

Prospects of Economic Thought and Methodology in Turkey: Lessons from a Bird's Eye View

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Abstract:

History of economic thought (HET) used to serve as a source of inspiration and legitimization for “paradigmatic” shifts in economic theory. However, HET has lost its leverage function in bringing about big theoretical transformations at least since the last quarter of the twentieth century. The dominance of Anglo-American approach in economics has usually been associated with the self-fulfilling claims that a good level of perfection has been reached in theory-making, and that HET has almost nothing to teach at this stage of perfection. Despite the hubris of Anglo-American economics against “history”, however, diversity and pluralism prevail even in mainstream economics, as far as “methodology” is concerned. While neoclassical uniformity has served to belittle “history”, even mainstream theorizing has not been able to escape from methodological diversity and pluralism. New classical economics, experimental economics, and new institutional economics are some examples that represent methodological differentiation within the neoclassical mainstream. If methodological heterogeneity is unavoidable even under the rubric of neoclassical uniformity, there is still hope for extra-mainstream approaches that make a plea for a pluralist economics. Our contention is that the desired heterogeneity in economics is likely to arise from methodological debates and innovations to be achieved in the coming two decades or so.

There exists a wide historical gap between the world and Turkey in terms of the quantity and quality of methodological inquiries. Turkey has had a modest HET-tradition of its own that can be traced back to the nineteenth-century Ottoman Empire, where a timid opposition to economic liberalism of the Classical School had emerged within certain circles of thought, which unknowingly reproduced economic ideas analogous to those of the German Historical School. The *Kadro* movement, which arose during the Great Depression, can be considered its most original successor and an immature precursor of the neo-Marxist *Dependencia* of the 1960s. Despite the existence of a discernible tradition in HET, however, methodology has largely been ignored in the economics programs of universities as well as in the research agendas of academic-economists in Turkey. If our hypothesis that methodological inquiry will shape the evolution of economics in the coming decades is plausible, economics programs in Turkish universities have to be restructured to allow for an in-depth teaching of methodological issues. Indeed, Turkey's modest HET-tradition can serve as a supporting legacy to inaugurate a breakthrough into theory-making by means of the spread of methodological inquiry in economics programs. Otherwise, Turkey's academic-economic institutions are likely to continue to import, rather than produce, new economic ideas and theories.

Introduction

The relationship of economic theory to history of economic thought (HET) and economic methodology is multi-dimensional, and such relations provide economic theory with diversity and elasticity. In line with this contention, we will review and assess the historical course of the

relationship of economic theory to HET in Section 1, and to economic methodology in Section 2. While Sections 1 and 2 involve an evaluation at the level of the world, we will elaborate the case of Turkey in Section 3, where we will also address such critical issues as: i) the sustainability of this general course in the world in the coming decades, and ii) the lessons that can be learned from this envisagement by academic economists in Turkey.

1. Economic Thought in Retrospect

Does economic thought ‘evolve’ over time? This problematic issue has been a hot subject of debate (Khalil, 1995; Boehm *et al.* 2002). Nobody denies the fact that economic thought ‘changes’ over time, but the controversy arises as to whether such change can be qualified as evolution. Thus, it is difficult to claim straightforwardly that economic viewpoint has evolved over the last two centuries. Obviously, however, prominent changes have occurred in the technical tools and devices utilized in economic analysis. In this connection, we will describe the main routes and emphasize the dominant characteristics of this ‘change’, rather than digress into a discussion on ‘evolution’.

It is generally agreed that ‘economic thought’, in the ‘modern’ sense of the phrase, started with Adam Smith during the last quarter of the eighteenth century. However, the idea that ‘change in economic thought’ can constitute its own history emerged quite later in the second half of the nineteenth century. The birth of this idea presupposed a rapid development and diffusion of economic thought, which, in turn, paved the way for a fundamental change from ‘classical political economy’ to ‘neoclassical economics’. Within this process, HET itself came up as an instrument to legitimize this fundamental change. For instance, as one of the leading figures of the ‘marginal revolution’, William Stanley Jevons aimed at a fundamental change when he attempted to revive interest in the almost-forgotten economic thinkers, such as Richard Cantillon, Herman Heinrich Gossen, and Antoine-Augustin Cournot (Eckard, 1940). Jevons’s was an attempt analogous to Karl Marx’s ‘critique of political economy’, which had also aimed at generating a grand change. In a similar vein, John Maynard Keynes (1973 [1936]), presumably ‘the last great economist’, needed to take refuge behind a group of mercantilists as well as Thomas Robert Malthus, when he constructed his original ‘economics’ in the midst of The Great Depression. Last but not the least, Friedrich Hayek (1992), who re-gained prominence in the last quarter of the twentieth century after a long break, wanted to consolidate his own position by emphasizing his linkage to the Scottish Enlightenment, despite the fact that he was living in a very different academic world. All these examples show that HET had been a source of both inspiration and legitimization for significant changes in economic theory. Nonetheless, such changes disappeared over time. Indeed, Hayek was representing the exception rather than the rule, as of the last quarter of the twentieth century.

In the light of the framework above, it should not be surprising that the functionality of HET – or in an outspoken manner, whether HET has any use – has become a subject of debate in the recent

past. Nowadays, HET is considered an unnecessary and unimportant field of specialization by mainstream economic theory. As prevailing economic theory is thought to represent the climax of economic science, there is no more anything that can be learned from history, the implication goes. Just as astronomy today does not allow for Ptolemaeus's theory, whose falsity was long ago proven, economics education need not have recourse to old theories for teaching present day's economic theory. The 'past' is an antiquary shop at best, and it serves merely to satisfy the curiosity of a handful of researchers who are interested in learning about how today's prevailing economics had been developed by being filtered through the falsities of the past. Accordingly, it is despised by mainstream economists (Blaug, 2001). So, the HET is to be replaced by a 'history of economic theory' (Niehans, 1990), which is way beyond the 'history of economic analysis' once envisaged by Joseph Schumpeter (1986 [1954]). In short, mainstream economic theory has been striving against the HET in an effort to efface, trivialize and discredit it.

In response to this mono-typification of the mainstream theory, alternative approaches put forward HET to accentuate the fact that neoclassical theory is merely one of the many economic theories developed so far. In this way, alternative approaches emphasize the need for normalizing neoclassical theory by historicizing it. The purpose of alternative approaches is to demonstrate the 'relativity' of the mainstream theory, as well as to find support from history. Therefore, alternative approaches strive for reminding a 'history', which the neoclassical theory strives for effacing. At this point, it is worth remembering Piero Sraffa's (1951) meticulous attempt to compile David Ricardo's works. As a fruit of this compilation, Sraffa (1960) was able to re-interpret Ricardo's contributions in his *Production of Commodities by Means of Commodities*, which represents the twentieth-century revival of classical approach. In this way, HET could have escaped the 'tyranny' of 'history of economic theory'. It is no coincidence that recently the most influential books on the HET were published in Italy (Roncaglia, 2005; Screpanti ve Zamagni, 2005), as a strong tradition of neo-Ricardianism survives there. Analogously, Institutional Economics (Hodgson, 2001), which claims to form an alternative approach, has been heading towards HET by way of German Historical School. In a similar vein, the French Regulation School also attempts to establish linkages with the legacies of German Historical School and American Institutional Economics (Baslé, 1995).

Consequently, we have to face the following dilemma by accepting that: either (i) the era of 'grand changes' in economic science has come to an end, and thus the only alternative is to develop and perfect mainstream theory in its own details, or (ii) there is still a need and room for 'grand changes', and thus the richness of HET has yet to be utilized. Clearly, the dissenters from the vicious circularity of the mainstream theory will opt for the second possibility. To be sure, the contribution of HET to the realization of the second possibility is only a necessary but not a sufficient condition. The acceleration of Anglo-American economics especially after the Second World War has acquired a new global dimension following the fall of the Berlin Wall. This global acceleration has mono-typified the

institutional structures, such as universities, course curriculums, periodical journals, and academic associations within which ‘economics’ is carried out. This process of mono-typification at global level has been widening the gap between the necessary and sufficient conditions mentioned above.

One noteworthy and hopeful development within this general course is the existence of discussions and quests for a ‘different’ economics in Europe, which has been passing through a process of integration for long. The discussions and quests center around as to whether blending various national traditions can yield a ‘different’ economics that accentuates common characteristics (Frey ve Frey, 1995; Arena, 2004). Naturally, European heterodox approaches that claim to constitute alternatives to mainstream economics are prominent in this process (Fullbrook, 2004). Nonetheless, mainstream economics prevails even in Europe, and it remains to be seen whether anti-mainstream alternatives will be able to gain ground against the mainstream.

On the other hand, it is also known that mainstream economics had increased its ‘creativity’ from the Second World War to the mid-1970s, in response to opposing approaches. The homeland of such opposition had shifted to ‘developing countries’ or the ‘Third World’ by way of dissenting approaches such as the *Dependencia* School (Kay, 1989). However, the significance of the Third World as homeland to oppositional approaches is over nowadays. In our times, potential theoretical oppositions in economics seem to be encapsulated around the American-European axis. In this framework, America represents sporadic possibilities of opposition bounded by tradition. Europe, however, symbolizes the potential of a ‘colorful’ innovation process characterized by diversity and supported by tradition.¹ Unfortunately, rest of the world merely watches rather than participate in the development of such oppositional possibilities.

2. Economic Methodology in Retrospect

Today, even the mainstream theory harbors differentiated methodological stances in its fabric. Critical approaches that seek to constitute alternatives to the mainstream theory have had important effects on this differentiation process. The mainstream has responded to the extra-mainstream diversity by invigorating itself through methodological differentiation. Taking for granted the conventional micro-macro division, which has been questioned for long, a bird’s eye view will reveal that internal disputes and even some polarizations on certain issues have been going on within both divisions of the mainstream.

The hottest debates in microeconomics have developed around the concept of ‘rationality’. Gaining acceleration especially in the last two decades, experimental economics, led by Vernon Smith (2003), has re-questioned ‘rationality’ in terms of the behavior of individuals in both the real world and the experimental environment. In this way, new typological agents such as *homo altruist* and

¹ The cluster along the American-European axis also includes Japan that represents a novel mix with a strong heterodox tradition. For the sake of simplicity befitting the purpose of this paper, we treat it as part of this axis.

homo reciprocans have been engendered, in addition to the conventional *homo economicus* (Adamson & Madra, 2002). Also, it is generally agreed nowadays that many firms actually do not behave in such a way to maximize profits, or that they do not even solve any optimization problems. Similarly, many consumers make decisions by considering others' behaviors and/or others' welfare levels, rather than by maximizing narrowly-defined utility functions. Such new understandings obviously undermine the received methodological framework of microeconomics, even though they do not eradicate it radically.

Analogously, intra-field divisions in mainstream macroeconomics are nowadays much more pronounced. Besides the clear-cut separation between Keynesian and monetarist approaches, New Classical Economics has emerged and developed as a differentiated alternative that seeks to explain business cycles and many other macroeconomic issues. Along with the micro and macro divisions, neoclassical economics has exhibited the ability and elasticity to develop differentiated approaches in its own fabric, at a time when it involved itself increasingly in areas, such as growth, finance, labor market, international trade, natural resources, education and health. For example, in the case of environmental economics, neoclassical solutions on the 'internalization of externalities' differ from each other substantially: On the one side, there is the Coase tradition, which accentuates the need for well-defined and well-protected property rights in the utilization of environmental assets; on the other side, there is the Pigou tradition, which lays stress upon tax-related regulations.

Despite such differentiations, however, two essential assumptions of the neoclassical approach continue to serve as the cornerstones of neoclassical theory. The first essential assumption is that organically independent agents behave in accordance with an objective function, which is defined *a priori*. The second one is that such agents interact with each other in an inorganic manner by means of the market or market-like institutions. Thus, in ontological and epistemological terms, an undisputable acceptance of individualistic methodology and supremacy of markets continues to constitute the core of the mainstream theory. Consequently, the main division criterion between the mainstream and the non-mainstream approaches is as to whether these two essential assumptions are questioned or not. For example, such alternative approaches as the Austrian school, Marxist economics, institutional economics, and gender economics disapprove the validity of these two assumptions in the first place, and they attempt to institutionalize their alternative approaches by starting from different premises.

In short, there is a considerable degree of differentiation even in mainstream economics, despite the underlying common assumptions. On the other hand, there exists a diversity of non- or anti-mainstream approaches that strive for becoming alternatives. In light of this observation, the question is: What should be done, if we have a variety of approaches that deal with the same phenomena and the same domain of life? In other words, what distinguishes a 'good' theory from 'inferior' ones? The answer to this question is momentous for social sciences in general, and for economic science in particular.

Before seeking an answer to this question, a classification of the sources of differentiation in economics would be quite useful:

- Ontological unit of analysis: Is ‘individual’ the ontological unit to be analyzed? If so, shall we attempt to explain the formation of individual preferences, such as the ‘evolutionary’ explanation initiated by Thorstein Veblen (1899)? Shall we consider such an explanation as an integral part of the subject-matter of economic science, or shall we delegate this task to neighboring disciplines, as is done by mainstream economics? If individual is not taken to be the ontological unit of analysis, what will be the alternative? ‘Social classes’ of Marxist economics, or ‘institutions’ of institutional economics, or what?
- The emergence and existence of institutions that affect economic life directly or indirectly: Shall we take ‘institutions’ for granted as ‘data’, as was done by neoclassical economics until the 1970s? Or, will we aim at carrying out an economic analysis of institutions? If so, will we adopt the methodology of New Institutional Economics, which derives institutions from individual preferences and actions; or that of Original Institutional Economics, which accentuates much more dynamic and complex processes in the emergence and evolution of institutions? Or, as a third alternative, shall we examine institutions from a class-analysis perspective, as is done in the Marxist framework of infrastructure-superstructure.
- Construction of economy-society relations: Will economics claim to explain almost all types of social relations along with an expansionist attitude in relation to other social sciences, as was done by Gary Becker (1976)? Or, shall we adopt the view that the economy is only an integral part of a broader social structure, as was conceptualized by Karl Polanyi (1957)?
- Economic decision-making process: Will economic decision-making rely on a mechanical summation of individual preferences under given algorithms through the realization of such autonomous preferences on the markets? Or, shall we make some economic decisions through deliberative processes such as political discussion and interaction, as indicated by the Marxist tradition and some versions of the Sraffian approach. Obviously, such a choice about the economic decision-making process will strongly influence the definition of ‘economic efficiency’. The first option inevitably adopts the ‘Pareto efficiency’ criterion, whereas the second one puts priority on ‘social consensus’ (Adaman ve Devine, 1997; Devine 1988).
- Legitimacy of the positive-normative distinction: This distinction, which is considered the *sine qua non* of scientific analysis by mainstream economics, exerts an influence over the alternative approaches as well. Even so, such a distinction is still questionable. In light of Gunnar Myrdal’s (1954) seminal contribution on this matter, one can insist on the impossibility of a value-free positivist approach. In this connection, this distinction envisaged by neoclassical economics involves a value judgment in itself.

- Reasoning versus causation: To what extent should the science of economics base its analyses on (pure) reasoning? On causation relations?
- The relationship between natural sciences and economics: Mainstream economics is the most advanced example of the application of Newtonian physics to social sciences, even though a leading economist no less than Alfred Marshall had felt discontented about this by making a case for following biology instead of physics. Such formal model-building exercises after the image of physics have been opposed by alternative approaches, such as the Austrian school and institutional economics. Indeed, the “new science debate” carried out in the context of natural sciences has had the effect of putting aside the principles of classical physics (Prigogine ve Stengers, 1986). The reflections of this debate on economics have strengthened the positions of Nicholas Georgescu-Roegen (1971) and Philip Mirowski (1989) as potent critics of the physics metaphor. Another problem that can be assessed under this heading is the role of ‘experiment’ in economics. As mentioned above, for the last two decades, experimental economics has started to observe and measure individual behavior by creating hypothetical environments that represent different economic problems. However, proponents of ‘critical realism’, such as Tony Lawson (1997), are suspicious about such experimental exercises.
- Abstraction and the assumption of *ceteris paribus*: Parallel to the relationship between natural sciences and economics is the extent of abstraction in model-building. Model-building by abstraction is indispensable for some approaches. However, for some other approaches, abstraction leads to the loss of important details, especially when there is cumulative causation and interaction among the variables of interest. Similarly, *ceteris paribus* is an indispensable assumption for some types of analysis, whereas it can hinder the comprehension of general qualitative aspects of the subject-matter in the case of other approaches.
- Econometrics and causation in economics: Another subject of debate is related to econometric analysis carried out by using data from the past, and how to make use of ‘causation’ in economic interpretations that rely on econometric analysis. Some approaches take a stance in favor of interpreting econometric relations as indicative of causation, whereas other approaches oppose such interpretation.
- The attitude towards multi-disciplinary approaches: There are different views about the relationship between economics and other sciences. For instance, neoclassical economics has a tendency to expand its territory by exporting its own methodology and ontology into the fields of other social sciences, such as anthropology, psychology, sociology, and law. Other approaches, however, tend to maintain collaboration with other sciences on the basis of principle of equity.

Presumably, the ‘distillery’ for these sources of differentiation is represented by the definition of ‘economics’ as a science. The mainstream approach reduces economics to a framework of ‘limited resources versus unlimited wants and needs’, while other approaches come up with alternative definitions. For example, while the Austrian school considers economics as the ‘analysis of bringing tacit knowledge into use’, Marxist approach defines it as the ‘analysis of production and distribution on the basis of class relations’.

After drawing attention to the existence of different economic approaches and emphasizing that the origins of such differences can be traced back to the very definition of economics, the major question in front of us is: What type of a ‘philosophy of science’ would fit economics better? At this point, a brief discussion of some approaches in economic methodology will be helpful. Presumably one of the first grand contributions to the methodology of economics was made by John Stuart Mill (1848), who prioritized making *a priori* assertions by means of reasoning. For Mill, such assertions yield ‘causation relations’ that are inferred by reasoning on life experiences in an *a priori* manner. However, these causation relations do not constitute ‘laws’. In other words, it is not possible to make mention of ‘certainty’ in economics. If Mill initiated the grand opening-up in the methodology of economics in the mid-nineteenth century, it was Milton Friedman who turned out to be the most influential figure about one century later. In his famous 1953-article, Friedman singled out the major objective of all positive sciences as ‘correct prediction’ of ‘unobserved phenomena’. In this regard, he put forward the idea that it is of no importance whether the assumptions of a theory are realistic or not. What actually matters is the predictive power of the theory, according to Friedman. Friedman’s methodological approach represents a critical turning point in the methodology of economics, even though its effect has diminished in our day.

It goes without saying that philosophy of science has exerted a strong influence on economic methodology. Obviously, certain aspects of the methodological discussions in economics can be traced back to two great philosophers of science; namely, Karl Popper (1934) and Thomas Kuhn (1970). The former contributed to the philosophy of science with his ‘falsifiability’-centered methodology, whereas the latter with his notion of ‘scientific paradigms’. There exist many scientists, like Mark Blaug and Terence Hutchison, who have clustered around the Popper-Kuhn line and contributed significantly to the ‘scientificity’ debates in economics. However, such debates have recently been continuing along a new line of contributions. For example, Deirdre McCloskey (1985) has come up with a ‘rhetoric’-centered methodology, while Uskali Maki and Tony Lawson lead the current of ‘critical realism’. On the one side, the counterparts of post-modern philosophy in economics are discussed. On the other, efforts are made to generalize experimental findings.

Even this brief summary suffices to demonstrate that very different approaches co-exist in the methodology of economics. The presence of periodicals, like *Journal of Economic Methodology*, *Economics and Philosophy*, and *Critical Realism*, exhibits the richness of methodological subject-

matters. Moreover, the fact that men constitute a big majority in the economics profession necessitates questioning whether ‘masculinity’ pervades the economic science. One concrete indicator of this concern is the *Feminist Economics* that has been published periodically since 1995. It should be emphasized at this point that the philosophy-economics relationship continues to develop by gaining new dimensions. It is also noteworthy that such notions as ‘principle’, ‘law’ and ‘theory’ were much more pronounced in the economic discourse of the eighteenth and nineteenth centuries, while the dominant keyword in today’s mainstream economics is ‘model’. If such a difference in discourse is something beyond a mere change of parlance, it means that methodologists of economics have a formidable task in front of them in order to overcome this intellectual shallowness.

Lessons to be learned by Turkey’s academic economists

The upshot from the above-presented bird’s eye view is that the functionality of history of economic thought (HET) has been losing its significance in the development of economic thought. In other words, HET is no more able to serve as a lever in devising economic theories. Therefore, the probability that economic thought can renovate itself from within has prominently diminished. This incapability is identified especially with the global pervasion of Anglo-American economics. It can be argued that this ‘old’ mechanism will turn out to be unsustainable, in case that such Anglo-American dominance is consolidated entirely.

In Kuhn’s parlance, ‘extraordinary’ scientific inquiries that dislocate paradigms are being replaced altogether by ‘normal science’ (Kuhn, 1970). As indicated by the very assumptions they make, economic theorists have a tendency to dislike ‘uncertainty’. Thus, they can even welcome the rise of a ‘normal science’ as such. On the other side, pluralism-friendly approaches which strive for becoming alternatives have taken refuge in Europe. In this context, such an ‘old’ mechanism can find a further chance to survive in Europe. It remains to be seen in the forthcoming decades what will be yielded by these ‘alternative’ approaches, whose task is obviously formidable. Indeed, there is also room for ‘undesired’ progress that can be brought about by such approaches: As a probable result, the ‘new’ economics that is to be shaped in Europe can first replace Anglo-American economics, and then prefer to belittle or overlook the broader rest of the economic world. No matter what actually happens, the existing course of affairs show that HET has lost its power and significance at world scale.

At the same time, however, there is an unprecedented revival and expansion in the methodology of economics. Furthermore, such dynamism in methodology has been affecting all types of economic approaches in varying degrees. Our contention is that, this methodological development will continue to rise in the forthcoming decades, without being ‘localized’ or identified with a single space. As such, methodological liveliness is likely to re-generate the diversity of economics by affecting it from within. All in all, diversity in economics will survive. However, it seems that, *raison d'être* of diversity will shift from the legitimizing function of the HET to a methodological base.

While the course of development at the level of the world is as depicted above, the circumstances in Turkey are clearly unpleasant. Especially in terms of the methodology of economics, there exist merely a few sporadic efforts in Turkey. The brief list of methodological studies carried out in Turkey starts with two books edited by Fikret Görün: *Türkiye’de Üniversitelerde Okutulan İktisat Üzerine* (1972) [On Economics Taught in Universities in Turkey] and *İktisatta Kapsam ve Yöntem* (1979) [Scope and Method in Economics]. After a long period of time, these two books were followed by: Ercan Eren’s *İktisatta Yöntem* (1989) [Method in Economics]; Ömer Demir’s *İktisat ve Yöntem* (1995) [Economics and Method] and his edited volume *İktisatta Yöntem Tartışmaları* (1996) [Debates on Method in Economics]; Ayşe Buğra’s *İktisatçılar ve İnsanlar* (1999) [Of Economists and Men]; A. Dinç Alada’s *İktisat Felsefesi ve Belirsizlik* (2000) [Philosophy of Economics and Uncertainty]; Ahmet İnel’s *İktisat İdeolojisinin Eleştirisi* (2000) [A Critique of the Ideology of Economics]; and Ahmed Güner Sayar’s *İktisat Metodolojisi ve Düşünce Tarihi Yazıları* (2005) [Methodology of Economics and Essays on the History of Economic Thought]².

Besides, a glance at the economics curriculums of the Turkish universities reveals that there are almost no specialized courses on methodology, especially in the graduate programs. Economics programs in Turkish universities have a tendency to consider the problematic of methodology, at best, as a point of short visit, which is to be causally passed by and taught for the sake of introducing students to statistics at earlier stages of education. This defective attitude towards methodology thwarts the flourishing of economic theory in Turkey. It blocks the accumulation and acceleration of methodological studies by avoiding the sporadic studies to reach the economists of the future. Consequently, the would-be academic economists cannot find a chance to differentiate themselves from the market-oriented economists who are mainly concerned with finding good jobs outside of the university. In this way, academic-economics turns out to be an ordinary area over time, becoming a mirror image of market-economics in the university.

In this regard, there is a big gap between the above-envisioned developments in the world and the existing state of affairs in the Turkish universities. To prevent this gap from widening further, two priorities stand out for Turkey: i) encouraging research and publication in the methodology of economics immediately, at the least in some of the leading universities, and ii) incorporating, at the least, one regular methodology course into the curriculums of graduate programs. In case that core programs were reformed to include such methodology courses, it would become possible to bring up a cluster of economists specializing in the methodology of economics. Other academic economists specializing in non-methodology areas would also benefit from the methodology courses by learning to view their own discipline from different perspectives. Indeed, they would be able to offer

² In this regard, it is also worth mentioning Çakır’s (1998) more narrowly-focused work on the relationship between ‘economics and physics’.

methodology-focused courses at undergraduate level, when they start teaching in ‘peripheral’ universities. It seems that such a ‘snowball effect’ is required in Turkey to enhance methodological studies so as to catch up with world-class criteria. We should re-emphasize our contention at this point: The concern here is not confined to bringing up economists who are specialists in methodology; the principal task is to bring up ‘qualified’ economists, irrespectively of their areas of specialization.

The void in the area of methodology in Turkey leads to the existence of a stationary, non-dynamic economic science. Economic science has been institutionalized in Turkey as a textbook- or blackboard-economics. Its fundamental characteristics remain the same, even though its degree of difficulty varies from one level to the other. Moreover, this aspect of sameness endures in ‘Turkish economics’, regardless of the changes in dominant theories. Indeed, this resistance to change accords well with the habit of waiting for the impetus to come from outside. A glance at the studies on HET in Turkey will suffice to reveal this fact (Kazgan, 1999; Savaş, 2000).

In Turkey, the area of HET is much more vigorous than the methodology of economics. Not only HET in Turkey has a longer history, but it is also much better organized in economics teaching, according to the preliminary findings of a study-in-progress (Özveren, 2007: 158-9). Furthermore, courses on the HET are must courses almost in all economics programs. However, publications in this area draw our attention immediately to some unpleasant facts. First, almost all leading texts in this area aim at conveying ‘foreign’ HET to ‘domestic’ students and readers. In this regard, we confront textbooks that aspire to be didactic. Moreover, such textbooks do not try to establish any parallelism or relationship with Turkey. They do not draw attention to possible projections of foreign theories onto Turkey, nor do they deem it necessary to explain why such traditions of thought did not emerge in Turkey. This being the case, the need to receive economic thought from outside becomes the underlying implicit assumption. As such, Turkey’s academic economists today have got used to accept the need to borrow the impetus for change always from outside.

In this light, we have another noteworthy observation concerning publications in Turkey: The prominence of studies on Ottoman economic thought in terms of both quantity and quality (Toprak, 1982; Sayar, 1986) vis-à-vis the lack of studies covering the first decades of the Republic. This lack can be explained by Turkish academic economists’ unfavorable attitude towards the more recent history of Turkish economic thought. According to this attitude, Turkish economic thought is rooted elsewhere and thus non-original and unworthy to work on. However, such an attitude is obviously disputable, because the orientation of HET today has almost nothing to do with searching for the most original thought among alternatives or the true originator of an existing idea.

It should be recalled that, at the level of the world, HET used to serve as a lever in the development of economics by encouraging new theories. However, HET has never assumed such a function in Turkey. To be sure, the case of Turkey can be explained by the above-mentioned habit of importing theories from the rest of the world. In addition to that explanation, underdevelopment of an

original tradition in the HET should also be emphasized as a major cause. Indeed, taking a careful look at the past can reveal truly original ‘Turkish’ contributions that are usually overlooked by the Turkish historians of economic thought.

One significant example dates back to the nineteenth century, especially the period following the Anglo-Ottoman Trade Treaty signed in 1838. At a time when classical economics, identified with Britain’s dictum of *laissez faire, laissez passer*, was pervading the Ottoman Empire, along with many European countries; some Ottoman intellectuals were able to put forward a ‘naïve’ yet critical economics by improvisation and trial-and-error. Observing and interpreting the decline of domestic industries against the competition of foreign goods, Ottoman economic thinkers were unknowingly yet effectively following in the footsteps of the German Historical School (Özveren, 2002). Another example is related to the fact that ‘popular’ economics had once achieved a higher level of analysis in Turkey, as compared to academic economics. This fact is well-demonstrated by the crisis-related debates in the press and the public opinion during the Great Depression (Özveren, 2003).

To be sure, the last and the most significant example is the *Kadro* journal, which rose also during the Great Depression years. *Kadro* was published by a handful of non-academic intellectuals, some of whom were educated in economics abroad. As a matter of fact, in many respects, *Kadro* was a pioneer of the famous Latin American *Dependencia* school, which is presumably the only original economic perspective from the Third World. Thus, *Kadro*’s significance comes from the fact that it symbolizes the first and the only original theoretical contribution from Turkey (Özveren, 1996). Our contention is that all these examples represent the diversity, richness and openness to change on the part of Turkey’s tradition in economic thought.

Also, the *Kadro* movement criticized the economics taught in the university and the insensitivity of academic-economists to economic crisis. These criticisms accelerated the university reform that yielded the transition from the old-styled *Darülfünun* to İstanbul University, as well as the foundation of a Faculty of Economics as an example of institutional innovation (Özveren, 1999). In this process, the universities of the Republic were re-organized by diverging from the previously-adopted French model and converging towards the German model, as many scientists escaping from Hitler’s Germany joined the Turkish universities. In this way, an approach that cares about the German Historical School and HET started to take root in Turkish universities thanks to notable German scientists, such as Fritz Neumark. As such, the institutional framework of economics education in Turkey was formed and developed according to the European model, up until the Middle East Technical University and Boğaziçi University adopted a different American model during the 1960s. The private, or more formally the ‘foundation’ universities that became widespread after the 1980s have advanced the American model further. Today the Turkish university system as a whole is being hurled with the wind of globalization through a top-down dictation of Anglo-American

economics. In other words, economic-academia in Turkey is diverging away from its European tradition of economic thought and education day by day.

On the other side, the search for new and alternative economic approaches along with efforts to renovate university systems (like the Bologna Process³) in Europe will necessarily and increasingly continue to affect Turkey in the forthcoming decades. In this context, it would be no surprise to hear louder and more frequent concerns about the far-reaching mono-typification and Americanization of the Turkish system of economics education, which was once much more open to the pluralism of economics as it was established by drawing inspiration from the European model.

³ The Bologna Process was initiated in Bologna, Italy in 1999 at a meeting attended by the representatives of 29 European countries, who publicized a declaration aiming at raising the international competitiveness of the European higher education system. The principal objective of this process is to re-make Europe the leading force in higher education by forming a European Higher Education Area (EHEA), which was actually launched in March 2010. The process aspires to compose comparable courses and degrees in higher education systems while maintaining the differences, constitute a common course-credit system, increase the mobility and exchange of faculty and students, and develop a research-based higher education mentality. Since 1999, these aspirations have been consolidated through regular meetings and various coordination mechanisms have been put into effect. However, it would be over-optimism to envisage the materialization of the implicit objective of catching up with the US in a few decades.

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