

Assessing Heterodox Economics in a European Context A Workshop

*Assessing Economic Research in a European Context: The Future of Heterodox Economics
and Its Research in a Non-Pluralist Mainstream Environment*

26 – 27 June 2009

**University of Bremen, Germany, iino-Institute for Institutional and Innovation
Economics**

Because assessing the quality of research, ranking journals and departments, and benchmarking subject matter of disciplines are essential components of national and European Commission policy guidelines for allocating research funds, they dominate higher education in Europe. For the case of economics, neoclassical economists have used the assessment processes to dismiss heterodox economists and classify their research as ›weak‹ economics. As a result, they have manipulated the policy guidelines to deny heterodox economists access to research funds. As long as national and European Commission policy guidelines are used to allocate research funds to further develop research capabilities of economists and their departments, it is incumbent upon heterodox economists to propose alternative research assessment methodologies, alternative approaches for evaluating the scholarly contributions of journals and departments, and broader and less discriminatory criteria for evaluating funding proposals. However, with the exception of the special issue of *On the Horizon: Publishing, Refereeing, Ranking, and the Future of Heterodox Economics* (2008), heterodox economists have not been sensitive enough towards these issues – with the result that, with some exceptions, their views have not been heard by national funding councils or by the European Commission. This Workshop is a first step to rectifying this situation.

Workshop Themes:

- The impact of assessment and ranking methodologies on recruitment of heterodox economists, on the status of heterodox departments, and on the funding of heterodox economics departments and research projects in European countries and by the European Commission.
- The development of alternative methodologies for measuring and identifying quality scholarship and assessing the contribution of journals and departments to the development of heterodox economics; and empirically applying the methodologies.
- The attitude and position of national and European-wide *economics associations* towards alternative methodologies for measuring scholarship quality, towards broadening the subject benchmarking of economics, and towards heterodox economics.

- The attitude and position of *national funding bodies* for economic research and teaching towards alternative methodologies for measuring quality scholarship, towards broadening the subject benchmarking of economics, and towards heterodox economics.
- The attitude and position of the *European Commission* towards alternative methodologies for measuring quality scholarship, towards broadening the subject benchmarking of economics, and towards heterodox economics.

Program

Friday, 26 June

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|---------------|--|
| 10.00 – 11.00 | Arrival and registration—Atlantic Hotel Universum (which is on the campus of the University of Bremen) |
| 11.00 – 11.30 | Welcome and Introduction
Fred Lee and Wolfram Elsner |
| 11.30 – 13.30 | <i>Ranking Economics Departments in a Contested Discipline: A Bibliometric Approach to Quality Equality Among Theoretically Distinct Sub-Disciplines</i> by Frederic S. Lee, University of Missouri-Kansas City, leefs@umkc.edu

<i>The Diffusion of Heterodox Economics</i> by Bruce Cronin, University of Greenwich, c.b.cronin@greenwich.ac.uk |
| 13.30 – 14.30 | Lunch |
| 14.30 – 16.30 | <i>Heterodox Economics as Viewed by Sociology: Why Institutional approaches matter and converge</i> by Dieter Boegenhold, Free University of Bolzano, dboegenhold@hotmail.com , dboegenhold@unibz.it

<i>Institutionalism in Polish Science after 1989: Diagnosis and Recommendations</i> by Agnieszka Ziomek, Poznan University of Economics, agnz@echostar.pl |
| 16.30 – 17.00 | Break |
| 17.00 – 19.00 | <i>Heterodox Economics and the Role of the Scientist in the Society</i> by Marco Novarese, University Amedeo Avogadro, marco@novarese.org and Andrea Pozzali University of Milano Bicocca

<i>Some Reflections on How to Judge a Good theory and a Good Professor</i> by Bernard Vallageas, Université Paris-Sud, bernard.vallageas@u-psud.fr . |

20.00 Dinner

Saturday, 27 June

9.00 – 11.00 *Benchmarking for Pluralism: how to train economists who will get it right next time* by Alan Freeman, Association for Heterodox Economics and University of Manitoba, afreeman@iwgvt.org

The Financial Crisis and Research Published in Top Journals and in Heterodox Journals by Engelbert Stockhammer, Vienna University of Economics and Business, engelbert.stockhammer@wu-wien.ac.at and Paul Ramskogler, Vienna University of Economics and Business

11.00 – 11.30 Coffee Break

11.30 – 13.30 *Citation Metrics and Strategic Options for Heterodox Economists* by Jakob Kapeller, University of Linz, jakob.kapeller@jku.at

The Relative Contribution of Heterodox Economic Journals to Building Heterodox Economics and to Pluralism in Economics by Frederic S. Lee, University of Missouri-Kansas City, leefs@umkc.edu

13.30 – 15.00 Lunch

15.00 – 17.00 *On the Evaluation of Economic Research: The Case of Italy* by Marcella Corsi (Marcella.corsi@uniroma1.it), Carlo D'Ippoliti (carlo.dippoliti@uniroma1.it), and Federico Lucidi (Federico.lucidi@uniroma1.it), Università degli Studi di Roma "La Sapienza"

Research Evaluation Down Under: Reflections of an Outsider on the Inside in Australia by Harry Bloch, Curtin University of Technology, Harry.Bloch@cbs.curtin.edu.au; h.bloch@curtin.edu.au

17.00 – 17.30 Coffee Break

17.30 – 19.00 Discussion, Guidelines, and Outcomes

20.00 Dinner

Workshop Organizers

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Abstracts

Benchmarking for Pluralism: how to train economists who will get it right next time

Alan Freeman

This article explains why pluralism is needed in economics education, and proposes how to achieve it. It has two objectives: to show that pluralism produces good economics and better students. To achieve this, pluralism itself can and should be benchmarked as such; that the economics benchmark should include specific provisions to uphold and guarantee critical, pluralistic and independent thinking. This step, which would necessitate a drastic overhaul of the present rankings accorded to economics teaching and research institutions in the UK, is needed because of what Colander et al (2008) term the ‘systemic failure’ of economics – the inability of the profession, taken as a whole, to anticipate and understand the financial crash and recession of 2008. Failure on this scale testifies to a greater and more deep-seated weakness in economics than commonly recognised. The article explains how the past benchmarking system, reenforcing the built-in tendency of the economic profession to ‘select for conformity’ has substituted, for the independent and critical pursuit of knowledge, the profoundly non-scientific practice of simply reproducing the existing consensus. A break with this past practice, which has become institutionalised at every level, requires a conscious regulatory intervention – benchmarking for pluralism

The Financial Crisis and Research Published in Top Journals and in Heterodox Journals

Engelbert Stockhammer and Paul Ramskogler

Journal ratings today play an important role in decisions on tenure promotion and hiring. Critics of these journal ratings have argued that these ratings help to consolidate the dominant economic

paradigm (“neoclassical economics”) and encourage technical sophistication without contributing to an improved understanding of the economy and without addressing important real-world problems. The present financial crisis offers a natural experiment to assess this criticism. The project proposes to review the research published in five top (A+) journals and, as a control group, in five heterodox journals over the past five years and investigate whether the articles published there have analyzed important issues that are now regarded as key factors that contributed to the present crises.

Citation Metrics and Strategic Options for Heterodox Economists

Jakob Kapeller

Current situation

Quantitative indexing and evaluation is more and more being taken for granted within the scientific community. Meanwhile it is an established practice to evaluate researchers, departments or proposals for research grants by relying on the „impact factor“ of their publications and outlets (consequently also the European Commission tries to measure the quality of research output in Economics by quantitative indexing; see European Commission 2004). The various biases incorporated in and the numerous problems associated with such approaches of quantitative indexing, as the (standard) Thomson Scientific (TS)-Indices, are a general problem, while the relative discrimination of heterodox economists is a specific one (cf. Lee 2006). As an introduction general criticisms of the TS-Index will be discussed.

General strategic orientation

Hirschman (1970) identifies three main possibilities of action in the context of a social conflict. Reinterpreting this framework in the spirit of the specific problem mentioned above leads to the following three general options:

- a) EXIT: Heterodox economists completely refuse to accept quantitative indices, especially the TS-standard, as a measure of quality (nevertheless anticipating that others *will* do).
- b) VOICE: Heterodox economists try to design *and establish* their own (quantitative) indices of research quality.
- c) LOYALTY: Heterodox economists accept the TS-standard as measure of quality and try to compete at the best in the given evaluation system.

These three categories broadly illustrate the scope of action available to heterodox economists. Thus it seems reasonable to consider the compatibility of all the specific suggestions discussed later in the paper with these three general categories. Some suggestions will fit in all cases – we can build on them as a common strategic emphasis without even agreeing on a general orientation towards quantitative indices (which is, I guess, eventually an individual decision). Other suggestions will fit in only one or two categories and, thus, could be interesting in discussing and agreeing on a general strategic orientation (of course there are noteworthy network benefits if heterodox economists could agree on this point in terms of certain commitment).

Specific strategic suggestions

Based on the broad literature discussing problems related to quantitative indexing, including some research done by myself (Dobusch and Kapeller 2009), I would like to derive specific

strategic suggestions for heterodox economists from the general problems associated with the “impact factor” and other forms of scientific “quality assurance”. Combining these two strategic perspectives I would like to compose a matrix. By providing such a matrix and thereby trying to integrate findings from sociology and philosophy of science I hope to encourage and to structure the strategic discourse relating to the question of how heterodox economists should cope with the TS-standard.

The Diffusion of Heterodox Economics

Bruce Cronin

Heterodox economics is in part defined by exclusion from orthodox circles and there is an understandable tendency for heterodox economists to engage primarily with each other outside these circles. Yet the critique offered by heterodoxy speaks more widely. This study examines the diffusion of heterodox economic ideas beyond the immediate confines via a citation analysis of journals publishing articles that cite heterodox journals. The diffusion of heterodox economics across wider disciplines is traced over time utilising longitudinal data from Emerald, Wiley and Sage databases. Employing the techniques of social network analysis, key periods and key journals in the diffusion process are identified, with implications for heterodox economics publishing strategy and engagement in valuation processes.

Institutionalism in Polish Science after 1989: Diagnosis and Recommendations

Agnieszka Ziomek

Institutional economics is a different approach to economy and processes causing its development. This difference is especially visible in reference to orthodox economic approach. The beginnings of 2000 marked the higher interest in heterodox view in Poland.

The reasons of such growing interest come from the results of economic policy implementation. One of the reasons for analysis in institutional approach is the thesis about the completed transition process in Poland at the end of the 1990's. Regarding statistical economic data, it is difficult to confirm this thesis. The level of development of chosen sectors and some markets is not comparable with the development of social institutions, access to individual social services and improvement of life status. The level of real development of Polish economy decided about the increase of interest in other views on economy. This heterodox approach seems to be useful both to the explanation of economic phenomena and the recommendation of applying appropriate changes in economic system.

The purpose of the article is to present, basing on diagnosis, the main areas and scholarly organizations of institutional economic interest in Poland. With reference to research, it is worth mentioning that this activity was dominated by law-based analysis and monetary market studies.

At the beginning of the 1990s, orthodox economy gained a leading position within the field of economic education, studies and practice in Poland. After 2000, the rebirth of interest in heterodox economy turned out to be an attempt at returning to Marxist economy. It resulted in much more frequent application of New Institutional Economy theory.

The other aspect of the presence of heterodox economy in Poland is its development in scientific organizations, such as Polish Science Academy (articles concerning preferred aspects of NEI can be found in its publications). Moreover, the Institute of Institutional Economics of Wrocław University of Economics which exists for more than 20 years did also release literature on this issue and organized the first conference of Institutional Economics in Poland.

Education of economics students is another issue worth mentioning. Considerable progress is to be noticed in this field. After 1989 the chairs of political economics were removed and all theories unrelated to orthodox views were cancelled. However, nowadays, the Warsaw University offers the lecture on institutional economics for full-time students. This is a good example of economic science diversification.

The general recommendation for increasing the implementation of institutional view during the period of increasing interest is the organization of conferences in the upcoming period and the establishment of lectures on institutional economics.

On the Evaluation of Economic Research: The Case of Italy

Marcella Corsi, Carlo D'Ippoliti, and Federico Lucidi

We analyze Italy's research evaluation exercise (called CIVR) as a case study to investigate the recent trends in the evolution of the economic sciences. We claim that evaluation and its (actual or predicted) criteria, together with its linkage to research institutions' financing, might affect both the object and the methodology of research.

In the first part of the paper we discuss Italy's research evaluation exercise, with respect to other European countries' experiences. A second part of the study investigates a dataset composed of all the products on economics submitted for evaluation, and compares this dataset with another one, constructed by collecting all the entries in the EconLit database authored by economists located in Italy. We find that if research institutions will be encouraged to engage only in those lines of research output, which received the highest rating under to the methodology followed by the CIVR, a clear convergence is to be expected in the discipline of economics, with the complete disregard of historical methods in favour of quantitative and econometric methods, and of heterodox schools in favour of mainstream "anglo-saxon" approaches.

Finally, a third section concludes, with the proposal for a simple quantitative index to measure the **visibility** of research in economics, which could be adopted in the place of those based on journals' Impact Factor. Although we hold that no measure of **quality** is possible without the appropriate integration of qualitative and quantitative indicators, our aim is to show the

feasibility, and the superiority, of those quantitative indexes that are able to preserve pluralism and originality of research, without implying a refusal of measurement and evaluation *tout-court*.

Heterodox Economics and the Role of the Scientist in the Society

Marco Novarese and Andrea Pozzali

Our work as economists has a specific social dimension. In a perspective that takes into consideration the social division of labour, economists (and other social scientists) are, implicitly, assigned the task to think on society and economy, their present and future, and then to suggest possible new ideas, solutions, problems to be solved and so on. Economics should therefore contribute to the social and political debate, orienting it, or at least trying to do it. A competition among different views should be normal and public, accessible to any interested person. Academic formation should make persons capable of reasoning, comparing models and ideas.

These ideas could seem quite obvious, but are still largely neglected in reality, as our work as researchers has another important dimension: the legal one. This dimension has to do not so much with what an economist ought to do for society as a whole, but rather with the specific requirements imposed by the particular labour market he has to cope with. To be recognised as an economist in the “academic market” you need to be able to know and teach some given issues (or you won't be selected). You need to be able to apply a well defined (and quite limited) set of tools and approaches. These tools not only are quite specific, but for the most part they don't admit different points of view and don't even allow for an easy diffusion of economics results. Moreover, even the selection of research themes is highly constrained: some topics, that are not considered to be relevant by mainstream economics, are at risk of being completely neglected, notwithstanding their potential interest for society as a whole. To prove to be capable of being economists, researchers are forced to become specialists, approved by their own peer and not interested in dialoguing with society, forgetting their social role.

The paper discusses the implications of this paradox and contradiction, showing their cognitive nature. As shown, for example, by Scitovsky, we can understand a situation, only if it contains enough redundancy with our knowledge and experience. This idea applies to any field. Within science it creates conformism (if you are not understood you will be neglected and unable to make career) and specialization, even within heterodox researchers. These tendencies can be explained also with motivational factors similar to those explaining cultural differences between social groups. As pointed out by Simon (1957), the value systems and the set of shared norms and behaviour that characterize a given institution can push individuals toward the preferential adoption of certain styles of thinking and reasoning, that in turn produce a certain path of behaviour. The specific traits of the internal academic market young economists have to face can therefore have a deep influence on the type of research they decide to carry on, and on the methodological choices they perform. This is of interest for society, as long as economics can have many direct and indirect influences on economy and society: biases that may affect the way research in economics is performed can therefore directly or indirectly be transferred to the economic and social system, and this in turn can have detrimental effects on society as a whole.

Some Reflections on How to Judge a Good theory and a Good Professor

Bernard Vallageas

For some decades capitalism has become stronger under the names of neoliberalism, market economy, globalization. This is supported by the absence of a true governing body in Europe and by the academic system with positions more and more precarious for young teachers, “modulation“ of teaching services even for the tenured teachers, a greater separation between undergraduate and graduate teaching and the obligation to publish in peer-reviewed journals. The peer-reviewed journals have been invented for sciences: the function of a peer is to verify there is no mistake in a reasoning or calculus; in experimental sciences the peer must also verify that the experiment is properly related and may be reproduced. If there is an error or if the experiment cannot be reproduced, the paper must be rejected. But the author can always correct his reasoning or repeat the experiment and submits again his paper.

This method assumes that the decision of the reviewer is indisputable. Now in economics the experiment cannot be reproduced (that happens too in sciences like paleontology or astrophysics), so the only things that the peers can verify are the reasoning and the calculus. Also very numerous articles are published with a very good reasoning and calculus but completely unrealistic hypotheses. In fact the neoclassical papers are built in the wrong way: conclusions are chosen first, then *ad hoc* hypotheses are chosen to lead to these conclusions. So papers are selected not because of their hypotheses but of their conclusions. Actually reviewers accept papers bearing new demonstrations for *a priori* conclusions. This system cannot promote new ideas.

So the peer-reviewed system is perverted. The system remains completely secrete. Only the final paper as accepted by the peers is published and is considered by the official committees in charge of recruitment and promotion in the universities. These committees very often will only count the publications of the candidates without reading them.

There is no reason not to publish the debate between the author and the peers. The only reason would be that the university committees have no time to debate and that they delegate this debate to the reviews. But even if this delegation was justified, and it is not, there is no reason why the committees cannot read the debates.

Another reason would be that the reviews cannot publish everything and that they publish only the final article. But this argument is not solid. Now with internet there is no limit to publication. So if everything is published, the risk would be to have too much publications and it would be necessary to make a selection: but there is no reason why the selection must remain secrete and should only be done by secrete referees. So one can conceive a system in which everything is published on internet and everything can be freely commented publicly by everyone. The much and best commented papers would emerge by themselves.

The teachers must not be selected only by their publications but too by their teaching. There is now a strong differentiation between teaching, and specially undergraduate teaching, and

research, which is not justified. A new theory which is clearly exposed to undergraduates is in general a good theory because the undergraduate students are more exigent than graduate students or colleagues. It is more difficult to teach a theory with unrealistic assumptions to freshmen than to the latter, who are accustomed to unrealistic hypotheses. Till the 70's there exists a French speciality: for each lecture he taught to freshmen each professor used to write either a book either a "cours polycopié" (literally "duplicated lecture") which was both a pedagogic and a research work. This custom has disappeared because of the post-68 evolution and of the overcharge of teaching work but it should be reestablished since it assures a good coordination of teaching and research and it allows a good judgment of professors.

The Relative Contribution of Heterodox Economic Journals to Building Heterodox Economics and to Pluralism in Economics

Frederic S. Lee

The bibliometric literature has frequently addressed the issue of discipline or sub-discipline ranking of journals because the widely used impact factor approach to ranking journals does not necessarily capture the impact a journal has on its discipline since many of its citations may come from journals not at all connected with the discipline. Consequently, a discipline-contribution score was developed and the first step in calculating the score was to identify the relevant discipline-specific journals. This was done by adopting a third party's, such as the Web of Science-SSCI or Scopus, classification of journals or by utilizing an iterative approach based on an informed, predetermined set of core journals, the journals they cite, and a discipline impact factor. The approach of the discipline-contribution score was then used to investigate more specialized areas of research within a discipline, when the sub-discipline research areas are viewed as significantly distinct from each other, as measured in terms of citation flows and impact factor scores among the relevant subset of journals. As a result, a 'specific impact contribution' score was developed. Although the sub-discipline approach presumed that a common body of scientific knowledge bonded the sub-disciplines together into a single discipline, this need not be the case. Mainstream and heterodox economics are distinct sub-disciplines within economics, based on having distinct bodies of theoretical knowledge and problems and puzzles to investigate. Therefore, a 'heterodox' sub-discipline or specific impact contribution score is necessary for ranking heterodox journals in terms of their contribution to building heterodox economics.

In Lee (2008b, 2009) and Lee, Grijalva, and Nowell (2009) a case was made for ranking heterodox journals, a ranking methodology developed, and a select group of seventeen and twenty heterodox journals ranked. Dolfma and Leydesdorff (2008) and Cronin (2008) examined the same heterodox journals to explore their network relationships relative to the formation of a community of heterodox economists that engaged in common theoretical and applied pursuits and utilized a common theoretical language. In addition, Lee, Grijalva, and Nowell (2009) argued that the research quality indexes used to rank mainstream and heterodox journals can be combined to produce a single overall ranking of economic journals. Finally, Lee (2008a) explored a way to evaluate the contribution to pluralism made by heterodox (and implicitly mainstream) journals. This paper draws on the citation-based bibliometric literature to

further develop these contributions. First it constructs a ranking for 71 heterodox journals based on their contribution to building a more integrated heterodox economics. The construction of the ranking takes place in three steps—the first being a citation-based ranking based on the methodology in Lee (2008b), second being a citation-based network analysis which is then used to evaluate the citation-based analysis, and the final step utilizes peer evaluation of the results from the first two steps to arrive at a final ranking of heterodox journals. The second part of the paper addresses the issue of pluralism, which is defined in the paper as engagement between heterodox and mainstream economists and is measured by cross-sub-discipline journal citations. Thus, for a given selection of 26 mainstream journals and the 71 heterodox journals a different citation-based ranking approach is used to determine the degree of pluralism to rank the journals. Drawing on the first two parts of the paper, the third part develops two overall rankings of heterodox and mainstream journals—one based on research quality only and the second based on research quality and pluralism. The last part of the paper discusses the results of the previous sections.

Ranking Economics Departments in a Contested Discipline: A Bibliometric Approach to Quality Equality Among Theoretically Distinct Sub-Disciplines

Frederic S. Lee, Therese C. Grijalva, and Clifford Nowell

Quality ranking of economic journals and departments is a widespread practice in the United States, Europe, Australia, and elsewhere. The methods used are peer review, bibliometric measures, or (in a few cases) an ill-defined combination of the two. Although the methods are subject to various criticisms, they continue to be used because they provide answers of sorts to questions that are frequently and continually asked by economists, undergraduate advisors and students, university administrators, and government officials when the disbursement of large sums of monies to universities are involved. The questions take the general form of “which journals and departments are most effective in producing scientific economic knowledge regarding the provisioning process.” Since understanding, explaining, and suggesting ways to alter the provisioning process in light of particular political agendas and social policies is what economics and economists are all about, knowing the degree to which a journal or a department contributes to the production of scientific economic knowledge is important. However, in a divided discipline where scientific knowledge is contested, knowing which journals and departments are the best in doing so is somewhat muddled. If the methods used to judge or ‘measure’ the production of quality scientific knowledge are biased towards one of the contested approaches, the resulting quality rankings of journals and departments are biased as well. So if the objective is the open-minded pursuit of the production of scientific knowledge of the provisioning process, then it is important to have measures of quality that treat the different contested approaches equally. This paper examines this issue by examining the impact that a quality-equality bibliometric measure may have on the quality rankings of doctoral economic programs in the United States.

Research Evaluation Down Under: Reflections of an Outsider on the Inside in Australia

Harry Bloch

Australia is preparing for an evaluation of university research to be performed by the Australian Research Council (ARC) at the request of the Australian government. The evaluation exercise, Excellence in Research in Australia, is currently entering a trial phase with physical sciences and humanities subjected to evaluation in 2009 prior to an evaluation of all disciplines in 2010. Problems encountered already that affect the evaluation of non-mainstream and interdisciplinary economic research include the inappropriate classification of sub-disciplines in economics and the absence of any non-mainstream journals from top-tier in the proposed ranking of economics journals.

This paper provides a critical review of the Australian approach to research evaluation. The author draws on his involvement in peer review processes connected to the research evaluation. He was a member of the executive committee of the Economic Society of Australia when the ESA designed and carried out a survey of Australian economics professors to provide advice to the government on the ranking of economics journals. Previously, he was Editor of *The Economic Record*, the most established Australian economics journal. He is currently a member of the body that advises the ARC on applications for research grants that provide the dominant source for funding of research by academic economists in Australia. These experiences, along with participation in the Society for Heterodox Economists and the History of Economic Thought Society of Australia, provide a broad exposure to the research activities, mainstream and otherwise, of Australian economists.

Outline

1. Introduction
2. Classification of economics sub-disciplines (the preliminary skirmish)
3. Ranking of journals (the current battle)
4. Choice of evaluation metrics (the battle yet to come)
5. Access to research funding (the ongoing battle)
6. Conclusions – barriers to academic careers for heterodox economists

Heterodox Economics as Viewed by Sociology: Why Institutional approaches matter and converge

Dieter Boegenhold

The term “heterodox economics” exists already since several decades. Recent revival of heterodox economics can be regarded as a growing criticism of economists within the own profession of economics. One discomfort is that “modern economics has become sick and ...

economists have converted the subject into a sort of social mathematics in which analytical rigour is everything and practical relevance nothing“ (Mark Blaug). The price of abstract modelling is the loss of real world parameters of which the time and space coordinates are the most important ones. Modern economics is designed as a one-world-capitalism without history and without regional specifications, without institutions and without concrete human agents. Voices for a theoretical dealing with an *economy in concreto* rather than an *economy in abstracto* start increasingly to fit with thought associated as heterodox economics. The concern of time and its academic equivalent which is history and the concern for regional dimensions and its academic equivalent which are regional sciences match with the slogan that *culture matters*. In general, Institutional approaches have no other aim than highlighting that different social organizations and institutions (including religion, language, family structures and networks, systems of education and industrial relations) make differences when trying to come up with general statement as principles of capitalist societies and economies. It is only one brief step to arrive from the *culture matters-statement* at a position that *sociology matters*. The argument of social embeddedness has become one of the most celebrated metaphors in economic sociology. The paper argues that the embeddedness argument is strategically on a necessary way to highlight the academic importance of institutional and sociological thought for debating phenomena of economic life. Such ambitions meet clearly with recent tendencies to foster heterodox economics. We want to focus the discussion within a broader history of economic and sociological thought in order to demonstrate that recent discussion has origins which were already used by classical authors at the beginning of the 20th century. In this respect a lot of the recent offensive towards heterodox economics seems to have forgotten the own academic history. A sociology of the academic division and the related changes through the 20th century shall argue in favour of the increased necessity to reintegrate the social sciences.