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## Withering Pluralism in Germany

*Heterodox Economics after five years  
of the post-autistic movement in Germany*

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### **Abstract**

The history of economics in Germany is a tragedy. After the end of the German historical school, we see, today, heterodox economic thinking is characterized by streamlining and decreasing pluralism. Institutes (eg. Umweltökonomie, Heidelberg; HWP Hamburg) had been closed, heterodox chairs like Prof. Elmar Altvater changed. Political and social factors of science are driving this process. New options like the post-autistic movement and evolutionary economics are there, but mechanistic and modern positivistic path dependency leads to approaches like experimental economics. Are there (post)-modern strategies available?

## 1 INTRODUCTION

Germany has a long history of economic research. Numerous important economists came from Germany. Hermann Heinrich Gossen and Karl Marx were great economists from Germany. Max Weber is famous for his scientific recoveries in sociology, but also played an important role in economics and the formation of the German economics association, called „Verein für Socialpolitik“. Other important thinkers from Germany were the trade economist Friedrich List or the game theorist Friedrich von Stackelberg. The great thinkers in the center of Europe formed the German Historical School of Economics or the German Philosophy. There is a strong history of heterodox economics and has started numerous debates in heterodox economics.

Up today, the game theorist and experimental economist Reinhard Selten is the only German Nobel Prize<sup>1</sup> winner in economics. Considering the winners of the Nobel Prize, we see a dominance of US economists, which represents the strong influence of Anglo-Saxon thinking in economics. The economic discipline in Germany lost its strong role and a great part of innovative potential. In the field of heterodoxy, I argue that we see the withering away of pluralism in economics in Germany.

My analysis is based on a descriptive presentation of numerous changes in German academia and heterodox economics. As reasons for this decrease in varieties of economics, I see the path dependency from the Cold War and numerous factors of the social formation of economic science in Germany. My analysis relates to sociology of science.

## 2 DECREASING HETERODOXY

**Table 1: Important unorthodox economists in Germany**

Person	Profession/Chair	Development
Elmar Altvater	chair of political economy, FU Berlin, radical economics	rededicated, political science with economic sociology orientation
Gustav Horn	chef economists of business cycle studies, DIW Berlin, Keynesian orientation	dismissed, mainstream now
Malte Faber, Manstetten	chairs of the Institute of Ecological Economics, Heidelberg	rededicated
Herbert Schui	Hochschule für Wirtschaft und Politik (HWP), Bremen	cancelled
Jörg Huffschnid	University of Bremen:	emeritus

<sup>1</sup> The Nobel Prize in economics was established by the Swedish Central Bank and is formally not part of the disciplines honoured by Alfred Nobel.

	economic policy	
Rudolf Hickel	University of Bremen: fiscal economics	emeritus
Adelheid Biesecker	University of Bremen, feminist and ecological economics	emeritus
Hans Nutzinger	University of Kassel	planned to transform to a chair of law

When we look on the academic field of economics in Germany, we see a decreasing number of non-mainstream economists, institutes and departments. In my descriptive analysis, I will concentrate on some major developments over the last 5 years.

### **2.1 Hochschule für Wirtschaft und Politik, Hamburg**

The university of economics and politics at Hamburg, which is called “Hochschule für Wirtschaft und Politik (HWP)” in German, was an institution, founded by trade unions, to develop. Its goal was the education of trade union affiliated students and help people, coming from a worker background, to get higher education and a university degree. The HWP was a interdisciplinary mixture of economics and social science, where numerous critical scientists and Neo-Keynesians taught.

Look up reasons/causes of merging  
merged into the University of Hamburg and the progressive structure

### **2.2 Free University, Berlin**

Elmar Altvater chair of political economy, FU Berlin, radical economics  
Umgewidmet, political science with economic sociology orientation

### **2.3 Gustav Horn and DIW, Berlin**

Gustav Horn chief economists of business cycle studies, DIW Berlin, Keynesian orientation  
dismissed, mainstream now

### **2.4 Institute of Ecological Economics, Heidelberg**

Malte Faber, Manstetten chairs of the  
Heidelberg, transformation of the institute of ecological economics into environmental  
economics

Das Forschungszentrum für Umweltökonomie ist 2005 aus dem Interdisziplinären Institut für  
Umweltökonomie hervorgegangen. Über die aktuellsten Aktivitäten des 1997 gegründeten  
Interdisziplinären Institutes informieren die Jahresberichte.

### **2.5 Transformation of Chairs**

Jörg Huffschnid University of Bremen

Herbert Schui HWP cancelled

Case of Kassel

Hans Nutzinger University of Kassel planned to transform to a chair of law

Examples of the Actions of the Mainstream

Hans-Werner Sinn: “Sind wir noch zu retten?“ streitschrift

INSM metal employers association started a campaign to support deep lobbying

### 3 POSITIVE DEVELOPMENTS

**Table 1: Existing Alternative Projects in the German Language Area Existing Alternative Projects**

Name	History	Focus
Doktoranden-Netzwerk Nachhaltiges Wirtschaften (DNW)		Promotion of young researchers in the field of sustainability
Forschungsgruppe Politische Ökonomie	1997-2202	Active research group on Post Keynesian Economics in Marburg
Memorandum Gruppe	since 1975	Keynesian counter annual report against the German Council of Economic Experts
German Association for Political Economy (GAPE)/ Arbeitskreis Politische Ökonomie	since 1977	pluralistic approaches to economics
Metropolis Verlag, Marburg	since 1986	alternative heterodox book publisher
AK PAEcon e.V.	since 2003	post-autistic network in Germany
Keynes Society	since 2003	research on Keynesianism and the General Theory
Intervention – Journal of Economics	since 2004	international heterodox journal
IMK - Institut für Markt- und Konjunkturforschung	since 2005	Keynesian economic consultancy for trade unions

For more information cp. Dürmeier 2006.

There are numerous positive developments in some subfields of economics. Ecological economists are given advice to numerous political institutions as the “Umweltrat” (The German Advisory Council on the Environment)<sup>2</sup>. Researchers in the field of corporate social responsibility and business ethics form the “Deutsche Netzwerk Wirtschaftsethik” (German Business Ethics Network)<sup>3</sup>, which is a big platform for discussion on applied ethics in economics and heterodox oriented approaches.

Two major changes in the field of heterodox economics in Germany is the slow movement of bigger parts of evolutionary economics and experimental economics into the mainstream.

There is now a working group in the “Verein für Socialpolitik” (German association of

<sup>2</sup> Compare its homepage: <http://www.umweltrat.de>.

<sup>3</sup> Compare its homepage: <http://www.dnwe.de>.

economics) and the annual conference 2008 is on the topic “experimental economics: new paths, now findings?”<sup>4</sup>. There are developments in the German mainstream, but great parts of the heterodox camp are more and more marginalized.

#### **4 THE CAUSES OF WITHERING PLURALISM**

There are many possible reasons for the decline of heterodox economics in Germany, which could be grouped in the two categories of political and social factors. In the first group of political factors we see weak representation of the political left in economics. Critical social science and research is concentrated in other social sciences than economics. There are many critical sociologists or political scientists, but critical economists are very scarce in Germany. Left oriented students are more interested in political theory and sociology than in economics. Marx is seen as sociologist and political scientist than as economists.

This movement away from economics is also visible in the German globalization movement, where the scientific advisory council of Attac Germany consists of only a few economists, whereas the majority of professors and young scientists are sociologists or political scientists.<sup>5</sup> The globalization movement in Germany wants to educate the people in understanding the economy, but there are only a few people who studied economics. I named this contradictory phenomena the capitalistic critical paradox of the globalization movement (Dürmeier 2007).

A further political factor is the low standard of economic education in Germany. Low economic education at society in Germany<sup>6</sup>. Although numerous introductions in economics exist and economics is part of the primary and secondary education the knowledge about economic phenomena is very low in Germany. Education policy in German is not helpful for cultivating an open environment for a pluralism in economics.

*social factors of science are driving this process.*

*New options like the and evolutionary economics are there, but mechanistic and modern positivistic path dependency leads to approaches like experimental economics*

*Weak support for young heterodox economists*

*Also happen in social science (Marburg, Frankfurt School, ...)*

*Negative example: post keynesian in Marburg, now also political science gone*

*Big fragmentation*

#### ***Post-autistic movement in Germany***

Cp. Dürmeier, Thomas: Post-Autistic Economics: eine studentische Intervention für plurale Ökonomik. In:

<sup>4</sup> More information under: <http://www.uni-graz.at/socialpolitik/>.

<sup>5</sup> Compare [DÜRraussichtl] or the homepage of the advisory council :<http://www.attac.de/ueber-attac/beirat/neu/pages/mitglieder.php>.

<sup>6</sup> Compare for example the study of the German banking industry:

<http://www.bankenverband.de/pic/artikelpic/052008/Gutachten080421.pdf> (May 13, 2008).

*Intervention* 2 (2005) Nr. 2, S. 65-76...

## 5 EGALITARIAN PLURALISM AS POSSIBLE STRATEGY

post-autistic movement

Post-modern strategies

Egalitarian pluralism

Deminish the power resources of orthodox economists Garnett, Robert F. Jr.: Paradigms and Pluralism in Heterodox Economics. *In: Review of Political Economy* 18 (2006) Nr. 4, S. 521-546

Eg. Code of conduct for policy advice

DeMartinano, George: The Economist's Oath. *In: Challenge* (2005) Nr. July-August, S. 103

## 6 OUTLOOK

*Comparision of international developments*

*Austria: lose of heterodox tradtion (BEIGEWUM)*

## LITERATURE

DÜRMEIER, Thomas (2006): Verzeichnis alternativer Projekte im deutschsprachigen Raum.

In: DÜRMEIER, Thomas ; VON EGAN-KRIEGER, Tanja ; PEUKERT, Helge (Hrsg.): *Die Scheuklappen der Wirtschaftswissenschaft - postautistische Ökonomik für eine pluralistische Wirtschaftslehre*. Marburg : Metropolis-Verl., pp. 31-39.

DÜRMEIER, Thomas (2007): *Das globalisierungskritische Paradox der Kapitalismuskritik*, presented at Arbeitskreis Politische Ökonomie, Chemnitz 2007.