

PHD THESIS SUMMARY:

Intellectual paths and pathologies: how small events in scholarly life accidentally grow big.

ALTUĞ YALÇINTAŞ

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EIPE, Erasmus University Rotterdam

The aim of this work is to examine the conditions under which ideas in the history of economics do not evolve or continuously develop towards a steady state of perfection. Evolution in the intellectual world is characterized by various forms of discontinuity. The key notion that is used to explain this specific type of evolution is *intellectual path dependence*. The perspective of (intellectual) path dependence shows a history of ideas with punctuations that mark shifting pathways. When such pathways become sufficiently mature, they represent the same phenomena in different ways.

HOW DOES THE PROCESS WORK?

The briefest way to re-tell the mechanism that makes intellectual path dependence work is the following: initial conditions of certain ways of thinking sometimes lock us in to particular pathways. Such pathways occur when the follow-up to particular small events catches intellectuals irreversibly in a complex web which then grows bigger. The distinctive property of such pathways is that the evolution of ideas does not necessarily lead to any pre-defined end point. Small events trigger shifts in the course of events and this leads to (extra-) positive or (extra-) negative consequences that move the system away from its original direction.

After small events take place, the complex webs of scholarly life function in either of two ways: (i) as a short-cut that moves the system to a better state and elevates it to higher levels of order which without interruptions could only have been reached within longer time spans; or (ii) as a hindrance that breaks down the system and prevents intellectuals from proceeding further and achieving intellectual progress. Small historical events become a hindrance (ii) when a small uncorrected error feeds back a negative cumulative effect for the

progress of scientific knowledge. Small historical events can operate as a short-cut (i), however, in conditions that turn the event into a starting point for a new pathway at the expense of an old one—by unlocking a previously blocked pathway—and thereby perhaps lead to more complex evolutionary pathways which move the system to more coherent and sophisticated levels.

WHAT DOES ALL THIS MEAN?

In less technical terms, intellectual path dependence holds the view that the main reason why we have come to take the same evolutionary path as our predecessors is that people follow established habits of thought according to which they think, behave, and act. A path-dependency world view suggests that we are not really entitled to begin talking about intellectual and practical problems in the terms that we are accustomed to, especially when we are more knowledgeable than past generations about the shortcomings and imperfections of the constructions that we continue to construct.

Historians of economics are within the same circle: we do not need a depiction of economics expressed in the terms (and the ideology) introduced by *Utopia*. We do not need *one* theory of economics providing us with solutions to *all* the worldly problems of human societies that have existed in history and all around the globe. There should also be no presumption that “progress” in the history of economics would cure all the imperfections in and of the past (thus irreversibility). In other words, “markets for ideas” often fail to fully reverse the consequences of errors because of a complex set of reasons that I have tried to set out in this book. We should underline, additionally, that errors *and* corrections, considered together, are two of the non-eliminable constituents of the evolutionary history of human institutions. The relationship between the two is complex and, as they interact upon each other, they generate further irreversible and unpredictable outcomes.

The dissertation is built upon a case study of the ‘Coase theorem’. This shows that the *cause* of the emergence of an idea (the assumption of zero transaction costs) was too small to give rise to a big consequence (the ‘Coase theorem’). An error in the history of the “theorem” turned into an intellectual pathology when Stigler’s (1966) representation of Coase (1960) functioned as a tipping point in the evolution of the perception of Coase’s main argument. The reason why

the “Coase theorem” has not been corrected for so long is principally economical. In other words, the economics of this particular case has prevented correction from happening. The “market for ideas” in a positive transaction costs world does not allow negative externalities to disappear quickly: due to the high epistemic costs of retesting previously published findings of scholarly research, economists failed to replicate the original results of Ronald Coase in 1960 and onwards. Retesting the original contribution would have changed the fate of the ‘Coase theorem’ long ago. But running experiments about the validity of past findings requires time and this has been the scarcest “commodity” for university researchers.

Path dependence, in general terms, is regarded as resulting from blind processes that do not consummate at a certain end-point. In medicine, blindness is usually considered to be a pathological situation that causes a person to lack visual perceptions. In fact, blind processes, from a philosophical point of view, can be considered pathological, too, in the sense that, in nature and society, they lead to path dependent circumstances in which individuals exercise their capability for error and their capability to repeat it in the general course of events. The lesson to be drawn from intellectual path dependence is that we should develop new vocabularies and metaphors. We should do this not because we wish to break with the old. We should do this primarily because we *can* do it. It is pragmatically possible and definitely fruitful.

Altuğ Yalçintaş obtained his PhD from the Erasmus Institute for Philosophy and Economics (EIKE), faculty of philosophy at Erasmus University Rotterdam (Netherlands). He was supervised by Arjo Klamer, professor of the economics of art and culture at Erasmus University Rotterdam. His thesis was published in English in 2009 under the title *Intellectual paths and pathologies: how small events in scholarly life accidentally grow big*. Ankara (TR): Uzerler Publishing House (ISBN 978-9944-62-914-0). Available online at: <<http://hdl.handle.net/1765/17074>>. He is presently a research fellow in the department of economics at Ankara University.

Contact e-mail: <altug.yalcintas@politics.ankara.edu.tr>