

AN ONTOLOGICAL TURN IN ECONOMICS

My primary purpose with this book is to argue that there is much to be gained from an ontological turn in social theorising, that there are significant advantages to making a concern with ontology more explicit and systematic than is the custom. A secondary goal, closely bound up with the first, and one with which I shall be expressly occupied in the current chapter, is to argue for a particular ontological conception. It is through demonstrating the sustainability as well as usefulness of this particular conception, one sometimes systematised as critical realism,¹ that I seek simultaneously to achieve my primary goal.

As with many broad conceptions in social theory and philosophy, the ontological one I defend here is usefully viewed under the following three of its aspects: the manner in which it is achieved, its central features or results, and the sorts of implications that follow from accepting it. The current chapter is structured by considering each of these aspects in turn. The framework and results of *Economics and Reality* (Lawson 1997a) do receive some development. However, my primary concern in the current chapter is with consolidation and clarification.²

Context and philosophical method

I start with method of derivation, with the manner in which the ontological conception I defend is achieved. The task of conveying the significant features of any approach to theorising, no less to theorising about methods of argumentation, is often aided by contrasting the approach in question with alternatives, especially if the latter are familiar. I adopt such a contrastive strategy here.

A study of the relevant literature reveals that many, and perhaps most, recent contributions to methodology in economics conform broadly to one or other of two basic approaches. On the one side are those who accept the scientificity of economics as practised and seek (for the time being at least) mostly to justify and/or clarify the way in which economics is already done, to demonstrate the nature and rationality of what

goes on. On the other side are contributors who seek to impose onto economics conceptions of proper science or method determined outside of the discipline (by philosophers of physics, or some such).³

Now it may be because certain commentators on economic methodology suppose these particular versions of 'bottom up' and 'top down' approaches are the only options that are feasible, that they have inferred that the realist project to which I and many others have been contributing must itself adopt one or other of them. More specifically, because the realist project in question is somewhat critical of modern economic practice, it has been interpreted by some as thereby inevitably conforming to the externally imposing or 'top down' form of contribution.

The approach I take, however, is not of this sort at all. It is certainly self-consciously prescriptive in certain ways. But it proceeds in a fashion that is not well captured by either of the two noted models of methodological approach. Let me briefly elaborate, indicating something more of the two noted traditional approaches first.

Contending approaches to economic methodology

Prior to recent debate, perhaps the dominant view amongst economic methodologists was that philosophy's role, at least in economics, is to justify scientific practices already regarded as rational, to legitimise what already takes place. Friedman's (1953) early methodological essay is a well known example of this kind.

Easy criticism of philosophical activity so conceived can be offered. Most obviously, in the face of the recent dismal record of modern economics, any strategy which involves accepting unquestioningly the assumption that whatever economists are doing it must be broadly rational (or 'scientific' or sustainable) seems complacent at best. In particular, it forgoes the possibility of a significant *critical* philosophical input from the outset.⁴ Methodologists taking such a stance tend to be restricted either to transforming the criteria by which to gauge the mainstream project, or to clarifying if not defending its procedures or types of formulation (see e.g. Friedman 1953, or more recently Mäki 1998). In such cases,⁵ insight as to why economics is currently in such an unhappy state is largely absent,⁶ and indeed appears hardly feasible.⁷

Further, where philosophers or methodologists are concerned to demonstrate merely that practices followed are rational (their rationality being already considered a fact), it is not obvious that economists who are already engaged in such practices need take a great deal of notice anyway (even if some clarification of how they are proceeding is achieved). On this conception philosophy/methodology appears to be running idle. This perception of the contribution of methodology seems

to be held by a significant number of mainstream economists, presumably explaining in some part their often noted (albeit rarely skilfully articulated) impatience with it. Others have made this point before. Blaug, for example, writes:

Too many writers on economic methodology have seen their role as simply rationalizing the traditional modes of argument of economists, and perhaps this is why the average modern economist has little use for methodological inquiries. To be perfectly frank, economic methodology has little place in the training of modern economists.

(Blaug 1980: xiii)

It is perhaps not surprising, then, that in recent years certain methodologists and meta-methodologists in economics have tended to conclude that putting methodology to work merely to justify methods already regarded as rational is somewhat unrewarding, if not of questionable worth.

For some in this latter group, and in particular for those who remain reluctant to challenge the rationality of dominant practices but who abandon even the goal of clarifying, for the mainstream, the nature of their practices and presuppositions, the result has been an effective rejection of normative/prescriptive methodology. The conclusion drawn has indeed been that 'methodology has no consequences for practice' (Weintraub 1989: 487). If methodology is to retain any input at all, the argument from this quarter often runs, it should be reserved for the task merely of describing the practices of the discipline, along with its sociology.

There are also others, though, who are prepared to accept that the rationale of actual practices is indeed open to question and perhaps criticism. For members of this group, the main response has been to call upon the philosophy of (natural) science to furnish injunctions for economics.

This has been Blaug's (1980) approach. Blaug has taken note of both the continuing poor performance of the modern economics discipline, as well as the widespread disparity between actual practices of economists and their professed (typically Popperian) theory of practice or 'standard economic methodology' as set out in basic textbooks. In setting out his remedy for these ills, Blaug sides strongly with reorienting practice in line with the latter text book theorisations:

economists have long been aware of the need to defend 'correct' principles of reasoning in their subject, and although the actual practice may bear little relationship to what is preached, the preaching is worth considering on its own ground.

(Blaug 1980: xii)

And a few paragraphs later he explains:

After many years of complacency about the scientific status of their subject, more and more economists are beginning to ask themselves deeper questions about what they are doing. At any rate, there are growing numbers who suspect that all is not well in the house that economics has built. ... Like many other modern economists, I too have a view of *What's Wrong With Economics?* to cite the title of a book by Benjamin Ward, but my quarrel is less with the actual content of modern economics than with the way economists go about validating their theories. I hold that there is nothing much wrong with standard economic methodology as laid down in the first chapter of almost every textbook in economic theory; what is wrong is that economists do not practice what they preach.

(1980: xiii)

The problem with Blaug's response, as with others like it, is that, typically, the theoretical or methodological principles called upon have been formulated externally to the discipline and even to the social realm, and merely asserted as relevant for economics. They have no obvious evidential grounding as generalised procedures for *social*-scientific practice. Rather they are mostly justified, if at all, by reference to the authority of their formulators, or their apparent or claimed successes in other domains.

Moreover, practitioners of economics aware of the disparity between what Blaug terms 'standard textbook methodology' and actual practices, have tended to conclude that, of the two, it is the former methodology that is most clearly wanting.⁸ Standard textbook methodology has been found to be impractical in the context of economics. Leamer argues this case in the context of econometrics, for example, concluding, in the face of the supposed widespread 'sin' of not following standard methodology, that 'unavoidable sins cannot be sins at all' (1978: vi).⁹ And McCloskey, reflecting on such matters, raises the question as to why methodological theorising unrelated to actual economic practices should be worthy of any consideration:

The custom of methodological papers in economics is to scold economists for not allowing it to interfere more. Mark Blaug's useful book summarizing the state of play of economic methodology in 1980, *The Methodology of Economics*, is a recent case. Its subtitle promises to tell 'How Economists Explain'. It might better have been 'How the Young Karl Popper Explained', for it repeatedly attacks extant arguments in economics for failing to comply with the rules Popper laid down in *Logik der Forschung* in 1934.

Blaug's exordium is typical of the best of the methodologists in economics: 'Economists have long been aware of the need to defend "correct" principles of reasoning in their subject: although actual practice may bear little relationship to what is preached, the preaching is worth considering on its own ground' (Blaug 1980: xii). Such words flow easily from the modernist's pen. Yet it is unclear why preaching unrelated to actual practice should be worth considering at all. Why do economists have to defend in the abstract their principles of reasoning, and before what tribunal? The methodologists – whether logical positivist or Popperian or Austrian or Marxist – should have an answer, but do not. Ancient common sense and recently philosophy of science suggest they cannot.

(McCloskey 1986: 21)

And yet Blaug has a point: economics as a discipline is not very successful, even on its own terms. Indeed, it is recognised by many of its most prominent contributors as being in some disarray. Moreover its lack of direction as well as sense of purpose, its inability to tie its practice to its own methodological theory, along with its continued lack of explanatory successes (see Chapter 1), suggest *prima facie* that methodology ought to have a lot to contribute somehow.

Critical realism in economics

It is in this context, and against such varying assessments and strategies, that the project of critical realism has been developed within economics. Its entry points and motivations have been numerous.¹⁰ A most obvious stimulus has been the just noted disarray of the discipline of economics, and especially its lack of empirical/explanatory successes combined with the widespread experience of theory/practice inconsistencies. For myself at least, a further relevant factor has been the regular assertions of colleagues and others that contributions that do not involve formalistic-deductivist models do not count as proper economics. The fact that such assertions are based not on analyses of social material but mostly on conceptions of naturalistic social science alerted me early on to the problem (as I see it) of ontological neglect in the modern discipline.¹¹

Against this background, it has seemed evident that explicit philosophical/methodological analysis is called for. Here I side with Blaug. But there are varying ideas of how to proceed, and it is not good enough merely to assert the rationality or superiority of any methodological position or set of practices (whether deriving from within or from outside a discipline). Here I side with McCloskey and Weintraub. Rather it is necessary to provide an argument which does not beg the relevant

questions at the outset, and against which, indeed, there always remains a possibility that any, and even all, approaches might be shown to be wanting in some respect.

A question that, from the beginning, warranted being addressed by myself and others contributing to the project of critical realism, then, is whether it is possible to relax the assumption that the practices of researchers (whether of economists or of others) are necessarily rational, without imposing formulations concerning proper economic practice (especially those determined in other contexts). Or to frame the question slightly differently, how is philosophy or methodology to provide a non-arbitrary input to scientific practice? How can it legitimately make a difference?

Seen from this perspective, the realist project has in effect been concerned with determining the sorts of premises, if any, which can legitimately get a normative philosophical/methodological analysis going. If we reject the presumption that the practices of science are necessarily rational or justified, what alternative is there?

The alternative point of departure adopted is to suppose of scientific practices not that they are inevitably rational, but that they (and indeed all human practices) are *intelligible*. That is, it is accepted that all actual practices, whether or not scientific, and whether or not successful on their own terms, have explanations. There are conditions which render practices actually carried out (and their results) possible. Let me refer to this supposition as the *intelligibility principle* (to heighten the contrast with Popper's *rationality principle*, that individuals always act appropriately to their situations (see Popper 1967: 359). Thus, accepting the intelligibility principle, one strand of my strategy has just been to seek to explain (aspects of) certain human actions, to identify their conditions of possibility. Or, more precisely, my strategy has been to explain various generalised features of experience, including human actions, and so to uncover generalised insights regarding the structure or nature of reality. This of course, is precisely an exercise in ontology.

How does this move help? Basically, it gives a good deal of insight into the possibilities and limits to social analysis. I will discuss all this below in the third part of this chapter.¹² Let me at this point give a very brief overview of a mode of argumentation that is found to be particularly useful.

Transcendental analysis and social theory

The initiating presumption that human social activity is intelligible, i.e. the intelligibility principle, should not be especially contentious. We all act upon it. It is difficult, for example, to imagine anyone bothering to attempt to read and understand these lines who supposes or claims otherwise.

I have already noted that the premises of the sorts of (ontological) analyses to which I refer usually express certain fairly generalised features of experience. The form of reasoning that takes us from widespread features of experience (including here conceptions of generalised human practices, or of aspects of them) to their grounds or conditions of possibility, is the *transcendental argument*.¹³ The transcendental argument (or transcendental 'deduction') is thus clearly a special case of the *retroductive argument*, where the latter moves from conceptions of specific phenomena at any one level to hypotheses about their underlying conditions or causes (see Lawson 1997a: ch. 2; Chapter 4 below).

Any results achieved by way of transcendental reasoning are clearly conditional. They are contingent upon the human practices selected as premises and our conceptions of them, as well as upon the adequacy of the transcendental arguments employed.

Moreover it is clear that philosophy so conceived, i.e. as method turning centrally upon the transcendental argument, considers the same world as do the sciences, and indeed serves, in its insights, to complement the latter's results. However, it proceeds on the basis of pure reason (albeit exercising it always on the basis of prior conceptions of historically rooted practices) and produces (fallible) knowledge of the necessary conditions of the production of knowledge.

Specific strategies

Contributors to the project of critical realism have made use of transcendental arguments in many different ways. It is true, for example, that, when initiating explanatory endeavour, some have adopted premises concerning the practices of natural science. I do not deny that I myself have made use of insights achieved in such exercises. Specifically, I have sought to uncover essential features of successful natural-scientific practice, and I have questioned the extent to which it is feasible to undertake similar practices in researching the social realm (see, for example, chapter 6 below). Alternatively put, I have examined the extent to which naturalism is possible, where naturalism is the thesis that the study of social phenomena can be scientific in the sense of natural science. But it is important to understand how and why.

The 'how', or manner in which the issue of naturalism has been pursued, has in no way involved imposing a conception of natural scientific practice onto the social realm. Rather, as I say, I have merely questioned the extent, if any, to which naturalism is possible. Thus the position on naturalism taken is an answer to this question. And determining an answer presupposes an independent analysis of social ontology; it is something determined only *after* a theory of social ontology, or other insights into the social realm, have been independently uncovered (see for example Lawson 1997e).

The 'why', or reason for my having pursued the question of naturalism, is, in part at least, strategic (see Lawson 1997e; Lewis 2002b). Currently, the discipline of economics is in a state of some disarray and, at the institutional level, dominated by a mainstream tradition distinguished by its insistence that economics mostly reduces to the application of methods of formalistic-deductivist modelling (see Chapter 1). Now this emphasis is often considered justified simply because the methods in question are regarded as essential components of all science. In other words, naturalism is, first, already on the agenda; second, asserted to be true by mainstream economists; and third, interpreted in terms of the application of methods of mathematico-deductivist modelling. As I say, I reject the idea that naturalism, however interpreted, can be merely asserted as correct. But the mainstream assessment of natural science is, in any case, erroneous (see Chapter 1). It has thus seemed to me important to reveal this.¹⁴ For it removes one further barrier to a more informed and open discussion. This anyway has been a central aspect of my motivation and strategy.¹⁵

If all of this helps explain my orientation and strategy, there may yet remain some who suppose that the ontological conception I defend is somehow necessarily imposed from the outside. In case this is so, I now want briefly to run through, and in places also extend, my development of a theory of social ontology as found in *Economics and Reality* (especially chapters 12 and 13) without making any reference to the practices (or any philosophy) of natural science. By my doing so, it will hopefully be clear that natural scientific considerations are in no way necessary to, or part of, the basic argument and orientation achieved (even if they are, as I say, strategically useful to my overall project nevertheless). An elaboration of the ontological conception I defend provides the second theme of this chapter.

A theory of social ontology

By social reality, I understand that domain of phenomena whose existence depends, at least in part, on us. One useful starting point in determining aspects of its nature has been the observation that human action does generally seem to be rather successful. If *prima facie* the social world is somewhat complex, we do, most of us, appear to be fairly successful at negotiating it. At least we mostly do so after a certain (albeit often quite mature) age. Of course, the fact that we are able to do so only after a certain age (an observation which appears to hold for all societies) and only after a good deal of instruction and experience, lends credence to the idea that society is indeed complex. Its understanding and navigation are non-trivial affairs. This assessment is also borne out by the relative difficulties we all sometimes appear to encounter in getting by, or fitting in, when travelling away from our own familiar localities and culture.

However, in any specific setting we usually find that 'local' people not only get by, but also interact in seemingly competent ways, including with strangers. For this to be possible it must be the case that a good proportion of individual activities or practices are, under some of their aspects at least, comprehensible to others, and even to a degree predictable within limits; it seems inconceivable that capable human interaction such as we observe could arise otherwise.

In the twenty-first century UK, for example, I expect other road users to drive on the left side of the road, to stop at red traffic lights, and so forth. Indeed, I expect individuals in all walks of life to follow various other sets of practices known to me. Mostly they do. They do not always, however. And the latter is an important observation too, one to which I shall return in Chapter 4. But there are indeed situations in which, much of the time at least, certain practices have a routine or otherwise predictable aspect to them. There are occasions where it is at least feasible to anticipate limits within which the (highly routinised) actions of many (though rarely all) others do fall, at least much of the time.

Social rules

A necessary condition of possibility of this highly generalised state of affairs, and, in particular, of the experience that routinised behaviour is pervasive, is a social world structured by social rules or codes, which condition the practices people follow (Lawson 1997a: ch. 12). This could be (indeed is) a transcendental inference. But in truth we already know the inferred conditions to be so. We already know that social life is rule-conditioned.

Parenthetically, there are many aspects of capable human behaviour that do not reduce to routinised practices or rule following. I will have something to say about some of these below, and also in Chapter 4. But for the time being I focus on that aspect of social life that is highly structured by social rules.

Social rules can be conceptualised as generalised procedures of action, procedures that, under suitable transformations at least, can be expressed as injunctions of the form: 'if *x* do *y* under conditions *z*'. For example, 'if wishing to speak at a crowded seminar, hold your hand up, when in twentieth century Britain'. The stipulation 'under conditions *z*' will often be dropped or unacknowledged in any explicit formulation but will always be implicated. All action takes place over limited regions of time and space and in specific socio-cultural contexts.

This formulation is quite general and intended to apply equally to semantic, moral, constitutive, regulative, etc., forms, or aspects, of rules alike. The 'do *y*' in other words is to be interpreted widely and to include such injunctions as 'interpret ... as', 'count ... as' 'take ... to mean', and so

on. Of course, any rule only carries normative or legitimating or facilitating (constitutive/regulative/moral/semantic) force. A social rule, in other words, is a formulation of action that, under specified conditions, must, should, or can usefully, legitimately, meaningfully, or advisedly, etc., be carried out, rather than a prediction or observation of an action. It is a (possibly contested) directive, code, convention, or understanding about *how* an act could or should be performed; it is not *per se* a prediction or claim that the performance so indicated in fact always proceeds. As I have already noted, human behaviour is rarely if ever entirely predictable. Nevertheless, in a system in which social rules are widely respected, the result can be a degree of predictability of aspects, including the limits, of certain forms of behaviour, sufficient, it seems, for capable action to be possible. Thus just as a shared knowledge of, and adherence to, rules of the game allow us to play team sports (albeit not typically to predict the exact moves made, only the *sorts* of moves and their limits) – so shared knowledge and acceptance of, say, rules of language, or conventions of speech interactions, facilitate conversations.

If we already know that social reality is in part constituted by social rules, there are various aspects of these rules and their conditions that warrant elaboration. In particular, social rules are ontologically distinct from social practices.¹⁶ A recognition of this follows once we observe, and enquire into (transcendentally deduce) the conditions of possibility of the already noted widespread feature of experience that practices governed by rules are not always, or on average, in conformity with our formulations of these rules. The (intentional) act of rebelling requires as much knowledge of the rules as does that of conforming. Currently, motorway drivers in the UK *mostly* drive at a speed above that laid down in law, albeit in each case usually not significantly faster than other motorists for fear of getting caught out by traffic police. And workers taking industrial action frequently *threaten* to work to rule. Making sense of the fact that rules are often (or even sometimes) so much, and possibly systematically, out of phase with the practices they condition, requires that we recognise the two aspects, rules and practices, as connected, but ontologically distinct.

The social realm, then, is structured; it does not consist only in actualities such as behaviour. The ontological distinction between social rules and practices is a (transcendentally inferred) necessary condition of the possibility of the former influencing, whilst simultaneously being often out of phase with, the latter.

Parenthetically, I might emphasise that I have made no claims about how a knowledge of rules, or of action that is legitimate because coherent with local rules, is acquired, or the manner in which social rules make a difference. It is likely the case, for example, that actions consistent with many rules (especially those to which there is wide and enduring conformity) can be learnt via trial and error or by way of imitating others, and

that, for many individuals at least, many forms of rule-consistent action may never be given an explicit formulation. So a knowledge of rules may not always, or even usually, take a codified form.

But that recognised, it would be wrong to infer that in all such situations social rules had not had a causal impact in some manner. Where social rules are in place, forms of behaviour significantly inconsistent with them will tend to induce conflict. As a result, either the practices or the rules they contravene (or both) must be adjusted. Typically of course, the individual's mistakes do not lead to the prevailing rules being transformed. Thus a condition of survival of specific behaviour patterns, typically, just is that they are not radically inconsistent with operative rules. In other words, existing rules play a 'selecting' role. Irrespective of how each practice from the range of those tried is originally motivated, the prevalence of accepted rules will bear on the question of which come to be reproduced. The process or mechanism directly stimulating certain forms of behaviours may be quite different from any direct reading and following of systems of rules, but the sustainability of certain practices as habitually performed or routinised forms of behaviour will be in part explained by (the consistency of those practices with) prevailing systems of rules.¹⁷

Social positions

A further highly generalised feature of experience is that the practices people follow, including routines (which may or may not become habitual), are highly, and *systematically*, segmented or differentiated. It seems we are not in all cases all empowered to do the same sorts of things. Teachers follow routines and other recognisable practices which are different to those followed by students. Similarly there are differences between the regular practices of employers and those of employees, between those of landladies/landlords and those of tenants, and so forth. It is the case, then, that either we do not all follow the same rules, or that given social rules lay down contrasting obligations, etc., for different (sorts of) people.

How can this be? Notice, too, as a yet further generalised feature of experience, that practices which can be followed in any context, and so the rules governing the obligations and prerogatives in play, are often independent of the particular individuals carrying them out at any point in time. Each year, for example, I am, as a university lecturer, faced by an array of students who are expected to attend lectures, write essays and sit exams (just as I am expected to give the lectures, etc.). But equally, each year the set of individuals facing me as students is found to be different from that of the previous year. The practices are continued but the individuals enacting them frequently change.

We can make sense of all this by recognising that the constituents of social reality include *positions* into which people essentially slot, positions that have rules associated with them governing the obligations and perks, etc., that fall on, or are on offer to, their occupants. This real category of positions into which people slot is required to make sense of (is a necessary condition of the possibility of) the continuity of social life in the face of changing individuals; and it is the association of rules with these (different) positions that explains the systematic segmentation of routines followed. So, by way of a further transcendental argument, we find that the ontology of the social world includes not only social practices and social rules but equally social positions.

Internal relationality

The social world also includes other aspects of social structure. For example we can take note of (and seek to explain) the further generalised feature of experience that our practices are not only differentiated but typically systematically and constitutively other-oriented. The defining practices of any one group are usually oriented to the practices of others which, if often to a degree similar to the first set of practices, are typically quite distinct. Thus the practices of students are oriented towards (though mostly different from) those of teachers, and vice-versa. In similar fashion, this feature of being other-oriented characterises the practices of employers and employees, landlords/landladies and tenants, parents and children, preachers and congregations, performers and audiences, etc.

A condition of the possibility of this other-orientation of social practices is the existence of *internal relations* in the social domain. These are relations whereby the aspects related, the relata, just are what they are, and/or are able to do what they do, in virtue of the relation in which they stand. Internal relations hold for the natural world too, e.g. between a magnet and its field. Notice, though, that it is relations between positions (as opposed to people *per se*) that are likely to be of primary importance in the social domain (for an elaboration of the argument see Lawson 1997a: ch. 12).

Transformation and reproduction

More yet can be inferred regarding the socio-ontological picture. Because social structure is everywhere found to make a difference (we could not speak as we do without the prior existence of language, drive safely on motorways without knowing the already existing highway code, etc.), we can infer that social structure is both relatively autonomous (it pre-exists our current acts) and also real (it makes a difference to what is possible). Hence voluntarism must be rejected. Further, because social

structure (in virtue of being social) depends on us (i.e. on transformative human agency), structural deterministic accounts must also be rejected.

In short, social structure is both condition of, as well as dependent upon, human action. So it is neither created by, nor creative of, human action. This means we must replace both voluntarist and determinist accounts of social life by a conception according to which social reality is recognised as being continuously reproduced or transformed. This is the *transformational model of social activity*. Only on such a conception does it follow that social structure is the (often unacknowledged) condition of our actions, and its reproduction/transformation the (often unintended) outcome.

Reproduction over space and time

Clearly the transformational model is consistent with the possibility of certain structures being found to be relatively enduring over space and/or time. Whether this possibility is actualised will depend on context, of course. However, there are various generalised features of experience which bear on this, i.e. features which, if we inquire into their conditions of possibility, afford an insight to processes of social reproduction.

One significant observation here is that there is an *a posteriori* degree of continuity in our everyday affairs. Although event patterns of the kind sought after by deductivist modellers appear to be relatively rare in the social realm, there are many regularities of the form 'whatever happens here (today) happens there (tomorrow)'. In the UK where I live, shops are usually in the same place each day, open on the same days of each week and at similar times. Similarly schools, banks and churches keep to reasonably regular times. And the hospitals are almost always open. Going further afield, we find that whatever the (current) local prices of postage stamps, national newspapers, television licences, etc., the same prices tend to hold in other UK towns. Mostly, too, we (currently) find that prices of these items and of numerous others remain the same from day to day, at least over significant periods of time. At a more abstract level, it is the case that throughout the UK and over time, people are buying and selling, driving cars, talking to each other, watching television, listening to the radio, and so forth.

Clearly, it is a condition of possibility of these particular generalised features of experience that social structures, at least in some of their aspects, are in fact relatively enduring, that some are reproduced over (perhaps considerable) stretches of space and/or time. That is, we can make sense of such patterns of continuity as we experience in everyday states of affairs by recognising that, although the social world turns on inherently transformative human agency, it happens that various aspects of social structure are continually reproduced over significant spans of time and/or space none-theless. The sorts of practices just noted, for

example, presuppose the continuity (of course through change) of certain structures of market capitalism, the English (or another) language, a broadcasting network, and so on.

I might note, parenthetically, that the sorts of event patterns which emerge (i.e. those that can be explained only through acknowledging a continuity of structures) often approximate (or in the limit can be viewed as restricted forms of) constant conjunctions of the sorts that are defining of closed systems. It is true that these closures are not (or do not reduce to) the sort pursued by mainstream deductivist modellers, where the correlated events stand in causal sequence (i.e. where the independent variable or antecedent [set of] event[s] x stands in the causal history of the dependent variable or consequent event y – see Chapter 1). Rather, in the sorts of examples mentioned above, such correlations as occur mostly arise because the events in question (x and y say) are influenced by a third set of factors (z say) or share a similar causal history. There need not be a fixed relation between z and both x and y . All that is required is that whatever the effect of z on x at a given point, it has the same effect on y at that point. Thus when the UK government has needed to raise revenue in the past it has sometimes sought to obtain it by increasing the level of car tax (or national insurance contributions, etc.). The outcome, however, is that whenever ‘the price of car tax (or whatever) has increased in Cambridge’ (event x), ‘the price of car tax has increased by the same amount elsewhere in the UK’ (event y).

I admit to not giving such patterns much explicit consideration in previous writing (as is illustrated by the discussion of closures in Chapters 3, 6 and 9 below, each published before this book was put together). I shall be making significant use of them in Chapter 4 below. For the time being I note that an upshot of rectifying their previous neglect here, is that we now have cause to distinguish two sorts of closed system. Remember a closure just is a system in which a constant conjunction of events occurs, i.e. which supports a regularity of the sort ‘whenever event x then event y ’. Where the correlated events are held to stand in causal sequence, a guaranteeing of an event regularity requires the insulating of a (stable) mechanism from all others, as we saw in Chapter 1. In this case, the term closure is appropriate in that it captures the idea of a specific mechanism being ‘closed off’ from the influence of others. However, where x and y are correlated because they share similar causal histories, the term closure better captures the idea of ‘closing over’. The reference is to a similar set of causal forces covering a particular region. If the former captures the idea of isolation, the latter captures the idea of continuity or connection.

Thus, if considered under the aspect of causal forces in play, a closed system of the former type might be distinguished as a closure of isolation (or insulation) whilst one of the latter sort might appropriately be designated a closure of continuity. Alternatively, if considered under the aspect

of events (being connected), a closed system of the former sort might be termed a closure of causal sequence, whilst an example of the latter type might be labelled a closure of concomitance.¹⁸

However, to return to the main point of the current set of considerations, the fact of continuity in social life can be rendered intelligible through recognising that social structures do often possess a high degree of space-time endurability. Social reproduction gives rise not just to continuity of patterns, but to endurability of underlying causal structures too.

Of course, even event patterns of the continuity sort being here considered are rarely other than partial (for example, even the price of UK national newspapers varies – students can get certain papers at reduced prices, and my local cinema is sponsored by a particular national newspaper with the result that in its adjoining cafe copies of that newspaper are provided for ‘free’; the price of UK television licences was recently reduced for citizens over a certain age; postage stamps franked on the first day of their release and attached to a ‘first day cover’ often fetch a higher price). And many patterns appear and disappear only later to reappear; there is often a patchiness in actual patterns without their disappearing entirely (for example stability in the prices of financial assets – see Keynes 1973a: ch. 12; Lawson 1994c). We can make best sense of such variability by recognising that there is not a cessation of the underlying causal structures and mechanisms where a pattern does not strictly hold, but that countervailing mechanisms are also typically in play affecting the actual outcomes. This is consistent with underlying causal structures being often relatively enduring, but with the social world in general being *open* (events are determined by a multitude of shifting causes). All in all, then, such patterns as there are, and some appear quite strict, can be made sense of by recognising that some structures can, and often do, endure.

Now, if it is a generalised feature of our experience that patterns of the sort ‘what happens here happens there’ are common, it appears to be a further and related generalised feature of experience that where these (strict or partial) empirical patterns are the more abstract, the greater, very often, is their space-time reach or stretch. And a necessary condition of (the possibility of) this is that the more abstract patterns pick out (are manifestations of) those more sedimented, deeper and fundamental features of a society. Let me briefly elaborate.

Consider the retail prices of everyday items in a country like the UK in the early twenty-first century. As already noted, such prices are often found to be fairly constant, at least over days if not weeks. However, over longer periods all such prices tend to change. But the fact that each day over these longer periods there are nevertheless prices in place is itself a relatively enduring empirical phenomenon. So is the state of affairs that production is mostly oriented to supplying goods for exchange rather than for immediate use (whilst the range and types of commodities being

produced is changing all the time). Or consider my own university. It has been around in some form for more than 700 years. In that period the practices of teaching and writing/research have been continually central to it. It is because these same practices have been repeatedly enacted, and at the same broad location (the sites of particular colleges and departments have changed, of course), that we can conceive Cambridge University as the same causal structure throughout. But at a lower level of abstraction aspects of this university are changing all the time. Since I have been in Cambridge new departments have emerged while others have all but disappeared. At the same time, any given department is usually more enduring than the specific practices that constitute it. In particular some lecture courses grow in popularity and are developed, others wither and die. Within a given course technologies change and with them teaching practices and so forth. In short, it appears to be the case that the more concrete and detailed the patterns found the more restricted their space-time location. The more abstract the patterns, the more sedimented or enduring the structures responsible. At least, this is very often so.

Perhaps we have here a handle for research into institutions. I have previously conceptualised the latter as particular social systems, or structured processes of interaction, that are relatively enduring and identified as such (Lawson 1997a: 317–18). If the above considerations are correct, it follows that there can be institutions within institutions within institutions (traditional courses within departments within faculties within a university as a whole); the institution becomes a nested concept. Certainly the category appears ripe for analysis using the framework to hand. The point here, though, is that transcendental analyses of (rough and ready) patterns of everyday life do reveal something of the way certain social structures can be, and have been, reproduced (through change) over wide swathes of space and (perhaps most interestingly) time. A degree of continuity in social life is evident at all levels, albeit that some features are more enduring than others.

Emergence and process

To move on from the issue of reproduction and transformation *per se*, we can note that the basic fact of social structure making a difference to human action, and so its ability to act, its possession of irreducible causal powers, presuppose an account of *emergence* (see Lawson 1997a: 63–5, 175–7). At the same time the dependence of social structure on inherently transformative human agency in the form expressed by the ‘transformational model’ (even acknowledging that some abstract features are often reproduced over wide stretches of time and space) establishes its dynamic mode of being: social reality is a *process*. Let me briefly indicate what I mean here by emergence and process.

A stratum of reality can be said to be emergent, or as possessing emergent powers, if there is a sense in which it

- (i) has arisen out of a lower stratum, being formed by principles operative at the lower level;
- (ii) remains dependent on the lower stratum for its existence; but
- (iii) contains causal powers of its own which are irreducible to those operating at the lower level and (perhaps) capable of acting back on the lower level.

Thus organic material emerged from inorganic material. And, according to the conception I am defending, the social realm is emergent from human (inter)action, though with properties irreducible to, yet capable of causally affecting, the latter. For example, a language system has powers irreducible to the human speech, and other communicative, acts on which it nevertheless depends.

What about the idea that society is a process? According to the conception sustained, social structures such as households, markets, universities, schools, hospitals and systems of industrial relations do not independently exist (and often endure over significant periods of time-space) and undergo change. Rather, change is essential to what they are, to their mode of being. They exist as processes of becoming (and decline). Although, for example, the University of Cambridge has always supported teaching and research, the form and content of this has (like that of any other aspect of university life) been changing all the time.

It is clear, then, that we are able to make sense of various generalised features of certain human practices, by transcendently deducing their conditions of possibility. In so doing we are led to a definite conception of social reality. According to it, social reality is structured vertically (it includes underlying powers and tendencies as well as actualities such as social practices and other events), and horizontally (practices are differentiated), and consists in social rules, relations, positions and institutions, amongst other things. Social reality is an emergent realm, dependent upon, though irreducible to, inherently transformative human agency, and consisting of stuff that is intrinsically dynamic, i.e. everywhere a process, highly internally related and often relatively enduring, amongst much else.

Human being and subjectivity

Let me briefly turn to the topic of human being, including subjectivity. For by way of seeking to identify the conditions of possibility of noteworthy aspects of human practices, it is possible to infer numerous insights in this realm too. The topic is a complex one, and here I can only be relatively brief. But I cannot ignore it altogether without appearing to

leave the rational atom of mainstream theorising unchallenged.¹⁹ The transformational model derived above reveals the social world to turn on human practice. Here I concentrate on features of the human individual that relate fairly directly, or in a significant way, to that practice.

It is clearly the case that the human individual is structured. Think of all the things we do. We walk, talk, read, write, sing, interact, imitate, etc. In order to do these things we must possess the capacities to do these things. We could not, say, learn a language without the capacity to do so (not possessed by other species), and we could not engage in speech acts, without having already developed a capacity for one or more languages. So human beings are not reducible to what they do but also comprise the various capacities, dispositions, instincts, etc., presupposed by their activities.

Now, a capacity that is clearly significant to human practice is that which permits forms of action to be performed habitually. I refer to that generalised feature of experience that once we have followed a course of action long enough it can become (what I shall term) a habit, a form of behaviour carried out in appropriate conditions both repeatedly and seemingly unreflectively, i.e. tacitly. Thus we may, repeatedly and without reflecting on our behaviour, stop at red traffic lights, take certain routes home, eat at roughly the same given time each evening, etc. Ways of thinking are but forms of activity, of course, and these too can become habitual. Even the modelling practices of the modern mainstream economists appear, for the most part, to be carried through habitually.

Clearly it is the case that we could not act in such ways, i.e. follow habits, without possessing the capacity so to do. In other words, a transcendently necessary condition of possibility of any habit is a disposition to act in the said manner, where a disposition just is a capacity so structured or weighted, essentially constrained, that it is perpetually oriented or directed to generating some form of behaviour (habit) in the appropriate conditions.

Habitus

We can note the further generalised feature of experience that we regularly act in many habitual ways simultaneously. It thus seems to follow (once more as a transcendently necessary condition of possibility of this feature of experience) that an individual, in part, comprises a complex structure of (durable if also transposable) dispositions. This structure is one which, following Bourdieu (e.g. 1990: ch. 3), we might refer to as the *habitus*.²⁰ And because many dispositions to act in habitual fashion endure, the *habitus* (where each disposition is always marked by its conditions of acquisition) ensures the heavy weight of the past in the present, and helps account for the noted fact that we can achieve many things almost at once. It enables us to negotiate a number

of obstacles in a manner that would be impossible if we had to reflect upon them all. Thus the habitus seems to be a further essential ingredient in an understanding of practical action.²¹

Of course, an awareness of the considerable role that features like habits and dispositions play in everyday life must not detract from our recognising that human beings are reflexive subjects. Especially important here is that further widespread feature of experience that human beings are forward-looking. Human beings are not just passive reactors but fundamentally initiators of action. Human beings are possessed of intentionality. We can make plans, instigate some of them and (often successfully) carry them out. These and other features presuppose that very significant capacity human beings possess, namely consciousness.

Consciousness

We all, it seems, have subjective, first person, or inner, experiences we call (or attribute to) consciousness. These clearly have their conditions of possibility, presumably including processes in the brain. But the subjective aspects appear irreducible to any neurobiological activity, suggesting that we are talking here of emergent powers, i.e. powers which emerge out of certain lower-level principles and depend upon, but are nevertheless irreducible to, them.²²

Our consciousness allows some forms of doing to be influenced by that which we desire and understand. To acknowledge consciousness is not to suggest that an individual is always clear, or even able easily to be clear, about their conscious states. But consciousness is bound up with the idea that we are able to reflect on, and bring direction to, what we do.

Now it is a further generalised fact of experience that there are both things we do which we do not desire and were no part of our objectives (e.g. we trip over, or break the light cord) as well as things we do desire or plan (to walk safely from A to B, turn on the light). The distinction here refers not to separated human doings, but seemingly to all human behaviour viewed under its separate aspects. Thus the behaviour involved in pulling the light cord, when viewed under the aspect of its being oriented to illuminating the room, can be recognised as directed. When this same behaviour or doing is viewed under its aspect of breaking the light cord – or, if succeeding to illuminate the room, alerting the prowler, or disturbing the animal, outside the window – the behaviour is not seen as directed. These latter outcomes typically will not have been objects of the mental states which directed the behaviour.

Now, however we may categorise the various components and conditions of human behaviour, it seems that the distinction being made here is rather significant. Consciousness is required for human behaviour viewed under the former aspect of being subjectively directed. Such

behaviour is directed by beliefs grounded in the practical interests of life. In *Economics and Reality* (see Lawson 1997a: ch. 13) and elsewhere I have referred to the directing of behaviour under the heading of intentionality. And I refer to behaviour that is intentional, i.e. behaviour viewed under its aspect of being directed, as action. In other words actions are intentional human doings. The beliefs grounded in the practical interests of life which appear able to motivate actions and make a difference to what occurs (and so must be assessed as functioning causally – see Lawson 1997a: 175)²³ I have collected under the heading of reasons.

So, in short, in the framework I defend, human actions are simply intentional human doings, meaning doings in the performance of which reasons have functioned causally, where reasons are beliefs grounded in the practical interests of life.

I acknowledge that other contributors may not only argue things differently but also define or use the above-noted (or similar) categories in contrasting ways.²⁴ But it remains the case that some, but not all, aspects of our doings occur because we desire them, given our knowledge, and seek to bring them about. And it appears that a (transcendentally necessary) condition of possibility of this is the causal efficacy of beliefs, desires, psychological or mental dispositions and other capacities, however we decide to name the various aspects and conditions of human doings.²⁵

It appears to be a further generalised feature of experience that many, indeed most, of our intentional doings or actions are carried out without our reflecting upon them in a direct or explicit manner at all. After all, human activity is a continuous flow whilst each act of reflection or discursive commentary takes time. In order to render this continuous flow of action intelligible it seems we must distinguish within consciousness not only a level at which a discursive reflection and/or premeditation can occur, but also a level at which action can be facilitated without it. I have referred (and continue to refer) to the former as the level of discursive consciousness and the latter as the level of sub-, practical or tacit consciousness.

By distinguishing these different levels I do not suggest that consciousness is other than (or produces experiences that are other than) unified. But the different things we do can be motivated in different ways. Some aspects of our activities rest directly on discursive reflection. Others do not. Things we do at the level of practical consciousness, i.e. tacitly (get up and walk around the room while thinking about something else, apply some social conventions, drive cars while structuring a talk we are about to give, drink coffee while reading or watching television, apply the grammar of a language while debating an issue, etc.) can usually be brought into discursive consciousness if need be, albeit sometimes with a bit of effort. But it is because practical consciousness can function without conscious deliberation having to occur that it is so important to human activity. Indeed, as I say, it is at the latter practical level of consciousness that most human doings seem to happen.

To recognise that many human doings are carried out without being premeditated or reflected upon does not mean that they are undirected. A human being may get up and walk around while thinking or talking on the telephone, or whatever, without being fully aware that the journey has been undertaken. But this walking around may be directed all the same: to stretch legs or release frustration or to move to a quieter spot; and in its course, the walk will be directed in its navigation of furniture, and so forth. In other words, actions, i.e. intentional doings, can and do occur at different levels of consciousness. Of course, to suggest that reasons, or intentionality in action, apply at different levels of consciousness is not to diminish the importance of distinguishing levels of consciousness, but to raise the question as to how intentionality works at the different levels.²⁶

I have acknowledged that the things we do at the level of practical consciousness can usually be brought into discursive consciousness, if need be. But some motivations etc., appear not to be recoverable through reflection. The likely explanation here is that they have been repressed, or were acquired prior to the formation of linguistic capabilities, or that the individual possessing them has suffered a degree of brain damage, etc. They remain aspects of consciousness, though. And if the level of consciousness at which they exist is typically termed unconsciousness, this must be distinguished from a state of non-consciousness, like that of a wooden stool.²⁷

Now it should be clear that the various features discussed here presuppose each other. Discursive reflection, for example, is not carried out instead of (i.e. alternately with, or as a substitute for) a reliance on practical consciousness, other capacities, dispositions, tendencies, habits and the like, but presupposes them. If I am reflecting on the subject at hand while engaged in discussion, these other capacities and habits are in play simultaneously, thus allowing me to speak grammatically, stay upright, walk around without bumping into things, etc., all in one go.

And we can note too that, with the aid of reflection, we can, and in numerous situations must, come to transform many of our background capacities and dispositions and habits. For example, although I habitually keep to the left side of the road when driving in the UK, on crossing to the continent of Europe I must, and do actively work to, overcome this habit. I consciously (sometimes literally) tell myself to 'keep to the right'. At this point, certainly, the rule takes a codified form. After about twenty minutes or so, however, I usually find that I have become disposed to driving automatically on the right side of the road. I keep to the right side of the road habitually so that when I eventually return to the UK, I have actively to reorient myself once more, to restructure certain of my driving capacities.²⁸ Discursive reflection, other forms of human capacities, habits and so forth require, and causally condition, each other. Although everything in the social world turns on human practice, no feature of social life warrants explanatory/analytical priority.

There is always more that can be said and/or determined.²⁹ But hopefully enough has been covered both to clarify (and explain) my use of terminology, as well as to indicate that transcendental argument enables access not just to social ontology but to aspects of human subjectivity as well. I acknowledge that I merely touch on questions of psychology. Mostly, as I say, I focus on (some of) those of most direct relevance for understanding human action in society. However, if the conception defended has received limited elaboration here, the discussion provided ought to be more than sufficient to convince that this conception hardly reduces to the 'representative agent' of modern mainstream economics.

Agency/structure interaction

Let me briefly consider something of how human agency and social structure come together, and in particular how the latter bears on the former. The location of their coming together is society's positions. But the process of how each bears on the other, and specifically of how structure bears on agency, warrants further elaboration.

I have already derived the transformational model of social activity. In focusing on social structure I noted how the latter is not typically created in human activity, but is both a condition of such activity and something that is reproduced and transformed through it. But the same holds for the human agent, especially her or his embodied personality. That is, the transformational model applies as much to the human individual as it does to society. Let me briefly elaborate.

I have argued that the human individual is highly structured, that each individual possesses numerous capacities, dispositions and tendencies, etc. Clearly, the specific capacities developed, or the manner in which they are, is dependent on the particular individual's (positions within a) specific social-cultural and natural context. Consider language once more. Most individuals develop their capacity for language. But the specific language(s) acquired will depend on the individual's social situation. Indeed, just as the historical-geographical context will often bear on which languages are acquired, the socio-economic conditions and status of the individual will often bear on the number of languages learnt and the level of competence achieved.

Furthermore, if a given individual moves for significant durations in different language communities, their language capacities are likely to be repeatedly significantly transformed. And the sorts of things that can be said of the development and moulding of language capabilities apply in the development of most other human capabilities as well. The human being arrives in the world with a generalised capability for social being. But which of the individual's potentials are developed, and the manner in which capacities and dispositions are shaped and, in some cases at least,

continuously reshaped, depends on the individual's particular practices, which are always situated in, and conditioned by, a socio-cultural context. Society acts on, and shapes the individual, just as individuals collectively (if mostly unintentionally) shape the social structures that make up society. The two, the individual and society, though irreducible to each other, are interdependent features of a socio-transformational process of linked or co-development.

It may be useful if I distinguish here the synchronic and diachronic aspects of agency/structure interaction. If I visit a country with a culture and traditions very different to my own, then this set of social structures, mediated by my understanding of it, will mainly constrain and enable, at least at first. This is the synchronic aspect. If I decide to turn my visit into a permanent stay, the new structures, the traditions and culture and relations, etc., will likely very soon begin to affect my personal and social identity, habits and dispositions, and so forth. That is, they will effect a transformation in my embodied personality. This is the diachronic aspect. It is important to recognise that the transformational model captures both aspects of agency/structure interdependency. It is a error of comprehension to reduce it to one or the other.

Of course, to say, as in the previous illustration, that the structures of the relevant society will come to reshape the social identity, etc., of an individual moving into it, is not to imply that in this context, or in any other, social structures are somehow able to bear down on the individual in some external unmediated fashion. It is human beings that do things. And everything that happens in the social world does so through human activity. Certainly it is through human activities that social structures have a causal influence, whether synchronically or diachronically. If the individual in moving to a different socio-cultural context or system wants to function capably within it, he or she must become knowledgeable and skilled in its rules and conventions, etc. Thus, although the latter do not force themselves on the individual, to the extent the individual seeks to become locally competent, her or his capacities and dispositions will likely become significantly reshaped in conformity with the traditions of the new society nonetheless.

Forward-looking behaviour

There is one last issue I want to consider here, one that in many ways serves to bring together various aspects of the conception so far outlined. I have suggested that it is an important aspect of human beings that they are forward-looking, that human beings are not just passive reactors, but fundamentally initiators of action. However, this realisation has also to be balanced with the recognition that (*pace* many formulations of mainstream economists) human beings have somewhat limited cognitive and computational capacities. In addition, social reality is found to be funda-

mentally open. Social event regularities of the causal sequence sort (such as pursued by modern economic modellers) are neither universal nor ubiquitous. Indeed, they are rather rare in the social realm and those that are found (especially where they do not comprise forms of routinised [rule-governed] behaviour) are very often not only severely restricted but highly partial. There are thus ontological and practical limits to anticipating future outcomes. Yet despite this, I think it can be accepted as a further generalised feature of experience that human beings not only make plans but are in many ways often rather successful in their forward-looking undertakings. And this can be so even with regard to objectives that individuals set themselves knowing that their realisation may take a matter of days, months or even years. Let me consider what must be the case for this to be possible in the light of everything else that has been argued.

Now it appears to be a condition of possibility of such achievements that some (knowable) features of social life do possess a significant degree of endurability. And from the discussion so far it would seem that the more enduring features of social life are mostly the more abstract, and in some sense deeper, more sedimented, or fundamental, features of society.

It seems to follow then, given that successful forward-oriented behaviour is in evidence, that individuals must form their longer-term goals mostly in terms of those highly abstract features of society which are found to be the more enduring. However, these aspects, being highly abstract, do not facilitate a knowledge of concrete details. So it must be the case that individuals

- (i) form broad, somewhat abstract, *plans* (Lachmann 1971; 1991),³⁰ *projects* or *schemes* on the basis of a knowledge of such structures,
- (ii) with the intention of filling in details, or adapting these plans to specific conditions and contexts, as the individuals move through life.

Individuals likely form plans in terms of broad goals or purposes which (from the individual's [always situated] perspective) are currently viewed as possible and desirable, leaving the details open to determination at a later date.

I do not consider in the current chapter *how* individuals come to learn about the more enduring (or indeed any) aspects of society. This is a matter I address in Chapter 4 which focuses on processes of social explanation. Here I merely accept that it is a generalised fact of experience that human beings are often successful in societal practices oriented to the longer term, and suggest (transcendentally infer) that it is a condition of the possibility of this that there are enduring aspects to social life (which I established above) and that people are knowledgeable to a degree of these aspects, and base their practices, and specifically plans, projects or goals, upon them.

At a very high level of abstraction individuals may, for example, decide to seek positions of power whatever the form of society in which they find themselves may take. Or, somewhat less abstractly, they may suppose (with reason) that the society in which they are situated will continue, and seek goals that mesh with its most fundamental or otherwise enduring aspects. Thus, for example, an individual situated in early twenty-first century western society may form plans to pursue a certain type of career, to become a political or religious activist, to get married and/or have a family, to travel, to go to university, to teach, to care for others, to help preserve the environment, and so forth.

It seems entirely possible that our only feasible option, if we are to succeed in future-oriented behaviour in an open world, is to formulate abstract plans such as these. The task is then, as I say, to fill in the concrete details as we go along, depending on the nature of the contexts of action; to adapt plans formed to other plans (of one's own and/or of others) or to changed understandings or situations, etc.

Personal identities and meaning

Such considerations can throw light not just on the nature of agency/structure interaction at any point in time, but also on specific ways in which certain structures can bear considerably on the human subject and her or his identity over time. For at various points in a lifetime, each individual must use her or his own reflexive powers to deliberate about which sorts of (potentially achievable) broad plans or projects most facilitate her or his own concerns within the relevant environment. Where conflicting plans cannot be rendered coherent with each other, a process of prioritising may have to be undertaken (a particularly situated individual may feel the need to decide whether family plans dominate career goals or vice-versa, etc.).

Such processes of prioritising, where carried through, will result in, or underpin, the emergent personal identities of individuals (Archer 2000). And plans adopted impart an orientation on the part of their holders, giving meaning to their actions, and allowing, in turn, the possibility of the recovery of meaning through interpretive social science.

Further, emotionality, the disposition to express feeling about our concerns, is likely to become intimately bound up with (can become manifest as commentaries on) our plans and their progress. Of course, all of this, and the empirical fact of continuity in social life, presupposes too, as a necessary condition of their possibility, a continuous sense of (if always developing) self at the level of the (embodied personality of the) individual.

Transcendental reasoning, then, can help us to understand something of how human beings, as well as social structures, develop in an open system, and of how agency and structure interact in different ways.

It is always possible to determine more. And clearly there are many questions or issues raised by this discussion that warrant further elaboration. This is not something I propose to undertake here, however. My concern is merely to indicate that, and how, transcendental argument can be (and has been) used to facilitate insights relating not only to social ontology but also to the human condition or nature, and equally to the manner of human agency and structure coming together.

Limitations of perspective

Before finally turning to consider some of the implications of all this for social theorising in economics, let me once more acknowledge that an ontological conception, just like any other, is inevitably fallible and partial and, in some aspects at least, doubtless transient. I believe this is well recognised by those contributing to the project of critical realism, with the consequence that such individuals are continually endeavouring to extend the project's insights and rectify inadequacies.³¹ Indeed, the overview sketched above must be seen as unavoidably partial, even within this realist project (and in some respects even with respect to the outline and arguments of Lawson 1997a). Hopefully, though, it succeeds in giving a sufficient feel for the sorts of results maintained and the manner of their attainment.

What use is a conception of social ontology once achieved? In particular, what follows from a conception of the sort just elaborated? A concern with discussing the implications of the conception sustained constitutes the third and final theme of the current chapter, and is the matter to which I now turn.

Implications of the ontological enquiry

There are actually very many uses to which the conception in question might be put. But before I discuss some of them, let me first be clear about the limits of ontological argument. Philosophy in the form of social ontology is very much an underlabouring practice for social theorising such as economics. It is never a substitute. This applies as much to the results of the project systematised as critical realism as to those of any other. Any derivation of substantive theoretical results, reliance on specific methods and/or support for concrete policy proposals, requires that the ontological conception sustained be augmented by specific empirical claims, as I have often stressed (see e.g. Lawson 1996).

It is quite legitimate (and not uncommon) for those accepting the broad framework of critical realism to disagree over additional empirical claims, with different individual contributors thus arriving at contrasting substantive, methodological or political orientations for specific contexts (see C. Lawson *et al.* 1996). The point is that although critical realism makes a difference to the sorts of approaches or frameworks adopted

and so paths taken, it is never by itself determining of substantive positions reached. There is not a position on substantive theory, policy or practice, even in a particular context, that warrants being distinguished as *the* critical realist position (see Lawson 1996: 417–19).

All the same, if philosophy in the form of ontology cannot replace substantive theorising, research practice or policy analysis, it can, as I say, underlabour for these activities. In this it can reveal methodological errors and dangers, as well as help clarify and give directionality to research practice. Let me briefly elaborate.

Errors and dangers

How can ontology reveal errors of, or dangers for, research practice? It does so by (amongst other things) disclosing various outcomes or configurations as but special cases of the range of outcomes or configurations possible, and thereby revealing the risks involved in universalising them *a priori*.

For example, the ontological conception sustained above reveals social reality to be characterised by depth (or structure), openness and internal relationality, amongst other things. These insights respectively help guard against treating

- (i) actualities, such as the course of events (or features lying at any one level of reality), as though they are the sole constituents of the world,
- (ii) particular conjunctions of events as though necessarily recurrent, or
- (iii) features of reality that are rather abstract as though they are concrete.³²

As I say, in these ways, amongst others, ontological analysis as defended above can help us avoid mistaking the particular for the general. Of course, we cannot rule out the possibility that, even in the social realm, a feature shown to be but one of many possible realisations will in fact turn up every time, any more than it is possible to stipulate *a priori* that a fair coin tossed over and again (even say a million times) will not always come up heads. But a conception of ontology such as sustained here does reveal the risky nature of any venture of universalising cases that can be identified as very particular, and *a posteriori* it does help explain numerous examples of failure, or of puzzlement when things turn out not as expected. Perhaps some specific examples of misplaced universalising would be useful here.

In Chapter 1 above I concentrated on the misplaced universalising of formalistic-deductivist methods in modern mainstream economics. I adopted this emphasis just because it is an error that so shapes the modern economics discipline. But there are other examples of universalising of this sort also prominent in modern economics, many of which follow in turn

from this methodological one, and all of which are easily recognised once the ontological conception set out above is accepted. Such cases are obviously too numerous for a complete coverage to be attempted. But let me briefly give a few illustrations.

Consider the case of the human individual first. It is a practice of some modern mainstream economists to assume that everyone is everywhere the same. More specifically, it is not uncommonly supposed that because some individuals have developed a heightened ability for individualistic or selfish thought and behaviour (i.e. to act as much as possible in accordance with the optimising agent of modern economics), we all have. Notions of 'representative agents' of this sort are even invoked.

Others, though, have universalised in a somewhat contrary fashion. That is, they have focused on specific differences between human beings and their experiences or practices, and universalised the feature of difference instead. In other words, some recent social theorists have tended to treat the uniqueness of personal identities and individual experiences as a feature of all aspects of human nature or being (see Chapter 9 below). According to this latter perspective there are only differences.

Ontological analysis as sustained above, however, reveals both forms of universalising to be suspect. By uncovering the ontological depth of all human beings, such analysis identifies how commonality remains feasible *in the midst of difference*. For example, although we possibly all develop a unique mix of language capabilities, and everywhere engage in, and experience, unique forms of speech acts, all such developments presuppose a common capacity for language. More generally, although we daily experience possibly unique social encounters, we share a common capacity to enter social being, whatever the form or manner in which it is realised.

The same sorts of opposing, but equally suspect universalising tendencies are sometimes found in analyses of socio-economic systems. A first questionable move, here, lies in supposing that because specific relations, rules, positions, institutions or mechanisms of production, are features of one socio-economic system (say of capitalism), these same examples of rules and relations (say specific market or class relations), etc., must be present in all socio-economic systems (including, say, of feudalism).

This latter is an error recently addressed in Hodgson's aptly titled *How Economics Forgot History: The Problem of Historical Specificity in Social Science* (2001b). Although Hodgson does consider more general issues of generality and particularity, his primary focus is indeed the particular error of treating historically relatively specific features of certain socio-economic systems as though they are common to all such systems.³³

An opposing move, equally suspect in that it relies on questionable forms of universalising, is to suppose that because everyday, including working, practices vary across social-economic systems, societies or communities, there cannot also be commonality in these systems. Ontological reasoning, however, reveals all such social systems to be composed of social relations, rules, positions, institutions and the like (see below). It is, indeed, just in virtue of some such features that we can distinguish the objects of reference as (examples of) social-economic systems (or whatever), i.e. as different examples of the same kind of thing.³⁴

A further common example of misplaced universalising is the often-found presumption that where an agent acts in a certain way on a given occasion he or she (or we all) will act in that way on all occasions. Thus the observation that some individuals endeavour to calculate advantages and disadvantages in some situations is universalised as the claim that they do so (or we all do so) in all situations. Perhaps this might be termed the theory of 'representative action'.

In any case, ontological analysis such as sustained above, reveals human beings to be structured and possessed of capacities that may or may not be exercised. As such, it can sustain the possibility that even if capacities of calculation are possessed they may remain unexercised in certain contexts (or, if exercised, countervailed against, perhaps even by the individual's own competing tendencies). Of course, mainstream economists tend to insist that behaviour is everywhere rational in the calculative sense, i.e. that the relevant capacities are always exercised (and realised), just in order to render their (deductivist) models tractable.

A related example is the presumption that whatever the outcome associated with an action in one situation, the same outcome will follow from this particular action in all cases. Thus it is supposed that because on a previous occasion a specific amount (or form) of government expenditure led to a given increase in, say, the numbers employed, the same outcome will arise from a similar policy action on a different occasion. Ontological analysis, though, reveals social reality to be open, with the likelihood that, in each different context of policy action, a quite different array of accompanying causal forces and conditions will be in play, affecting the outcome that emerges.

As a final example, let me note the inference often made that because some features of social reality appear to be successfully explained in a certain sort of way (e.g. in terms of certain units of analysis), so all features can be. Most typically, it is reasoned that because some social phenomena appear to be explicable largely, or solely, in terms of individuals and their preference (e.g. the item selected from a short menu by an individual sitting alone in a restaurant), therefore all social events can be explained in merely individualistic terms. In this way a methodological individualist stance is considered justified.

Ontological analysis such as sustained above, however, quickly reveals any such reductionist orientation to be significantly misguided. Specifically, because of the fact of emergence (i.e. because social structure, though dependent on human agency, has powers that are irreducible to it), methodological individualism is seen to be false. For forms of social structure are as explanatory of (condition or facilitate) the things individuals do, as the actions of individuals in total are explanatory of the reproductions and transformations of social structure.

More generally, because of the complicated ways in which social structure (in all its forms) and human agency depend upon, but remain irreducible to, each other, all methodological reductionist positions must be rejected. This applies not only to methodological individualism but also to methodological holism (social wholes are always the main unit of analysis), methodological institutionalism (institutions are always the main unit of analysis), methodological evolutionism (evolutionary processes are always the main unit of analysis), and much else (see Chapter 5 below).³⁵

As I say, I here provide merely a selection of examples where particularities not only may be, but frequently are, erroneously universalised in modern economics. I do emphasise this. Although the types of misplaced universalisation just discussed are easily recognised as such, at least in the light of the ontological perspective set out, the examples provided are actually very prominent. The ontological project to which this current book contributes aims to help avoid such errors. More generally, it seeks to underlabour for all social theorising where questions or issues of commonality and difference, generality and particularity, continuity and change, connection and distinction, etc., are found. It aims to provide insights to analytical possibilities and limitations for social theorising at large. In this way it helps avoid very many problems of specificity (or generality) as currently abound.³⁶

I have already noted (see Chapter 1) that I doubt very much that the sort of ontological conception defended here will appear especially contentious. Indeed, it is a conception often presupposed by economists' wider visions. The problem, very frequently, is a failure to acknowledge the ontological presuppositions of methods, explanatory approaches, or specific substantive theories which economists adopt, and so to recognise any mismatch with the sort of ontological conception here sustained. Indeed, it is a mismatching of the (typically unrecognised) ontological preconditions of specific methods wielded and the (implicit) ontological presuppositions of expressed broader economic visions, that explains a range of often noted tensions and inconsistencies throughout the history of economics, including those detected in the rather influential accounts of Marshall (Pratten 1994; 1998), Menger (C. Lawson 1995; 1996), and Schumpeter (Garça Moura 1997; 2002), amongst others.

Clarification

So ontology can help identify errors including inconsistencies and fallacies (including that of misplaced universalisation). Can it, though, contribute in more positive ways, including being given a clarifying role? I believe it can. Amongst other things it provides a categorical grammar against which more substantive social theoretical conceptions and distinctions can sometimes be better understood. However, the manner and extent to which a conception of ontology will prove helpful in this way depends on numerous issues, including the conception itself, the context, the questions being pursued, and so forth.

For illustrative purposes, consider recent discussion and debate about whether the increased degree, scale and speed of global interaction is best conceptualised as one of *globalisation* or merely increased *inter-nationalisation* (Held and McGrew 2000). These social-substantive categories are rarely well defined, but the contrast in question seems usually to rest on the idea of increased integration versus increased interaction.³⁷ Once we are possessed of the categories of internal and external relations, and recognise that those talking of globalisation mostly refer to the spread of the former and those emphasising internationalisation mainly the latter, it is easier to see the nature of the issues involved and how they can be resolved. Once, too, we recognise that it is quite possible for two aspects of reality to be simultaneously both internally and externally related, we begin to understand the reasons for the continuing miscomprehension involved in such debates as this (we can see, for example, that when some participants to the debate maintain that aspect X is an example of increased internationalisation and others attribute it to globalisation, both may be right).

Various further social theoretic conceptions, many of which currently are either conflated with others or poorly articulated, can be systematically developed from the basic categories identified above. For example, all social systems and collectivities can be recognised as ensembles of networked, internally related positions (in process) with associated rules and practices. This applies to the state, schools, hospitals, trade unions, the household, and so forth. Sub-distinctions can be made. A social system can be recognised as a structured process of interaction; an institution, as already noted, as a social system/structure that is relatively enduring and perceived as such; a collectivity as an internally related set of social positions along with their occupants, and so forth (see Lawson 1997a: 165–6).

The basic categories elaborated also provide the framework for a theory of *situated rationality* (Lawson 1997a: ch. 13; 1997b). Various real interests, as well as possibilities for action, depend upon the internally related positions in which individuals are situated. Of course, we all stand in a large

number of (evolving and relationally defined) positions (as parents, children, immigrants, indigenous, old, young, teachers, etc.). Hence there exist possibilities of conflicting, as well as unrecognised, individual, in addition to collective or shared, (evolving) interests (and intentions).³⁸

This conception, then, also provides the basis for a meaningful theory of distribution. In particular it allows an analysis of the determinants of resources to positions, as well as of positions to people.

More generally, a conception such as that sustained encourages and informs a reconsideration of the many categories of social theorising taken for granted in modern economics. The list includes not only the already noted categories of institutions, systems and rationality, but also others equally central to economics, such as money, markets, uncertainty, technology, order and numerous others.³⁹

Also, by examining a contributor's ontological preconceptions it is often possible to throw further light on the nature and/or meanings of their substantive claims and contributions, especially where the latter are found to be otherwise open to a large number of seemingly ill grounded interpretations.⁴⁰

And ontology may assist in pursuing a range of further issues that gain their interest from context. It can bear, for example, on questions relating to the nature of the discipline of economics itself. What, for example, is the legitimate scope or subject-matter of economics? Is it possible and/or meaningful to demarcate a separate science or even domain of economics? Ontology, given its focus on the nature of being, including of the 'objects' of study, holds out some promise for providing a handle on these sorts of issues. The question of whether the specific conception of critical realism (suitably supplemented with other insights) is of any help in this is explored explicitly in Chapter 6.

Furthermore, there are issues to pursue concerning the heterodox traditions in modern economics. If the mainstream tradition is marked by a neglect of explicit ontology and an adherence to methods which presuppose a largely untenable ontology, presumably the persistent heterodox opposition to the mainstream must reflect a quite different orientation to ontology? This and related questions are pursued in Part III of this book, in the context of examining aspects of post Keynesianism, (old) institutionalism and feminist economics respectively.

Directionality

Let me turn to consider some of the numerous ways a conception of ontology, and in particular the conception defended here, may impart directionality to social research. Most clearly, because the social world is found to be structured (it is irreducible to such actualities as events and practices), it follows that actualism is a mistake, that social research will

need to concern itself not only with correlating, or otherwise describing, surface actualities, but also, and seemingly primarily, with identifying the latter's underlying causal conditions. Indeed social research has, as a proper and compelling object, the explaining of surface phenomena in terms of its underlying causes. If patterns in surface social phenomena have scientific value, it is in some part through their providing access to the structural conditions in virtue of which the former are possible.⁴¹ Of course, structural conditions in turn have their own conditions, so that the process of seeking to explain phenomena at one level in terms of causes at a deeper one may be without limit.

Further, to the extent that social phenomena not only depend upon transformative human agency and so are processual but also are highly internally related, it is *prima facie* rather unlikely that they are manipulable in any useful or meaningful way by experimental researchers and others. Social research, in consequence, will typically need to be backward-looking, being concerned to render intelligible what has already occurred, rather than interventionist/experimentalist and so predictionist. Certainly it would be rather risky to insist only on (learning and teaching) methods which presuppose that parts of social reality can be treated as isolatable and stable chunks.

It follows that the current excessive concentration (of skills, university research methods, courses, etc.) on methods of deductivist (macro-, micro- and econometric) modelling is likely shortsighted; and indeed, that methods relevant to open systems in process will prove fruitful at least as often. Now I am aware in this regard that some researchers worry that in social explanatory endeavour there is no alternative to using methods which presuppose that the social world is, and will continue to be, everywhere closed. To meet this concern, I outline a general approach appropriate to open systems analysis in Chapter 4 below. This, though, does not (and could not) derive from the critical realist conception directly. It is merely a conception for which there is reason to expect more than a degree of social theoretical success, given the perspective on the nature of the subject-matter of the discipline uncovered.

Further, it is easy to see that an ontological conception such as critical realism can carry implications for matters of ethics, and so for projects of a practical or policy sort. For example, because all human beings are both shaped by the evolving relations (to others) in which they stand, as well as being differently (or uniquely) positioned, it follows that all actions, because they are potentially other-affecting, bear a moral aspect, and also that any policy programmes formulated without attention to differences, that presume homogeneity of human populations, are likely to be question-begging from the outset. Certainly, programmes of action that ignore their likely impact on the wider community are immediately seen as potentially deficient. Eventually, of course, such considerations point

to questions of power, democracy and legitimacy. They raise questions of who should be taking decisions in a world of different identities where most of us are probably in some way (differentially) affected by actions taken by others. And indeed they invite a questioning of whether anything less than the whole of humanity (and possibly much more) can constitute a relevant unit of focus in the shaping of emancipatory projects and actions.⁴²

The context of ontology

One final observation warrants emphasis. I have stressed over and again (both above and elsewhere) that an ontological conception such as I defend, though practically conditioned, historical and fallible, always requires supplementing with rather more context-specific empirical claims before it can bear on substantive or concrete issues, whether concerning theory, method, politics or policy. However, it should be equally clear that although critical realism stops short of licensing any specific empirical claims, it does not follow that those who contribute to and/or defend this realist conception do, *or are even able to*, avoid invoking fairly context-specific empirical claims continuously. Ontological theorising everywhere goes hand-in-hand with such empirical assessments.⁴³

It is easy to see how this is the case with the current book. Although my aim with it, particularly in the current chapter, is to make a case for an ontological turn in economics, the case made is in large part empirical in nature. It rests on the assessment that the state of modern economics is none too healthy, that a central feature of modern economics is a tendency to universalise certain (mathematical-deductivist) methods *a priori*, and that explicit ontological reasoning has, until very recently at least, been overly neglected in modern economics, and so on. All such assessments are, in some part at least, empirical in nature.

Irrespective of their validity, I might have avoided making them; but only at the cost of leaving my discussion and advocacy of ontology at this time without motivation, point or context. Thus I indicated above how the ontological conception sustained gives reason to be very cautious about universalising certain insights, or practices *a priori*. But to demonstrate just how relevant are the insights sustained for modern economics it was useful to remind the reader (i.e. to advance empirical assessments) of how widespread are existing practices of universalising highly particular conceptions of individuals, socio-economic systems, human practices and explanatory orientations.

The general point I am working towards here is that we each contribute always from within a context, being situated in particular ways, with very definite socio-cultural-political interests. In contributing we act on our situated interests, value assessments and perspectives.

There is no escaping from any of this, nor from the implication that there is always an empirical grounding of our particular pursuits, orientations, justifications and so on. Like everything else, critical realism is a product of its place and time, as in particular are the motivations of those who contribute to it and the uses to which it is put.

The reason I emphasise all this is to add support to the claim already made that there are very many ways an ontological conception such as sustained here can be utilised. And as I have also already emphasised, although any results derived from supplementing the ontological insights of the project with highly context specific empirical assessments ought not to be identified as critical realist, this is not to say that important results cannot be achieved in this fashion. In the conditions of modern economics, specifically, there is rather a lot that can be done and an increasing amount that is being initiated, at least in some quarters. In fact, a good deal is beginning to spring up in social theorising more widely.⁴⁴ How it all works out in practice will doubtless depend not only on the specific ontology defended but also the resources, including socio-cultural situation and perspective of the investigator.⁴⁵

This all must be borne in mind in interpreting much of the discussion that follows. In the remaining parts of the book, and most particularly in Part II, I develop further examples of how the social ontology outlined above can make a difference. My primary aim is to depart as little as possible from the level of ontology. I intend not to descend too far into substantive reasoning. But I can utilise ontological insights only through also utilising some quite context-specific empirical claims here and there. The issues I raise and the supplementary empirical claims adopted, are, I believe, both important and reasonably well grounded. But because there are many ways of going forward even with this particular ontological conception, the ensuing chapters, particularly those of Part II, may, if the reader prefers, be viewed primarily as illustrations of the *sorts* of ways in which the conception of social ontology I defend is able to make a difference. Alternatively, because I do accept all the empirical and other supplementation which are incorporated (and regard the additional claims as significant), the chapters in question can equally be understood as my own (ontologically informed and explicit) contributions to (realist) social theorising.

Before turning to such issues, though, I complete Part I with a short chapter (reproduced from *Economics and Philosophy*) which serves to summarise the realist orientation I am here defending .