

## On the current state of German-speaking economics: Paradigmatic orientations and political alignments of German-speaking economists

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## On the current state of German-speaking economics -

Paradigmatic orientations and  
political alignments of  
German-speaking economists



Christian Grimm, Jakob Kapeller, Stephan Pühringer

### At a Glance

- A sample of 708 full professors (Lehrstuhlinhaber\_innen) of economics at German-speaking universities (Austria, Germany and Switzerland)
- Very low percentage of female economists (13%)
- Dominance of microeconomic research orientation (50.35%)
- Paradigmatic classification based on two approaches reveals strong dominance of a neoclassical mainstream (91.27% and 76.11%)
- Heterodox approaches are marginalized and situated at small universities (e.g. Bremen, Darmstadt, Oldenburg, Lüneburg and Jena)
- Rather strong reference to ordoliberal concepts in Germany (8.04%)
- Only a minority of German-speaking economists is doing research on the financial crisis (14.45%)
- The German Economic Association is by far the most important academic association (60% are member of the GEA)
- A substantial part of German-speaking economists (particularly from those active in economic policy advice) are connected to ordoliberal and German neoliberal think tanks, institutions and initiatives (e.g. Walter Eucken Institute, Kronberger Kreis, INSM or the Hamburger Appell)

### Starting point: A crisis of economics?

From the 1970s onwards the economics discipline and economic thought in general are increasingly dominated by the theoretical paradigm of neoclassical economics. Although particularly after the Global Financial and Economic Crisis (GFC) critique against the current state of economics was raised on different levels, neoclassical economics continues to hold its dominant position in the power structure of the economics discipline. This strong dominance has far-reaching consequences for economics as a scientific discipline (e.g. one-sidedness in research and teaching, hierarchical structures, path dependencies and concentration effects as well as disregard of results of other social sciences) but also for societal and political developments (e.g. economization of political and social spheres and increased impact of economic expertise and lobbying organizations).



The study is based on a survey of professors of economics at German, Austrian and Swiss universities, which has been conducted from autumn 2014 to spring 2015 and is based on online biographical research of CVs and information provided by universities and other scientific associations. Therefore we conducted a list of departments of economics in 89 German-speaking universities. We then selected all full professors of economics and thus ended up with a sample of 708 economists, which served as the basis for our detailed analysis of (i) the institutional structure, (ii) the research profile and (iii) the scientific and political involvement of German-speaking economists.

### Who teaches and is doing research in economics at German-speaking universities?

Before we show the main findings of our analysis we offer sociodemographic and descriptive statistical results of the sample of German-speaking professors of economics analyzed in this paper. The largest universities in our sample according to their number of full professors are the University of Bonn with 26, the University of Frankfurt and the LMU Munich with 23, the University of Mannheim with 22, and the University of Hamburg as well as the University of Cologne with 18 full professors of economics. With respect to the gender ratio the percentage of female professors is 13.01%, which is quite similar to the gender ratio of economics professors in other studies. Particularly Switzerland is a negative outlier here with only 7.37% female professors. About 90% of professors of economics at German universities are also German citizens, whereas in Austria the proportion of “domestic” professors is 60.98% and in Switzerland only 34.85%, which can be interpreted as a sign of a common German-speaking labor market as well as a sign of a higher degree of internationalization of Swiss universities.

### Main research areas of German-speaking economics

The analysis of the main research focus of the professors in our sample showed a strong focus on empirical microeconomics. Seven out of the ten most frequently denoted fields of specialization are related to microeconomics (industrial economics, labor market economics, experimental economics, behavioral economics, environmental economics, game theory and applied microeconomics). In total 50.35% of the economists in the sample can be assigned to the field of microeconomics. In contrast 18.76% of the economists were assigned to macroeconomics, 6.63% to public economics (the German “Finanzwissenschaft”) and 6.21% to econometrics and stati-

stics. A rather high number of 126 (17.82%) economists have a research focus between two sub-disciplines (particularly microeconomics and econometrics and macroeconomics and public economics, respectively) and thus are assigned to the category miscellaneous.

### Predominance of a neoclassical mainstream and marginalization of heterodoxy

For the analysis of the paradigmatic structure of German-speaking economics we used publications in economic journals as basis and thus excluded other forms of publications such as books and articles in edited volumes, because modern professional economics academic research is strongly organized by journals. Our approach for the analysis of the paradigmatic structure of economics is twofold. On the one hand we used a categorization scheme for paradigmatic orientation based on journal publications. On the other hand we followed David Colander’s hypothesis of a “plurality of the mainstream” with a research focus in the “edge of economics” (particularly behavioral economics and experimental economics). Both approaches indicate a rather strong predominance of a neoclassical mainstream in economics (91.27% and 76.11%). The classification based on Colander shows that behavioral and experimental economic approaches have become part of the mainstream and there are hardly any signs that these approaches could initiate any kind of paradigm change in economics and thus should be interpreted as axiomatic variations of the mainstream.

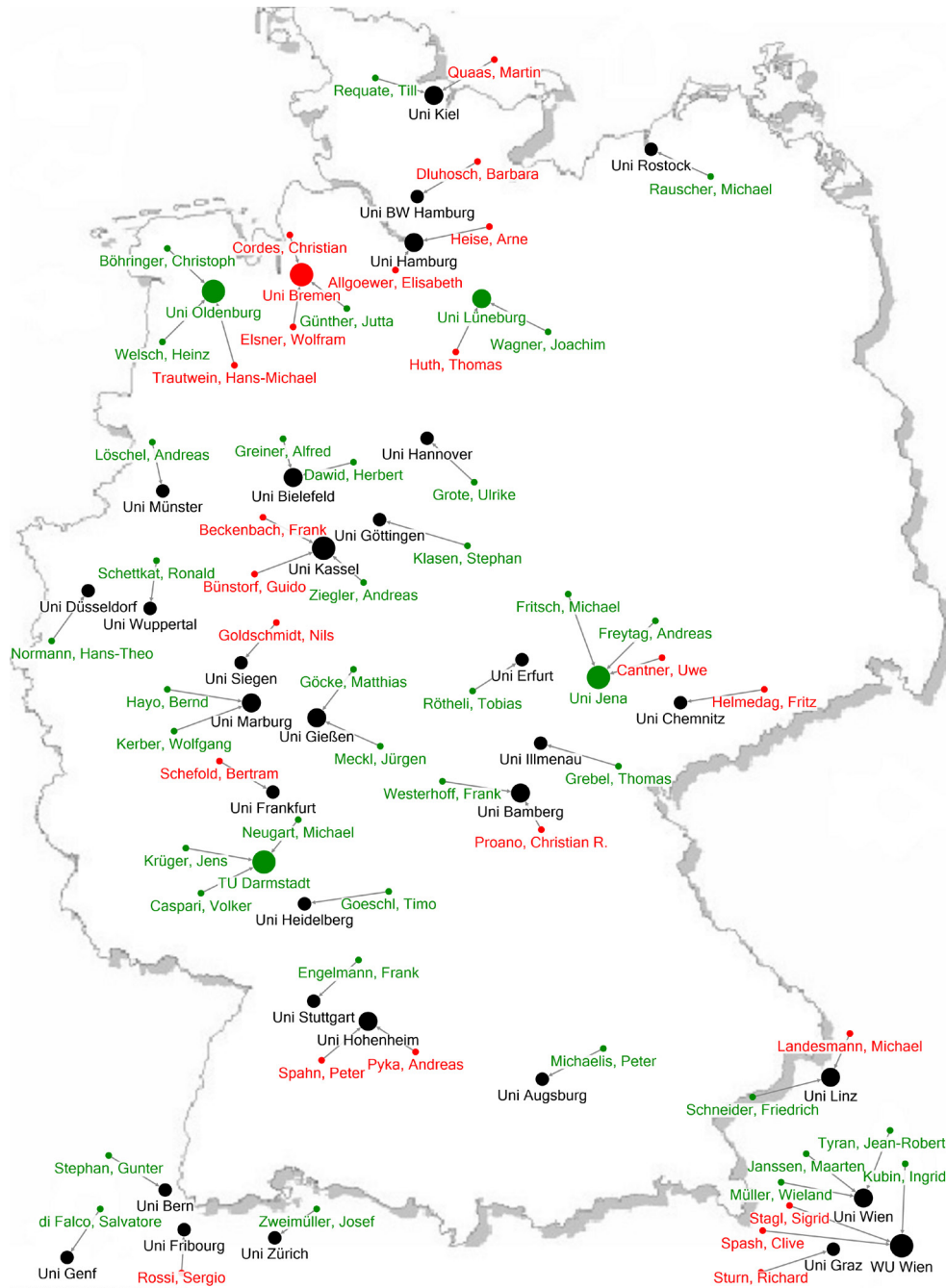
Our results however show that the change inside the mainstream does not lead to more openness towards heterodox approaches. In contrast, we found that in total only 22 (3.15%) of all full professors of economics at German-speaking universities can be assigned to the category “heterodox economics” and about 6% to “plural mainstream”, indicating at least a few publications in heterodox journals. In contrast, more than nine out of ten economists holding a chair at a German-speaking university are nearly exclusively publishing their research in mainstream economic journals. Furthermore it can be shown that heterodox economists are mainly situated at small universities, whereas the big, prestigious universities are nearly exclusively employing mainstream economists. Only five small universities (Bremen, Darmstadt, Oldenburg, Lüneburg and Jena) have a majority of non-mainstream economists. The heterodox economists are significantly older than their mainstream colleagues and are mainly working in the field of post-Key-



FIG. 1

Map of plural and heterodox economics departments in Germany, Austria and Switzerland

Economists, who are assigned to the category "plural mainstream" are plotted green, heterodox economists red.



nesian (8) and evolutionary (7) economics. The ordoliberal German tradition rooted in the Freiburg School of Economics in the 1930s is still a relevant school of economic thought in Germany - 8.04% of the economists in the sample have a reference to ordoliberalism in their research. In Austria (2.22%) and in Switzerland (2.13%) ordoliberalism is in a marginalized position. The Global Financial Crisis (GFC) of 2008 is only of minor

relevance in the research output of German-speaking economists. Only 14.45% of the economists in the sample published books or journal articles dealing with the GFC; for heterodox economists the crisis seems to be a more important research issue. About one third did research on the GFC.



## Political and societal consequences of economic thought

In a last step we analyzed the inner academic as well as societal and political connections of German-speaking economists. On the level of scientific associations we found that the German Economic Association (“Verein für Socialpolitik”) with 427 (60%) of the economists in our sample is the most important association. Moreover also the American Economic Association (12%) and the European Economic Association (11%) serve as important platforms of research exchange. The German Economic Association (GEA) is also the most important association for heterodox and plural economists (77%). Beside the GEA a substantial proportion of this group are also members of plural associations such as the “European Society for the History of Economic Thought” (23%) and the “Arbeitskreis Politische Ökonomie” (18%).

For the purpose of analyzing the political and societal impact of German-speaking economists we researched connections of economists to economic research institutes, scientific advisory bodies as well as think tanks, institutions and initiatives, with a politico-ideological agenda. On the level of “policy support” the CESifo München with 146 (21%), the IZA Bonn with 91 (13%) and the CEPR London with 90 (13%) associates are the quantitatively most important institutions. On the level of “policy involvement” we identified two opposing politico-ideological networks: A German neoliberal/ordoliberal network, organized around the “Walter Eucken Institute”, the “Kronberger Kreis”, the “Hayek Society”, the “Initiative for New Social Market Economy (INSM)” and the “Hamburger Appell”, and a union-linked, Keynesian-oriented alternative network organized around the “Keynes Society” and the “Hans Böckler Stiftung”. We further found a very uneven power balance among these two countervailing actor-networks in favor of the German neoliberal/ordoliberal network. Particularly economists active in economic policy advice still have strong links to German neoliberal/ordoliberal think tanks and institutions, which could offer an explanation for the “German special path” in economic policy after the GFC as well as for the outstanding persistence of neoliberal argumentation and policies among German economic and political elites.

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