

Assessment of *Lucas on the Relationship
between Theory and Ideology* by Michel de
Vroey

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This is an interesting piece of work in the field of history of economic thought. The aim of the paper is to document and assess Lucas's stance on methodological issues. In presenting the argument, the author may want to stress more why this is an interesting question. As I understand it, he may provide three answer to that question. First, Lucas was almost alone among the new classical macroeconomists to delve into methodological issues. Second, the unpublished material available at the Duke's library contains several pieces that help shedding a new light on the issue. Third, there is evidence that Lucas' methodological position differs significantly from the mainstream methodologists.

The article put four main claims to the fore.

1. Lucas has a peculiar methodological position: he thinks a model and a theory are one and the same thing.
2. Because of this methodological position, any narrative judgement outside the model is ideology. The latter word is deprived of the pejorative meaning it usually holds in economics. According to Lucas ideology is the *Weltanschauung* of the economist, his/her normative idea of how the world should be. The author conclude that in Lucas theory has also an ideological dimension.
3. There is a tension in Lucas concerning to what extent economic theory (models) should be applied to economic policy.
4. Such a tension originates from Lucas being a Chicago-raised Walrasian.

I think this is the bulk of the argument and the exposition should be more focused on that. As a general comment, I find the thread of the argument

in the current version of the paper somewhat convoluted. The author starts with the model-theory divide, then introduce ideology, then goes back to the model idea to explain the concept of analogy, then talk about Lucas's skepticism about the economists' expertise, then goes back to ideology and theory, then talk about the 'non-exploitation' story. I've found this way of proceeding confusing.

I don't think the 'non-inference' and 'non-exploitation' principles should be given such a big weight in the article (they are even mentioned in the abstract). First, I am not sure about the labelling. Be that as it may, the issues at stake can be easily discussed without even mentioning those two "principles".

The author admittedly refrains from entering in the topic of how and why Lucas differs from professional methodologists. Although this is understandable, the reader might feel uncomfortable with such a choice. After all, showing that Lucas has an idiosyncratic appraisal of methodological problems is one of the interest of this paper. To witness it, the author marks the point several times.

The discussion over the ideological dimension of the new classical revolution is extremely interesting. Lucas seems to think that in economics ideology is part of the game. For the game to remain fair, however, theory should take a mathematical form. In other words, theory (e.g. mathematical models) is the accepted language in which economists frame their ideology. The language allow for a useful debate. I wonder whether the mathematical formulation is the only condition that Lucas would consider as binding. Would a mathematical Sraffian model fit Lucas's definition of a theory? Would that be an acceptable language? I doubt it, but it would be interesting if the author could elaborate a bit more on this.

The author may also want to point out how strong the impact of Lucas's methodological position has been on macroeconomics. Today, all macroeconomists do theory in the sense of Lucas, and do not even conceive doing otherwise. To them, theory is the neoclassical growth model, which can take the form of DSGE models, OLG models, RBC models.

There is a strong tension in Lucas, and the author does a great job to put it to the fore. He may want to view the issue also under a different perspective, that of the equilibrium concept. Equilibrium is a pillar of Lucas's conception of economics. According to him, equilibrium is the way in which the economist look at reality, not a feature of the world. This is the essence of the much-praised equilibrium discipline. Now, once we get quantitative, that is once we take the model to the data as in the RBC-DSGE tradition, equilibrium is no more just a methodological premise. The economist is implicitly assuming that reality is in equilibrium. The analogy metaphor

does not work anymore.

Minor points:

- The abstract is quite long.
- Pg. 2, footnote 2. I would put it somewhere else in the text.
- Pg. 3, footnote 5. What does Lucas refer to when speaking of ‘New Keynesian’ models? The current New Keynesian models are DSGE models, an outfit of RBC models. They are certainly operational and quantitative.
- Pg. 4, first sentence. This would make a good introduction to the section.
- Pg. 5, last paragraph (and somewhere else too). “This is definitely a minority viewpoint”. I would either refrain from such comments, or substantiate them more.
- Pg. 16, last paragraph. I would delete the “horror of horrors” comment, and all the like in the paper.
- Pg. 19, footnote 23. In what sense Hahn’s image of the perfect body is different from Lucas’s analogy?
- Conclusions. Is it true that “the main ambiguity lies in his endorsement of Kydland and Prescott’s grafting of a Friedmanian empirical perspective onto a neo-Walrasian model”? My reading of Lucas’s work is that he held the predictive-ability idea well before RBC theory saw the light of the day.