1. - Introduction

Contemporary academic economics is not in a healthy state. This is Lawson first sentence in Economics and Reality. The review of the actual state of economics leads Lawson to realize that ‘human choice’ within the mainstream line of economic thought is not real, that indeed ‘human choice’ has been reduced by embracing an empirical realist ontology perspective of science, following the steps of natural sciences. Because of that manner of doing science that have restrained the potential power of the human action, Lawson is focused on offering an alternative mode of science, following Bhaskar (1978). This alternative called Transcendental Realism, open up the chance that human choice is no longer restrained, but on the contrary the power the human agency and society, as profoundly related, are embraced by this new perspective.

In the first part I am concerned with the explanation of the differences between the orthodox mainstream line of thought and the alternative one proposed by Lawson. It is evident that such an alternative has to put some light in economics issues. This is the purpose of the second part.

2. - Transcendental Realism and Empirical Realism: Some Background.

The problems that have been found within the economic theory and the econometric practice rely on the conception of science that inform them. This conception of science is what Lawson is concerned with. For that concern I shall develop both the post-Humean conception of science, which is the followed by the mainstream of economist and the alternative one, proposed by Bhaskar (1978), name transcendental
realism. In order to achieve such an aim, I now explain some philosophical background that attempt to clarify both modes of science.

The formula ‘whenever event (type) x the event (type) y’ is intended to encapsulate stochastic as well as exact relations, where x and y can be interpreted, where appropriate, as vectors or matrices of variables representing measured events or states of affairs, etc. It is the general conception of science in which economists are under its influence.

This conception of science rests upon the acceptance of an empiricist ontology, i.e., one which restricts reality to the objects of experience or direct perception. The reason because is called Empirical Realism is that reality, according with this conception, is constituted in experience. Once is supposed that the world consists solely of event of experience it follows that the only task possible for science is to seek event regularities of the sort ‘when ever event x then event y’.

The alternative perspective that Lawson, following Bhaskar, wants to maintain can be named as transcendental realism. According to this perspective the world is constituted not only by events and states of affairs, and our experiences or perceptions of those actualities, but also by structures, mechanisms, powers and tendencies that underlie actual events, etc., and govern or produce them. In this sense, whenever a leave falls, the fact that we only realize is falling (an experience), does not mean that is some mechanisms such as gravity is not underlying the movement.

In consequence, transcendental realism supports an alternative conception of science. This is the identification of structures, mechanisms and tendencies that govern the events of experience. And because the underlying structures are not straightforwardly actualized or fulfilled in event, but are always manifest in some way, this goal of science can be recognized as necessary, possible and non-trivial (Lawson, 1995)

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1 The concept of ontology: the study of, or theories or claims about, the nature of being or existence, including the nature of the objects of study.
To clarify the differences between both conceptions of science I now want to put them together and to compare them. According to empirical realism the world consists only of experiences and events of experience. According to transcendental realism the world is composed of objects that are structured (in the sense of being irreducible to events of experience) and intransitive (in the sense of existing and acting independently of their identification) (Bhaskar, 1978). Therefore, one of the differences is their different ontology which implies that their goals for science are also far away each other. Specially, from the perspective of empirical realism, science is restricted to seeking out constant conjunctions of events, whereas from the perspective of transcendental realism, the primary concern is not with events but with identifying structures and mechanisms that underlie and govern them. Also, a third difference arise from the modes of inference.

The essential mode of inference presupposed by the transcendental realist perspective can be called retroduction or abduction or as if reasoning. It consists if the movement from a conception of some phenomenon of interest, to a conception of some totally different type of thing, mechanism or structure that is responsible for the given phenomenon. This movement is usually based on analogies and metaphors. Whereas empirical realism is focus on generalizations about conjunctions of events, which has been plagued with worries about the relative advantages or limitations of induction versus deduction

Once both conception has been clarified I can move to analyze what theory, according to Lawson, is more satisfactory. By considering the situation of the natural sciences the post-Humean (or empirical realism) theory hold as significant constant conjunctions that occur under the restricted conditions of experimental control. Even more, the constant conjunction view of laws leaves the question of what governs outside experimental situations not only unanswered but only unaddressed. Thus, whenever the results obtained of the controlled experimentation are applied outside the experimental situations leaves the observation without a valid explanation.

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2 Deduction: to move from the general claim to the particular inference. Induction: to move from the particular observation to the general claim.
However, from the transcendental realism, which account of the objects of the world, including of science, as intransitive and structured, experimental activity is understood as an attempt to intervene in order to insulate a particular mechanism of interest holding off other potentially counteracting mechanisms. Thus, experimental activity is rendered intelligible as an intervention designed to bring about those special circumstances under which a non-empirical law can be empirically identified. Through this sort of reasoning transcendental realism can render intelligible the application of science knowledge outside the experimental situations.

So far, transcendental realist ontology (transcendental realism) carries over the natural sciences, but also can be carried over the social realm. In order to understand it, it is necessary to note that if choice is real any agent could always have done otherwise, each agent could act differently than he/she in fact did. But the possibility of choice not only presupposes that, it also entails that the human action is intentional. Intentionality is bound up with knowability. In turn, knowledge presupposes endurability of the objects of knowledge that is sufficient to facilitate their coming to be known. Thus, if there are knowable objects of the social realm, then they must be of the form of structures underlying and governing human practice. So that, all market relations, social rules, positions and so forth can be established as real and proper objects of social scientific study.

If we compare natural science to social science, we can realize that both of them are characterized by structures that underlying the events of experience, but also they are dissimilar in that social structures (such as rules of language, or employer/employee, or market, relations etc.,) unlike natural ones, depend for their existence on human agency. Human agency and social structure presuppose each other. Thus, given open nature of human action, the fact that each agent can always act otherwise, it follows that social structure can only ever be present in an open system. Thus, any economic laws must be interpreted as tendencies that are manifested as strict event regularities only very rarely, so that the post-Humean project is as general approach to economic issues, seen to be misguided.
3.- Economic Explanation.

I now want to address the next question: What can be said about the transcendental realist grounded conception of science, and specifically of economics?

Lawson argues, as pointed out above, that in a open world, constant conjunctions of events are rare in the social realm. So how can economic mechanisms be identified? Although the world is open, certain mechanisms can come to dominate others over restricted regions of time-space given rise to rough and ready partial regularities (such as leaves fall to the ground much of the time, unemployment is a characteristic of certain European countries, women are concentrated in secondary sectors of the industry, and so on). At the same time that same structures have been identified, it is also required a concrete explanation of the manner in which these structures, tendencies and powers join the articulation in the production of the events in question. Following Lawson “the task of economics is to describe all that must be going on (whether or not adequately comprehended by the agents involved) for some manifest social phenomenon, for some set of practices or activities, to be possible” (Lawson, 1995).

The line of reasoning so far followed, leads economics to a new powerful horizons. That is, because there are no significant closures in the social realm, it open the possibility of economics as explanatory-powerful science. Once the transcendental realist perspective is accepted and it is recognized that the social realm is structured and intransitive, it follows that the aim of economics in not prediction, but understanding of the underling structures. In other words, the end is not to predict but to identify the mechanism responsible for, whatever the phenomenon was, and then, to effect an appropriate response.

The last affirmation raises the question of the possibilities for economic policies within the transcendental realist perspective. The empirical realist perspective entails the goal of control, the transcendental realist perspective offers instead the goal of human
emancipation. The latter is focus on transforming structures in order to enhance the scope for realizing human potential, to broaden opportunities. However, the goal of the empirical realist perspective is the control of events and states of affairs. On this account economic policy can substitute for the traditional objective of controlling the future one of collective change. This is so because social structure is not only a condition of human action, but also a consequence of it. It becomes possible to change aspects of social structure by changing people’s conceptions of what there are doing (Lawson, 1995). Although it is evident that every one has some idea of what they are doing, is no the case that both structures underlying their actions and its consequences are fully comprehended. The point is that by revealing the structures drawn upon in action, economics can provide the basis for a possible collective change where human choice, in fact, shapes the society.

3.- Conclusion.

The alternative manner of doing sciences proposed by Tony Lawson, which follows some other philosophers like Bhaskar, provides economics and social sciences the possibility of joining science and human choice, which continuously interact with social structures. Orthodox economics can not join both, since constraints based on ‘whenever event x then event y’ reduce human action to a passive action in which any choice is found. Once transcendental realist ontology is accepted, economics as a social science is not longer constrained to predict but to transform aspect of reality whereby the study of mechanisms, tendencies, powers and structures that underlie the social realm. And in doing so, this alternative provides much wider understanding of an open and complex world.
References.

