

Response to second invited review of “Addressing the malaise in neoclassical economics: a call for partial models.”

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This critique is disappointingly brief and almost devoid of substantive comment. In the space of its five sentences, it mentions two points: 1) the critic’s unfulfilled expectation that “all the currently discussed issues concerning pluralism, post-crisis, etc.” would “be considered with some extension offered”, and 2) the alleged lack of justification or discussion for including Eugene Fama’s Efficient Market Hypothesis (EMH). Regarding the first point, I will simply remind the reviewer that the subject of my article was the application of partial modeling to economic theory, and not a critical review of “all the currently discussed issues” in the heterodox debate. The latter would require a separate article or even a book-length treatment. Addressing the second point, the rationale for including EMH is clearly stated (p. 12): “Can partial modeling address today’s economic issues and, in particular, the current crisis in economic theory? We would argue that this is indeed the case and would propose as a sample study the several competing models of high-frequency trading (HFT).” One of these models is EMH, applied to HFT by Holly Bell; a second is the bio-inspired “swarming” model proposed by Austin Gierig. As the article notes, in summary: “These HFT models, and many others not considered here, would be appropriate starting-points for a partial-modeling strategy (p. 13).” Apart from these two misconceptions, there are no additional referee comments. Most remarkably, the article’s topic is not even mentioned in the critique.

