"Business is imagination and nerve, Shackle writes, and the business of the businessman is thought" (253).

Following these words of high praise, it only remains for me to recommend this book, which at first glance seems of little use, but in fact is enormously rich, and its teaching may be discovered as important among the minutiae of daily life.

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The Elgar Companion to Economics and Philosophy

John B. Davis, Alain Marciano, and Jochen Runde (Editors)

Northampton, Massachusetts: Edward Elgar Publishing Limited, 2004 (509 pages)

Philosophers and economists join in this volume to reflect on areas of convergence. The authors do not share one perspective, but all question the current, neoclassical, mainstream practice of economics in some way. They address areas of economics that are of interest to political philosophers, the methodology and epistemology of economics, and the ontological claims or implications of various economic approaches. Most of the twenty-three articles take up the viewpoint of some brand of heterodox economics, such as new institutional economics, Austrian economics, critical realism, or feminist economics. While every essay presents its author's particular perspective, many also include a survey of the relevant approaches to a particular topic.

Problems surrounding the characterization of human agency in rational-choice theory dominate the first section, though the historical development of political economy and a reevaluation of the role of ideology in economics are also addressed. In both Sean P. Hargreaves Heap's article and the Bruno S. Frey and Matthias Benz piece, the game theoretic agent, with her given set preferences and sophisticated probability calculations over all possible strategies, is exchanged for one who has evolving preferences that are influenced by intersubjectively shared beliefs and who often appeals to simple heuristics rather than to complicated probability calculations to solve decision problems.

The Cartesian, rationalist, atomistic, utility-maximizing notion of homo oeconomicus is commonly criticized, while a richer, cognitively limited, emotionally constrained, and socially embedded view of agency is preferred, perhaps along the lines of the Scottish Enlightenment founders of political economy as Alain Marciano suggests. In light of these criticisms, Marc Fleurbaey questions various theories of social justice that have relied on the above notion of the agent or on game theory (e.g., John Rawls). Jack J. Vromen's chapter "Taking Evolution Seriously," is particularly helpful. His categories of *conservative*, *revisionist*, and *revolutionary* help to clarify the extent to which a better grasp of the evolutionary nature of economic processes might affect the practice of the discipline itself. The consensus of the otherwise disparate authors seems to be that the attempt to simplify the notion of human agency in order to broaden agreement on economic method has only misled the discipline to accept assumptions that result in incorrect predictions. (Frey and Benz, for instance, cite several studies in which subjects consistently behaved differently than a game theoretic account of their preferences and strategies predicted).

The second section, on the methodology and epistemology of economics, criticizes orthodox economics for its inadequate philosophy of (social) science as well for the methodological issues surrounding economic formalism. First, as with all the sciences, economics, too, has had to respond to the Kuhnian revolution in the understanding of the subjectivities necessarily involved in a scientific research program. The social conditioning of scientific knowledge, including the role of disproportionate power relationships arising from gender or the like, must be addressed if theories are to incorporate the reality of others besides the mostly wealthy, well-educated, male practitioners of the discipline. Second, mathematical modeling raises concerns about models as predictors because of the oversimplifying assumptions made to construct them. Concerns are raised that the desire for logical rigor among economists leads them to accept methods inappropriate to the subject of study.

Tracking the influence of economist Deirdre (formerly Donald) McCloskey, Robert F. Garnett Jr. highlights how the postmodern emphasis on the importance of open discourse, including an eschewal of intellectually authoritarian declarations on proper method, offers hope for finding solutions to both sets of problems. The section closes with Harold Kincaid's fine survey of the variety of ontological views that can be labeled *methodological individualism*, as well as the outcomes of each for economic method.

Philosophers will be particularly interested in part 3, Social Ontology and the Ontology of Economics (the study of "the nature and structure of the socio-economic realm" [xx]). Topics range widely, including the nature of money, the nature of probability, and the influence of Cartesianism on economic foundations. Tony Lawson argues that philosophy offers a service as an "under-labourer," which clears ground for good economic method in three ways: by demystifying the often contradictory assumptions of common life, by informing practitioners of the underlying philosophy of science issues as well as opportunities for broader exploration; and, finally, by facilitating the use of proper method through criticism and clarification. Stephen Pratten addresses the simplifying assumptions of economic formalism by recommending humility with regard to the scope of one's work that arises from a conscious awareness of the tension between formalism and *realisticness* (this, perhaps awkward, term is used instead of *realism*, because in this context, the latter is a technical term denoting a movement arising from critical theory). The game-theoretic assumptions about an agent's knowledge of the environment, the options, and the fellow players are also criticized as too formalized.

Two consecutive articles, one by Paul A. Lewis and one by John B. Davis, take the perspective of critical realism, an explicitly prescriptive, ontological analysis of socioeconomic reality. Edward Fullbrook traces the legacy of Cartesianism in economics, focusing on the contrast between the individual self as formed through self-contained intrasubjective actions and the self as formed through interactions with others. Charles R. McCann Jr., presents a fairly technical article on various concepts of probability, with ramifications for game theory. In the final article, Geoffrey Ingham deals with money, questioning the long-held contention that money is a prime example of a spontaneous order and that its main function is as a medium of exchange. Instead, he suggests that money is more properly understood as money of account—that is, as a measure of abstract value—that money is incorrectly understood as a neutral veil that simplifies the transactions in a barter economy, and finally, that states are required to establish the validity of money.

As with most of Elgar's *Companion* series, the articles go much deeper than a mere explanation of particular heterodox schools of economics. Thus, the collection requires a decent familiarity with one or two schools of heterodox economics, as well as some familiarity with current practice. The wide variety of philosophical perspectives guarantees that at least some of the articles will be of interest to anyone exploring the interrelation of philosophy and current economics. However, as a philosopher myself, I wonder whether an economist, in reading some of these articles, might argue that neoclassical theory is at times being caricatured or that its limited project is being misunderstood by those who want economics to be able to do more than it claims to do. I also wonder whether readers with a background in only economics might benefit from more concrete examples of prediction gone wrong, along with the philosophical arguments about bad underlying theory.

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Economic Policy Under Uncertainty: The Role of Truth and Accountability in Policy Advice

Peter Mooslechner, Helene Schuberth, and Martin Schürtz (Editors)

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What is consensus in economic policy advice? If most or even all economists agree on some economic claim, that does not make the claim correct; that is, passing for true is not being true. That is perhaps the unifying message of the fourteen chapters in this edited volume. Furthermore, economic theory is urged to develop in ways such that economists can have their feet held to the fires sparked by their advice to policymakers. The volume explores these messages through a series of overarching themes, including the effect of uncertainty in economists' policy analyses, the role of truth in the advice given by economists, and specific topics in the philosophy of economic science, especially the potential for pragmatic theories to deploy standards of truth in order to address uncertainty in policymaking.