

# **Alternative New Economic Geographies: Competing or Complementary Paradigms?**

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# The Debate

- **The rise of ‘new’ Economic Geographies**
- **NEG - ‘New Economic Geography’:**
  - **Mainstream economics goes spatial**
- **HEG - ‘New Heterodox Economic Geography’:**
  - **Economic geography proper goes institutional/relational/socio-cultural/evolutionary**
- **Methodenstreit: A clash of paradigms?**

# Comparing the Two 'New Economic Geographies'

	<b>New Economic Geography (NEG)</b>	<b>New Heterodox Economic Geography (HEG)</b>
<b>Main Foci</b>	(Micro)economics of spatial agglomeration of economic activity at various geographical scales; industrial location; regional trade; regional convergence/divergence	(Re)localisation of economic activity; clusters; geographies of innovation; spatial knowledge networks; neo-Marshallian externalities and socio-institutional embeddedness
<b>Economic Theory</b>	Extension of mainstream theory to incorporate increasing returns, imperfect competition and multiple equilibria	Increasing focus on institutional and evolutionary economics, and on economic sociology and cultural-economy
<b>Ontology</b>	Flat ontology. Economic landscape as geometric, closed, deterministic and equilibrating system	Structured (depth) ontology. Economic landscape as open, contingent, recursive and socially and historically produced

# Comparing the Two 'New Economic Geographies'

	<b>New Economic Geography (NEG)</b>	<b>New Heterodox Economic Geography (HEG)</b>
<b>Epistemology</b>	Deductive, abstract theorizing. Theory as models. Model solutions as explanation	Critical realist and pragmatic. Theory as explanation of process.
<b>Methodology</b>	Formal mathematical model building. Numerical simulations dominate over empirical testing.	Discursive, empirically grounded, intensive and often case-study and actor orientated.
<b>Role of History and Institutions</b>	Either ignored, or reduced to initial conditions and solution sequences of models	Considered central, and basic to path-dependent and adaptive evolution of economic landscape

# **Where do We Go from Here? In Search of Common Ground**

- **What are the prospects for the relationship between the ‘new geographical economists’ and economic geographers?**
- **Possible scenarios:**
  - **Dissonance (Irreconcilable Differences)?**
  - **Rapprochement (Middle or Third Way)?**
  - **Theoretical and Methodological Triangulation?**
  - **Embrace Pluralism?**

# Where do We Go from Here? The Elusive Common Ground

<b>Dissonance</b>	Dialogue of the deaf Sharp and irreconcilable ontological, epistemological and methodological differences
<b>Rapprochement (Third Way)</b>	Move to carve a third or middle way between abstract formalism of geographical economics, and qualitative economic geography, through appeal to re-establish scientific method and statistical testing of hypotheses
<b>Triangulation</b>	Scope for theoretical and methodological triangulation. NEG models can guide HEG causal narratives, while latter can provide explanations for the former
<b>Embrace Pluralism</b>	Exploring possibilities of epistemological and methodological pluralism and constructing complementarities and collaborations