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## **Historical Reference: Hume and Critical Realism**

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### **Abstract**

The purpose of this paper is to make the case for discussing developments in the history of thought as having the potential to inform modern discussion. This is not to deny the importance of context, or that new knowledge emerges over time which was not available to earlier thinkers. But neither is taken as sufficient reason to deny any possibility of us learning from past thought. The case is made by means of discussion of the particular relevance of David Hume's thought for critical realism. This is particularly controversial in that Hume has been identified by critical realists as the inspiration for logical positivism, from which critical realism dissents. While critical realism is a body of thought of recent development, it is argued here that Hume has sufficient in common with critical realism to warrant considering the possibility that critical realists might learn from Hume. The notion that context is significant is used constructively by suggesting that important elements in common between the contexts of Hume and of modern discussions reinforce the potential value of considering Hume's ideas. It is concluded that there is the potential for growth in knowledge from reference between the history of thought and modern discussions in economics, and in particular between the nature and origins of Hume's thought and the development of critical realism.

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## **INTRODUCTION**

Thought within the field of economic methodology develops, just as economic thought develops. Similar issues therefore arise as to how to regard earlier contributions to the field. Are they to be regarded as of purely historical interest, or do they have some direct relevance for modern thought? The purpose of this paper is to develop the argument that a study of historical writing in economic methodology (and philosophy of science) can inform modern debates.

A case study is employed to illustrate the argument. David Hume is depicted by critical realists as inspiring the logical positivism against which critical realism is a reaction. Further, Bhaskar introduces transcendental realism in terms of a dialectic in relation to classical empiricism (derived from Hume) and transcendental idealism, which implies some sort of progression towards transcendental realism (and thus critical realism). Critical realism is thus seen as the end-process of a (dialectical) progression of thought from the Enlightenment period, so that any return to Enlightenment thought would imply regression.

However, Hume can alternatively be read as himself being a realist. The question then arises as to whether critical realists might in fact have something to learn from Hume. In other words, studying Hume could feasibly contribute to the future direction of critical realism. The application so far of critical realism to the history of thought has consisted of reinterpretations, in critical realist terms, of historical writing (see for example C Lawson, 1999, chapter 3), ie critical realism contributes to our understanding of the history of thought. What is being suggested here is that, in addition, a study of the history of thought from the perspective of critical realism may itself contribute to critical

realism. The particular case of Hume is only surprising in that critical realists currently only draw on him to explain how critical realism can improve on his legacy.

First we consider the general arguments against looking to history of thought for contributions to modern methodological debate. We focus on the logical positivist, postmodern and dialectical arguments. In the third section the case is made for taking account of past ideas as possibly having modern relevance. The focus then shifts to the case study of David Hume. The reassessment of him as a realist is outlined briefly, then the case made for his modern relevance on the basis of similarity of context. The paper concludes with some consideration of the particular contribution which study of Hume might make to modern discussion with respect to the future direction of critical realism.

### **IRRELEVANCE OF HISTORY OF METHODOLOGICAL THOUGHT**

The argument that historical material does not have direct relevance for modern debates can arise from (at least) three quite different positions. First, there is the logical positivist position that thought inevitably progresses, and should in any case be appraised independent of context-of-discovery. Modern thought thus inevitably encapsulates the best from historical thought so that history of thought is only of purely historical interest. The arguments against such a view have been so well-rehearsed within the philosophy of science literature itself as not to require further attention here, other than to note what remains a significant viewpoint in the profession.

Two further bases for the counter-position have not been so extensively addressed. Both emphasise the context of discovery of ideas. The first stems from a relativist reading of Kuhn (1970). Because paradigms are incommensurate, there are no

universal criteria for appraisal, so that no extra-paradigmatic judgement as to progress or regress of thought is defensible. Since the resulting absence of generally-agreed principles seems to remove the scope for what is conventionally understood as 'science', this perspective on relativism is taken to mean that there is no basis for learning from activities within different paradigms, or, by implication, from different periods of thought: 'anything goes' (Blaug, 1992, 40, uses this term disapprovingly, quoting Feyerabend).

While postmodernists put forward a favourable expression of this relativism, nevertheless a similar conclusion is reached. The postmodernist view is that context is so important that ideas do not have any generality. Given the extreme subjectivism of this approach, there is only very limited scope for understanding historical ideas; that understanding too is inevitably determined by the context of the subject so that it has limited usefulness for other subjects. But the pure postmodern position is unsustainable in practice (see Dow, forthcoming A). The postmodern/hermeneutic literature does therefore include useful study of the history of thought (as in for example Brown's, 1991, discussion of the interpretation of Smith). One particular feature of this literature which will be useful for our discussion below is that some pattern is detected in the development of thought over long historical periods (although the idea of patterns, as generalisations, could be said to be antithetical to postmodernism). In particular, postmodernism is understood to be immanent in modernism, and this process of modernism generating postmodernism is detected as recurring (see McCloskey, forthcoming, who also makes this argument with respect to Smith and the Scottish Enlightenment).

The second set of views is based on the idea that thought progresses, but that context is nevertheless important for understanding the processes generating progress. In other words, thought can only be understood in terms of its context. But progression of context determines progression of thought. This approach is best understood in terms of a Hegelian dialectic. Within the philosophy of science such a dialectic is evident in Bhaskar's (1975) account of transcendental realism. Modern philosophy is depicted as progressing from the classical empiricism of the Scottish Enlightenment, through the transcendental idealism of Kant, to modern transcendental realism. From this perspective, a study of the history of thought informs our understanding of the progression. But a study of Hume, for example, could not directly inform our understanding of transcendental realism because it would require a jump not only in context, but also in the development of ideas. The only possibility for drawing constructively from Hume then lies in the notion of succeeding dialectics, such that the Scottish Enlightenment, for example, represented the synthesis out of which emerged the thesis of classical empiricism, the antithesis of transcendental idealism and the synthesis of transcendental realism. Then some similarities might be detected between succeeding syntheses. This route would also be compatible with the notion of emerging patterns in the history of thought in the postmodernist literature. The key question then is whether Hume is more properly to be regarded as representing some prior synthesis or, as is more commonly presumed, the inspiration for the ensuing thesis of classical empiricism.

Before considering the specific case of Hume, we consider more generally the case for looking to past ideas on the philosophy of science and the methodology of economics.

## **LEARNING FROM THE PAST**

The most straightforward justification for considering historical ideas is to seek inspiration in order to address modern issues. But there is a limit to how far this may be discussed. Inspiration by definition involves taking ideas in from outside, and how that 'outside' is understood is left open. We quickly get into the issue of how development of thought is regarded and how it is generated.

There is scope here for a micro-macro analogy in terms of thought. The linear-progress view of thought corresponds to orthodox methodology; thought progresses by means of the atomistic activities of individual economists subjecting hypotheses to empirical tests. Individuals may be inspired, possibly by studying earlier economists, to pursue a particular development in logic, or to test theory against a particular data set. But the possibilities are constrained, by logic and by a given set of 'facts'. The process, as if by an invisible hand, generates the optimal macroeconomic outcome of progress in economic thought. The dialectical progress view of thought focuses rather on forces operating at the macro level which drive thought in broad sweeps; the individual economist alone is incapable of diverting thought from the dialectic.

But if thought does not necessarily progress, in either a linear or dialectical way, then inspiration may generate developments in thought which would not necessarily otherwise have occurred. These developments may, in retrospect, be judged to have been constructive, or alternatively thought may be judged to have taken a 'wrong turning'. There is then justification for considering why a development was viewed as constructive on the one hand, or a 'wrong turning' on the other. The 'wrong turning' approach occupies that middle ground which allows for a combination of macro and micro forces.

Brian Loasby has been exploring a series of ‘missed connections’ in thought whereby key figures failed to make connections with other ideas. Had the connections been made the history of thought would have followed different paths, or at least arrived at destinations more quickly than was the case (see Loasby, 1998). Why the connections were missed is something which is amenable to analysis by means of the sociology of knowledge. The conventions of thought familiar within particular sociological groupings of economists may have been sufficient to prevent connections being made outside those conventions.

The most famous ‘wrong turning’ by an individual was that of Joan Robinson in her work on imperfect competition. Again this can be understood as arising from a combination of factors at the micro and macro levels of thought. Joan Robinson herself realised that this work led in a methodological direction which was incompatible with the thinking conventional in Cambridge at the time, and turned back from it. Nevertheless, the work was a significant micro event in the history of thought, contributing to a development of ideas which now underpins the New Keynesian school of thought.

At the macro level of thought, one of the ‘wrong turnings’ most actively studied is the emergence of the neo-classical synthesis out of a particular understanding of Keynes. A tremendous amount of scholarship emerged after the publication of the *Collected Writings*, particularly as regards Keynes’s philosophy. This exercise raises similar questions to those raised here with respect to Hume: how far is it legitimate to apply ideas from this older literature to modern economics? Carabelli (1988) and O’Donnell (1989) argue against such an application, while others (such as Lawson, 1995) study Keynes’s philosophy primarily to assist with the methodological issues facing modern economics.

What we mean by a ‘wrong turning’ in retrospect is a development in thought which is now identified as supporting an approach to economic methodology which we regard as unsatisfactory, which normally means that something more satisfactory is in mind. The issue then is whether it is appropriate to reconsider thought at the time of the wrong turning in order to inform modern thought. Thus, if it was the subsequent interpretation of Hume rather than Hume himself which represents the wrong turning, we are justified in reconsidering the possible contribution of Hume to critical realism.

The argument that ideas are context-dependent has much force. And our ability to understand context in an earlier period is limited. But that does not mean that we must say that we cannot understand anything. The purpose of most of history of thought is to develop a good understanding, insofar as it is possible, of ideas and their context. The most compelling argument that this understanding is relevant to modern economic issues would be that there were important elements in common between the historical context and the modern context. In particular, it would be significant if the questions at issue in the historical context had something in common with modern questions. It will be argued below that this analogy holds force between eighteenth century Scotland and modern times.

With this in mind, we turn now to Hume, focusing on his potential relevance for critical realism. In the process, the case is made that there is more in common between Hume and critical realism than is commonly allowed. We then explore the modern relevance of Hume by comparing the context of his ideas with the modern context.



## **HUME, LOGICAL POSITIVISM AND CRITICAL REALISM**

Hume is clearly depicted by Bhaskar as initiating a massive ‘wrong turning’ in philosophy, so that critical realism is presented as the alternative to the logical positivist tradition which ensued from Hume’s work. (While Lawson refers as much to the ‘Humean tradition’ as to Hume himself, he does echo much of Bhaskar’s critique of Hume; see for example, Lawson, 1997, 33-4.) Bhaskar (1975) classifies Hume as a classical empiricist. On the one hand this philosophy of science identifies science with the discovery of laws based on observed constant conjunctions of events. On the other hand these observations make science anthropocentric; the ‘facts’ of science are epistemic products of human activity, with no independent existence beyond that activity. The outcome is the epistemic fallacy, which gives an epistemological category an ontological task. In fact, although ontology is given no explicit role according to this view of science, there is an implicit ontology of atomistic events and closed systems which, given the experimental nature of science, does not provide an adequate philosophical foundation for science.

Nevertheless, Bhaskar (1975, 41) notes with respect to Hume that ‘[o]ne finds in the *Treatise* an eminently sensible realist methodology’, but that this is ‘in almost total dislocation from, and certainly lacking any foundation in, his radical epistemology’. Such a statement rings alarm bells when made with respect to such a great thinker as Hume. Similar charges of inconsistency laid against Keynes, for example, have proved to be unfounded when his work was reinterpreted as a whole (particularly drawing on the detail of his philosophy and the intellectual environment in which it was developed, considered alongside his economics). Of course it is not necessarily the case that inconsistencies can

always be explained in this way. But, taking account of Hume's environment in the Scottish Enlightenment, and the sequence of his thought, we can see much greater consistency in his work than Bhaskar is prepared to allow.

Indeed there is now a considerable body of thought in philosophy which holds that Hume was a realist (see for example Smith, 1941, Wright, 1983 and Strawson, 1989). A reinterpretation along these lines is offered in Dow (forthcoming B), where considerable stress is put on the distinctive background of the Scottish Enlightenment against which Hume's ideas should be considered. Interpreted on the basis of other intellectual traditions, it was not surprising that Hume's ideas should have been given different meanings. It is therefore reasonable to argue that logical positivism did indeed stem from a particular interpretation of Hume. But at the same time, this interpretation remains problematic not only in itself, but also because it leaves a residue of inconsistency, as identified by Bhaskar (see Dow, 1998).

The interpretation of Hume as a realist can best be understood in terms of Hume's background in the Scottish Enlightenment. Four particular strands of influence can be identified:

1. *natural law philosophy*, which supported the idea that the natural world was governed by causal mechanisms; this explains Hume's ontology of a natural world governed by complex causal forces. Man, with his various faculties, is understood as part of that natural world, ie there was a naturalist view of social behaviour.
2. a pervasive *historical approach*, to philosophy as to science, emphasising the importance of extensive evidence from a variety of periods and quarters as the proper basis for knowledge and the exercise of judgement.

3. *common sense philosophy* which emphasised on the one hand the social grounding of knowledge, and on the other the possibility of transcendent knowledge of causal mechanisms.
4. *moderate scepticism* about the scope for knowledge of underlying causal mechanisms (or weak fallibilism), deriving from the influence of Stoic philosophy. The acceptance of the limitations on human knowledge, at a time when the need for practical scientific knowledge was pressing, was sufficiently general as to encourage philosophy to focus on what would nevertheless allow some knowledge to be generated.

The logical positivist interpretation of Hume puts great emphasis on his scepticism. In the *Treatise*, Hume took up the question which had arisen in the English and French Enlightenments, about the scope for reason in science. He concluded that it was impossible to demonstrate existence by means of reason. Thus reason alone could not act as the foundation of science. But, having dismissed the purist, rationalist, view of science ('excessive scepticism'), Hume advocates a correction 'by common sense and reflection' (Hume, *THN*, 161). Indeed the common sense belief in the existence of the real is what allows escape from extreme scepticism and provides science with its foundation:

We may well ask, *What causes induce us to believe in the existence of body?* But 'tis vain to ask, *Whether there be body or not?* That is a point, which we must take for granted in all our reasonings.

(*THN*, 187, emphasis in original)

Hume refers to this belief in existence in terms of his theory of human nature, which he accordingly places prior to mathematics and science. Human nature draws on the faculties of sentiment and imagination within a profoundly social context (which fosters the important faculty of sympathy); these factors are prior to, although supplemented by, reason. Norton (1982) argues that Hume's distinction between morals and science is that, while common sense plays a central role in terms of morals, it provides the basis for science, but then reason plays a central role in science. Nevertheless common sense provides an effective check on reason; the *Treatise* is introduced by an extensive discussion of the dangers of the type of abstract reasoning on which he is about to embark. Common sense in itself is insufficient for science just as is the case for reason, but, for scientific reason to be persuasive, it must appeal in some respects to common sense.

This does not mean that human sentiments and ideas are the sole objects of science, as Bhaskar suggests with his charge of anthropocentrism. Hume is clear that there exists a physical world independent of man (and in particular of science); this assertion is grounded in common sense belief. The inability of human knowledge to grasp the full complexity of the causal mechanisms underlying that reality is the source of the problem of induction. By implication the nature of the real world is structured and open; or at least if it closed according to some Grand Plan, as far as human access is concerned, it is open, and thus ultimately unknowable. The subject matter of science, independent of science, is thus open, given human nature. This is not an epistemological point distinct from ontology since human nature is part of ontology.

For example, using the example of anatomy, Hume explains the hidden nature of the deep structural causal forces connecting volition and movement:

. . . the immediate object of power in voluntary motion, is not the member itself which is moved, but certain muscles, and nerves, and animal spirits, and, perhaps, something still more minute and more unknown, through which the motion is successively propagated, ere it reach the member itself whose motion is the immediate object of volition. Can there be a more certain proof, that the power, by which this whole operation is performed, so far from being directly and fully known by an inward sentiment or consciousness, is, to the last degree, mysterious and unintelligible? (EHU, 66)

But, even if reason is inadequate as a basis for science, science can still proceed on common sense foundations. Hume's empiricism refers to his argument that science should not stray far from its subject-matter; his main concern was with the dangers of purely deductivist reasoning. We observe the subject matter on the basis of 'impressions', rather than purely objective observation. A dualist reading of this supports the notion that the object of science is epistemic rather than ontological. Indeed this reading has support in Hume's emphasis on the epistemic status of the idea of cause, as a product of the mind applied to experience. But a non-dualistic reading has Hume simply rejecting the extreme stance of objective knowledge of 'facts' and of necessary connection, emphasising rather the social constructiveness of knowledge, as a result of human *nature*. We will come back later to the relevance of the issue of fallibilism for critical realism.

Far from ignoring the issue of ontology, as Bhaskar suggests, Hume was acutely aware of it. It should be pointed out that Hume held in common with other Scottish Enlightenment thinkers a wariness of the use of positive analogy; in particular he warned against the use of positive analogy (an assertion of 'likeness') between different realms, notably between the ontological and the epistemological (see Sutherland, 1982).

Central to the critical realist critique is the identification of cause and effect from observed constant conjunctions of events. This is taken to imply that what we observe are 'events', that cause only applies to these events, and that Hume's ontology is, by implication, an atomistic, closed system. But Hume can alternatively be understood as explaining the origin of the *idea* of cause, or necessary connection, which then can be applied much more generally. We know that his ontology is of a complex, open system, with hidden causal structures; science has the aim of identifying causal structures, but no assurance of being able to do so.

Hume explicitly addressed the Cartesian claim that we can know the nature of reality from our ideas of it; in other words he challenged the argument that a rational closed system of ideas could be taken to reflect a rational, closed-system reality. In making this argument, Hume was directly challenging the Cartesian assertion of knowledge of the essence of matter which was taken to justify the view that matter 'is endow'd with no efficacy' (Hume, *THN*, 159). As Wright (1983) argues in his account of Hume as a realist:

Hume is saying that neither our idea of body nor our idea of spirit has sufficient adequacy to allow us to draw ontological conclusions about the real nature of things. By rejecting the Cartesian assumption that our

ideas are adequate Hume rejects the Cartesian argument which leads to the conclusion that there is no power or force in material events . . .

Both Malabranche and Hume assume that real causation implies a necessary connection between cause and effect. Both philosophers agree that we never perceive any such connection in the physical world . . .

For Malabranche the fact that we cannot conceive of power in body leads to the conclusion that there is no such power; for Hume the same fact leads to the conclusion that we have no intellectual understanding of the power and force which there is.’ (Wright, 1983, 143-4)

In any case, Hume’s examples of constant conjunctions do not refer to isolated experiments (closed systems), but rather to everyday situations where simple cause and effect relations pertain, and are usually (but not universally) observable. Further, he quite explicitly, in expanding on the problem of induction, points out that we must be wary of falling into the habit of presuming the universality of causal connections:

‘T’wou’d be very happy for men in the conduct of their lives and actions, were the same objects always conjoin’d together, and we had nothing to fear but the mistakes of our own judgment, without having any reason to apprehend the uncertainty of nature. But as ‘tis frequently found, that one observation is contrary to another, and that causes and effects follow not in the same order, of which we have had experience, we are oblig’d to vary our reasoning on account of this uncertainty, and take into consideration the contrariety of events. The first question, that

occurs on this head, is concerning the nature and causes of the contrariety.

The vulgar, who take things according to their first appearance, attribute the uncertainty of events to such an uncertainty in the causes, as makes them often fail of their usual influence, tho' they meet with no obstacle nor impediment in their operation. But philosophers observing, that almost every part of nature there is contain'd a vast variety of springs and principles, which are hid, by reason of their minuteness and remoteness, find that 'tis at least possible the contrariety of events may not proceed from any contingency in the cause, but from the secret operation of contrary causes. This possibility is converted into certainty by farther observation, when they remark, that upon exact scrutiny, a contrariety of effects always betrays a contrariety of causes, and proceeds upon their mutual hindrance and opposition. (*THN*, 131-2)

Hume is appealing to the reader's common sense. But we can see elsewhere how he uses this concept of cause in practise. In his essay, 'Of Money', Hume (*WE*, 33-46) challenges the common sense view that an increase in the supply of money is beneficial to society (as opposed to the state), on the basis of an observed constant conjunction (with a time lag) between money and the price level. He explains a causal mechanism in a way which is actually not unreasonable for the eighteenth-century financial system (see Chick, 1986). But he qualifies the conclusion, that the nominal stock of money is of no real consequence, in two important ways, both of which dig even deeper into causal mechanisms, referring to human nature and the nature of society. The first exception



refers to the time-lag by which the price-specie-flow mechanism operates, which means that a fall in the money supply can have a long-run depressing effect on activity before it results in a fall in the price level. Therefore the wise policy-maker ensures an increasing money stock 'because, by that means, he keeps alive a spirit of industry in the nation, and increases the stock of labour, in which consists all power and riches' (Hume, *WE*, 39-40). The second exception is a resort to payment in kind when there is a shortage of money due to hoarding. Again Hume is challenging the common-sense understanding that a shortage of money causes a reduction in well-being:

To these difficulties I answer, that the effect, here supposed to flow from scarcity of money, really arises from the manners and customs of the people; and that we mistake, as is usual, a collateral effect for a cause. The contradiction is only apparent; but it requires some thought and reflection to discover the principles, by which we can reconcile *reason* to *experience*. (*WE*, 41, emphasis in original)

Hume after all was noted first and foremost as a historian. His historical writing provides particularly ample evidence of what he meant by teasing out underlying causal mechanisms from 'impressions'. He employed the concept of negative analogy in order to identify regularities; a category or regularity could be recognised if it persisted in spite of changing circumstances. Thus, Hume gave the example of repeated observation of eggs; each is different, but we can identify enough common characteristics to classify these otherwise disparate objects in terms of the common category of eggs. His use of negative analogy thus bears some resemblance to the critical realist use of the concept of demi-regularities. It provides the starting-point for the application of reason, or retrodution, to

generate hypotheses about causal mechanisms which then, as he insisted, should be referred back to experience.

### **POTENTIAL CONTRIBUTION FROM HUME TO CRITICAL REALISM**

Hume, then, can be seen to be not so far removed from critical realism as Bhaskar has implied. The distinction of potentially greatest importance would be Bhaskar's distinction between Hume's epistemic account of science and critical realism's ontological account. As we have seen, this distinction has arisen from Bhaskar's discounting of the central role in Hume's view of science of real human faculties other than reason: belief, social convention (including sympathy) and imagination. For Hume, these are the faculties which anchor scientific rationality in reality, while reason alone is insufficient.

For critical realism, in the meantime, it can be argued that an issue which remains to be adequately addressed is that, while reference to reality is the guiding principle for identifying accounts of real causal forces, it is not clear how that principle is to be applied in practice. How do we know that we have correctly identified the true causal structure, or at least improved on existing accounts? Bhaskar's answer is, through the activity of science, employing retrodution to our experience of the real world. But we have no direct access to deep structure. Bhaskar criticises Hume's argument that an identification of cause, albeit derived from experience of an objective reality grounded in conventional belief, is nevertheless in the realm of ideas, because it is not sufficiently tied to ontology. But, short of an objectivist account of ontology, how is the benchmark of ontology to be applied?

Lawson (1997, chapter 7) is quite explicit about the (weak) fallibilism of knowledge in critical realism, albeit knowledge with respect to an objective reality. This leaves open the account of how exactly scientific activity is to be conducted. Peter (1999) forcefully argues that the way in which this issue should be addressed is through analysis of the social constructedness of knowledge, which she argues is inadequately developed in critical realism. Referring to the work of Anderson (1995), she discusses 'social epistemology as the branch of naturalized epistemology that investigates the influence of specifically social factors on knowledge production'. This account echoes the naturalist account of (social) human nature in Hume; epistemology itself has its own ontology in human nature and social structures.

There has been a perception that critical realism and postmodernism are opposing accounts of scientific activity, the former caricatured as objectivist and the latter as subjectivist. Each caricature is problematic: an objectivist form of critical realism is unable to explain exactly how knowledge of causal mechanisms is established, while a purely subjectivist form of postmodernism lacks a grounding in an independent reality (much as Bhaskar criticises Hume). But recent work, consistent with Lawson's fallibilistic account, suggests that there may be a constructive middle ground (see for example Baert, 1996). Since Hume has already specified this ground in his theory of human nature, this would provide a useful source of ideas. In particular the critical realist account of human agency and social structure would benefit from a Humean account of belief, imagination and sympathy. This is important not only for human agency as subject matter, but also for human agency with respect to scientific knowledge.

The argument that Hume's ideas may be relevant for critical realism requires some discussion of context. For all the differences between eighteenth century Scotland and twenty-first century western society, there are nevertheless some important parallels. As with other Enlightenment traditions, the Scottish Enlightenment was a reaction to religious dogmatism as the basis for knowledge. But the Scottish Enlightenment was more sceptical about identifying truth (given the peculiar influence of Stoic philosophy), while at the same time more directly addressed to practical questions than other Enlightenments (in the Roman/Stoic tradition, see Macfie, 1955). The outcome was a non-dualist epistemology, anchored firmly by the pressing need for science to address practical questions. The need for informed judgement was underpinned by the perception that identification of virtue was the outcome of personal/social judgement. This had application equally to questions of religion and to politics (the monarchical succession being based more on virtue than birth). Further, the aim was to provide a sound basis for critical judgement to apply to a time of changing structures, and to effect change in structures.

All these features of Scottish eighteenth century society have relevance to today. In a postmodern age, we are unduly aware of the limitations of knowledge, to the point of approaching the extreme scepticism which Hume recognised in other Enlightenment thought and addressed, but moved beyond. This development in thought has occurred at a time when generating knowledge in new fields is of pressing economic importance. Further, the perceived inability to justify policy action by reason has led to a strong move away from government intervention (in rhetoric if not in practice). This awareness of uncertainty has explicit recognition, for example, in the policy uncertainty literature,

while at the same time policy decisions (even if only not to act) must be made. Meanwhile, rationalism in economics has produced a theoretical structure which is increasingly being regarded as unhelpful at best. But to become focussed on postmodern scepticism or more generally on the limits to reason in economics is not any more helpful. It is in spelling out the way in which we can combine reason with other human/social faculties, in relation to an independent real world, in order to effect change that our best hope lies. In this way, Hume's ideas contribute directly to the critical aspect of critical realism.

## **CONCLUSION**

The argument has been expounded here that Hume's thought, far from being antithetical to critical realism, in fact have much in common with it. Interpretations of Hume out of intellectual context no doubt set philosophy of science off on a path which proved to be antithetical to critical realism. But, just as a reassessment of Keynes which has taken account of his intellectual context has yielded new insights of relevance to modern economics, so a reassessment of Hume may also provide useful insights.

The issue on which Bhaskar's critique of Hume turns is the alleged epistemic fallacy, whereby science is understood purely in epistemic terms, ie with no reference to a real independent subject matter. But Hume's theory of human nature and thus his theory of (socially-constructed) knowledge is naturalist in the sense that it is explicitly ontological. His philosophy thus appears to be more fallibilist than it actually is. Since critical realism is also fallibilist, the distinction between the two is much less marked than Bhaskar suggests. In particular, Hume's practice when engaging in science, far from

conflicting with his philosophy as Bhaskar suggests, demonstrates the common ground shared with critical realism.

It is therefore potentially worthwhile for critical realists to consider Hume in this different light, in particular to assist in addressing the question of how critical realism, as a fallibilist philosophy specifies the way in which theory is to be accountable to reality. There is first the Humean theory of human nature, with the (real) faculties of belief and imagination, as well as sympathy, which could contribute fruitfully to critical realist theory of human agency, as well as the underlying philosophical issue of establishing criteria for progress within critical realism.

More generally, it is potentially worthwhile for critical realists to consider a much broader range of philosophical sources than heretofore. In particular, Hume's philosophy did not arise from a vacuum, but rather drew on a several rich philosophical seams, as noted above. One of the common themes behind these philosophical seams was the practical approach to philosophy arising from the Roman/Stoic tradition. As well as spelling out procedures for establishing scientific advance, critical realism would benefit from more extensive application, ie more instances in which analysis is explicitly designed to transform society, on critical realist principles. Hume continually emphasised the need to check thought against experience, and against common sense, even in philosophy. This should serve as a salutary reminder to critical realists of the practical import of the primacy given to ontology.

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