

## Independent thinking in an interdependent world: Edward Fullbrook on the state of contemporary economics

Edward Fullbrook, *Narrative Fixation in Economics* World Economics Association, 2016, 157pp. ppk. ISBN: 978 1 84890 228 2

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### Pluralism is not the enemy of truth

I am going to start with what may seem a pedantic and abstract set of concerns, bear with me, these help to explain why Edward Fullbrook's *Narrative Fixation in Economics* is such an important book. Consider also if you are tempted to simply think of this as "philosophy and all that" not worthy of further consideration, just think of the effort and resources that are directed to master mathematical models, techniques and statistical methods. These are no more naturally "economics" than are the insights and arguments that philosophy affords. Arguably, the latter helps to shed light on whether the former ought to take the form and have the primacy it does, so the latter ought perhaps to concern us *more* (and not least if we are "rational" optimisers of use of time (sic)).

It is misleading to confuse the importance of truth with truth statements (the current "stock" of truth): *it is true that x*. The process of truth *seeking* also matters, and perhaps matters more in the long term; it is through *justifying* that we license the transition in claims to currently *justified*, truth in any non-trivial sense has acquired this status and this speaks to the underlying importance of the *current* "hows" of justification, such as the use of evidence, checking, testing, argument etc.; the "stock" of truth is perpetually renewed through this "flow".

- Such truth seeking has at least one predicate: there is something to engage in truth seeking *about*.
- And it has at least one condition: truth seeking is an actual commitment, rather than merely a form of words; as a commitment, it must be a *practice*.

Truth seeking is basic to knowledge. This is circular: no academic would claim that they sought ignorance or falsity, and if they did claim this then we would respond they are not contributing to what we know, merely to the sum of ignorance and falsity.<sup>1</sup> This formally declared wilful ignorance or falsity is different than contesting the work of an academic that formally (or by convention) positions their work as knowledge. One might contest the

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<sup>1</sup> We are exploring this with a view to relevance to economics, and the context for this is not primarily aesthetics, art etc. There are other ways of considering what is central to knowledge – here I am simply setting out a standard form in epistemology that contests "deflation" (the elimination of truth from the concept of knowledge). One, of course, may also formally position work as falsity to make a point and so in science and the humanities this may shade into art, which may tell us something about what we think we know, introducing a set of meta issues of epistemological interest. Note also I am by no means suggesting that truth seeking should not seek inspiration or insight from experience extending to art and literature; this, for example, would be to produce a problem identified by Heidegger in terms of the Greek legacy, and would also sit uncomfortably with much of the inspiration for Fullbrook's work (phenomenology, existentialism etc).

correctness of their work or contest their motives for producing that work. One might contest whether the work contributed to the sum of knowledge, but this as in the previous, presupposes knowledge as a truth seeking endeavour.

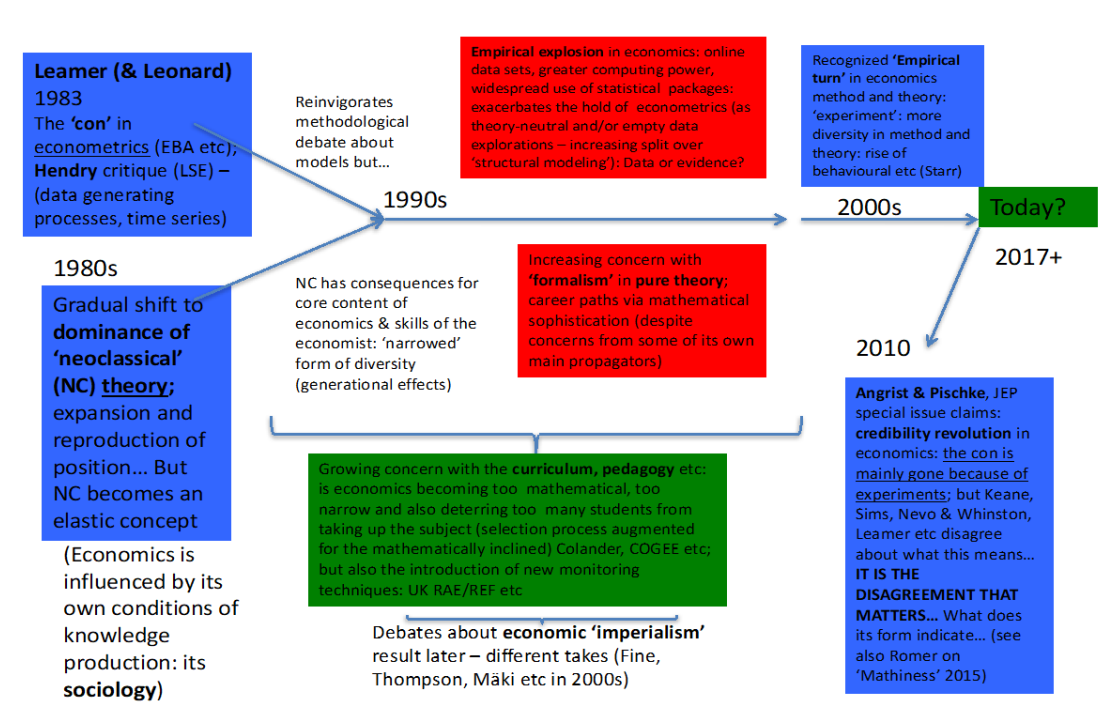
Though we can play games in philosophy based on logic, language and distinctions (analytic, synthetic etc), in a very basic sense we can be wrong, we *know* we can be wrong, and this has an elasticity in terms of language use – we speak colloquially of degrees of correctness, half right, part right etc, and engage in activity that spans a spectrum from refute, reject and so forth to the absorption or encompassing of work within new or modified ways of knowing. But these are simply extensions and more subtle ways of stating we *know* we can be wrong. So, all knowledge is in this non-trivial sense “fallible” (contingent). Equally as important, there is no necessary *a priori* in terms of limits within theory of knowledge that dictates truth must be truth about something that does not change. Only truth seeking can inform us about the constituents of the world to which truth seeking is applied. Some aspects of it may involve principles or mechanisms that are enduring, under some description of time (since under ultimate descriptions not even time is eternal, given the universe is on the clock), and others not. Some may also be extensive to the point of pervasive, under some description, and others not. Reductively (irony intended), we sometimes refer to the former characteristics as eternal and universal. However, given the range, there is no *a priori* that demands truth seeking disallows a world of change, and a world of change within which what we think is real, true, false, constructible, impossible or desirable can have consequences for what subsequently is part of the world that truth seeking explores as an “about”. More than this, the continual confounding of our frameworks, theories, concepts, ideas, beliefs and intentions tends to confirm, in so far as anything can, that one of our more robust truth claims is that we live in precisely this kind of world. That is, a world that exceeds our knowledge but which is, in many different ways, sensitive to what we think we know and what we then *do* based on what we think we know. As such, performance, policy and alternative futures are not antithetical to truth seeking but consequent components of truth claims from truth seeking.

“Knowing” that we live in this kind of world raises a number of important issues. Knowledge itself has a history and sociology. It is produced, and the ways in which it is produced have developed. We can look back over this history and consider this sociology and ask ourselves whether both have been conducive to truth seeking:

- Have they and do they contribute effectively to exploring the *aboutness* of our world?
- Have they and do they encourage and nurture truth seeking as a commitment and actual *practice*?

This brings us to the state of contemporary economics and to Fullbrook’s *Narrative Fixation in Economics* (2016) and the issue of pluralism (see also Fullbrook, 2008, 2013). According to Fullbrook, though he does not put it quite like this, the history and sociology of economics has resulted in a situation in which the mainstream has become “anti-knowledge”. It engages in practices that produce and reproduce a single framework or perspective and that framework or perspective is inadequate as a way to explore the economy. We might say then that its body of knowledge has ceased to be an effective form of truth seeking in both the senses above. The mainstream is deficient both as a source of truth claims (its “stock”) and as a discourse able to encourage and nurture a commitment and practice of truth seeking (its “flow”).

This kind of claim, of course, is not new. The history of economic thought shades into the philosophy of economics in terms of recognition of contemporaneous critique of emerging theory positions, schools and methods: Marx and vulgar political economy, Marshall, the contrast between John Neville and John Maynard Keynes, and all the way to Palley's "Gattopardo economics" or the differing positions taken on Rodrik's *Economic Rules* or Raworth's *Doughnut Economics* today. And many works explore in different ways the socialisation of economists, the history of the field and its knowledge forms, and the scope or limits on diversity; and the positions taken within this commonality are themselves diverse (for some of the range see, Fourcade et al 2015; Colander and Klammer, 1987; Klammer and Colander, 1990; Colander et al, 2004; Colander, 2005; Davis, 2006; Arnsperger and Varoufakis, 2006; Fine, and Milonakis, 2009; Fine, 2013; Starr, 2014; Morgan and Rutherford, 1998; Morgan, 2015, 2016a). Some of this is captured in the following schematic:<sup>2</sup>



What makes Fullbrook's *Narrative Fixation* important is the argument it makes regarding the status and role of pluralism.

According to Fullbrook, the characteristics of the mainstream are partly a product of the elimination of pluralism, and the continued dominance of the mainstream, including perhaps a "fake pluralism", is partly attributable to that elimination as an ongoing exercise. Specifically, the mainstream remains wedded to a perspective regarding adequate knowledge based on classical mechanics, and to a theory of knowledge formation that expects and prefers a single dominant perspective, on the basis that the existence of a single perspective is a hallmark of science, and this conforms to the self-identification amongst economists of economics as *the* social science most akin to the natural sciences.

<sup>2</sup> JEP refers to *Journal of Economic Perspectives*, authors' names will be familiar based on discursive relevance. RAE refers to the research assessment exercise, REF to the Research Excellence Framework and COGEE to the US Commission on Graduate Education in Economics.

For Fullbrook, the consequence has been scientific in both theory and practice. Fullbrook makes the argument that success in the natural sciences, and in physics in particular, has *not* been based on the dominance of a single perspective, but rather on the willingness to accept multiple perspectives, and to realise that adequate knowledge can be produced based on each, so it is not just a case of any given scientist being wedded to a particular position, it is rather a case of science being capable of switching for the purposes of the inquiry. Relativity and quantum mechanics have both been empirically successful, and no physicist experiences shifting from one to the other as a profound dislocation. Both are truth seeking and yet limited, and even the acknowledgement that neither is the last word on their respective subject matters, with the concomitant commitment to one day perhaps superseding both, accepts that the achievement of this goal is *subsequent to* the existence of multiple perspectives, so the continued openness to seeking out new perspectives and drawing them into a “mainstream” is a recognized positive *perennial* characteristic of that mainstream in physics and the sciences (rather than merely a source of anxiety – it drives some to seek for unity but does so without compromising openness to significant diversity).

As such, the hallmark of progress and success over the last century in physics has *not been* a stark one of just ruthless theory competition and elimination in pursuit of a single position, but rather continued diversity, openness and progressive change: an environment conducive to the combination of truth seeking as aboutness and an environment encouraging and nurturing a commitment to truth seeking rooted in actual practice. So, physics has resisted its science becoming scientific. This is quite a different way to position physics and natural science as a framework of knowledge to be “emulated” by the social sciences than mainstream economics seems to have pursued. However, one must, of course, acknowledge this description of the natural sciences is an archetype, and the natural sciences are also career driven processes. Funding matters and corporations and governments can exert significant influence on the direction of research, creating constraints on the trajectories within which knowledge is produced and reproduced and suppressed in these sciences. Fullbrook’s main insights are not antithetical to the obvious point that all sciences have their dark side. Fullbrook’s point is that, *on balance*, a pluralistic science is one whose very form resists a slide into stultifying “orthodoxy”, but making this point does not require an idealised version of the natural sciences, merely a recognition that the overall pluralist ethos in that environment of commitments and practices matters.

So, if one were to try to encapsulate the spirit of Fullbrook’s *Narrative Fixation* in a single phrase it would be that pluralism is not the enemy of truth, rather it is the companion of truth seeking.

Contrast this with mainstream economics (and perhaps not just the mainstream). The pursuit of a single underlying/overarching framework has become a straightjacket: an *a priori* that acts to exclude and is used to eliminate alternatives. The mainstream is not just lacking in pluralism, it regulates its lack of pluralism. It is thus through its regulatory practices antithetical to knowledge. Moreover, this problem of practice becomes substantively anti-knowledge because the theory and methods that are produced and reproduced take as their *point of departure* fundamental assumptions and restrictions that are profoundly unrealistic, and thus provide poor traction or focus or insight for urgent problems of economies, societies and politics in the modern world. “Progress” becomes a matter of deviations from profoundly unrealistic initial assumptions and restrictions, and so remains wedded to them. Any diversity that arises is thus not genuinely pluralistic, but rather limited difference according to a defined spectrum, and Fullbrook’s major contribution is to suggest it is the lack of pluralism that

provides the prison bars for this prism: a limited position becomes ideological. *Narrative Fixation* is one hundred and fifty pages or so long, so there is greater nuance and sophistication to Fullbrook's argument than is provided by this brief summary, and this includes his more extended argument for the significant differences of context for knowledge of society (economy) because of its constitution. However, it should already be clear that there is something subtly different about Fullbrook's take on the state of contemporary economics in terms of the role and significance of pluralism. In the following section I provide some comment on selected quotes from the book in order to provide more of a sense of *Narrative Fixation's* sophistication.

### **The *Narrative Fixation*: open minds not empty minds**

In the preface Fullbrook sets the scene for the argument that follows:

In the same decades that Neoclassical economics was being created, physics was moving rapidly away from its insistence upon the determinist-atomistic narrative and towards narrative pluralism. The achievements resulting from this opening up of physics to other narratives have been even more spectacular than those that came from classical mechanics. Without that intellectual liberation, human reality would be radically different from what it is as I write. But economics – except among a now widening fringe heavily supported by the young – remains locked in the same narrative dogmatism from which physics escaped a century and a half ago. Meanwhile economic evolution has continued. And as the gap between economic reality and the Neoclassical portrayal of it grows ever wider, Neoclassical voices become shriller and their arguments, when placed within the context of the real-world, ever more farcical. Understandably in self-defence, but shamelessly and ultimately at great cost to humanity, economics in its traditional centres moves ever further away from the ethos of science and becomes ever more ruthlessly devoted to scientism (2016, pp. 1-2).

Fullbrook contrasts the “narrative pluralism” of physics with mainstream economics single narrative fixation. According to Fullbrook all perspectives have a narrative structure and this includes knowledge seeking enterprises, “every theory, paradigm and research program – launches itself from a conceptual framework, including a set of presuppositions about the nature of reality” (2016, p. 4). This structure affects what and how one views. Narrative pluralism provides different ways of looking at one reality and:

Different but non-competing narratives of the same domain give prominence to different dimensions of that domain. Each narrative functions as an interpretative system, as a *special* way of perceiving some corner of existence (2016, p. 6).

Narrative selection matters and one can explore how narratives are constructed based on the way they simplify, classify and express properties. In this latter sense:

ontologies are the most elemental because they make assertions about the fundamental nature of reality--about what sorts of entities, properties and relations compose existence. But all narratives, and especially knowledge narratives, postulate a sort of proto-ontology in the sense of identifying a

certain range of phenomena (a “universe of discourse”) whose existence, real or imagined, they wish to take into account. In the formation of these proto-ontologies, the classification of entities typically requires the predication of various properties, making these two processes inextricably intertwined (2016, p. 11).

There is clearly some crossover here with ideas and issues raised by Cambridge Social Ontology (see Faulkner et al 2017; Lawson, 2015, Pratten, 2015 and Fullbrook, 2009). However, Fullbrook’s focus on narrative is subtly different, albeit involving some of the same inference and claims (contrast also with Dow, 2004). A key issue for Fullbrook is the nature of the narrative itself rather than the nature of reality per se (though this is also a subject of concern as ontology, see chapter 2 and 4). Specifically, is the narrative form open or closed:

Some narratives are *closed* in the sense that they describe all their events as predetermined, whereas others are *open* in the sense that they admit indeterminacies. Narratives divide between these two categories. Those of the closed or determinate variety claim that given X, Y must follow, whereas open or indeterminate narratives explain Y in terms of X without the presumption that Y *always* follows X. If a field of inquiry is not seen as wholly determinate, meaning that chance, contingency, choice, uncertainty, randomness, or spontaneity enter into the relations between events, then the sets of events open to explanation by the determinate and indeterminate approaches are not coextensive. With these different ranges of application, the choice between the two forms of narrative linkage is one of selecting a method appropriate to the perceived subject matter. As such, this question of finding a suitable narrative form must not be conflated with the metaphysical question of whether reality in general is determinate or not (2016, p. 15).

Fullbrook argues both open and closed narratives have their uses, but widespread tolerance of open narratives is relatively new. Mainstream economics lacks both narrative pluralism and effective open narratives articulated and pursued by a narrative community (though many in the mainstream might want to contest this in one way or another). This is in part because of the valorisation of a misconceived image of science that (in addition to the construction of early theory following classical mechanics) owes something to philosophy of science’s focus on theory competition and then paradigm shifts. Yet:

Kuhn’s narrative assumes that the scientific mind is so deficient in agility as to be incapable of alternating freely between incommensurable conceptual systems. I would be the last to deny that examples of this stereotype exist in every discipline and that in some disciplines this intellectual ineptitude dominates. Nor do I deny that narrative communities sometimes exist in bondage to their conceptual system because they have failed to make explicit its primary presuppositions. But it seems a cruel travesty of the truth to portray the scientist in general as, on the one hand, an intellectual bumpkin, incapable of shifting between conceptual gestalts and, on the other, as a moral midget, committed primarily to the glorification of a particular narrative point of view rather than to the understanding of the empirical domain to which that narrative and others refer (2016, p. 27).



And yet anti-knowledge has become a problem in the social sciences and in economics in particular. Following Horton, Fullbrook identifies a problem of the dominance of closed narrative communities in social science that make social sciences more like traditional frameworks, in so far as they suppress the development, awareness or engagement of alternatives. According to Fullbrook, one source of this subversion of what we think of as the great source of progress in modern culture (problems of modernism and the Enlightenment notwithstanding) is that few domains generate conditions which decisively allow any narrative community to reject a conceptual system. There is a “freedom to forever evade reality when combined with monist beliefs and true-believer mentalities” (2016, p. 31). So, closed narratives or conceptual systems, closed narrative communities and a sufficient ambiguity of interpretation enabled by the openness of reality allow each closed narrative community to sustain itself. Though this is a problem for mainstream economics it is equally a potential problem for other schools and positions. For Fullbrook, what matters is whether the narrative community engages in pathological narrative practices, of which he identifies four (pp. 31-40):

1. Narrative cleansing: based on definitions and principles, alternatives are excluded as alien, rather than treated as genuine competitors, which must be given due consideration in relation to an empirical domain;
2. Fake pluralism: limited diversity is created from common points of departure that serve to commonly constrain;
3. Narrative inversion: the knowledge narrative becomes its own subject of inquiry, e.g. progress becomes a matter of iterating or innovating models, rather than explaining and exploring the empirical domain – this becomes secondary or subordinated – one thinks of the possible *subsequent* relevance of the iteration or innovation once the iteration or innovation has been produced, and so the mechanism of theory change is not real world oriented, though it may be claimed to be more or less realistic;
4. Concealed ideologies: in so far as a narrative community acts to regulate the production and reproduction of knowledge, its epistemic commitments can recursively enforce its content and principles as a form of ideology; if only one perspective is used and taught then that one *becomes* an ideology.

Clearly, Fullbrook has something slightly different in mind than Marx when setting out a concept of ideology. It is not a ruling set of ideas produced and reproduced as common sense of society that encapsulates an economic class’s interests, whilst turning the world “upside down”. The use is nonetheless reasonable and relevant in so far as it captures a state of affairs many would recognize as widespread in economics (indoctrination and disciplining). This can be more or less subtle, for example, many of the proponents of the new INET supported CORE curriculum are genuinely convinced that it is pluralistic and represents diversity. However, some refuse to engage or include heterodox economics, and the CORE units assimilate and re-express the work of many of the “alternative” thinkers and positions used within a basically mainstream “narrative”, subordinating the whole to a set of core concepts deemed universal useful points of departure (and neutral in this sense).

Fullbrook’s ultimate point is to argue that narrative pluralism is not only permissible but also desirable, and that for it to become an effective practice (more than mere words), requires a continual empirical concern. This is not naïve empiricism, it is not a claim that one just needs to look at the real world to solve all problems of theory. Fullbrook, like Lawson, is aware that the greatest impediment to progress in economics is not a world that is under-determined by theory, so there can be several possible theories that remain unfalsified; but rather the

existence of theory that never quite has to justify or renew its realisticness or relevance in the first place (Morgan and Patomäki, 2017, p. 1415). For Fullbrook, open narratives and narrative pluralism change the context and so improve the capacity for progress to be made. There is no algorithm for this, no precise set of philosophical criteria, just a sense that we know the current state of affairs is problematic. And we can all, socialisation and indoctrination and true believer problems etc notwithstanding, know this to be the case. We may be in denial, we may deflect, we may suggest that the problems are not my problems or that they are at a scale about which I can do little (since I too must conform in so far as I have a career and a mortgage to pay), but these do not militate against recognition and understanding of what Fullbrook is attempting to convey. We need open minds, but not empty minds.

Moreover, though there can be no simple solution to complex problems of knowledge formation, of truth seeking, one can at least consider different ways to contribute to a conducive environment for progress. One can, as Fullbrook has done, dedicate time to the principles you profess in a practical institution building sense: the *World Economics Association*, *Real World Economics Review*, the PAE Blog etc. And one can, as a corollary, encourage work on urgent and contemporary problems (for example, Fullbrook and Morgan, 2014, 2017). And, following the claim that “ontologies are the most elemental because they make assertions about the fundamental nature of reality,” (2016, p. 11) one can also explore the different fundamentals that affect substantive narrative constitution. This is what Fullbrook turns to in Chapter 2 of the *Narrative Fixation* where he sets out fundamental problems in terms of an intrasubjective focus that sits awkwardly with an intersubjective one.

Fullbrook begins by noting how British empiricism was influenced by Descartes’ dualism. Descartes’ looking within (beginning an intra focus) led to a concept of a universal foundational thinker detached from an embodied self, one that is autonomous and self-identical. This, in turn, accepting there is more complexity to, as well as a tendency in, the history of philosophy and social theory, led to a separation of subject and the object of thought, such that an abstract nature of the human is outside of society, which creates a conceptual break between a concept of the human subject and the ongoing development of human agents in society. Complex and abstract as this sounds, it means no more than that the underlying philosophical development that influenced foundational concepts that would infuse the social sciences began with a problematic relation of the human to her environment – a problem precisely of how she is constituted in her environment of relations (which fails to adequately encapsulate that there are such relations). This then becomes a problem to be recognized and solved: creating a tension between methodological individualism and holism, agent structure issues etc. (see also Fullbrook, 2002).

Intersubjective philosophy and social theory, notably phenomenology, attempt to provide one reconciling solution based on interdependency of constitution: a focus on experience, becoming and so forth, which considers the difference that difference makes. That is, how the world can be quite different based on gender, race, history, language etc. To be clear, that this is Fullbrook’s focus does not contradict the points I began with in terms of truth seeking, rather it indicates how truth seeking embraces the constituents of the world to which truth seeking is applied. This is very different than naïve empiricism, it is taking the world as it is, a world that includes the way we are constituted in that world and how we also contribute to make that world (whilst accepting that knowledge is conditional and contingent). This may seem peripheral at best to immediate issues for economics, but it is actually central when one



considers the nature of the basic problems of axioms, assumptions and agents. These struggle with interdependency and an adequate account of intersubjectivity.

For Fullbrook, the world of experience is real in its constitution and consequences, and a single standpoint can serve to disguise this (so this itself is false). As Fullbrook notes, this may contradict a dominant version of the Enlightenment, in which one seeks universal eternal atomistic disembodied singular truths, not least because these are positioned in ways that oppress. So, a neoclassical universal concept of marginal product is not just false by construction (a technical problem of its failure to encapsulate reality), it is problematic in so far as it can explicitly or implicitly be used to justify embedded discriminations that are the product of how power has been expressed in social relations. Its falsity has real consequences, and one needs a sophisticated account of knowledge (what I would suggest is truth seeking) to establish this. Though anyone can “know” this, it is because we experience the world differently that it has mattered more to some than others, and so became a source of critique from within marginalized groups. Narratives can never be neutral in social settings in this sense, even if they can be comprehensible and adoptable in a pluralist sense. Of neoclassical economics Fullbrook states:

Neoclassicism's hypothetical exogenizing of the economic agent resulted in changes in economics infinitely more fundamental than its abandonment of the labour theory of value. Firstly, it effectively walled-off the greater part of the realm of economic phenomena from scholarly and scientific enquiry. In the name of axiomatic certainty, which it mistook for science, economics turned its back on some awkward but central empirical realities. Secondly, this cognitive disaster led to a moral one. Its turning its back on all economics phenomena that are not intrasubjective, that do not conform to its Cartesian metaphysic, gave rise to a spurious naturalism and the unarticulated but culturally powerful line of racism and sexism that it logically entails (Fullbrook, 2001). As George Akerlof gently puts it, “Neoclassical theory suggests that poverty is the reflection of low initial endowments of human and nonhuman capital” (Akerlof, 2002, p. 412). Poverty, as we all know, is not distributed evenly between races and sexes. So, when it is said that poverty reflects the “low initial endowments” of the people suffering it, a statement is being made about natural differences between races and sexes (2016, p. 58).

But Fullbrook also notes that:

Neoclassicism is neither a useless nor an inherently intolerant, antiscientific undertaking. Pretending that economic agents are radically different from how they are offers one point of view, even if a narrow one, from which to study economic reality (2016, p. 61).

This seems more controversial than it is. By this Fullbrook simply means that neoclassical constructs if taken as thought experiments that provide points of comparison are not necessarily without value. This is an open issue. It is the claims made in their regard and the exclusion of all else that has made neoclassical economics a problem for the whole of economics (including the whole of the mainstream that has developed from a more narrowly defined neoclassical economics). This then becomes the subject of Chapter 3 on ideology, and then extends into Chapter's 4, 5, and 6. Chapter 4 sets out an anti-naturalist position, by which Fullbrook is arguing against reductive essentialist versions of the human and in favour

of intersubjective constitution, without denial that there are biological components etc – which may cause some confusion since some modern philosophers who would describe themselves as naturalist accept this (including Lawson). Chapter 5 deconstructs the neoclassical narrative's key commitments in seven parts, and Chapter 6 brings the book to a close with a discussion of the increasing sense of influential irrelevance that the narrative fixation of neoclassical economics (extended to a broader mainstream) retains.

I could go on at this point to provide more detail, but given the intent is to encourage anyone interested in the state of contemporary economics to go on and read the *Narrative Fixation*, that might be counterproductive. This is an excellent read and an important work. It sits comfortably alongside the long list of works already referenced in the introduction and provides an additional and original contribution – as one would expect from someone who has defined their life in terms of independent thought and action. This, of course, is not a contradiction, in so far as the world is intersubjective. It is a matter of consistent principle in so far as Fullbrook has done a great deal to articulate and implement the principles that are core to the *Narrative Fixation*, but are, as he notes, rare in social science. It takes independence of mind to oppose conformist strictures and argue for narrative pluralism. In any case, rather than continue to set out content it might be more effective to contrast *Narrative Fixation* with Robert Shiller's (2017) more prominent recent attempt to bring a concept of narrative into economics. Arguably Shiller's narrative economics exhibits some of the fixation and encourages some of the narrative pathologies that Fullbrook identifies.

#### **What the *Narrative Fixation* is not: Shiller and narrative pathology**

According to Shiller, economics has paid insufficient attention to narratives. By narrative he means popular stories of “human interest and emotion” that express explanations of events and “stimulate” concern. Shiller's point of departure is that “purely economic” mechanism that economist's “love to model” do not capture these, but they can be a subject of “quantitative study”. Given that the focus is stimulation of concern, then for Shiller narratives are dynamic causal traces that indicate the growth of a story in popular consciousness. Specifically, “narratives might well be thought of as important, largely exogenous shocks to the aggregate economy” (Shiller, 2017, p. 3). As he also notes, nothing “beyond sunspots is truly exogenous”, but narratives can be treated as such, since they originate in an individual mind and become an effect from the few to the many. Data on these narratives can provide an *additional* component to explore the dynamics of economic fluctuations. Accordingly, Shiller sets out to “offer a class of mathematical models for some of these determinate and known causes of the path of narratives, quantifying the dynamics of narratives” (2017, p. 4). By fitting this to cases (the Great Depression, the Great Recession, and the US presidential election 2016) Shiller sets out to enhance our “understanding” of major economic events.

The point Shiller wants to make is that narratives are central to “human thinking and motivation” and that these embed in “social interactions”, and when focused on major tumultuous events or possibilities, provide “vectors of rapid change in culture, in zeitgeist and ultimately in economic behaviour” (Shiller, 2017, p. 10). To explore these “vectors of change” Shiller adopts and adapts a three equation epidemiological model used to trace infectious diseases: the SIR (susceptibles, infectives and recovered), which can be used to describe “word-of-mouth transmission of an idea” (Shiller, 2014, p. 14). Ideas and so forth as narratives are reconceived as “social epidemics”. For Shiller, ideas are significant based first on their impact once triggered. As social epidemics they follow a hump shape – if they catch on, then

at the moment they do they experience rapid diffusion followed by a trail off. Second, they can have a long run impact based on how the idea embeds, which is a legacy of the epidemic rather than indicative of the necessary correctness of the narrative. Following the model demonstration Shiller then looks for matches based on a set of illustrative cases using key terms associated with narratives. Data is extracted from ProQuest and Google NGrams and one is looking for similar hump shapes (an explosion of language use or reference).

Shiller summarises what he thinks his narrative economics has achieved and what prospects it creates:

Narrative economics, to the extent that it has ever been practiced by scholars, has had a poor reputation. In part, it may be due to the fact that the relation between narratives and economic outcomes is likely to be complex and time varying. The impact of narratives on the economy is regularly mentioned in journalistic circles, but without the demands of academic rigor. The impact of journalistic accounts of narratives may have been connected to aggressive forecasts which often proved wrong. But, the advent of big data and of better algorithms of semantic search might bring more credibility to the field. Research in economics is already on its way to finding better quantitative methods to understand the impact of narratives on the economy. Textual search is a small but expanding area in economic research... But much more could be done. The historical analysis could be carried further into databases of personal diaries, sermons, personal letters, psychiatrists' patient notes and social media. There should be more serious efforts at collecting further time series data on narratives, going beyond the passive collection of others' words, towards experiments that reveal meaning and psychological significance (Shiller, 2017, p. 48).

However, what Shiller has achieved can be looked at quite differently based on Fullbrook's *Narrative Fixation*. For Fullbrook a narrative is a framework that shapes one's perspective, and knowledge narratives provide alternative adoptable perspectives. For Shiller a narrative is an idea or story. In terms of Fullbrook's broader argument it seems closer to a social theory attempt to articulate an intersubjective position. However, this is not quite the case. Its final form is questionable as should become clear below.

That Shiller finds narratives important is important, though perhaps not in the way he thinks. One can reread his narrative economics and think about it as a paper implicitly addressing an audience of mainstream economists. One can ask what points of departure make sense of how arguments are positioned, phrased and constructed? This provides some insight into how it is limited or constrained.

First, in writing for his audience Shiller is able to take it for granted that they will accept his general claim that what people think, feel and believe is not central to the kind of economics they are familiar with. This reinforces the received position that the standard modelled economic agent is not one for whom "narratives" have mattered. Any concept of a more sophisticated "social" and of social diffusion is alien, and so requires further explanation and justification. Shiller provides this with reference to literary theory, anthropology, Sartre, Durkheim and various others, which ostensibly broadens the horizons of economists familiar with standard economic agents. It thus follows similar themes as his work in behavioural economics. This is laudable, but consider also that the point is not to refute an asocial subject

and embrace an intersubjective position, but rather to suggest economists might want to take seriously the *additional* possibility that beliefs, culture and social norms have consequences. There is thus both a standard and an additional, but surely these are profoundly incompatible?

To be clear, Shiller is not providing a different take on a common world where any attempt is made to justify the nature of the common world, and the relation of the different “takes” as genuine alternatives based on that common world, and evidence in its regard. Instead he is attempting to assimilate this “new” avenue of research to the prior knowledge narrative (in Fullbrook’s terms). This involves basic problems of conceptual tensions, incompatibilities and the subordination of evidence. These are not reconciled, and yet serve to reinforce what ostensibly should require more overt critique of the position to which it *seems* to be assimilated (an expanding mainstream whose point of departure still influences its expansion – the narrative *fix* has a fluidity, but within limits).

If Shiller gives genuine credence to a more complex social human that is intersubjective in all but name, then he cannot simultaneously consider this to be additional. This would require a “base” human reality reducible to the concepts economists are more familiar with and then some other realm of conduct; one that is in some ill-defined way separate rather than merely separable – since if only separable than it matters for the base human reality. Bear in mind, Shiller is not suggesting that the standard is merely one position among many where incompatibility matters for dialogue and development between profoundly different positions. The uneasy tension that occurs here is first manifest in Shiller’s acknowledgement that popular narratives are exogenous, but that nothing is really exogenous. If they are not then why make this statement – except in so far as it allows the standard itself to be preserved. The statement uses a language an audience will be familiar with, comfortable reading, and which creates a framing that will induce them to continue to read *despite* that the claim itself is fundamentally problematic for the standard, based on the actual significance of the underlying theme of the paper. One might, if feeling unsympathetic, consider this as an attempt to initiate something analogous to the popular narrative whose diffusion and impact owes less to its correctness than it does to its capacity to be accepted and disseminated. This would be ironic if we read the subconscious intent as an attempt to preserve the sense that economics is a science as understood by a readership whose idea of science is already *fixed* by the strictures of the standard. Another way of thinking about this is to consider how “narrative” is considered to be insightful. It is not as a refutation of the economics it addresses, but rather as, again, an additional, this time, an additional area that can be modelled and quantified - something that can be given “rigour” (and it is this that renders it “economics” with “credibility”).

So, one might argue then that Shiller’s narrative economics is not changing anything about economics but rather changing the way we think about narratives in ways that are conducive to a mainstream narrative *fix* in Fullbrook’s sense.<sup>3</sup> There is deviation from a point of

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<sup>3</sup> As Fullbrook notes in Chapter 5: “Except among the very old and the clinically neurotic, dogged consistency of choice has never, outside economic theory, cut much ice as a behavioral ideal. It is at odds with the contingency and indeterminacy of human existence, with the developmental character of a healthy personality, with the humanist tradition, and, most especially, with the temper of detraditionalized societies.... Economics’ interest in choice behaviour has in the main been so far removed from the spirit of empirical, let alone scientific, inquiry that perhaps the brief, tentative and provisional explorations of the previous section of this chapter into the phenomenology of economic choice will not be without some interest. Each of the aspects of consumer behaviour considered above

departure, but this creates some diversity rather than leads to (as it might otherwise do given what it also states and suggests) fundamental critique: if beliefs, intentions and ideas embed as social norms, and these affect all behaviour, then this is perennial (since we never stop believing, intending and thinking and we are always doing so in social contexts), and not simply a matter of single exogenous shocks - epidemics. This is the basis of an intersubjective complex social reality of process, one that can perhaps be divided phenomenologically, as Fulbrook argues, but which cannot be assimilated in the way Shiller attempts, at least not *consistently*.

The very need to assimilate, indicates something: in order to be taken seriously as economics one must first conform to a narrow received position on economics. This, amongst other things, indicates also a loss of sense of what an empirically directed engagement could allow as potential, subject to narrative pluralism. The model in Shiller's narrative economics serves no actual purpose in terms of the mathematical construct; it is there merely so Shiller can say there is a model and it has a mathematical expression; in terms of the argument it has only metaphorical significance (it is not something whose precision matters), and yet it is included in detailed mathematical form (he could just have written, "ideas sometimes spread a little like an epidemic and by this I mean\*\*\*. However, since people think and diseases do not, then there are definite limits to the analogy even though people transmit diseases through behaviour, which leads to \*\*\*"). The case for narrative economics concerns traces as quantities, as though the statement of something was the same as its social significance. Its actual significance is not its mention but meaning to the person, which is a hermeneutic issue writ large, and it is a matter of social positioning since it is specific persons in roles in social relations in organizations and systems that make decisions and enact policy (there can be causation for the many and causes by the few and many other possibilities). Meaning, influence and prevalence are not the same, so it is spurious to associate quantities with causes in events per se. This simply shortcuts what is actually required to explore those events, and shortcuts in a way that tacitly implies that it is through epidemics that beliefs become important (as though the rest of the time we were more like a standard agent – the normal "aggregate economy" from his p. 3). Yet if one goes back to the extended quote above from Shiller, the credibility of narrative research rests on its quantification, which in turn is framed as "rigour". What does this really *mean*? It may have some merit in terms of "going beyond the passive collection of others' words, towards experiments that reveal *meaning* and psychological significance", but this is not "rigour" it is shifting from data to consideration of evidence based on multiple sources. Still, one should not ignore that Shiller is genuinely interested in developing economics beyond its standard. However, this does not in and of itself indicate he is effective in doing so. One might instead argue that the form of argument constructed is indicative of and conducive to narrative pathology – a more sophisticated form of limitation on pluralism. Thus, not only is Shiller's narrative economics quite different than Fullbrook's *Narrative Fixation*, the latter helps to shed light on the former.

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is widespread today, more or less understood by marketing professions, and influential in market outcomes. What is intended by the term "non-narrative rationality" is nothing neither less nor more than that the identification of rational or reasonable economic behaviour should be regarded as an empirical task, rather than a logical one dictated by the *a priori* foundations of a knowledge narrative. Projects to understand the logic of economic choice are also doomed if they do not avoid subordination to an antiquated and discredited theoretical framework. This is not easy. Neoclassicalism operates a successful programme of division and co-optation. By making the "mathematically well-behaved consumer" its standard, all others are regarded as deviant" (2016: pp. 121 and 123).

### **Questions arising from what the *Narrative Fixation* is**

Though Fullbrook's *Narrative Fixation* is a book I would encourage anyone with an interest in the state of contemporary economics to read, it is not without its potential pressure points, or at least issue areas where more might be said and clarified. The book places great emphasis on phenomenology, but this is a wide-ranging set of theories and positions based on different originating insights leading to different concerns. It has its own problems of narrative plurality. There is, for example, the qualia issue raised by Nagel's "What is it like to be a bat", which creates a platform for the basic insight that we experience the world as we "are" rather than as it "is" (alluded to p. 111). Nagel's point was to refute psychophysical reduction as an argument for greater objectivity in problems of the mind, since this removes species-specific points of view, something that makes no sense when talking about sense experience. This is about being but says nothing about the capacity to adopt multiple perspectives that are in turn (in part) justified because of phenomenological range within society: a world differently experienced because of history, gender etc. This, which is Fullbrook's main focus, owes more to Husserl and others, but even here there is also a split with Heidegger (over Dasein), and also a plethora of specific lines of reasoning explored by various existentialists, of which Fullbrook no doubt knows far more than I do. That he knows far more, however, does not prevent the use of the many strands of thought appearing to be one that emphasises commonality over difference, as though the whole was being marshalled to provide an exterior solution to an observed interior problem (economics as is). This is not underhand but it does rather downplay the problems of the solutions (or at least of the insights that one tends to read as solutions), and to be clear, this by no means refutes any of Fullbrook's arguments - since it is an observation on the structure of argument and not its substance. Still, it seems germane since the book is ultimately about how the way we think and argue are structured and how pluralism can be a different way to structure. In terms of that structure there are also a set of further issues that might arise based on the difference between what accounts for experience and what experience is experienced as. Phenomenology may be basic to my world, but it is not exhaustive of what explains my world including what, how and why I have the experiences I do. I by no means intend to suggest Fullbrook thinks it is exhaustive, but it is worth noting that an intersubjective reality, open narratives, narrative pluralism, narrative communities, and a capacity for the human to switch between narratives create serious challenges in terms of expressing this interdependency of an interdependent reality. This is over and above any initial account such as Fullbrook's, which makes the case that it is plausible to suggest this is a problem set and potential we ought to be addressing. This is to say no more than a great deal of work remains to be done once an initial case for narrative pluralism is made and illustrated using the negative consequences of economics' current "Narrative Fixation".

### **Conclusion: lest we forget the importance of truth seeking in a "fake news" world**

I began by making the argument that if one were to try to encapsulate the spirit of Fullbrook's *Narrative Fixation* in a single phrase it would be that pluralism is not the enemy of truth, rather it is the companion of truth seeking. The importance of this cannot be understated given the current state of the world. Every era sees itself as simultaneously civilization in decay and the pinnacle of progress, so there is nothing extraordinary in shrill cries that we live in extraordinary times. And yet we do. Just as economists are famed for predicting 8,9,10 or whatever of the last 3, 4 or 5 recessions, the failure to align does not negate the possibility of the problem. Look around. Fullbrook is surely correct to feel the urgent need for a better



economics, one that can actually address the cumulative problems we *experience*: amazing technological progress whose potential is used to hone our consumption, render us consumables, nudge our behaviour, and augment our fears, a banking system that has normalised financialization in the name of financial deepening, fiscal and monetary systems that punish societies in the name of sensible economics, condemning whilst reproducing wealth concentration, inequality, privilege and abuse, economic systems that recognize and yet seem incapable of addressing their own environmentally disastrous consequences, perpetuating unsustainable trends in the name of sustainable development etc etc. We don't need knowledge as ideology, there is enough propaganda in the world, enough relentless repetition of falsity in order to create real outcomes. Peter Pomerantsev's book *Nothing is True and Everything is Possible* may capture the dispirit of modern Russia, but we should remember that only some things are true or can be made true, and these are important to what we prevent, what we prefer, and what we make possible.<sup>4</sup>

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<sup>4</sup> See Jo et al (2017), Lee and Cronin (2016) Morgan (2016b).

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