

# The politics of economics: post-structuralist discourse theory as a new theoretical perspective for heterodox economics

Shu Shimizu [Miyazaki Municipal University, Japan]

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## Introduction

In this paper, through a critical review of the discourse of heterodox economics, I will argue that a radical reorientation of economics is possible. It is not possible ethically or ontologically, but discursively. In order to understand the possibility of radical reorientation, what heterodox economics should take seriously is not ontology or ethics, but the politics of economics. By highlighting these points, I will introduce post-structuralist discourse theory as a new theoretical perspective for heterodox economics.

The pluralism of economic studies and the dominance of mainstream economics are the primary concerns of heterodox economics. A basic premise of heterodox economics is that contemporary economic studies are so dominated by orthodox economics that the very methodology of heterodox economics causes it to be marginalized. In short, the possibilities of economic study are distorted and confined by orthodox economics. Therefore, regarding this unfavourable situation, heterodox economists commonly claim that radical reorientation of economics is necessary. But this begs a question: what kind of radical reorientation is needed? While the call for reorientation is a common emphasis among heterodox economists, the type of reorientation suggested diverges. More precisely, if reorientation means to overcome the dominance of orthodox economics and achieve pluralism, there are two types of reorientations. First is the reorientation proposed by Tony Lawson based on critical realist theory of ontology; another is proposed by Sheila Dow based on Kuhnian paradigm theory. The first section of this essay introduces these two scholars' theories. Through critical comparison, I will demonstrate that while Dow's claim ends up with idealism, Lawson's account results in determinism. Then, taking the theoretical limits of each theory seriously, in the second section of this essay I will introduce post-structuralist discourse theory (PSDT) as an alternative theory. In doing this, I will mainly refer to the theory and concepts of the Essex school of discourse theory which developed with the rise of the linguistic turn and draws on post-structuralist philosophy such as that of Ferdinand de Saussure, Ludwig Wittgenstein, Michel Foucault, Slavoj Zizek and Ernesto Laclau.

## **1. The dilemma between determinism and idealism**

### **1.1. Lawson's theory of ontology**

One of the popular claims made by heterodox economists is that while orthodox economic studies are unrealistic they are dominant and thereby exclude more realistic and useful studies. This type of claim can be easily found in heterodox economists' arguments (e.g., Fullbrook 2007b, Fleetwood 2007, Guerrien 2007). While this type of discussion tends to be somewhat emotional and lacks serious thought, Tony Lawson has provided an extensive review of the nature of mainstream economics and proposed a radical reorientation of economics. Lawson claims that orthodox economics ("mainstream economics", in his words) is flawed due to its method of mathematical-deductivist modelling (i.e., mathematical formalism). By applying mathematical methods without any critical thought, orthodox economics falls into anti-realism. In order to "reorient" economics from anti-realism to realism, Lawson argues that economics needs ontology (Lawson, 1997, 2003 & 2010).

Lawson's claim for ontology is based on the theory of critical realism. Critical realism is a philosophical approach originally proposed by Roy Bhasker, a scholar of the philosophy of science, and is currently being developed by his colleagues and students as a school of thought. While Bhasker's theory of critical realism is highly complex and will not be described fully here, the basic point is a critique of "epistemic fallacy." According to Bhasker, Western philosophy has long been trapped by the belief that "the statements about being can always be transposed into statements about our knowledge of being" (Bhasker, 2008, p. 5). Bhasker criticizes such a belief as "epistemic fallacy". The critique of "epistemic fallacy" leads Bhasker to discern the difference between the ontology of being and the epistemology of being. According to Bhasker, the former is intransitive whereas the latter is transitive. This means that, although knowledge of an object only exists by an observer's observation of the object (transitive), the object itself *does* exist independently from the observer's observation (intransitive). The distinctions between these terms (ontology / epistemology, intransitive / transitive) are crucial; otherwise, an epistemic fallacy will result in an anthropocentric understanding of reality that is different from the true nature of reality (Bhasker, 2008, p. 24). Following this critique of epistemic fallacy by Bhasker, Lawson argues that this is the case in contemporary economics.

According to Lawson, one of the general trends of contemporary economic studies is the application of mathematical formalism. Through mathematical formalism, an attempt is made to explore universalizable causal laws or strict event regularities. Such math-based methods are encouraged, advocated, and imposed everywhere as if they are the only way to do economic studies (Lawson, 2003, p. xvii). However, Lawson claims the application of mathematical formalism is the origin of disarray in contemporary economics. This is because the worldview presupposed by these methods and the ontology of social reality are different (Lawson, 2003, pp. xvii-xviii). So, modern economics is trapped in the fallacy of epistemology. Consequently, according to Lawson, economists rarely make accurate predictions and rarely provide any intelligible understandings of real economic issues. Regarding this, Lawson claims that for economic studies to become more realistic, economists should take the ontology of social reality seriously.

Lawson's theory of ontology is one of the most intelligible theories clarifying cardinal problems of orthodox economics. While his theory is highly complex and not easily readable, his final message is rather simple: the application of mathematical formalistic modelling is wrong and must be replaced with a real(istic) alternative (Lawson, 1997, p. 283; Lawson, 2003, p. 75). This

proposal to reorient economics, however, triggers a contentious question: Could the theory of ontology, especially with its denial of mathematical formalism, result in the monism that heterodox economics commonly stands against?

## **1.2. Pluralism and monism**

Heterodox economists commonly argue for pluralism in economic studies – namely, more open and democratic research environments. However, on the other hand, some claim that this pluralist demand exaggerates the status of contemporary economic studies. For example, economic historian John Davis (2008) argues that, if pluralism in economics means the acceptance of differences and “heterogeneities” within economic studies, then contemporary economic studies have achieved this since circa 1980.

Davis claims, since around 1980s, “a number of new research programs began... to be recognized in the mainstream. These include game theory, behavioural economics, experimental economics, evolutionary economics, neuroeconomics, and complexity economics” (Davis, 2008, p. 86). Regarding this wide variety, Davis insists that contemporary economic studies achieved pluralism some time ago.

Davis’ account correctly points out the pluralist nature of contemporary economic studies. However, his claim is somewhat misleading and distorts what most heterodox economists presume. The pluralism that Davis points out is so-called “internal pluralism” or the “continuity-pluralism thesis”, which is different from the pluralism that heterodox economists commonly envisage (Lee, 2009, pp. 1-3; see also Stilwell, 2016, p. 17). As Lawson emphasizes, for mainstream economists, what makes economic studies *economic* is the application of math. However, for heterodox economists, pluralism means recognizing that there are other possible methods for economic studies. Thus, pluralism for heterodox economists does not just mean heterogeneities and multiple varieties of economic studies, but also challenging orthodox economists’ monist view that mathematical formalism is the only way to explain and describe an economy. This is why pluralism is commonly proclaimed by heterodox economists to be their normative orientation. In this sense, the issue of “pluralism and monism” becomes vital in the discourse of heterodox economics.

Lawson’s theory of ontology can also be understood as responding to the issue of pluralism. Indeed, he argues *for* pluralism. However, on the other hand, some critiques of Lawson question whether his theory is truly pluralist. Here, some heterodox economists are rather careful about differing conceptions of pluralism. Indeed, in reviewing heterodox economists’ claims for pluralism, they can be divided into two types: one excluding/denying mainstream economics and the other including/accepting mainstream economics (basically “anything goes”). Hereafter, I shall call the former “exclusive pluralism” and the latter “inclusive pluralism”. With this difference of pluralism in mind, a Dutch economist, Esther-Mirjam Sent (2007), contends that if heterodox economists were to presume the achievement of exclusive pluralism, it would result in a new type of monism. In such a monism, the relationship between the heterodox and the orthodox is merely subverted so that any methods that may be challenging to the new orthodoxy are excluded. If so, this would just be a repeat of what contemporary orthodox economists have explicitly/implicitly done. Thus, if heterodox economists head into exclusive pluralism, they would end up with monism. Critics of Lawson point out that this is indeed the case with his ontological approach.

### **1.3. Ontological pluralism**

Lawson's theory of ontology is often called into question due to its thorough rejection of mainstream economic studies (see Caldwell, 2008; Ruccio, 2008). Concerning the issue of pluralism, for example, a Belgium scholar of the philosophy of science, Jeroen Van Bouwel (2005), claims Lawson's rejection to be "the new monist standard." However, while Lawson's uncompromising attitude toward mainstream economics indeed looks too limited, Van Bouwel's critique is also harsh and is likely to dismiss Lawson's crucial concerns regarding pluralism. While critics like Van Bouwel misapprehend Lawson's antagonism as being directed towards mainstream economic studies only, he also challenges other heterodox economics from an ontological perspective.<sup>1</sup> Here, in order to understand Lawson's theory of "ontological pluralism" precisely, Bhasker's critical realism is revisited.

Concerning the difference between intransitivity of being and transitivity of being, Bhasker advances his theory further via so-called "depth ontology" (Bhasker, 2008). In his theory of depth ontology, Bhasker accounts for the stratification of reality into three domains: the real, the actual, and the experience. The real is reality that exists independent of its recognition. The actual is an event that is actually happening. The experience is what human beings can experience, and thus, know. This stratification or "depth" of reality is important; otherwise, Bhasker claims, non-recognition of depth results in epistemic fallacy. An epistemic fallacy is an identification of the real and the experience that does not presume a difference between the transitivity and intransitivity of being. Such non-recognition of ontological depth would eventually lead to the judgmental relativism that any knowledge is equally correct as a true picture of reality (i.e., "anything goes"). The theory of depth ontology is thus vital for not accepting epistemic fallacy and judgmental relativism.

Nevertheless, in denying epistemic fallacy and judgmental relativism, it should be noted that Bhasker does not deny the "epistemological relativism" that knowledge of being can exist as much as observers exist. Keeping epistemological relativism but denying judgmental relativism, Bhasker proposes a "judgmental rationality" that, as long as intransitive reality ontologically exists, human beings can know which knowledge is better and more accurate. Rather, judgmental rationality becomes possible, with judgmental relativism denied, when epistemological relativism is "conjoined to" ontological realism (Lawson, 1997, p.243). Namely, the difference between the transitivity and intransitivity of being is not just vital for refuting an unrealistic epistemology (judgmental relativism) but also for accepting a realistic epistemology (judgmental rationality) that makes the advancement of scientific studies possible. The difference between the transitivity and intransitivity of being thus legitimates the mere possibility of a reality check.

Understanding the legitimacy of the reality check (judgmental rationality), however, it should be noted that Bhasker also claims that what is tested through experiments should not be understood as real possibilities of the world. Here, Bhasker rejects the empiricist (Humean) actualism that does not discriminate between "the real" and "the actual." Namely, to see reality only as what is actually happening eliminates real possibilities of the world and denies the openness of the future. This denial of actualism is important as a critique of positivism. While positivism denies mere conceptions of reality and argues instead for a monistic/deterministic

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<sup>1</sup> The most famous case is the intensive exchange with feminist economists, whose arguments are often based on post-modern philosophy or the constructivist approach. For example, see Lawson (1999) and Harding (1999) in *Feminist Economics*.

understanding of reality, Bhasker accepts a pluralistic/anti-deterministic understanding of reality. Clarifying critical realists' depth ontology theory, it can be said that critical realism attempts to understand what is possible/impossible and what should be involved/excluded for realist(istic) studies. This point must also be highlighted for Lawson's pluralism.

For Lawson, the inclusive pluralism of "anything goes" would violate his ontological theory. This is why the *reality* (correctness corresponding to the real world) of economic knowledge and economic theories needs to be checked – namely, whether the knowledge and theories fit into reality (the real world), rather than just into their models. Also, regarding the reality check, following Bhasker's critique of actualism Lawson denies deterministic methods such as falsificationism. Therefore, Lawson indeed acknowledges the fallibility of his arguments and has argued for the fallibility of human knowledge ever since he proposed his theory of ontology (Lawson, 1997, p. 242; Lawson, 2008, p. 193). Indeed, this point corresponds to Bhasker's critical realism. Bhasker argues for fallibility in relation to judgmental rationality as human knowledge often fails. While the emphasis on fallibility may sound like fatal inconsistencies in their theories it actually works to maintain the consistency of their theories. Indeed, for them, fallibility indicates the denial of anthropocentricity and the denial of the actualism that refutes the openness of the future and the differentiation of the world. Some findings may be false in other contexts and new findings may refute orthodox beliefs. For Lawson and Bhasker, this fallibility of human knowledge also corresponds to the advancement of scientific studies and ontological pluralism. Thus, the concept of fallibility is vital and consistent with their critical realism. However, taking Lawson's arguments for fallibility, Sheila Dow questions "if any knowledge can be fallible, why is there still a need to exclude the mainstream?".

#### **1.4. Structured pluralism**

Regarding the fallibility of knowledge, Dow argues that if our knowledge is always uncertain then there is no way to identify the best epistemology and thus no reason to deny mainstream economics. In this regard, Dow argues for inclusive pluralism based on Thomas Kuhn's "paradigm theory." While the application of paradigm theory to argue for pluralism is somewhat popular, paradigm theory often provokes intensive criticisms that its pluralism leads to a relativism that any scientific practice is possible – namely, "anything goes." However, Dow claims this is not the case and instead proposes the theory of "structured pluralism".

According to Kuhn (1970a), a paradigm means a community in which a specific set of meanings of reality (i.e., ontology and epistemology) are shared. Through such shared meanings, scientists communicate with each other in a paradigm. In this sense, Dow claims that each paradigm has a different language (e.g., mainstream economists use math as their language) (Dow, 2001, 2004, 2018). However, while a common language in a paradigm makes scientific practices possible, it also excludes other languages and practices and ultimately causes incommensurabilities with them. This can clearly be seen in the case of orthodox economists' application of math – the precision of which excludes other methods (i.e., languages) (Dow 2108, p. 41). Of course, such an exclusive nature is not peculiar to orthodox economists. Dow sees this exclusive nature as the boundaries of a paradigm whereby scientific knowledge can be sedimented. In a nutshell, knowledge production is structured by paradigms (Dow, 2004, pp. 284-285).

However, clarifying Dow's theorization of the structure of knowledge production, it should be noted that Dow's theorization does not refute the criticism of relativism. This is because, while

the structure of knowledge production indicates that scientific practices are confined within a paradigm, any practice is still possible within a paradigm so that there remains a sense of relativism. This is indeed the case supported by Lawson. Even though math is a common language for the orthodox, it is ontologically wrong (or trivial and of no use). Nevertheless, Dow challenges Lawson's conception of ontology from the perspective of "performativity". Dow claims that while Lawson and critical realists presume the existence of ontology independent from epistemology, such a presumption is unrealistic because ontology is affected by epistemology and methodology (Dow, 2018, p.40). As the scientific community is constructed through a paradigm, social reality is also constructed in the same way. In a society, a particular language(s) is shared to make effective communication possible. Social systems then develop on the sedimentation of knowledge. Thus, the constructions of social realities are based on specific languages and knowledge, which are specific methodologies and epistemologies. For this reason, Dow concludes that "there is a practical limit to the number of paradigms... so that the pluralism represented by schools of thought is structured" (Dow, 2004, p. 285). This is the theory of structured pluralism. In sum, the pure relativism of "anything goes" is impossible *per se*, because there is an extant structure of reality that confines the "anything goes".

Now, to clarify Dow's structured pluralism, it seems that Lawson overlooks orthodox economists' influence on social reality because he views their studies as ontologically unrealistic. Meanwhile, Dow takes their social influence more seriously seeing how they are deeply embedded in social reality and contribute to the construction of social life. Indeed, for Lawson, what matters is whether a theory presumes a closed or an open system in its theorizing of economy. Conversely, for Dow, what matters is how the openness of the social reality (i.e., economic reality) is confined and structured. Thus, in contrast to Lawson's claim, Dow claims that mainstream economics is neither useless nor unrealistic; rather, it contributes to the structure of the contemporary economic system.

Regarding the fact that the openness of social reality is confined by certain economic ideas, Dow finally addresses the possibility of reorienting a closed society. Here, she insists that the closure of the structure is "provisional and mutable", making this point based on Kuhn's concept of the "vagueness of language" (Dow, 2004, pp. 284-285; Dow, 2018, p. 42). This means that, while scientific practices are maintained through communications and are based on common meanings, the meanings can change from time to time. Even the meanings of rigid and precise terminologies have changed in the history of science. Once the meanings change, communications can also change, so that the ontology of scientific practices or social realities can also change. Taking Kuhn's concept of "vagueness of language," Dow argues for the transformability of society (openness of society) through active communication among economists. While there are some partial incommensurabilities that are not translatable from one to another, Dow claims that we can still learn other languages for communication so that we can go beyond the incommensurabilities and achieve a pluralist environment in which economists can respect each other (Dow, 2004, 2018; Kuhn, 1970b). Therefore, Dow emphasizes active communication among economists for a reorientation of economics that will restructure the boundaries of research environments.

In sum, for Lawson, the application of mathematical formalism is wrong; thus, it needs to be reoriented by ontological therapy. However, for Dow, mainstream economics is not wrong *per se*; rather, it contributes to the maintenance of extant research environments that exclude other research possibilities. Thus, pluralist communication needs to be promoted.

### **1.5. Determinism and idealism**

Taking Lawson's concern with fallibility, Dow's argument effectively provides a counterargument against Lawson's ontological and exclusive pluralism. Also, her theory of structured pluralism can explain why mainstream economics currently holds the dominant position in contemporary economic studies, something that is relatively unclear in Lawson's theory of ontology. Lawson (2003), however, accounts for the dominance of contemporary economics by introducing social evolutionary theory. Interestingly, on the construction of dominance, Lawson and Dow share some common views.

According to Lawson, what causes the dominance of mathematical formalism is the environment surrounding economics. He accounts for this by introducing social evolutionary theory (Darwinian metaphor and PVRS model). While acknowledging the difficulty of pinpointing the origin of the mathematisation project within economics, Lawson recognises the importance of the success of math-based study in Enlightenment. With many scientific disciplines, such as physics, developed by mathematical methods, a trend emerges which encourages understanding social realities through mathematics. Indeed, corresponding with this trend, some remarkable scholars provided several formalistic studies that contributed to the rise of mathematical formalism in economics (Lawson, 2003, pp. 259-263). Nevertheless, the mathematisation projects since the Enlightenment are not a sufficient factor in bringing about the contemporary dominance of mathematical formalism in economics. Rather, Lawson insists that while academic environments are an important factor in impacting economics, other environmental factors such as the political environment are also crucial. For example, Lawson points out the post-World War II context. With the rise of McCarthyism in the US during the Cold War, economic studies, especially neoclassical economics based on mathematical formalism were politically favoured. During this period, the faculties of economics were radically revised and neoclassical economics with its mathematical formalism became the mainstream. Regarding this historical development, therefore, Lawson concludes that the environments surrounding economic studies constructed the dominance of mainstream economics and that environmental constraints evolved economic studies.

Interestingly, Lawson's account shares some commonalities with Dow's structured pluralism. Both recognise the role of structure as significantly impacting the trend of economic studies. However, Lawson's account highlights the importance of structure more than Dow's so that he keeps theoretical consistency with his theory of ontology. The difference between them becomes even clearer in their accounts of the possibility of reorientation and its limits.

After accounting for how the dominance of mainstream economics was constructed by the environment, Lawson argues that its dominance is eventually doomed to fail because it is ontologically wrong. After the end of the dominance of the wrong studies, the pluralism of ontologically correct studies will come true. While this focus on the ontological test is vital to maintain theoretical consistency with his theory of ontology, the limit of this account is that it is not clear how the end of mathematical formalism will lead to the pluralisation of economic studies. Lawson points out some factors such as the rise of the young resistance to mainstream economics (i.e. the origin of Real-World Economics) or the changing faculty at business and management departments as impetus of the radical reorientation (Lawson, 2003, pp. 279-281). Nevertheless, on the other hand, he also claims that the success of those academic activities is subject to their environments. Lawson argues that the environment at some points is good for some economists and bad for others, but that is subject to luck (i.e. ontological conditions)

(Lawson 2003, p. 252). Thus, his account ends up maintaining the typical structural determinism that structure eventually determines the course of the future.

Regarding the criticism of determinism, Lawson is conscious of it and clearly refuses it. He claims that extant environments do not limit the variety of economic studies so that possibilities of the future are necessarily open (Lawson, 2003, p. 277). Rather, according to Lawson, those environments do not determine the outcome but serve to make what would happen “more likely” (Lawson, 2003, p. 277). This mere likeliness indicates the openness of the future and possibilities for heterodox economics to “reverse the fortune” (Lawson, 2003, p. 280). Nevertheless, remember, the success of fortune is subject to structures. Here, the point is not the variety of possibilities, but that Lawson recognises structure as an exclusive factor determining possibility even if that is contingent on contingency also being an ontological factor. Thus, his account for radical reorientation eventually ends up being structural determinism.

In contrast to Lawson’s account, Dow highlights the role of subjects more. For Dow, following structured pluralism, the structure indeed confines the possibilities of economic studies. However, even if this is so, Dow claims economists can change this situation through active communication. Drawing on Kuhn, according to Dow, like with learning different languages, mainstream economists and heterodox economists can understand each other so that the incommensurability can be overcome and the discourse of the economics can be reorientated. However, the crucial limitation of this argument is that, even if this is so, there is no clear incentive for orthodox economists to communicate with heterodox economists. This is simply because they are in a dominant position while heterodox economists are in an inferior position. In other words, there is a clear power imbalance between them. However, despite such power imbalance, Dow claims that orthodox economists should learn the languages of other methodologies as pluralism is ethically desirable. This type of argument can also be frequently found in heterodox economists’ discourse. For example, Edward Fullbrook made a rather strong claim that pluralism (democracy) is one of the qualities of a science and must hence be achieved (Fullbrook, 2007b, p. 24; see also Courvisanos et al., 2016b, p. 1). Nevertheless, these pro-pluralist claims eventually culminate with a normative claim about what is (ideally) supposed to be – namely, what pro-pluralists want. Put simply, what Dow undermines is the role of the structure, such as the power imbalance between orthodox economics and heterodox economics. In other words, it is the structure that constructs and maintains the dominance of mainstream economics which Lawson highlights, but Dow eventually undermines. Thus, compared to Lawson, Dow avoids the danger of determinism, but at the expense of idealism.

In sum, comparing the differences between Lawson and Dow regarding the possibility of reorientating economic discourse, it can be said that there is a tension between determinism and idealism: determinism that highlights the role of structure but undermines the role of subjects; idealism that highlights the role of subjects but undermines the role of structure. So, taking one side seriously leads to the limits of the other. Regarding this dilemma, PSDT provides an alternative account.

## 2. The politics of economics

### 2.1. *Post-structuralist discourse theory*

In order to understand PSDT, introducing the concept of discourse is a good start.<sup>2</sup> Discourse, at least in PSDT, is not simply language or the linguistic. Often, a similar concept, “narrative”, is mixed up as an analogous term. Nonetheless, they are indeed different and the concept of “discourse” for PSDT goes beyond a “narrative”.

PSDT’s concept of “discourse” is based on several linguistic theories and developed in the linguistic turn of contemporary social science. Therefore, it begins with the basic idea of Saussurean theory of linguistics that language is structured based on a combination of signifieds and signifiers (Saussure, 2011). A tree is in English called by a noun “tree” or /*tɪ:*/; in spoken English that is the signifier of the tree, but this is different from the object itself, the so-called “tree”. The object itself is the signified. Hence, combining these different entities (signifieds and signifiers), a linguistic system is structured. Drawing on this, differences among languages can be understood in terms of different combinations of signifieds and signifiers. Indeed, the object so-called “tree” in English is not necessarily called so in another language. For example, the same object is called /*ki*/ in Japanese. Thus, the same object can be signified differently. Therefore, the different combinations of signifieds and signifiers indicate different linguistic (semiotic) systems, namely, different languages. PSDT takes these basics of Saussurean theory. In fact, PSDT’s concept of discourse can be understood like a language that is structured by specific combinations of signifieds and signifiers. Also, PSDT claims that there are different discourses as there are different languages. However, PSDT’s concept of discourse is not sufficiently explained with Saussurean theory. While Saussurean theory details the structure of language, it does not account for how it is structured. To answer this, PSDT employs Wittgensteinian linguistic theories of meaning making and social acts.

Probably the best-known concept and theory proposed by Wittgenstein is the concept of family resemblance (Wittgenstein 1998). It has been widely applied to social science studies since the linguistic turn. It is a handy concept to account for why some social science concepts such as freedom or democracy are “essentially contestable” (Gallie, 1956; MacCallum, 1967). Wittgenstein accounts for it with the well-known example of a *trompe l’oeil* which looks like a duck from one side but like a rabbit from another side. With this example of *trompe l’oeil*, Wittgenstein argues that one can make a meaning of an object by making a certain combination of elements in a certain manner. Namely, by taking the round shape as a head and the opposite side as a beak, there appears a duck; taking the round shape as a face and the opposite side as ears, there appears a rabbit. Here, some elements may be overlapping in both meanings; yet, some elements are excluded in another. Thus, while some commonalities remain, different meanings are constructed. This is what Wittgenstein calls family resemblance. With this concept, Wittgenstein eventually theorised the meaning making process in terms of a language game. Like playing a game, meaning is made by catching elements in a certain manner while excluding other elements. So, once the game changes, one has to re-combine elements differently to make a meaning in the new game.

Technically speaking, Wittgenstein’s linguistic theory indicates linguistic anti-essentialism. This means it presumes that there is no absolute meaning of any object. Thus, all meaning needs to be constructed. Taking this Wittgensteinian position, PSDT calls the meaning making

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<sup>2</sup> For extensive introductions for ‘discourse’, David Howarth *Discourse* (2000) and Teun A Van Dijk *Discourse as Social Interaction* (1997).

process an “articulatory process”, a process where one element is articulated to another element in order to make a meaning. In other words, one signifier as an element is combined with one signified as an element. However, once more, applying this Wittgensteinian theory of meaning making, PSDT does not just deal with the linguistic alone. This point is developed by another Wittgensteinian theory, the speech act.

Speech act theory has been developed by some Wittgensteinian theorists rather than Wittgenstein himself (e.g., Austin, 1975). According to these theorists, the speech act is not simply a linguistic activity but something more. For example, when making mistakes or feeling sympathy, one may say “oh, sorry” to someone. This articulation of the word “sorry” is not simply to articulate a word “s-o-r-r-y” aloud but makes an expression such as apology or sympathy that is not simply linguistic. “Sorry” is articulated with a specific meaning in a specific game-like context. By saying it, the orator performs an action in a specific context. This performance through the speech act is called performativity and is currently widely applied and developed by later scholars. While linguistic researchers analyse it in a linguistic context, socio-linguistic researchers apply it to understand social activities. PSDT does the latter. Social activities are based on performativity. For example, in many countries, a hand is raised to stop a taxi/bus. Here, hand raising becomes a sign with the meaning of “stop/I take”. This example indicates that the meaning making process is not merely linguistic but also performs social activities. In other words, social activities also presume some linguistic aspects made through the articulatory process. In this sense, social activities also presume social contexts in which specific activities become meaningful. The contextual fields that make activities meaningful are what PSDT call “discourse”.

In sum, as discourse means the fields in which certain combinations of elements are made, the articulatory process that makes the combinations constructs the discourse itself. In other words, a discourse is constructed through articulation and the articulation is made in a discourse. In a structure, agents speak and perform social actions so that they construct and reproduce their social structure. This is the interdependent relationship between structure and agency that PSDT presumes in the construction of a discourse. Drawing on this basic theory of discourse, PSDT provides a unique account for social transformability and its structural constraints.

## **2.2. Discourse as structure**

In looking at the basics of PSDT, it may be clear that PSDT shares some commonalities with Dow’s paradigm theories. Indeed, like Dow and Kuhn, PSDT understands that one becomes a scientist through a specific scientific discourse/paradigm. Nevertheless, in contrast to Dow and Kuhn, PSDT highlights the role of structure much more. In other words, PSDT views the dominance of a discourse to constrain social transformability, or the possibility of reorientation as much stronger than Dow and Kuhn presume. Technically, for PSDT, the dominance of discourse means two things: First, the domination of subjects within a discourse and, second, the structural dominance of a hegemonic discourse.

In order to account for the domination of the subjects, it is vital to demonstrate how PSDT understands subjectivity. Regarding subjectivity, while PSDT shares some commonalities with Dow’s understanding of subjects, PSDT takes the concept of performativity more seriously. Technically speaking, PSDT’s theory of the subject is largely drawn on Michel Foucault’s theories on discourse and subjects (Foucault, 1972, 1989 & 2008). For PSDT and Foucault, agents are not subjects with free will. They are subjectified through a discourse and forced to

take certain actions. In a discourse, one is supposed to take right actions and avoid wrong actions. This means one will select certain elements in a certain manner with others excluded. One has to do this firstly because they are taught and trained that those activities are right actions in the discourse they belong to but secondly because not doing so results in the denial of the discourse and the subjects' own identities. That is why economists in the discourse of orthodox economics pursue truth based on mathematics. Mathematics is the criteria that enables them to perform scientific activities but also that makes them economists. For these economists, those who do not use math are not economists at all. Rather, the claim against mathematical formalism made by heterodox economics is a menace that threatens their scientific activities and their *raison d'être*. Here, Frederick Lee rightly describes the nature of the heterodox economics challenge to orthodox economics in terms of "blasphemy" that "entails the total rejection of a body of ideas and their replacement with ideas that are completely different... In short blasphemy is treason against God" (Lee, 2009, p. 5), "that is treason against mainstream economics" (Lee, 2009, p.,8). Hence, it is impossible for orthodox economists to accept heterodox economics. Heterodox economists are not simply those who speak different languages, but they are negativities that must be denied in order to ensure scientific legitimacy and the totality and consistency of the discourse that ensures their identities. Thus, for PSDT, the performativity of a discourse does not simply mean positive actions that make economists into economists, but also negativities that do not merely close the openness of economic studies but also force them to deny other possibilities in order to ensure their identities and discourse. For PSDT, this discursive domination of subjects is also vital to consider the structural dominance of a particular discourse.

On structural dominance, according to Dow and Lawson, what makes mainstream economics dominant is extant structures or environments surrounding economics. PSDT also takes this view and accounts for it based on the concept of hegemonic discourse (Laclau and Mouffe 1985). Hegemonic discourse is a discourse that becomes dominant among other possibilities and becomes ordinary and orthodox. As the mainstream economics dominates contemporary economic studies and is regarded as orthodox economics, it can be thought of as a hegemonic discourse. However, at this point, in order to understand the dominance of mainstream economics, it is important to understand the concept of hegemonic discourse further.

The concept of a hegemonic discourse can also be applied to understand the discourse of social reality. This means contemporary social reality based on a specific economic system can be understood in terms of a hegemonic discourse. Of course, it is debatable what name one should call this reality: capitalism, neoliberalism, or another. However, the point is that mainstream economics is also articulated as an element through the hegemonic discourse of social reality. For example, this can be seen in the application of economic policies. Contemporary economic policies were planned, made, and issued based on the discourse of mainstream economics, which is based on mathematical formalism. Indeed, the reports of central banks are full of mathematical models or maths-based graphs. In order to maintain this policy discourse, mainstream economics is institutionalised as an academic faculty. On the other hand, alternative discourses such as Marxist, which could threaten the extant economic system, are clearly excluded from policy discourse (Lee, 2009). Hence, through being articulated into the hegemonic discourse of social reality, mainstream economics holds its dominant position over others and becomes a hegemonic discourse in contemporary economics (Shimizu, 2020). Here, it should be noted that, while Lawson claims that economic studies survived due to the environment surrounding it, economics itself also contributed to the maintenance of this environment. The latter statement is vital because the subjects of mainstream economics are not simply the subjects of mainstream economics; they are also the

subjects of the social reality through which mainstream economics is articulated. Therefore, introducing the concept of hegemonic discourse and taking the notion of performativity more seriously, PSDT uniquely depicts how the dominance of mainstream economics is maintained and reproduced.

Now, accounting for how discourse works as a structure that constrains social transformability and maintains/reproduces the dominance of a specific discourse, two different types of concerns arise. The first is whether PSDT falls into idealism or determinism. Indeed, PSDT is often criticised for its idealism (e.g., Fairclough and Coulialaki, 1990). This is because, according to its critics, PSDT exclusively views discourse as structure without dealing with the extra-discursive (or the material). Hence, PSDT fails to recognise the structural constraints of the extra-discursive and therefore falls into the anthropocentric epistemic fallacy as Lawson claims. On the other hand, PSDT can be criticised in terms of determinism. If there is an interdependent relationship between subjects and structure and subjects are dominated by a discourse, there would be no way out of the discourse so that there is neither a possibility of social transformation nor a possibility of reorientating economic discourse. Indeed, both criticisms underline crucial problems of PSDT, but they are vital, rather than fatal, to understand PSDT's theory of social transformability and to consider the possibility of reorientating economic discourse from the PSDT perspective.

### **2.3. Incompleteness and discursive battle**

Regarding the issue of determinism and idealism, PSDT's focus on the role of structure is reminiscent of Lawson's account. According to Lawson, the dominance of mainstream economics will end because it is ontologically wrong. In other words, for Lawson, taking the notion of epistemic fallacy, any mismatch between ontology and epistemology is doomed to fail. Interestingly, regarding social transformability, PSDT makes a similar, but more radical, claim. For PSDT, any discourse is doomed to end because there is always a radical gap between signified and signifier. Taking this gap in terms of incompleteness, PSDT proposes the theory of social transformability.

According to PSDT, although a discourse is indeed constructed by articulating several elements in a certain manner, such an articulation process is always incomplete so that the totality of a discourse necessarily remains incomplete. The reason for this incompleteness is because the combination of signified and signifier is never seamless. This means, while a particular signifier is articulated to a signified, the signifier itself cannot be the signified itself. In a nutshell, there is always a radical gap between signified and signifier (Laclau and Mouffe, 1985; Žižek, 1989). However, this radical gap does not merely mean the difference between signified and signifier. For PSDT, this gap also indicates the possibility of articulating different discourses. This is because any articulatory process proceeds by excluding otherwise-articulated elements, and those excluded elements indicate the possibility of articulating other discourses. This point may make one recall Wittgenstein's *trompe l'oeil*. Seeing the picture as a rabbit marginalises the possibility of seeing it as a duck. As either way of seeing the picture is a mere possibility, it is a matter of contingency. Both possibilities can never provide a full understanding of the picture. Rather, each way indicates the limits of the other. This is also the case in economics; to look at an economy based on orthodox economics indicates the marginalization of heterodox economics. However, the view of the economy provided by orthodox economics is necessarily incomplete. Thus, the possibility of articulating heterodox economics remains. For PSDT, the incompleteness of discourse indicates the impossibility of overcoming the radical gap and the

impossibility of eliminating all other possibilities. Highlighting this gap and marginalised possibilities, PSDT demonstrates social transformability, namely, the possibility of discourse change.

According to the PSDT, the theory of incompleteness can also be applied to hegemonic discourse. Indeed, though the limits may ordinarily be hidden (Glynos 2001), once the limits of a hegemonic discourse are exposed, possibilities appear for articulating new elements and new discourses. Technically speaking, PSDT calls this moment a “dislocatory moment” (Laclau 1990 & 1996). This refers to the moment in which the totality of one discourse is in crisis. In a dislocatory moment, the discourse that is dislocated is reconstructed or transformed through articulating new elements. Nevertheless, here, what one should remember is that even though the dislocatory moment opens up possibilities for the-then excluded elements and the-then marginalised discourses, they cannot be articulated altogether. Here, PSDT points out how the dislocatory moment sparks a “discursive battle” in which the dominance of the hegemonic discourse becomes contestable. More technically, PSDT understands this in terms of a hegemonic struggle that determines what to articulate and what to marginalise and what to involve and what to exclude. In this discursive battle, the roles of subjects become vital as they make articulations.

The subjectivities of subjects are also dislocated during a dislocatory moment. More precisely speaking, the subjectivities given in a discourse are always necessarily incomplete, thus, dislocatable. However, even a dislocation is also always incomplete so that the discursive domination of subjects is partly dislocated in a dislocatory moment. PSDT calls these partly dislocated subjects “political agents” (Howarth, 2000, pp. 121-122; Howarth, 2013, pp. 244-253). According to PSDT, in order to understand and cope with the crisis and remedy an extant discourse and its identities, subjects are “forced” to articulate new elements or discourses. While this is a chaotic situation for those who are dominant, it provides a great opportunity for those who are in an inferior position. Here a discursive battle rises. In this battle, subjects of the then-marginalised discourses attempt to expose the limits of the-then dominant discourse and claim the practical legitimacy of their own discourse. On the other hand, subjects of the then-dominant discourse try to keep its totality and try to articulate new elements or other discourses that would be compatible with their discourse. Some may defect from one side to another. At the end of the battle, the hegemonic discourse may maintain its dominance, or a new hegemonic discourse may arise.

PSDT’s theory of social transformation and discursive battle may sound too abstract, but it can be clearly exemplified by the dynamics of the discourse on economic crises. The financial crisis of 2007/8 provides an example. As can be seen in Alan Greenspan’s speech, the limits of anti-interventionist discourse were exposed, so that interventionist discourse, like that underlying then-marginalised Keynesian economics, could become dominant. The dominance of interventionist discourse based on Keynesian economics is technically called Keynesian resurgence (Skidelsky, 2009). Of course, for most heterodox economists, such an articulation of Keynesian economics is not a challenge to the dominance of mainstream economics. However, the point is that because Keynesian economics was compatible with the-then dominant discourse of economics, it could be articulated. Indeed, both Classical economics and Keynesian economics presume mathematical formalism. Technically speaking, both New Classical and New Keynesian presume neo-classical synthesis (Mirowsky, 2013). Also, Keynesian economics does not challenge the hegemonic discourse of political economy (neoliberalism or capitalism) (Crouch, 2008; Harvey, 2005; Klein, 2008). Rather, its interventionist discourse was to save the hegemonic discourse from the crisis. Thus, looking at

the discursive battles that took place during the financial crisis, the dominance of contemporary economics survived by re-articulating Keynesian economics (Shimizu, 2016; Shimizu, 2017, pp. 199-207). On the other hand, the crisis indeed opened up a possibility for heterodox economics. Through the crisis, it became more popular than ever before. For example, *The Financial Times*, the quality newspaper for true believers of capitalism provided a special appendix on Marxism a few weeks after the bankruptcy of Lehman brothers. This would show how the articulation of the marginalised becomes possible in impossible fields during a time of crisis. Also, some Post-Keynesian ideas, such as Hyman Minsky's financial instability hypothesis (Minsky, 1982), were frequently articulated among several economists amid the crisis. However, its articulation and the scale of dislocation were not sufficient to challenge the dominance of mainstream economics and the hegemonic discourse of contemporary political economy.

In sum, any discourse has radical limits. These limits are rooted in the incompleteness of the totality of discourse and the radical gap between signifieds and signifiers. Regarding this incompleteness and the radical gap, PSDT refuses the possibility of any ontological criteria as Lawson proposes. More precisely, while Lawson says the ontology of being means the materiality of the being, PSDT claims that it is impossible to grasp the true picture of materiality. Such existential understanding of the being without discourse itself is idealistic (Laclau and Bhasker, 1998). Nevertheless, the denial of ontological criteria does not indicate a denial of the existence of the material. All PSDT means is that we cannot know the essential nature of it. Due to this incompleteness of discourse, there always remains the possibility of social transformability. Regarding the social transformability of PSDT, it should be noted that the course of a social transformation or the course of the reorientation of economics is not determined by any decisive factor. For PSDT, it is determined neither ontologically nor ethically but discursively. In other words, what is involved and excluded, what becomes dominant and marginalised, and the condition of the plurality of economic studies and the course of reorientation are determined through discursive battles. Here lies the politics of economics (Foucault, 2008, p. 313).

## **Conclusion**

In this essay, through a critical review of the discourse of heterodox economics, I introduced PSDT as a new theoretical perspective for heterodox economics. In doing so, I critically introduced two iconic scholar's theories and debates, Tony Lawson's and Sheila Dow's, that represent basic issues and concerns for heterodox economics. In critically reviewing them, I pointed out that, while Lawson's theory of ontology and argument for exclusive pluralism will lead to determinism, Dow's Kuhnian-inspired theory of paradigm and argument for inclusive pluralism will end up being idealism. Recognizing these limits and comparing these theories, I introduced PSDT as a new theoretical perspective. Finally, drawing on PSDT, I claimed that what makes the orthodox and the heterodox, and what to involve and exclude are determined neither ontologically nor ethically but discursively. In short, PSDT can provide a new research perspective for heterodox economics to understand the politics of economics.

The introduction of the politics of economics provides several new analytical paths for heterodox economics. For example, in taking Foucault's concept of micro-politics we can reveal the politics of economists' everyday life. Those analyses involve, for example, how the faculty of economics is managed by putting mainstream economics at its centre, how the research granting system is structured in favour of maths-based studies, and how mainstream economic ideas are utilised

to understand and manage contemporary economic issues. Perhaps, socio-economic studies have already partly provided such studies. However, heterodox economists who have professional knowledge of mainstream economics can provide more thorough analyses. Then, through those analyses, it would be possible to demonstrate how contemporary economic studies have contributed to the maintenance and reproduction of the hegemonic discourse of contemporary political economy. So, analysing the politics of economics is to take economics not simply as a pure science, but as an object to analyse. It is to understand not only how academic subjects are positioned and embedded into reality but also how they are politically contrived into the management of the reality.

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**Author contact:** [shuhtyan.mmu@gmail.com](mailto:shuhtyan.mmu@gmail.com)

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