I can most readily begin a conversation about methodological diversity in economics from the position taken in my book The Rhetoric of Economics. My position is that the best way to understand all argument, economic argument included, is rhetorically.

Economists argue by drawing on certain metaphors or figures of speech. Imagine if you will a central storeroom of figures of speech: intellectuals, makers of persuasive arguments, whether in mathematics, economics, or biology, borrow figures of speech temporarily from the storeroom. Some figures have high prestige for a while: witness the argument from design, once most persuasive but now back in the storeroom. Nor -- and this is the point of the image -- are they unique. There is not for example one set that is inherently "scientific" while another is "literary." Many "scientific" figures of speech (for example, the idea of a function) turn up in literary conversation while others generally thought of as "literary" (for example, the idea of theoretical beauty) turn up in science. This will go on happening. We are human beings, you see, not scientists with a capital S or litterateurs with a capital L. We are talkers. And talkers use figures of speech from the common store.

If you accept this you accept a lot that is inconsistent with the usual way of thinking about economic methodology. You will not, for instance put much value on lists of good and bad figures of speech. Methodology in economics has traditionally issued such lists: thou shalt speak falsifiabilities; thou shalt not use "class struggle"; thou shalt not use "production function." If you accept the rhetorical approach you will not think much of philosophical rules of methodology issued ex cathedra. You will look on what economists do with a literary eye. You will examine why such-and-such an argument has proved successful, and will not be so easily fooled by the methodological claim that people make about whether Positive Economists or Economists Free of the False Consciousness of Bourgeois Society. Altogether, I think you will read and write and teach economics more intelligently.

But surely these "rhetorical" devices are mere ornament?

McCloskey: You have not been paying attention. The devices of logic and statistics are also figures of speech, which depend on analogies and, for example, on metaphysical beliefs about error terms.

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You mean that we should give up careful argument and move to mere rhetoric?

McCloskey: No. Try to understand, and escape from the Science/Irrationality dichotomy of the age. A self-consciously rhetorical way of thinking about economics is more, not less, careful. It takes care with all the figures of speech used, not merely those that fit some philosopher's idea of science. "Mere" rhetoric is not mere. It is how we persuade.

"Persuade"? As a scientist I don't try to persuade. I just state the facts.

McCloskey: You delude yourself with stale philosophy. Talking is persuasive, and is meant to be. For example, you are trying to persuade me now.

But surely there are higher standards than merely what persuades people.

McCloskey: No. All we have is what in fact persuades us. We can't see into the mind of God and know what is True. The point is again reflexive: we see that persuasion is all we have in the very attempt to persuade ourselves that there is something beyond persuasion.

But people are not sometimes persuaded badly, by lies or guns.

McCloskey: The persuasion has to be good. I am a pacifist as well as an anarchist. Cato said that the rhetor must be vir bonus dicendi peritus, the good man skilled at speaking. Guns and lies are bad.

I'm not surprised you call yourself a pacifist as well as an anarchist: like these, your proposal is altogether impractical.

McCloskey: No. Like anarchism and pacifism, it is the most practical, and pragmatic, of proposals. It depends, to be sure, on a Sapristheshik of good behavior. But so does everything else in science and scholarship. All we need is good conversation, an anti-methodology that takes what is reasonably persuasive as reasonable. We do not need to introduce airy schemes from the philosopher's study to limit argument.

What do you mean, "anti-methodology"? By talking this way you are propounding a methodology.

McCloskey: No, I am not, if "methodology" means, as it usually does, a restriction on the forms of argument to those acceptable to Descartes, Popper, Marx, or von Mises.

But how do you then know whether your economic assertions are True?

McCloskey: I do not think much of the word Truth, which is a fifth wheel in argument. Understand. I'm not therefore in favor of error or lying. The problem with the word is that justified True Belief comes from the mind of God. Humans cannot do better than to converse with one another, and to persuade one another.

You're not going to get away so easily. You are implicitly saying that it is "true" that the important thing about argument is not its truth but its rhetorical character. I have trapped you into confessing multiple uses of the word "truth."

McCloskey: Good show. Now I'll do the same for you. You are trying to persuade me that the important thing about argument is not its rhetorical character but its truth. You are using a figure of speech popular among philosophers to show that my position entails self-contradiction. I have just invoked to quaeque to show that your position has the same difficulty: you are saying that the important thing about your argument is its ability to persuade; you have no test of its Truth independent of your ability to get me to accept one or another verbal move as important. I'd call it a draw.

All right. This sort of talk gives me a headache. But how will it change economics? In other words, so what?

McCloskey: "So what?" is the best question that can be asked, and is a hard one. Frankly, I do not know. I am uncomfortable with the notion that someone can predict the future of science. Prescience -- pre-science -- seems to me the figure oxymoron, a contradiction in terms. If I were so smart I'd be rich. The most I can offer for sure is a release from the neuroses of Methodology. Economists would be more tolerant of other schools if they dropped their methodological chatter and got back to work. Professor X be no Marxist, but she will be a better neoclassical economist if she is able to listen to Marxists from time to time. The Marxists in turn would be worth listening to if their methodology didn't require them to shout at everyone, as the master did. Similarly, if Austrian economists would drop their methodological hostility to mathematical models and econometrics they would find many arguments, persuasive to some people, for the market, whether or not in God's eyes they are True (allow me to sell you a couple).

Well, to extend your argument -- what does rhetoric have to do with the way we explain the development of economic thought historically?

McCloskey: On this score, I can be especially confident. Rhetoric can deliver an economic criticism, analogous to literary criticism. The Debate of the Two Worlds, for example was "won" by Cambridge, England. Yet a (or at least I) go on teaching students about mathematically impossible production functions and self-contradictory aggregate capital. This is vexing to the British Cantabrigians, who wonder what they have to do to be allowed the fruits of their victory. It leads them to dark thoughts of bourgeois conspiracy, and encourages an already marked tendency to conspiracies of their own.

What is going on? Using the accepted methods of neoclassical economics (though particularly the figure of speech axiom-and-proof) economics has been shown to be inconsistent. But the production function is above all a metaphor. Criticism must be directed specifically against the metaphor. To show that this is axiomatically speaking impossible to prove the
metaphor is as relevant as showing Shakespeare (as one could) that a woman is not literally a summer's day.

Again, the hostility to the reception of mathematics in economics reflects a failure to understand the rhetoric of mathematics, and can be analyzed rhetorically. Likewise, the triumphs of classical economics or Keynesianism were rhetorical triumphs. The history of science, after all, is the history of persuasion, and rhetoric, a strand in our civilization deriving from the Greek alternative to philosophy, is the study of persuasion.

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This Conversation prompts the Editors to offer the papers and book reviews which follow to the ongoing inquiry into methodology and related themes.

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Conceptual Evolution in Economics: The Case of Rational Expectations

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Linguistic structures articulate the notions and ideas that bind individuals within a common culture. Languages, and the concepts they symbolize, communicate shared views, and facilitate the crystallization of conscious thought. Mind depends upon the particular representation of meaning, for it is only through language that the cognitive frontier with the ineffable can be sustained. No living language remains a static edifice, however. It evolves organically, sometimes in surprising ways, as imaginative innovation and forgetful abandonment alter the material with which the business of intellectual activity proceeds. Only when a culture dies do its linguistic artifacts stand as the unalterable ruins of a civilization.

Scientific cultures and scientific languages are not exceptions. They house ideas, and in housing them, cultivate their meaning. Similarly, the languages of economics guide our thoughts about the economy, and mold our images of the economic process. This paper's thesis contends that a new idea's relationship to its historically antecedent culture influences its ultimate success, and examines a recent case of conceptual evolution in economics. This is the widespread adoption of the so-called "rational-expectations" hypothesis. My plan is to describe the general phenomenon of conceptual evolution as a basis for examining how the essentials of the rational-expectations hypothesis unified and reinforced older notions central to the practice of economics, and thereby contributed, independently of its empirical evaluation, to its reception. In particular, the hypothesis reinvigorated the revered concepts of rationality and equilibrium, and articulated them in theoretical terms which synthesized the economist's languages of explanation and of empiricism. Section I develops a view of the historical significance of conceptual evolution in science, section II precisely states the cognitive nexus constituting the rational-expectations hypothesis, and section III demonstrates its position in the culture of economists to explain how the hypothesis invaded the core of their discipline.

I. Conceptual Evolution in Science

Languages symbolically represent ideas and concepts, and the people employing a language articulate their own notions in terms of

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