

# Critical Realism as Culture-oriented Conception in Contemporary Philosophy of Economics\*

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**Abstract**—The Article is devoted to a research of realist approach to the analysis of social ontologic problems of social sciences including modern philosophy of economy. The social realism is interpreted as a culture focused concept and as a methodological trend recognizing reality of existence of the outside world and the necessity of its causal explanation taking into account a subjective component of human behavior but, at the same time, defending the right of every social researcher to his own option of such explanation within the general evolution of social and humanitarian knowledge. While developing the problems of social ontology, the realists offer the following: to revive social metaphysics in some special aspects; to approve pluralism of social ontologies; to make social ontology "open" or "incomplete"; to confirm social ontology by a falsification method; to use other nonconventional instruments of verification of social ontology ("rhetoric", a deconstruction etc.)

**Keywords**—economics; critical realism; culture; philosophy of economics

## I. INTRODUCTION

The research and methodological program of "critical realism" was created in world science in 1980-90 by works of R. Bhaskar, M. Archer, T. Lawson, U. Mäki and other scientists. Expansion of this program was surprising: for some thirty years it found a great number of supporters, and nowadays, at the beginning of the 21st century, having pushed aside logical empiricism (logical positivism) and various interpretivist concepts (social phenomenology, social designing of reality, hermeneutics, post-structuralism, postmodernism), it can apply, from our point of view, for a role of the most influential social-ontological and social-methodological direction in the western social humanities. The social realism took especially strong root in economy, sociology, political science, social philosophy and other sciences which are to be called "social" or, so to say, to a greater degree *social* than *humanitarian*.

However, returning to a thesis about popularity of social realism, it is also necessary to notice that it is not only *popular* but also *amorphous*, *indistinct* and *not certain* in its

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prerequisites (though, perhaps, such logical nonformalization and "pantophagy" are just one of the reasons of its success). Besides, social realism is a *popular* trend in the modern western social humanities.

The main theoretical and methodological application of social realism comes down to the fact that it announces itself as a methodological program capable to reach the very "depth" of social phenomena, to comprehend their deep, intrinsic "mechanisms", those "mechanisms" that are unavailable for its opponents, i.e. logical empiricism and an interpretivism. From our point of view, and we will try to show it below, this can also mean that the realism heads for revival, the Renaissance of *social metaphysics* in modern ontology which (proceeding from a classical problem of "demarcation") was strictly expelled, till this day, by logical empiricism (positivism) from social sciences. But does it mean that social realism is capable to solve all those problems which nowadays face modern ontology, in particular, economic ontology? Is the realism also capable to become a "culture focused" concept that is to consider influence of culture on economy as economy and on economic science in general?

Emergence of social realism should be connected with opposition of this direction concerning two key methodological schools of the western philosophical methodological thought (we designated them as RMP - "Research and Methodological Programs" [1]), i.e. *logical empiricism* and *an interpretivism*. And if the logical empiricism insists on tough verification and falsification of social and humanitarian knowledge, the interpretivist methodological program calls for radical withdrawal from objectivism and insists on bringing all aspects of social ontology to the analysis of the subjective meanings arising at the acting social agents and also the rules regulating these actions:

"A basic tenet of interpretivist social science is that in order to describe social phenomena adequately, a researcher must grasp the participating agents' own understanding of their actions, the situations in which they find themselves, and the rules that are constitutive of the institutions in which they take part" [2].

The main claim of social scientists-realists to an interpretivism is as follows: denial (even partial) of the nature of "objectivity" of scientific knowledge results in relativism and instrumentalism in understanding the scientific truth that categorically does not suit many researchers. The role of language should not be underestimated but at the same time it should not be exaggerated. Denial of causal communications in the world of social reality leads to subjective (in the spirit of D. Yum) interpretation of causality and also leads to the same interpretation of nature of the reasons and relations in the social reality studied by us. Exaltation of ordinary knowledge to the level of scientific knowledge contradicts the general spirit of the scientism and rationality dominating in science since 17th century and declaring science as the highest type of rational knowledge in comparison with other types of knowledge.

It is possible to define realism approximately as follows [3]:

Realism is the methodological direction recognizing reality of existence of the outside world and need of its causal explanation taking into account a subjective component of human behaviour but at the same, time asserting the right of each social researcher to his own option of such explanation within the general evolution of social humanitarian knowledge.

However it is necessary to recognize that such determination is conventional and conditional, because the grounds of the authors arguing on "social realism" or defending its positions are too different.

But summarizing the common and universal features of the realists concept the following should be noted.

First, the realism is a doctrine. The realism recognizes the fact of existence of the outside world and makes a demand to explain scientific problems in its research by means of coordinating theoretical provisions with experimental and observation practice. But this requirement is not so "tough" and "unambiguous" as in logical empiricism and allows in this coordination the existence of a set of degrees of freedom, in particular, concerning causal mechanism of an explanation of functioning of the outside world.

Secondly, the realism demands to take in to account some provisions of an interpretivism concerning understanding the meaning of subjective reality (a subjective component) in behaviour of a person.

The third important idea of social realists is the idea of incompleteness, openness, a pluralism of modern social and humanitarian knowledge (we will tell about it below).

And at last, the fourth idea of social realism is recognition of priority of a scientific method and scientific methodology as compared with all the other methods of research of social and humanitarian reality ("common sense", belief etc.).

So to speak, this is an attempt to describe and explain in general the vectors of scientific strategy of social realism.

But there is a question of how the social realism is going to solve the most difficult problems of social ontology.

## II. CRITICAL REALISM AS A CULTURE-ORIENTED CONCEPTION

The critical realism should be also understood as a culture-oriented concept which includes a cultural and culturological aspect in its analysis.

Culture is a set of the main achievements of mankind in the material and spiritual spheres, as well as a method of by vital functions means of which the mankind produces the material and cultural wealth.

This is a so-called "narrow" or "classical" understanding of culture. There exists also a "broad" understanding of culture when "the sphere of production of cultural values" is identified in general with public activity. Being a man of culture implies adoption of a certain cognitive and communicative competence, a certain language, a social horizon, world outlook or a set of convictions, a method to explain and to define a situation, to cope with uncertainty and to send signals.

In its "narrow" understanding the culture includes two subspecies: *material culture* and *spiritual culture*. The material culture includes the artifacts created by a man, i.e. this is materialization and making feasible his values and ideals, even the most brute ones. The spiritual culture is values and ideals in their ideal life at the level of mentality and individual consciousness. Process of cultural production is process creative, but only at the level of the individuals creating cultural ideals and values. Process of reproduction of these ideals and value is process rather technical and unifying culture than its developing.

Culture is a dynamic institute. There are two trends in culture, i.e. a trend of "retention" which preserves the former contents and a trend of permanent growth, so to speak, a trend of "branching" or "expansion". *Novelty* and *originality* are two main criteria defining dynamics of culture. Characteristic feature of high cultural masterpieces is a tendency to the Good, the Truth and the Beauty which are three main ideals of culture. The mass culture or "ersatz culture" is the culture of an average consumer with his tendency to rough consumerism, utilitarianism and hedonism. It does not nurture a person but rather indulges its imperfect feelings and tastes.

The critical realism can be correlated to philosophy of economics through such its branches as "economic axiology", "economic ethics", "economic esthetics" etc. In general, the philosophy of economics should be interpreted as "philosophical problems of economic science" [4], but not as "philosophy of economy" in interpretation of S.N. Bulgakov or "economic methodology".

### III. CRITICAL REALISM IN ECONOMIC AND SOCIAL ONTOLOGY

There is a set of interpretations of social ontology. For example, it can be interpreted as a part of social philosophy [5]. Other researchers interpret it much more widely:

"As we see it, the social ontology includes three interconnected sections: (1) theory of modi and levels of social existence of people (*general social ontology*); theory of forms of social reality (*social morphology*) (Y.M. Reznik's italics - A.O., A.A.); theory of the present and autoprogrammable society" [6].

"Social Ontology" deals with the issue of the nature of the basic elements involved in social explanation. Can there, for example, be satisfactory explanations of social phenomena, to be fully satisfactory, offer an account of the behaviour of the individuals who compose the relevant social aggregates? If the fundamental methodological commitments of mainstream economics include "methodological individualism", what is it ultimately distinguishes social explanation from purely psychological explanation, write large?" [7].

In case of the last interpretations the social ontology is understood very widely: it is *the doctrine about social reality created by all set of social sciences* (and not only, for example, by social philosophy or sociology). The social ontology is the doctrine about the basic principles of social reality arrangement based on particular disciplinary social knowledge, as well as on the transdisciplinary or cross-disciplinary strategies of its research.

However, there is a very serious problem, that is an attempt of many representatives of particular sciences *to monopolize social ontology and to make it a part of their discipline*.

The question is to what extent do *particular disciplinary* ontologies correlate to social ontology in general? Here we discover a surprising thing, that is permanent expansion, methodological drift, some kind of "methodological imperialism" directed from particular ontologies towards an all-disciplinary universal ontology. It is considered to be a *good form* to extend the ideas of own particular disciplinary ontology to the social ontology on the whole. Therefore, sociologists, ignoring an obvious concept of "sociological ontology", argue on "social ontology", while social philosophers, neglecting a concept of "social philosophical ontology", also discuss the problems of *social ontology* in the context of their discipline. Not only sociologists and social philosophers but also economists are crazy about social ontology (as an example, we will refer to [8]). However, there are exactly economists who should speak only about *economic ontology* but not to raise a question on the whole *social ontology* in any way.

Of course, partly, it is not only a question of a problem of "methodological aggression" or "methodological imperialism", it is still a problem of adequate use of concepts demanding consent or consensus of representatives of various disciplines. Alas, we are still far from such a consensus, and the paradox here is just in the fact that an

example of such "conceptual confusion" is shown by western (especially Anglo-American) social scientists (1), and many Russian researchers unskillfully imitate them while neglecting Kanto-Hegelian categorical school which lies de facto and de jure in the base of the Russian social humanity, and as a result, it can be stated "it was meant well but it turned out as always".

So, how are social realists going to solve problems of social ontology? A number of points are stated here:

- careful (we would characterize it as "dot") Renaissance of social metaphysics, striving for bringing elements of "substantivity" into social ontology and strengthening the categorical apparatus by means of which the problems of social ontology can be solved.

Perhaps, it was P. Lewis who has most precisely stated here: "Critical realism is an exercise in social ontology, not in substantive social theory. Just as there is no specific theory that can be designated as *the* deductivist theory of any particular substantive phenomenon, so too there is no such thing as *the* critical realist account. Rather, value of critical realism lies in the fact that it offers a philosophical framework or set of categories that express certain key features of the social world ... that researchers need to take into account if their research is to be fruitful. ...

I shall mention two broad types of example of how critical realism can make such a contribution here. First, by suggesting the sorts of scenarios for which researchers ought to be methodologically prepared, the social ontology developed by critical realism obviously provides *directionality* (P. Lewis's italics - A.O., A.A.) to social theorising. More specifically, because the social world is found to be structured (i. e. irreducible to actual events, states of affairs and practices) and open (i. e. observable events and states of affairs are determined by a changing mix of often countervailing causes, so that sharp stable event regularities are conspicuous by their absence), research should be devoted less to correlating, or otherwise describing, surface actualities and more to identifying the non-empirical causal mechanisms that govern actual events and states of affairs. ... Second, it is argued that substantive social scientific concepts are more likely to gain purchase on, and so yield insights into, social phenomena of interest if they are developed in such a way as to be consistent with the broad account of social reality systematized in critical realism" [9].

- pluralism of social ontologies: we have to speak not about one social ontology but about a great number of the last.

It is a very important point for social realists. And here everything rests against a possibility of existence of various causal explanations, *each of which*, in fact, *gives rise to its own ontology* (and not only, but perhaps, its own epistemology, an axiology etc.). The social realism appreciates this point very much and opposes it to "monism" of positivism and an interpretivism.

- "open" nature of social ontology.

Realists emphasize that *the project of creation of social ontology should always be considered incomplete and open for further promotion.*

It is quite possible to agree with it, but again, how much better and lofty is here the realism as compared with the methodologies oppositional to it? The era of the "closed" and "dogmatic" ontologies (Kant, Hegel, Marx) became a thing of the past and all prominent social ontologies of the present (from ontologies of Giddens and Bourdieu to ontologies of postmodernists) declare themselves "incomplete" and "open"...

- fallibilism of the statements and theories concerning development of social ontology.

This point can be illustrated by U. Mäki's statement:

"It is a widely shared view among realist philosophers that the resolution of (or to put it less strongly: progress with respect to) issues about many themes mentioned above, such as what the world is made of, and what reference, truth and knowledge amount to, is up to future science. In other words, the specifications are understood as being *a posteriori* in regard to the progress of special sciences such as biology, cognitive science and, to anticipate boldly, economics. It is not the task of philosophy, in this opinion, to decide *a priori* what kinds of entities exist, what structure the world has, what relations our language has to the non-linguistic reality, what can be known and perceived, and so on. As an *a posteriori* (U. Mäki's italics - A.O., A.A.) exercise, philosophy produces claims that are fallible in the same sense that any other claims may be wrong". [10]

- striving for using other, except conventional (induction, deduction, analogy etc.), methods of justification of social and ontological provisions including a deconstruction, a metaphor and rhetoric.

For example, in economic science there is "economic rhetoric" of Deydra MacCloskey [11], which is close to realism though the last has never directly connected it with realism, and it would rather concern with of "interpretivism". But the realism has such a vector, though accented not by all realists.

So, to what main conclusion we have to come as a result of our research?

The project of social ontology which is developed by social realists is in some way *metaphysical categorical* (we would else add: *"categorical and causal"*) reaction to the extreme forms of subjectivity and "demarcation and anti-metaphysical" objectivism inherent in an interpretivism and logical positivism. It is impossible to tell that the social realism calls for revival of social metaphysics in the spirit of Kant or Hegel. Realists demand not to avoid the analysis of causal relationships in social processes and urge to do it bearing in mind possible pluralism of causal explanations. All these explanations are also recognized as "open", "incomplete", and subject to possible mistakes. At the same time, the free discourse of explanations is also allowed (as it is used, for example, by "the economic rhetoric").

But at the same time, claims of other scientists to realists and realists' schemes of explanations are not at all removed. As J. Hodgson specifies:

"Critical realists rightfully place emphasis on importance of cause and effect mechanisms and deep social structures; however it does not solve an objective. I can be objected that critical and realistic theory exists not for this purpose: the philosophy cannot substitute the science. ... The key problem which the critical and realistic methodology is not able to solve is an allocation of the most significant cause and effect mechanisms, search of the most acceptable theory for any specific case. ... We would like to call critical realists for modesty and discretion when designing the explanatory, standard or illustrative theses. Such courageous constructions will hardly help successful distribution of the critical and realistic ideas in the scientific environment" [12]

So, the realism always assumes a set of explanations and possible parallel existence of open and "incomplete" social ontologies but there is a question: *which of them is correct? Or all of them are correct and true to the same extent? But if it is so, then why do we not fix this point as a priori and thereby "close" a question?*

And it is only one of problems which arise at social realism concerning social ontology. As we assume, J. Hodgson's appeal to "modesty" and "discretion" is to be conceived positively by social realists: they still have a plenty of works. The attempts to design the *universal realist social ontology* based on the uniform methodological principles are to be recognized, for the time being, as having trial and unfinished character.

#### IV. CONCLUSION

Therefore, it is possible to draw following conclusions from our article.

- The critical realism is a culture focused concept in the social humanities including also philosophy of economy.
- The critical realism places emphasis on detection of causal dependences in the social world including also those which can be found in economic reality.
- The critical realism introduces the Renaissance of "social metaphysics" in economic and social humanitarian knowledge.
- Despite all its achievements and positive aspects, the critical realism is exposed to severe criticism from many prominent economists, for example, J. Hodgson.

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