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Thought Experiments in Economics and the Role of Coherent Explanations*

ABSTRACT. Starting from the ‘thought experimenter’s dilemma’ this paper develops a novel account of thought experiments, according to which these help to establish coherent explanations of phenomena of interest. Though in principle applicable to cases across science, the focus of this paper is thought experiments in economics, five different types of which are distinguished here.

KEY WORDS: thought experiments, economics, methodology, scientific explanation

1. Introduction

That thought experiments (TEs) are widely used across the sciences and social sciences poses a riddle for those who think that we can learn new facts only through observation and experimentation. The view that TEs provide genuine knowledge of new facts conflicts with deeply held beliefs about the sources of our knowledge and make it mysterious how we gain this knowledge. On the other hand, if one maintains that TEs do not provide such knowledge, we have to explain the appearance to the contrary as well as their popularity in science.

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