

Hard Facts, Distorted Views, and Hope: How to Square Democratic Theory with Realism. An Interview with Lisa Herzog and Enzo Rossi

*Andreas Busen / Alexander Weiß**

***Andreas Busen / Alexander Weiß:** This special section, and the contributions in it, revolve around the question of how to square democratic theory with realism. To what extent, or so we put the question in our introduction, should democratic theorizing take into account reality, or specific elements of our existing reality (such as economic constraints, the digital transformation of society, or the fact that certain natural resources are finite)? And, more specifically, what kind of impact should the resulting realism have on our theory-building? In your work, you are both interested in finding ways of incorporating reality into political theorizing which do take the effects of existing realities seriously, yet still offer at least some perspective as to how things might be transformed, as it were, for the better.*

Let us start with questions to each of you to give us an idea of where you are coming from, what your perspective is and what your contribution to this discussion might be. Let us start with Lisa. Lisa, your work is located at the intersection of political philosophy and economics – a field that you have been working on for quite a long time. To what extent, in your opinion, do philosophers and economists refer to reality differently, and what does this mean for your own idea of how theorizing should reflect reality?

Lisa Herzog: Let me start by telling you that my reasons for wanting to study economics, in addition to philosophy, were partly motivated by a certain kind of realist drive. I had the impression that while there is a wide consensus on certain idealistic principles about how to make the world a better place, people still disagreed on which economic policies would achieve this. And I wanted to understand why that was.

I finished my studies just before the big financial crisis, which was certainly a watershed moment for economists. The mainstream of economics was (and arguably still is) the rational choice approach: You start with an individualistic picture of human agency.

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You express human behaviour in a utility function. All agents are usually modelled the same. It's all about choice given a certain set of incentives. It's not about burdens, it's not about responsibilities, it's not about commitments. Maybe it's about costs. But this already raises the question of whether that is the same or not. Also, the choices are never tragic. And, whatever choice you make, it is always seen as just. Do you buy this or that, do you hire a few more people or not? All of this is presented in a very serene way, and that is meant to be realistic. But of course, in certain ways, it is also completely unrealistic.

And in a certain type of philosophy, you have similar underlying assumptions. People sometimes characterize this as a variation of a negative, egoistic *homo economicus* approach because it is focused on people's own utility. But, at the same time, it is obviously also a somewhat flattering picture of human agency, precisely because it is all about individuals, free from social constraints, making their own choices, and being entirely sovereign consumers or investors.

What is really unrealistic, however, when this approach is used either in philosophy or in economics, is that the social embeddedness of human action, human thinking, and human behaviour is entirely missing from the picture. So, social norms hardly play a role, culture hardly plays a role, and even the very language in which things are framed is not made an issue – and that, of course, all makes it very unrealistic in a certain way. In my own research, I have always found it very important to use qualitative empirical research, either by reading from other people or, to some extent, doing my own empirical research, as a counterweight to this highly abstract modelling in order to get a better understanding of the dazzling variety of different social contexts. This gives you a chance of grounding things more.

But there is an immediate challenge, which I think both philosophers and economists tend to be allergic to, which is that it gets incredibly messy and complex both on the descriptive and on the normative level. Both economics and philosophy (or political theory) are disciplines that want to say general things that hold across contexts. Yet this messiness of reality makes it very difficult to find the right level of abstraction if you want to be both realistic and yet be able to say things that don't hold just in relation to one specific case study.

Andreas/Alexander: You have described your motivation for studying economics as an attempt to complement the study of philosophy with a more realistic perspective on the social world. To what extent was economics the obvious choice in view of this particular aim? After all, you have just alluded to the mainstream of economics not being based on an exactly realistic view of the human agency...

Lisa: This speaks very much to the huge frustration I felt when, having studied economics, I realized that while I had learnt so much about models, in order to understand what those models actually say about economic reality, I needed to delve further into economic history, economic sociology, organization studies, psychology, and many other fields. In hindsight, this frustration did in no small part result from realizing that my choice of economics as a subject had been influenced by the – ideological – notion that economics is