

The Positive and the Normative in Economic Thought

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The significant divergences that exist between different schools of economic thought seem to make dialogue between them very difficult. In view of the different theoretical and philosophical presuppositions of these schools, how can one imagine any form of discussion between the classical school, the Marxian school, the Austrian school, the Neoclassical school, the neo-Ricardian School, the Keynesian school, the Historical school, or Institutionalism?

The present conference aims to discuss this observation on the basis of a hypothesis. Provided that these schools are studied not through the prism of their theoretical contents, but from the point of view of the way they analyze the relationship between description and prescription, between what is and what ought to be, many common points between these approaches emerge, including a shared thesis: the development of positive economics is the only way to resolve disagreements on normative issues.

Indeed, if we start from the distinction between positive economics and normative economics, systematically theorized in the works of John Neville Keynes (Keynes 1890) – according to which positive economics, as distinct from normative economics, consists in dealing with what is, in contrast to normative economics, which deals with what ought to be – important similarities between different schools of economic thought and thinkers belonging to these schools can be found, for example between Milton Friedman, Ludwig von Mises and Karl Marx.

All three thinkers agree that the positive representation of existing economic reality should be at the heart of economic thinking, and they all subordinate, albeit in different ways, normative economics to the analysis of the existing economic situation.

For *Friedman*, normative economics depends on positive economics because decisions about economic policy are based on predicting the consequences of a given fact on the basis of positive economics (Friedman 1953). Only the progress of positive economics can thus resolve disagreements about which new economic policies should be implemented. For *Mises*, it is the positive analysis of the *a priori* structure of human action that can contribute to the formulation of different – mostly negative – proposals regarding what can and ought to be done in the economic field (Mises 1949). Otherwise, normative proposals to change the economic situation may be futile or have catastrophic consequences. As for *Marx*, he intends to develop a critical economic analysis of what he calls the capitalist mode of production that would be immanent, *i.e.* non-normative, in order to avoid the pitfall encountered by critical-utopian socialists and communists (Marx & Engels 1848, 72). Indeed, Marx judges the critical plans of these thinkers to rectify existing social injustices “fanatical and superstitious” (Marx and Engels 1848, 75). By establishing normative ideas in a speculative manner, without grounding them objectively, these thinkers render them purely

subjective and impotent (Hegel 1991, 302-3). Considering that only ideas whose seeds are hidden in existing reality should be taken seriously (Marx & Engels 1976, 92), Marx refuses to propose alternative normative ideas and instead studies positive reality in order to identify such seeds for overcoming this reality.

By providing a forum for discussion between these schools on the relatively secondary role attributed to normative economics, this conference will attempt to debate the relevance of enhancing the value of normative approaches in economics, with particular emphasis on their philosophical and epistemological foundations. More specifically, its central issue will be to study how various attempts to reduce normative economics to positive economics can nourish a reflection on normative approaches in economics. While normative economics is concerned with creating frameworks for advancing the resolution of normative disagreements, it cannot ignore various forms of knowledge developed in positive economics. The challenge, therefore, is to identify the relationship between normative approaches in economics and positive economics, and to explore the implications of such a relationship for contemporary political philosophy and contemporary theories of justice.

This conference has a twofold objective:

1) On the one hand, it aims to provide a space for dialogue between economic schools that seem to be far removed from each other, while at the same time highlighting the debates on the relationship between positive and normative in each of these schools. With regard to the Marxian school, it can thus be noted that the epistemological approach of some thinkers belonging to the so-called “analytical” current of Marxism (notably Roemer (Roemer 1982), Elster (Elster 1985), and Buchanan (Buchanan 1982)) cannot be reduced to that of Marx. Moreover, the inflection of Marxian thought among certain critical theorists (Adorno, Horkheimer) leads to the development of a form of normativity linked to the reworking of the concept of justice (Horkheimer, 1937/1970), which articulates the normative approach with a positive interdisciplinary approach within the Institute for Social Research (Horkheimer, 1932 and 1937) and with a reflection on the motif of utopia (Adorno and Bloch, 1964; Adorno, 1966; Abensour 2000 & 2009). The question of the normative foundations of critique thus tends to gain momentum in this critical theory of society (Habermas, 1981; Honneth, 1992 & 2000). Within the Chicago School, Friedman’s epistemological positions are markedly different from the epistemological approach of one of the founders of the Chicago School, Frank Hyneman Knight, as well as that of James Buchanan. Finally, in the Austrian school, the apriorist approach of Mises differs considerably from that defended by Hayek in his *Law, Legislation and Liberty*, as well as from those of Menger and Böhm-Bawerk.

2) On the other hand, this conference intends to open a discussion on different ways of establishing a relationship between positive economics and normative economics, without reducing one to the other or diminishing the importance of one to the benefit of the other. It aims to develop, through this perspective, a field of discussion between various schools of economic thought that are believed to be radically heterogeneous, and to establish a dialogue with contemporary theories of justice and contemporary political philosophy.

The conference will be organized around five main research axes:

1. The various ways in which the relationship between positive economics and normative economics has been theorized within economic thinking, both in the past and today.
2. Approaches that have given more weight to normative economics and have had an influence on contemporary political philosophy (*e.g.* welfare economics, public economics, normative constitutional economics, the capability approach, social choice theory, various theories of justice etc.).
3. The way in which the weight given to the positive approach in Marx, Mises and Friedman has been debated by the very heirs of these approaches (in Marxism for example with the Frankfurt School, in the Austrian School for example with Hayek, and in the Chicago School for example with James Buchanan).
4. The various approaches and theories, such as those of Foucault and Putnam, which have tried to question the very possibility of distinguishing between facts and values, between the study of positivity and the study of normativity. The impact of this type of critique on normative economics, and the need to create a theoretical framework that can help us resolve disagreements about what needs to be done will be discussed
5. The impact of various ways of theorizing the relationship between positive and normative economics on the question of expertise in economics, and on the role that economics, as an academic discipline, should play in political decision-making.

The conference will be held over four half-days (one afternoon, one full day, and one morning), with presentations in French and English. Researchers who have already confirmed their participation are:

1. Étienne Balibar (Kingston University)
2. Antoinette Baujard (Université Jean Monnet & GATE Lyon Saint-Etienne).
3. Gilles Campagnolo (CNRS and the Aix-Marseille School of Economics)
4. Muriel Gilardone (Université de Caen)
5. Uskali Mäki (University of Helsinki)
6. Magdalena Malecka (University of Helsinki & IAS, Princeton)
7. Philippe Mongin (CNRS & HEC Paris)
8. Emmanuel Picavet (Université Panthéon-Sorbonne)
9. Jesús Zamora Bonilla (Universidad Nacional de Educación a Distancia)

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