Lucas on the Relationship between Theory and Ideology

Michel De Vroey

Since I’m not neither macroeconomist nor an historian of macroeconomic thought, my comment will only consist in a few reactions and questions raised by the text. These reactions concern the notion of ideology convoked both by Lucas et M.DV.

Lucas sometimes separates ideology from theory (mathematical models are theoretical, while non mathematical approaches are ideological), sometimes judges that economic theory includes necessarily an ideological content, which cannot be avoided but at least tamed (p.12). However, he claims that mathematical form prevents theory from being contaminated with ideology (p.15) and insists on the fact that he had himself a Keynesian education, which he was lead to contest, on, he says, “purely scientific grounds” (p.17).

As I understand the text, M.DV explains Lucas’ change of mind by the assumption that Lucas “started to work within the Keynesian paradigm after becoming a conservative” and that “there must have been, at this time, a tension between his own ideology [conservative?] and the policy conclusion towards which the approach he was working in was geared [interventionist?]. So the tension is between two ideological contradictory positions.

If my reading of M.DV’s argument is correct, I regret that he doesn’t consider the opposite assumption, according to which Lucas’ change of mind would result from his own theoretical work. That wouldn’t mean that ideology doesn’t interfere with theory, but that ideological conclusions result both from ideological assumptions (conceptions of agents and society) and from theoretical work.

Ideology, writes M.DV, designates “a vision of an ideal organization of society along several institutions, one of which is the economic on” (p.5). In economics, according to Lucas, the ideological frontier is always between mercantilism and laissez-faire.

Here, the term of ideology used both by Lucas and DV contains two levels: the level of the conception of society (ideal organization of society), which depends on conceptions of agent, and of the relations between agents in society; the level of the political opinions. A tension may appear between ideology adopted at the first level and expressed in the second.

At the first level, ideology affects the definition of economic agent, of the economic problem of societies. More generally, it determines the questions addressed by economic theory: is economic theory a development of a political philosophy, and, if it is the case, of what political philosophy? Or is it not the case?

Why should we call these questions ideological (even if the term doesn't have a negative connotation), since these questions belong to the field of philosophy: political and moral philosophy; philosophical anthropology (and not only social anthropology, evoked in the text)?
The second level (political opinions) may be made *a priori* by economists, but can also be confronted to their conclusions resulting from their philosophical assumptions and their theoretical work. That is: their opinions may be questioned because of inconsistencies with both theoretical work or/and philosophical assumptions. Ideology here isn’t synonymous of philosophy.

If, as DV says, Lucas’ transformation of macroeconomics doesn’t followed from a political agenda (p.17-18), it can be said that his ‘second level of ideology’ was not decided before theoretical work but results from the theoretical work applied to his philosophical definitions. What could be explained is the reasons of the choice at the first level of ideology.