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## **Pluralism in economics versus a unified paradigm?**

### **Introduction to the new issue of REEM**

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Review of Economics and Economic Methodology (REEM) is a unique endeavour of associates and students of the University of Ljubljana, in particular, its School of Economics and Business, focused on heterodox schools in economics. As such, it features a clear and broad enough scope and focuses on being able to incorporate diverse economic contributions.

The issue ahead of you is a regular one that includes contributions we received since our last Special Issue on Inequity, Inequality, Insecurity, edited by Ivan Rubinić and Petar Milijić. They are primarily written by non-Slovenian authors, except for the article on fiscal consequences of implementing the Marcora law on worker buyouts (WBO) in Slovenia. The range from the topics in economic democracy (Ellerman; Galevska, Juri and Gonza), symbolic interactionism in economics (Goghie), Kuhnian analysis of incommensurability of Keynesian and Walrasian economics (Heise), heterodox views on the economics of retirement (Tarrazo) and a book review from our responsive editor Ridhiman Balaji of the book on international trade, *Eating NAFTA* (2018) by Dr. Alyshia Gálvez.

Topics in economic democracy are of scientific and policy relevance at present, in Slovenia and internationally. David Ellerman provides a continuation of his research involved in the labor theory of property, bearing a critique of both mainstream capitalists and Marxist ideas on "rental of employment", modern-day slavery of labor. Ellerman is interesting in his finding connections and critiques in this aspect among theories of the opposite end of economic and

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political spectra, as well as voids in the main mathematical apparatus of the mainstream economics, general equilibrium models of Walras and Debreu provenience. Ellerman finds the root of the problems in the current economic system in an institution he labels "the renting of human beings in the employment relation", which has, according to him, corrupted the original idea of a corporation that goes back to medieval times. It is not the concept of the corporation which is to blame for modern-day slavery (Ellerman compares this to blaming the wine bottles for the problem of alcoholism) but the institutions behind the present-day corporate system.

Speaking about economic democracy from economic and policy perspectives, the second article by Elena Galevska, Kosta Marco Juri and Tej Gonza, brings an empirical assessment of the costs and benefits of a possible implementation of the renowned Italian Marcora law on worker buyouts. They find the benefits far outweigh the costs, which provide relevant information in the presently announced implementation of ESOP-s (Employment Stock Ownership Plans) in Slovenia under the recently elected government coalition of three centre-left parties. Authors conclude that having the Marcora law would lead to lower costs, a potential annual raise of tax revenue from corporate taxation, and gains from taxes and contributions paid on wages in the Republic of Slovenia. However, to achieve the expected outcomes, the institutional investors supporting the Marcora must be adequately equipped with the means to provide the required technical, organizational, and financial assistance.

Romanian researcher Alexandru-Stefan Goghie introduces a new economic methodology, starting from an enactive and intersubjective aspect of the economy. In his framework, the economic agent is a process-in-time and has a unique epistemic horizon that tends to evolve as new autonomous processes of interaction appear. The whole economic reality is composed of economic agents situated in a cognitive institutional framework, allowing them to interact, assign meanings and expand their epistemic horizon. His framework reminds of symbolic interactionism, familiar to social science scholars in sociology, social psychology, anthropology and related disciplines. Connectivity he imposes reminds on the actor-network or social network theories and models today heavily present also in economics (for econometric references, see, e.g. Graham and De Paula, 2020; for works of Slovenian scholars see, e.g. Doreian, Batagelj and Ferligoj, 2019). Goghie's dynamic and intersubjective vision emphasizes the heterogeneous nature of entrepreneurial perceptions, translating into specific actions "constantly in potentiality".

The issue continues with a note from Arne Heise about a recent debate on the comparison between Keynesian and Walrasian theories, claiming that the former are better approximations of the real world. Heise claims that the debate has been premature and did not take into account the concept of incommensurability of theories, deriving from the theories of Thomas Kuhn. Heise makes an important claim that comparisons of scientific theories and paradigms in the Kuhnian sense are not a trivial endeavour and takes into account the epistemological and philosophical nature of such comparisons. Heise advocates for better-grounded work in this direction in the future.

Manuel Tarrazzo examines a monograph of Jacob Lund Fisker on Early Retirement Extremes. He clarifies his computational approach and shows its relationship to traditional approaches. For example, he finds that Lund's method to provide years of coverage as an alternative, not necessarily salaried living, is forward-looking. He shows Lund's approach stresses savings accumulated during the regular working years and after and downplays interest rates. He demonstrates valuable insights into the Lund's framework for retiring early and general retirement planning, and many other practical situations with little time to prepare for retirement.

This number concludes with a book review of the monograph *Eating NAFTA* by Dr. Alyshia Gálvez, published by the University of California Press in 2018. The major strength of *Eating NAFTA* (2018) is that it does a very good job of highlighting the adverse consequences of US corn subsidies on Mexico's public health. Gálvez does, however, neglect to mention how such agricultural subsidies are a waste of public resources from the perspective of the US public citizenry and have as such devastated Mexico as well as being undesirable from the perspective of what is in the public interest of US citizens. Furthermore, Balaji, author of the book review, points to Gálvez's weak understanding of Ricardo's theories of comparative advantage in international trade – while we should remain critical of free trade agreements, and preferential trade agreements, we should also be careful not to demand protectionist policies based on apparent shortcomings of classical free trade theory. To Balaji, in a highly globalized environment, protectionist policies can severely undermine the long-term well-being of workers.

The issue brings interesting perspectives on economic democracy, institutional and interactionist economics, philosophy of economics, the economics of retirement and free trade.

It brings theoretical as well as empirical (Marcora law) studies. Perspectives addressed are largely unaddressed in mainstream economics and provide alternative angles on cornerstone topics of economic work such as international trade, ageing and retirement, as well as industrial organization and labour economics. Hopefully, readers of the *Review of Economics and Economic Methodology* will enjoy them. They also open questions on diversity and pluralism in economics vs a unified approach. At the same time, the present situation in economic research remains schizophrenic and prone to the pluralism of perspectives, leaving the perspectives presented in this issue prone to ignorance from mainstream research. Hopefully, this will resolve in the future with a more inclusive and accepting approach which could lead "in the limit" to a more encompassing and unified economic paradigm, likely very different from the present one (as already noted in some of the works of Steve Keen). It remains to be seen if this will happen soon or if more years will be needed for a progressive change in economics.