Introduction

From the contents of the preceding chapters in this volume, it follows that it is perhaps no exaggeration to conclude that TCE is on the verge of establishing itself as the new orthodoxy in the new theory of the firm, that is to say, in the group of theories in which the firm is considered more than a production function. TCE can be considered the new orthodoxy, because compared to the other theories, the approach is well-established, its theoretical framework is well-developed, with hypotheses in many areas of economics and with positive results of empirical testing. From the preceding chapters, it has also become clear that many critics are arguing that the analysis should go beyond TCE and indicating how that should be done. In these conclusions, we want to address the intricate question: if the current state of the art is thus cursorily but correctly characterized, then what is the best way to proceed?

Any answer to this question presupposes some notion of progressiveness. The notion that we entertain is in a loose way derived from Lakatos's ideas on the theoretical and empirical progressiveness of scientific research programs. Lakatos's ideas are not only suited to examine the prospects of
further developments of TCE, but they also allow us to reach a better understand­
ing of the characteristic features of TCE as a theoretical enterprise. In turn, this makes it possible to find out whether the points raised by critics are (in)compatible with the basic theoretical tenets of TCE.

In a nutshell, we shall argue that TCE started off as a progressive research program, but it now runs the danger of turning into a degenerating program, unless valuable insights that critics of TCE bring to the fore are in one way or another added to the basic understanding of organizational issues that TCE has achieved. In Williamson (1993), the position is taken that TCE and the sociological organization theory have a lot to offer to each other, can certainly learn from each other, and live in a situation of "a healthy tension."

If different theories can be relevant, the question arises as to how, in a pluralistic approach towards questions of economic organization, the different theories can be combined. This is the main question which we address in this concluding chapter. First we discuss TCE as a scientific research program, then we briefly present rival theories, and we conclude with a suggestion as to what a pluralistic approach can look like.

**Individuating Lakatosian Research Program**

Lakatos's work on scientific research programs (SRPs) has been referred to by several methodologists to shed some light on the development of economic theories (see, e.g., Blaug, 1980; Latsis, 1976; de Marchi and Blaug, 1991; Weintraub, 1985, 1988). Others have contested the applicability of the Lakatosian framework to economics. Some have argued that it gives economic science a sense of dignity that it does not deserve (Rosenberg, 1986). Many have expressed doubts as to whether the key notions of hard-core, protective-belt, positive and negative heuristics, and theoretical and empirical progressiveness could be unequivocally identified in economics. It is questioned whether there are SRPs in the strict Lakatosian sense to be found in economics at all.

Even if this latter question is answered in the affirmative (e.g., by a more loose application of the Lakatosian framework), further complications arise. For example, how can we tell whether some sequence or cluster of theories belongs to the same SRP or to different SRPs? Of special interest in this respect is the Lakatosian notion of the hard core of a SRP. The hard core of an SRP consists of some fundamental propositions that constitute the heart of the theoretical enterprise. The hard core is shielded from empirical falsi-