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978-0-521-00020-8 - The Economic World View: Studies in the Ontology of Economics

Edited by Uskali Mäki

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The Economic World View

Studies in the Ontology of Economics

The beliefs of economists are not solely determined by empirical evidence in direct relation to the theories and models they hold. Economists hold 'ontological presuppositions', fundamental ideas about the nature of being which direct their thinking about economic behaviour. In this volume, leading philosophers and economists examine these hidden presuppositions, searching for a 'world view' of economics. What properties are attributed to human individuals in economic theories, and which are excluded? Does economic man exist? Do markets have an essence? Do macroeconomic aggregates exist? Is the economy a mechanism, the functioning of which is governed by a limited set of distinct causes? What are the methodological implications of different ontological starting points? This collection, which establishes economic ontology as a coordinated field of study, will be of great value to economists and philosophers of social sciences.

USKALI MÄKI is Professor of Philosophy at the Erasmus University of Rotterdam. He is an editor of the *Journal of Economic Methodology* and member of the Executive Board of the International Network for Economic Method. His recent publications include being an editor of and contributor to *The Handbook of Economic Methodology* (1998), *Economics and Methodology: Crossing Boundaries* (1998), and *Fact and Fiction in Economics* (forthcoming).

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Preface

What is the world made of? How does the world work? Is it governed by causes? What is the nature of causality? Are some states of the world necessary and some others impossible? Do universals exist? Do minds exist? Do human beings have a free will? Are there social wholes irreducible to their parts? These are examples of questions that philosophers and scientists keep asking and answering, and have kept asking and answering for centuries. They are concerned with the most fundamental components in our general world views. Some of the time, these questions and answers have been explicit, while much of the time they are implicit. Such questions and answers, at various levels of specificity, are ever-present also in economics: they are presupposed and they are implied in the acts of economic reasoning, both theoretical and empirical. The purpose of this book is to help start making them explicit. To make such elements of economic reasoning explicit is to examine the ontology of economics. It is to study the basic world views of economics.

The economic world view suggests an intellectual challenge from two perspectives. It tends to be part of our everyday experience that economic considerations (those related to money and the market, cost and benefit calculations, etc.) have been growing in importance in our social lives. The academic world has also been witnessing, not only the growing importance of economic constraints on academic life, but also the growing importance of economics as a discipline, both as a resource for studying social phenomena and as a target of study itself. In both cases, questions arise as to what exactly it is that is growing in importance. What exactly is the economic realm made of?

I believe the study of economic ontology is a prerequisite for understanding economics as a scientific discipline. It is thus intended and hoped that this volume will help define a field of study – the ontology of economics, or economic ontology – so as to give it a relatively distinct identity with a set of paradigmatic issues and ways of pursuing insights

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into them; to help turn it into a collectively coordinated and cumulative endeavour. Economic ontology is a field to which both economists and philosophers of economics and other social sciences can and should contribute. The parallel recent development in general social theory proceeds under the heading of 'social ontology'; it is a project in which social scientists and philosophers of society participate. It is hoped that, in the context of economics and its philosophy, *The Economic World View* will inspire more systematic efforts of the same sort in the future.

When Barry Smith, editor of the prestigious philosophy journal *The Monist*, a few years ago asked me to guest edit a special issue and to propose a topic, I did not hesitate long: it had to be on the ontological foundations of economics. It seemed to me that there was a gap in the otherwise rapidly growing literature on economic methodology and the philosophy of economics: a systematic and collectively coordinated project on economic ontology was missing. Scattered remarks and contributions had been appearing here and there, but no self-consciously collective and coordinated effort existed. I suggested the title, 'The Metaphysics of Economics' and started working. I worked quite hard, and the harvest was good. Eight first-rate papers were published. Those eight papers, four of them rewritten, are included in the present volume.

It was clear that *The Monist* project had to be followed up. Editing a larger volume of contributions was an obvious idea. I spread the message, and once again the harvest was good. Several people proposed contributions and started writing. I gave comments on the drafts that were submitted, and many of the contributors generously served as anonymous referees on other contributors' papers. In such respects it was a genuinely collective endeavour. Under the pressure of the procedure, another ten papers survived, several of them having gone through many rounds of revision.

There are several people whose help and support I want to acknowledge. Barry Smith's invitation played a crucial role. Patrick McCartan at Cambridge University Press was very encouraging from the beginning, while Chris Harrison's role was invaluable at the end. Many of the contributors have been extremely helpful in reviewing each other's papers; also, several others acted as referees, assessing the submissions to *The Monist*. At the final stages of the project, the assistance of Frank Hindriks and Judith de Putter has been indispensable. Many thanks to them all. This project has been supported by the Foundation 'Vereniging Trustfonds Erasmus Universiteit Rotterdam' in the Netherlands and the Academy of Finland research project 'Economics as a Target and Tool of Science Studies'.

Uskali Mäki, Rotterdam, May 2000