

**Syllabus**  
**Philosophy 6014:**  
**Groups and Individuals: Topics in the Philosophy of Economics and Social Science**

Dr. Brian Epstein

Few people today would accept Hegel's claim that nations or historical moments possess a "spirit" that guides their evolution. Even so, it's clear that nations, historical periods, and grounds in general have many properties that individuals do not. We speak of a nation's foreign policies, its unemployment rate, the national mood. Is group behavior an aggregation of individual behavior? Should explanations of social phenomena strive to be individualistic?

This seminar will consider some important aspects of these issues in the ontology and methods of the social sciences. A principal focus will be cases in microeconomics, where these debates have been particularly acute. Of particular interest will be the role of "rational agents" in economic explanation.

Readings will be available on Blackboard.

**Schedule:**

*Introductory topics: Social structure, individualistic explanation, some key approaches*

**Jan. 17: Introduction**

Ryan, Alan. Introduction to *The Philosophy of Social Explanation* (pp. 1-14)

Hollis, Martin. "Problems of Structure and Action," in *The Philosophy of Social Science* (pp. 1-22)

Udehn, Lars. "The Changing Face of Methodological Individualism."

Smith, Adam. *The Wealth of Nations*, Book 1, chapters 1-7.

*Additional readings:*

Bohman, James. *New Philosophy of Social Science:*

Chapter 1, "The Old Logic of Social Science: Action, Reasons, and Causes"

Chapter 2, "The New Logic of Social Science: Rules, Rationality, and Explanation"

**Jan. 19: Ideal types and methodological individualism**

Weber, Max. "'Objectivity' in Social Science." In Brodbeck, pp. 85-97.

Weber, Max. "Ideal types and Theory Construction." In Brodbeck, pp. 496-507.

Watkins, J.W.N. "Ideal Types and Historical Explanation." In Ryan, pp. 82-104.

Weber, Max. "Objectivity and Understanding in Economics." In Hausman, pp. 69-82.

**Jan. 24, 26: NO CLASS**

**Jan. 31: Social facts**

Durkheim, Emile. "Social Facts." from *Rules of Sociological Method*. In Brodbeck, pp. 245-254.

Mandelbaum, "Societal Facts." In Ryan, pp. 105-118.

*Additional readings:*

Durkheim, Emile. *Suicide*, ch. 3.

## **Feb. 2: Functionalism**

Harris, Martin. "Mother Cow."

Merton, Robert. "Manifest and Latent Functions."

Davis, Kingsley and Wilbert E. Moore, "Some Principles of Stratification," in R. Bendix and S. M. Lipset, *Class, Status and Power*, second edition, New York, Free Press, 1966, pp. 47-53. HT 605 B4 1966.

## **Feb. 7: Functional explanation**

Hempel, "The Logic of Functional Analysis." In Brodbeck, pp. 179-210.

Pettit, Philip. "Functional Explanation and Virtual Selection." *Br J Phil Sci.*47 (1996) 291-302.

*Additional readings:*

Elster, Jon. "Functional Explanation In Social Science" Reprinted in *Readings in the Philosophy of the Social Sciences*, ed. L. McIntyre and M. Martin (Cambridge: MIT Press, 1994

Parsons, Talcott. from *The Social System or Essays on Sociological Method*.

Dore, R.P. "Function and Cause." In Ryan, pp. 65-81.

## ***Instrumentalism and realism in economics***

### **Feb. 9: Friedman on economic methodology**

Friedman, Milton. "The Methodology of Positive Economics." In Brodbeck, pp. 508-527.

Nagel, Ernest. "Assumptions in Economic Theory." In Ryan, pp. 130-138.

Simon, Herbert. "Testability and Approximation." In Hausman, pp. 214-216.

Hausman, Daniel. "Why look under the hood?" In Hausman, pp. 217-222.

*Additional readings:*

Koopmans, Tjalling. "The Construction of Economic Knowledge." In Brodbeck, pp. 528-540.

### **Feb. 14: Economic realism**

Tony Lawson, "Two Responses to the Failings of Modern Economics: the Instrumentalist and the Realist" *Review of Population and Social Policy*, No. 10, 2001, 155–181

Tony Lawson, "What Has Realism Got to Do With It?" *Economics and Philosophy* 15 (1999) 269-82.

Hausman, Dan. "Problems with Realism in Economics," *Economics and Philosophy* 14 (1998): 185-213./

Hausman, Dan. "Ontology and Methodology in Economics," *Economics and Philosophy* 15 (1999): 283-88.

*Additional readings:*

Hausman, Dan. "Realist Philosophy and Methodology of Economics: What Is it?"

Mäki, Uksali. "Reclaiming Relevant Realism," (xerox)

Mäki, "Some nonreasons for nonrealism about economics," in Maki Fact and Fiction

D. Wade Hands, *Reflection without Rules: Economic Methodology and Contemporary Science Theory (RWR)*, sec. 7.3

### **Feb. 16: Economic objects and kinds**

O'Neill, "Essences and Markets." In Mäki, *The Economic World View*.

Nelson, Alan. "Are Economic Kinds Natural?" In C. Wade Savage, ed., *Scientific Theories*, pp. 102-135. *Minnesota Studies in the Philosophy of Science*, Vol. 14. Minneapolis: University of Minnesota Press, 1990.

*Additional readings:*

Vromen, "Ontological commitments of evolutionary economics" In Mäki, *The Economic World View*.

Hoover, "Econometrics and Reality" in Mäki, *Fact and Fiction*.

Rosenberg, Alex. "Metaphysical Foundations of Microeconomics," *Monist*, 78, 1995: 353-367. Also in Mäki, *The Economic World View*.

### ***Methodological individualism vs. Holism***

#### **Feb. 21: Resurrecting methodological individualism**

Homans, "Bringing Men Back In." In Ryan, pp. 50-64.

Elster, "Marxism, Functionalism, and Game Theory."

Watkins, "Methodological Individualism and Social Tendencies." In Brodbeck.

Agassi, "Methodological individualism." In O'Neill.

*Additional readings:*

Gellner, "Holism versus Individualism". In Brodbeck.

Watkins, "Methodological Individualism: A Reply.", In O'Neill.

#### **Feb 23: Basic replies to methodological individualism**

Lukes, Steven. "Methodological Individualism Reconsidered." In Ryan, pp. 119-129.

Sensat, Julius. "Methodological Individualism and Marxism", *Economics and Philosophy*; 4(2), October 1988, pp. 189-219.

*Additional readings:*

Scott, "Methodological and epistemological individualism." In O'Neill.

Goldstein, "The inadequacy of the principle of methodological individualism." In O'Neill.

Goldstein, "Two theses of methodological individualism." In O'Neill.

Danto, "Methodological individualism and methodological socialism." In O'Neill.

#### **Feb. 28: Classifying methodological individualisms**

Brodbeck, "Methodological Individualisms: Definition and Reduction." In O'Neill. (and in Brodbeck).

Bhargava. *Individualism in Social Science*.

Ch. 1 "Classifying Methodological Individualism", pp. 1-52.

Ch. 2 "Reductionism," pp. 53-88.

### ***Strategies for defending methodological individualism***

#### **Mar. 2: Productivity**

From Coleman, *Foundations of Social Theory*.

*Additional readings:*

Elster, Jon. A Plea for Mechanisms.

#### **Mar. 7, 9: SPRING BREAK**

#### **Mar. 14: Neo-reduction**

Nelson, Alan. "New Individualistic Foundations for Economics." *Nous* (December 1986), 20(4):469-490. Reprinted in *The Philosopher's Annual* (1986), 9:127-148.

### ***Strategies for defending holism***

#### **Mar. 16: Linguistic strategies**

Collin 1998 "Semantic Holism in Social Science" in *Philosophical Explorations: An International Journal for the Philosophy of Mind and Action*. Vol.1(3).

*Additional readings:*

from Bhargava, *Individualism in Social Science*

### **Mar. 21: Social explanation**

Garfinkel, Alan. *Forms of Explanation*.

Intro and explanation Ch 0&1 1-48

Reductionism and individualism - Ch 2&3 49-104

### **Mar. 23: Ontological**

from Ruben, David-Hillel. *The Metaphysics of the Social World*.

Hoover, "Is Macroeconomics for Real?" In Mäki, *The Economic World View*.

- Good article against the ontological reduction of macroeconomics to microeconomics

*Additional readings:*

Maciver, "Levels of Explanation in History" In Brodbeck.

Addis, "The Individual and the Marxist Philosophy of History" In Brodbeck.

Rosenberg, "Reductionism in a historical science", *Philosophy of Science*, 68 (2001): 135-164.

### **Mar. 28: Pettit's hybrid theory**

from Pettit, Philip. *The Common Mind*.

and reactions

### ***Rational choice theory and ontology***

#### **Mar. 30: Rational choice**

Elster, "The Nature and Scope of Rational Choice Explanations."

Sugden, Robert. "Contributions of Philosophy and Economics to Rational Choice"

*Additional readings:*

Hardin, "The Normative Core of Rational Choice Theory"

#### **Apr. 4: Against the rationality assumption**

Simon on Bounded Rationality

Kahneman and Tversky

Sen, Amartya. 1977. "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory." *Philosophy and Public Affairs* 6:317-344.

#### **Apr. 6: Arguing for the poverty of rational choice theory**

Hirsch, Paul, Stuart Michaels, and Ray Friedman. 1990. "Clean Models vs. Dirty Hands: Why Economics is Different from Sociology." Pp. 39-56 in *Structures of Capital: The Social Organization of the Economy*, edited by Sharon Zukin and Paul DiMaggio. New York: Cambridge University Press.

Green and Schapiro. *Pathologies of Rational Choice Theory*.

Fiorina, in *The Rational Choice Controversy: Economic Models of Politics Reconsidered*, edited by Jeffrey Friedman

Murphy, in *The Rational Choice Controversy*

*Additional readings:*

Ferejohn and Satz, in *The Rational Choice Controversy*

Rosenberg, "The Rational-Behavioral Debate in Financial Economics", *Journal of Economic Methodology*, Forthcoming (with Alon Brav, J. B. Heaton), forthcoming

Arrow – Humility about rational choice theory

**Apr. 11: Rational choice, reductionism, and ontology**

Satz and Ferejohn, "Rational Choice and Social Theory."

Hausman, Daniel. "Rational Choice and Social Theory: A Comment."

*Additional readings:*

Pettit, Philip. "Rational Choice, Functional Selection, and "Empty Black Boxes"" In Maki, *Fact and Fiction*

***Idealization*****Apr. 13: Idealization and the truth of explanations**

Strevens, Michael. "Why Explanations Lie: Idealization in Explanation"

Cartwright, Nancy. From *How the Laws of Physics Lie*.

**Apr. 18: Idealization in physical science**

Morrison, Margaret. "Approximating the Real: The Role of Idealizations in Physical Theory." In *Correcting the Model*.

Nersessian, Nancy. "Abstraction via Generic Modeling in Concept Formation in Science." In *Correcting the Model*.

**Apr. 20: Theories of idealization and tradeoffs**

Levins, Richard. "The Strategy of Model Building in Population Biology." In Sober, 1<sup>st</sup> ed.

Jones, Martin. "Idealization and Abstraction: A Framework." In *Correcting the Model*.

***Idealization in economics*****Apr. 25: Idealization in economics**

Gibbard and Varian. "Economic Models." *J Phil* 75, 664-77.

Nelson, "Two Models of Idealization in Economics"

Hoover, Kevin. "Quantitative Evaluation of Idealized Models in the New Classical Macroeconomics."

*Additional readings:*

Nelson, "Economic Idealization and the Role of Experiment." *Poznan Studies in the Philosophy of Sciences and the Humanities*. [Forthcoming]

Rosenberg "The Puzzle of Economic Modeling," *Journal of Philosophy*, 75, 1978: 679-683.

Sugden, "Credible worlds"

**Apr. 27: Issues with economic idealization**

Hausman, Dan. "Paul Samuelson as Dr. Frankenstein: When Idealizations Escape and Run Amuck," in B. Hamminga and N. de Marchi, eds. *Idealization in Economics*. Amsterdam: Rodopi, 1994, pp. 229-43.

Pemberton, John. "Why Idealized Models in Economics Have Limited Use." In *Correcting the Model*.

***Economic agents*****May 2: The nature of the economic agent**

Davis, "Agent Identity in Economics," in Maki, *The Economic World View*

Pettit, "The Virtual Reality of Homo Economicus," in Maki, *The Economic World View*

**Grades:**

Participation: 15%

Reaction papers: 25%

Paper: 60%

**Weekly reaction papers:**

- Two pages total per week, due in class. On the readings with asterisks in the list above. If there are two readings with asterisks, just one page on each.
- The idea is to demonstrate understanding of the reading, and to generate some thoughts for issues, problems, objections, topics for discussion. For each reaction, it's perfectly reasonable to devote half a page to a quick reconstruction of the argument, and half a page to your reactions.
- Reaction papers won't be assigned letter grades, but simply assessed for overall quality. Collect them and hand them in as a packet at the end of the term, with your final paper.

**Participation:**

- Is a requirement for the seminar. The idea of the seminar is to work through these difficult problems as a group, contributing to your own and the group's understanding.
- The purpose of the class is to understand and critically assess the literature and analyses in this field. Consequently, it's essential to do two (conflicting?) things:
  - To apply your critical faculties to the readings and the arguments of others in class
  - To listen to others and help direct the conversation constructively.
- In other words, it's required that you jump into the fray, and at the same time not violate the norms of constructive conversation.

**Paper:**

- In addition to the reaction papers, there will be one final paper of 15-20 pages, due at the end of the term.
- The topic should be of your choosing, though I'll be happy to give guidance or ideas. It should conform closely to the topics discussed in class, and deal with a specific (and reasonably narrow) part of the literature. Meet with me partway through the term to approve and help refine your topics.
- The paper should be a tightly argued piece of philosophy, with a specific claim, situated in the literature, arguments for the claim, and consideration of objections. The quality and precision of argumentation will be a principal criterion for the grading.

**Blackboard:**

- Readings will be posted on Blackboard, well in advance of the class session. ([www.learn.vt.edu](http://www.learn.vt.edu)).
- Also, keep checking Blackboard for announcements, and changes to the syllabus. This syllabus is only preliminary, and is guaranteed to change as the term proceeds.
- We can start up a discussion board on Blackboard, if people are interested.