the endogenisation of quality, the interpretation of behaviours, the possibilistic (and probabilistic) logics, fuzzy entities, power relations, the processing of complexity, aggregation procedures, etc. Paradoxically, for the reasons put forward above, the future of mathematical

economics is also dependent on the new 'Economics and Society' section.

Counterargument 8

They say: *The competitive examination for appointment to posts in higher education is an effective means of selecting professors on merit.*

We say: *The competitive examination is an ineffective, clientelistic and unfair system, a machine that has crushed pluralism to death.*

The main recruitment channel for university professors in economics in France has hitherto been the competitive examination known as the *concours d'agrégation du supérieur*, which was derived from the examination used in French law faculties. It is also used in management and political science. The *agrégation* is not generally used in the other disciplines (more than 70 in number), where the normal process for appointing professors is a lengthy but more or less continuous procedure comprising the following stages: ten or so years' experience as a lecturer; submission of an application for accreditation to supervise research based on publications record; designation by the CNU

as a person ‘qualified’ to hold a professorship and, finally, the submission of applications to universities with vacancies.

Until 2015, the vast majority of professors in economics were appointed via the *agrégation*. The second procedure, restricted to a maximum of one third of the posts filled via the competitive examination and known as the ‘long route’, was similar to that in use in all the other disciplines. While it is possible to be appointed to a professorship via the *agrégation* before the age of 30, taking the ‘long route’ makes it impossible to be appointed before the age of 40 or even later. In fact, between 2000 and 2011, almost four professors in every five were appointed via the *agrégation*.

Professors appointed via this route are allocated to posts on the basis of the final examination ranking: the most highly ranked candidate chooses their university from among those with vacancies to be filled via the *agrégation*, the second-placed candidate then chooses from among the remaining posts and so on until all the posts have been filled.

It might be thought that, on paper, this competitive examination, although it is an exception to the general rule, would nevertheless guarantee selection on merit

and provide equality of opportunity for candidates. However, this has not been the case for the last 15 or even 25 years. The examination has in fact become one of the driving forces in the irresistible march towards the eradication of alternative approaches in economics. This is due to a structural defect in this procedure: there are virtually no safeguards against the discretionary power of the examination board, the chair of which, who is nominated by the minister, selects the other members. This co-optation has a retroactive influence on the quality criteria used to select candidates by means of a series of almost exclusively oral tests. The close relationships that are inevitable in a relatively confined milieu mean that candidates do not have a fair and equal chance of success.

This structural failing was compensated for to some extent in the past by the change from one examination board to another. However, it is obvious that if, on top of this procedure, there is a general bias (not necessarily specific to France) towards a dominant and restrictive concept of economics, then its toxic effects will be further amplified. Examination boards dominated by mainstream economists will tend to appoint new professors with the same intellectual leanings. This in turn will strengthen the dominant paradigm and send

an increasingly urgent signal to future candidates: those in sympathy with this dominant paradigm will rightly see this competitive examination as a career accelerator (by submitting a thesis made up several articles published in highly ranked journals, one can be appointed to a professorship before the age of 30). As for those who are presumptuous enough to challenge the dominant thinking, they will suffer a number of humiliating failures and then, in an act of self-censorship, stop putting themselves forward as candidates.

Furthermore, this competitive examination creates serious difficulties for universities, who have thrust upon them young holders of the *agrégation*, whom they have not chosen, appointed on the basis of their publications rather than the universities' teaching or supervision needs. These professors will usually try to get themselves transferred almost immediately after being appointed and will make little contribution to the life of a university they will soon be leaving.

This general diagnosis is so indisputable that the ministry finally decided in 2014, by way of experiment and for a period of four years, to abolish the quotas placed on the number of posts to be filled by the 'long route'. This could lead to the final abolition of the *agrégation*, since the universities would have little

reason to request posts to be filled by *agrégés*, who are allocated to them not by choice but by the vagaries of the examination rankings and tend to leave after a short period. In this case, economics should revert to the normal appointments procedure appropriate to all academic disciplines, which gives precedence to professional experience and long-term research record. The AFEP has welcomed this reform, which meets some of the demands it has been making for a long time.

Will it be enough to dispel the cumulative effects of a dynamic that has lasted between 15 and 25 years? Obviously not. Attention must now be focused on the way in which the system for appointing professors is likely to function in future. It will be based on the following devastating equation: qualification by the CNU + choice by the universities of a vacancy profile + composition of the selection committee. At each of these stages, the same crucial question will arise: to what extent can we expect pluralism to be respected in a system managed by economists trained, ranked, recruited and promoted in a context of increasing hostility to pluralism? We are not attacking individuals but a system whose cornerstone, namely an official ranking of academic journals (see Counterargument 3), is unknown to the wider public.

Counterargument 9

They say: *It is enough to abolish the competitive examination for the selection of university professors; no need to establish a new section.*

We respond: *Abolition of the competitive examination will not restore pluralism to economics.*

The strong criticism directed at the competitive examination for the selection of university professors, analysed in the previous counterargument, has led to demands for its abolition by many academics, well beyond the AFEP. This initial measure would in no way be sufficient to restore real pluralism to our discipline. After all, if professors of economics are no longer to be appointed on the basis of a competitive examination, they will instead be appointed by a local selection committee, provided they have been deemed qualified to hold such a post by the economics section of the CNU. Thus in order to be appointed, candidates will have to fulfil the requirements of the CNU section and then be ranked first by a local selection committee for jobs whose profiles have been decided by a university committee. The members of these bodies will all be current professors of economics.

Now there are virtually no heterodox professors left to sit on these selection committees! Virtually all of them have now retired. The damage wrought by a one-way professorial appointments procedure is now irremediable, since the professors appointed by the CNU and the members of the selection committees are now almost all mainstream economists. Consequently, the abolition of the competitive selection examination cannot change decades of stamping out pluralism in economics. It is too late. The demographics of the professoriate in Section 05 mean that the blocking mechanism now in place is structural.

The only way to re-establish pluralism is to establish a new CNU section. We understand why mainstream economists accept the abolition of the *agrégation*, albeit with some gnashing of teeth, but are fighting with might and main to block the establishment of a new section.

Counterargument 10

They say: *It's not the public authorities' place to intervene in disputes between academic coteries.*

We respond: *The public authorities have a duty to re-establish the institutional conditions for democracy in academic economics.*

In requesting that the government establish the new 'Economics and Society' section, we are not in any way appealing to politicians to resolve an academic dispute. It is not the public authorities' role to intervene in academic disputes. Their role, rather, is to put in place the institutional conditions that will foster the development of academic disciplines. Pluralism is one of these conditions, indeed one of the most important. As Karl Popper vigorously argued, democracy and scientific enquiry are indissociable. Democracy, including within academia, is based not only on government by the majority but also on pluralist institutions that ensure that minority voices are able to express themselves, explore new paths, contribute to debates and persuade others. And that's what's at issue here: re-establishing the institutional conditions for academic democracy within economics, which has

been going through a structural crisis since the mainstream has been in a position of absolute dominance. There has been a manifest crisis in teaching since the 1990s, as movements such as *Autisme-Économie*, a student movement for the reform of economics teaching, and *PEPS-Économie*, an organisation campaigning for pluralism in university economics, have long been arguing. There is also a major crisis in economic thinking, which has become glaring since 2008. This situation has its roots in a profound crisis in the discipline's institutions, which the public authorities could and should easily remedy.

In setting up the new 'Economics and Society' section we would be constructing a new academic and public space that takes nothing away from the dominant schools of thought apart from their monopoly over the discipline. This space would be defined not *in opposition* to the dominant paradigm but *in favour* of the *concomitant* development of other paradigms. It would restore the democracy stolen by a majority that tolerates debate only within its own research programme – as if democracy could be reduced to the internecine debates of a single party! It is true that such internal debates can be both lively and absolutely essential, but democracy, like scientific enquiry, cannot

be based on a single way of thinking that ostracises all others. Let us not forget that academic pluralism enriches democracy full stop. Without debates based on solid, professional and independent research, there can be no real democracy!

Pluralism is dead, long live pluralism! It will be able to flourish once again when the two sections coexist peacefully and their members are finally able calmly to enter into dialogue with each other on an equal footing.

WHAT GOOD ARE ECONOMISTS...

Glossary

Neoclassical: this adjective denotes a theoretical strand that emerged around 1880. It succeeded the classical school, diverging from it significantly on a number of points. For example, while the classical economists (Smith, Ricardo, Marx) based their analyses on social class, their neoclassical heirs emphasised individual rationality. In enacting a clean break between economics and sociology, the neoclassicists sought to develop a mathematical theory of markets in order to make economics an exact science. It was to develop up until the 1970s into a general equilibrium theory. Since then, it has diversified and added an extremely active strand in which it is held

that there is no problem that a good (financial) incentive cannot resolve. There is a strong element of continuity between general equilibrium theory and this incentivising contract theory, namely the non-cooperative individual rationality of *homo economicus*.

Mainstream: this is a quasi sociological notion that describes an established fact: a ‘dominant school’ does exist. It can be easily identified by just glancing through the most highly ranked academic journals. In any given period, a single school of thought can come to dominate an academic community. This is the case in economics with the neoclassical school in its current form. The existence of a dominant school of thought is not in itself a problem. It becomes a problem when the domination is not simply intellectual but also institutional and political. The notion of mainstream describes just such a perverse configuration of an academic discipline. The supremacy of neoclassical theory is of this order, as we have shown in this manifesto.

Orthodoxy: The way in which the mainstream dominates. It is a characteristic specific to economics and is not found in any other discipline. Orthodox

economists do not simply advocate a way of solving economic problems but also define what constitutes an economic problem in the first place. They determine what is worthy of being considered a scientific statement or result and what is not. Orthodox economists proselytise for a standard doctrine, an *a priori* truth that functions as a true faith. To oppose it is to expose oneself to various forms of ostracism and rejection, as a blasphemer or heretic might be. The notion of orthodoxy, which comes from Keynes, borrows from religion. The lasting combination of a position of power and a regime of truth will have profound effects on those who benefit from it. Firstly, as far as the external world is concerned, it is difficult to resist the feeling not only of being right (which is legitimate) but also of embodying the knowledge specific to the discipline (which is not). Secondly, within an orthodoxy, it is even more difficult for adherents to challenge what they all share and which guarantees them such superiority, hence the risk that scientific work will tend to naturalise/sacralise what in fact are prejudices (which, moreover, are inevitable) or intellectual schema that constitute the very foundation of the research programme. The conjunction of these two effects means economists live in a world that is

increasingly remote from the real world, in which formal rigour take precedence over empirical relevance.

Since the dominant position of orthodox economics is not based on scientific foundations, the orthodox label is vigorously rejected by those to whom it is applied. So if an economist denies the distinction between orthodoxy and heterodoxy, you can be sure you're dealing with an orthodox economist. But be warned: orthodoxy does not mean uniformity. On the contrary, since this notion refers only to the deep structure of the theoretical schema, it is easy to gain the impression that there is a certain degree of diversity within the orthodoxy. However, this apparent diversity is superficial and arises out of the variety of secondary hypotheses. Over the last 15 years, we have even seen a new face of orthodoxy emerge, one that emphasises quantitative and experimental methods with, one is led to believe, a minimum of preliminary theoretical content. Above and beyond the immense epistemological naivety that leads to the belief that reality can be captured with just a few secondary hypotheses as baggage, the fundamental theoretical prejudices are no less significant, they're just less evident.

On the basis of these three notions thus defined (we will use the term ‘**standard**’ when there is no need to distinguish between them), we can now introduce, in reverse order, the three contrary notions to be used in reconstructing our discipline’s institutional architecture:

- **Non-mainstream** is defined by subtraction from the mainstream. As we have seen, Section 05 increasingly functions on the basis of an implicit compulsion to be part of the mainstream (enforced via the assessment criteria). Such compulsion is unprecedented in the history of our discipline.
- There are many other schools of thought in economics in addition to the neoclassical school, e.g. Keynesian, institutionalist, evolutionary, Marxist, the French *regulation* and *convention* schools, etc. They each have their positive programmes and are not restricted to merely opposing neoclassical theory. Some even have roots that go further back in time. Nevertheless, if we were to gather them all under the same banner as being not neoclassical, we could describe them as ‘**alternative**’ or ‘**critical**’.
- The adjective ‘**heterodox**’ is much used in this manifesto because it has the advantage of not merely juxtaposing the ‘alternative’ approaches with their

own specific theoretical frameworks, like runners lined up in a straight line for the start of a race. Rather, it informs spectators that one of the runners has twisted the rules of the race to his own advantage, while claiming the opposite is the case, and that as a result the race will be fixed. Heterodox economists cannot be characterised simply in terms of their refusal to conform with the norm, their failure to adhere to the orthodoxy. They have, after all, developed another way of doing economics; in particular, they refuse to turn their discipline into a dogma, since they attach great importance to facing the facts, to dissent in all its forms and to interpretation. Unlike their orthodox counterparts, they do not think that the world must be modelled and reshaped to bring it into line with their theories. On the contrary, they take the view that it is the theories themselves that must be adapted to their object.

Finally, '**pluralism**', which determines the scope of our activity, must be reflected in a new section entitled 'Economics and Society', in which there is no longer one dominant approach or orthodoxy, just fundamental, open debate between different schools of thought that

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will still go by the same name - neoclassical, Keynesian, institutionalist etc. – but which discuss their hypotheses and weigh their arguments against the real world – in short, an academic community.