

THE CHRONICLE

of Higher Education

The Chronicle Review

[Home](#) [Opinion & Ideas](#) [The Chronicle Review](#)

April 25, 2010

Is Economics Art or Science?

It began on the op-ed page of *The Wall Street Journal*. "For an economist, these are the best of times and the worst of times," wrote Russ Roberts, a professor of economics at George Mason University. While economic anxiety has heightened demand for economists, Roberts noted, "there is no consensus on the cause of the crisis or the best way forward." That got him thinking about how economics is unlike other areas of science, which tend to progress in a more linear fashion. Not so economics, where discredited theories regularly come back to life, and major thinkers—Friedman, Hayek, Keynes—move in and out of vogue. "The bottom line is that we should expect less of economists," he wrote.

Among the readers of the Roberts article was *The New York Times* columnist David Brooks, who was inspired to sketch a history of modern economics, in five acts. Brooks's account began with the discipline's embrace of a "crude vision" of human beings as perfectly rational, and a second act that questioned self-interest as the root of all behavior. The third act began with the economic crisis in 2008, a moment that, in Brooks's view, exposed the field's shortcomings. The current moment is Act IV, in which economics is pushed in a more humanistic direction as scholars turn to psychology, sociology, and neuroscience for insights. In the last act, Brooks predicted, economists will "blow up their whole field" and make it a subsection of history and moral philosophy. The future of economics is as an art, not a science, he concluded. And that is a good thing, because the "moral and social yearnings of fully realized human beings are not reducible to universal laws and cannot be studied like physics."

Where is the field of economics heading? Several thinkers have weighed in.

N. Gregory Mankiw, professor of economics, Harvard

University: Journalists are fond of writing articles about how recent events require a fundamental rethinking of economic theory. ... But when they try to predict trends in academic theorizing from current events, they are usually incorrect. In particular, I think what we teach in economics courses is more robust than a reader of David's column would think.

To be sure, in undergraduate economics courses, some specific topics will need more coverage in the future. ... The role of leverage

in financial institutions is one example. Those people who study financial institutions and their regulation have moved to the forefront of the profession for a while, and that area of work may well get more coverage in the undergraduate curriculum.

But I doubt there will be a fundamental change in the field of economics. (Greg Mankiw's Blog)

Justin Fox, editorial director, Harvard Business Review Group: David Brooks wondered ... if economists shouldn't try to become more like historians. That was interesting to read, given that I had just spent time with a bunch of historians (and a few other humanities professors) who were wondering how they could become more like economists.

The occasion was a conference on "Reputation, Emotion and the Market," at the University of Oxford's Saïd Business School. I was there to speak about my book on the history of financial theory, but ended up mainly engaged in a long discussion with the 30 or so historians (and a smattering of scholars from other humanities disciplines) on hand about why economists had gained so much influence over the past half-century and historians had lost so much.

One answer I offered was that economists had managed a remarkable balancing act between making the guts of their work totally incomprehensible—and thus forbiddingly impressive—to the outside world while continuing to offer reasonably straightforward conclusions. ... An academic history paper, on the other hand, is often an uninterrupted cascade of semi-comprehensible jargon that neither impresses a lay reader nor offers any clear conclusions.

Why does any of this matter? Mainly because the ways in which scholars interpret the world can (with a time lag and a lot lost in translation) have a big influence on the way the rest of us see things. ... Economists have come to utterly dominate thinking about economic matters and begun to insinuate themselves into lots of other fields, too. Business education, and business advice, has certainly become much more economics-oriented. Which isn't all bad. But even an economist would agree that we could use more competition in the marketplace of ideas. Right? (*Harvard Business Review Online*)

Sean C. Safford, assistant professor of organizations and strategy, University of Chicago: Brooks makes it seem like sociologists, psychologists, and the like have been waiting for our moment. Sociology and the humanists originated the field, and we never really went away. (It's worth remembering that Max Weber called himself an economist; Act I in Brooks's formulation was

preceded by a whole lot of people we would today call humanists, political scientists, and sociologists who were unpacking the nature of economic activity and action.) So one has to ask: If we've been right all along (and I think we have been), then why should we think that this crisis will be the one to change the game back in our favor? ...

People who need to make decisions want a rationale for those decisions to be conveyed with clarity. For as much as I think sociology and our sister—humanist-oriented—disciplines come closer to understanding reality, we nevertheless will continue to lose arguments because of the wishy-washy way we make our arguments. There is little interest or tolerance among economic sociologists for articulating a coherent, prescriptive philosophy of economic action.

Until we do, I'm afraid we are always going to be playing second fiddle. (orgtheory.net)

Barry W. Ickes, professor of economics, Pennsylvania State University: What sells in the wider audience, however, is not what economists are actually doing. It is a good market response to write a popular book saying economists are stupid, or whatever. But the professional work is getting more technical, not less. ... Economists for the most part do not see the financial crisis as a repudiation of their efforts. So there is no reason to re-evaluate what economists do. I think that is how this is viewed internally. And that is what governs the dynamics of the profession. (Ickman's Blog)

Aaron Bekemeyer, associate editor, *Consider Magazine*: Perhaps, as economists "perfect" their discipline, it won't be appropriate to call economics either a science or an art. The sharp disciplinary divisions between the arts and sciences (and their various subdisciplines) are a relatively recent development, only a century or two old. Who's to say these distinctions will be around forever? Maybe, in the not-too-distant future, we'll look back and see how silly and artificial our distinctions between art and science have been. Some of the disciplines we consider so vital to modern life—medicine, history, and, not least, economics—may come to be perfect examples of activities that rely equally on empiricism and inspiration, objectivity and intuition. (The Conversationalist, Consider online)

Mark D. White, professor of political science, economics, and philosophy, City University of New York's College of Staten Island: In a social science such as economics, we have persons, with intentions, emotions, and quirks—lots of them.

Despite how they're reflected in economists' models, their actions are not determined solely by the forces around them, but also by the forces inside their heads—their preferences, beliefs, values, morals, principles, biases, prejudices, and so on. ...

If the government has already decided to spend around \$2-trillion, then economists may be able to contribute to determining the precise amount necessary to achieve the desired end. But if the government is deciding whether or not to spend that large amount of money at all, or whether to nationalize health care, or bring back significant financial regulations—massive, qualitative changes in the economy, rather than marginal, quantitative changes—then a broader perspective is necessary, and philosophy certainly has a lot to offer to that discussion. (Economics and Ethics)

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The Chronicle of Higher Education 1255 Twenty-Third St, N.W. Washington, D.C. 20037