



**University of
Zurich** ^{UZH}

Institute of Philosophy

Doctoral Programme: "Philosophy – Language, Mind, and Practice"

Master Class

**Reductionism and
Anti-Reductionism
in Economics**

Kevin D. Hoover
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1st & 2nd June 2018

Synopsis

Reductionism is the doctrine that the real is constituted by ultimately fundamental building blocks (ontological reductionism) and/or that explanation is adequate only if it runs, if not in terms of fundamental building blocks, at least in terms of more basic elements (explanatory reductionism). *Anti-reductionism*, in contrast, posits the ontological doctrine of emergence (that is, that some properties of more complex systems arise fundamentally and irreducibly from that complexity) and/or the doctrine that there are phenomena whose adequate explanation requires them to be addressed, not at the level of the smallest constituents, but at the level of the more complex system. In the social sciences, both ontological and explanatory reductionism are associated with methodological individualism, which asserts that social outcomes must be addressed through attention to the individual actors. In economics, the issue of reductionism arises in the guise of the *microfoundations of macroeconomics*, which is the view that any adequate account of macroeconomic phenomena (e.g., the relationships among economic aggregates, such as gross domestic product (GDP), employment, and interest rates) must be grounded in the analysis of the decision problems of individual economic actors.

The focus of the course will be on the work of Kevin Hoover, although in the course, his work will be related to the work of other philosophers and economists as well. The approach will be naturalistic, in the sense that the problem of reductionism (microfoundations) will be framed in relation to the concrete practices of economists. Since many students may not be familiar with those practices, the first session will be devoted to some historical background on the history of macroeconomics and the issue of microfoundations. Subsequent sessions will consider the ontological status of macroeconomic aggregates and the barrier to reductive explanations in macroeconomics. The final session will present a positive program for an account of causal explanation in economics that respects both the impulse toward reductionism and the limitations of reductive explanation.

The readings for the course are mainly philosophical, but some are economic. These were chosen to be more accessible, but students should not get derailed by any technical difficulties economics.

Venue: University of Zurich
Schönberggasse 11
8001 Zürich
Room: SOE-E-08

No fees apply. Participants are expected to have read the texts.

PhD students at the UZH are required to book the module in order to get credit points.

Registration: phd@philos.uzh.ch

Details: <http://www.philosophie.uzh.ch/doktorat/meisterkurse.html>

Programme and Readings

Friday, 1st June 2018

10:00 – 12:00: The Microfoundations of Macroeconomics: The Problem and Its History

- *Hoover, Kevin D. (2001b). *The Methodology of Empirical Macroeconomics*. Cambridge: Cambridge University Press, ch. 1 and ch. 3.
- *– (2012b). “Microfoundational Programs”. In: *Microfoundations Reconsidered: The Relationship of Micro and Macroeconomics in Historical Perspective*. Ed. by Pedro Garcia Duarte and Gilberto Lima Tadeu. Cheltenham: Edward Elgar, pp. 19–61.
- *Janssen, Maarten (1998). “Microfoundations”. In: *The Handbook of Economic Methodology*. Cheltenham: Edward Elgar, pp. 307–310.
- Nelson, Alan (1992). “Human Molecules”. In: *Post-Popperian Methodology of Economics: Recovering Practice*. Ed. by Neil De Marchi. Boston: Kluwer, pp. 113–133.

13:30 – 15:30: Are Macroeconomic Aggregates Real?

- Epstein, Brian (2014). “Why Macroeconomics Does Not Supervene on Microeconomics”. In: *Journal of Economic Methodology* 21.1, pp. 3–18.
- *Hoover, Kevin D. (2001a). “Is Macroeconomics for Real?” In: *The Economic World View*. Ed. by Uskali Mäki. Cambridge: Cambridge University Press, pp. 225–245.
- Nelson, Alan (1984). “Some Issues Surrounding the Reduction of Macroeconomics to Microeconomics”. In: *Philosophy of Science* 51.4, pp. 573–594.

16:00 – 18:00: The Social Ontology of Macroeconomics

- *Hoover, Kevin D. (2009). “Microfoundations and the Ontology of Macroeconomics”. In: *Oxford Handbook of the Philosophy of Economic Science*. Ed. by Harold Kincaid and Donald Ross. Oxford: Oxford University Press.
- Searle, John (1995). *The Social Construction of Reality*. New York: Free Press, ch. 1, ch. 2, ch. 6.

Saturday, 2nd June 2018

10:00 – 12:00: Idealization and Reduction

- *Hoover, Kevin D. (2010). "Idealizing Reduction: The Microfoundations of Macroeconomics". In: *Erkenntnis* 73.3, pp. 329–347.
- McMullin, Ernan (1985). "Galilean Idealization". In: *Studies in the History and Philosophy of Science Part A* 16.3, pp. 247–273.
- Nowak, Leszek (1980). *The Structure of Idealization: Towards a Systematic Interpretation of the Marxian Idea of Science*. Dordrecht: Reidel, ch. 1 and ch. 2.

13:30 – 15:30: Reductive Explanation

- *Hoover, Kevin D. (2015). "Reductionism in Economics: Intentionality and Eschatological Justification in the Microfoundations of Macroeconomics". In: *Philosophy of Science* 82.4, pp. 689–711.
- *Kirman, Alan P. (1992). "Whom or What Does the Representative Agent Represent?" In: *Journal of Economic Perspectives* 6.2, pp. 117–136.
- Putnam, Hilary (1975). "Philosophy and Our Mental Life". In: *Mind, Language, and Reality (Philosophical Papers, vol. 2)*. Cambridge: Cambridge Scholars Publishing, pp. 291–303.

16:00 – 18:30: Explanatory Hierarchies

- *Hoover, Kevin D. (2012a). "Causal Structure and Hierarchies of Models". In: *Studies in History and Philosophy of Biological and Biomedical Sciences* 43.4, pp. 778–786.
- *– (2012c). "Pragmatism, Perspectival Realism, and Econometrics". In: *Economics for Real: Uskali Mäki and the Place of Truth in Economics*. Ed. by Aki Lehtinen, Jaakko Kuorikoski, and Petri Ylikoski. London: Routledge, pp. 223–240.
- *Simon, Herbert (1996). *The Sciences of the Artificial*. 3rd. Cambridge, Mass.: MIT Press, ch. 8.
- Teller, Paul (2001). "Twilight of the Perfect Model Model". In: *Erkenntnis* 55.3, pp. 393–415.

Starred readings are compulsory; others optional.