

CHAPTER 2

ECONOMICS IN THE AGE OF CRISES: BETWEEN ANTI-ECONOMICS AND ECONOMIC TRIUMPHALISM

Preliminary Notes

Crises phenomena appearing in the global economy, initiated by the crises on the subprime mortgage market in the U.S., caused the intensification of the discussion regarding the future of the market economy as well as the condition and the continued development of economics as a subject. It is quite popular opinion that is something wrong with economics¹. It is to a great extent understandable, the scale of the problems which are linked to the current crises will facilitate the formation of sometimes extremely radical theories and opinions.

In the essay below, an attempt will be made to present what the author deems to be the most important areas of discussion pertaining to the current status and future of economics. The title of the essay reflects the spectrum of opinions with which one can come in contact in the field of contemporary economics. At one of the extreme ends of the spectrum are opinions which suggest or can be treated as an expression of contemporary anti-economics. This notion, being as old as economics itself, leads to the negation of the utility of economics and the ability to teach economics or even the accusation that economics (in essence economists as opposed to economics itself) causes, through the promotion of incorrect concepts, the emergence or intensification of various negative social phenomena. Contemporary anti-economics rarely takes a marginal form leading to the negation of the taught status of economics. Contemporary anti-economics rather expresses itself in the questioning of a certain method of observation and analysis of economic phenomena particularly typical for mainstream economics. It is represented not only by those from beyond the economics environment but also by some economists, especially those linked with the most radical cells of alternative economics².

A second extreme in the discussions regarding the condition of economics is tied to the views which not only bear witness to economic imperialism but can be treated as an expression of triumphalism.³ Economic triumphalism, in the author's interpretation, is the

¹ An example of such opinion can be find in report prepared by D. Colander, H. Folmerr, A. Hass, M. Goldberg, K. Juselius, A. Kirman, T. Lux and B. Sloth: " We believe that economics has been trapped in a sub-optimal equilibrium in which much of its research efforts are not directed towards the most prevalent needs of society. Paradoxically self-reinforcing feedback effects within the profession may have led to the dominance of a paradigm that has no solid methodological basis and whose empirical performance is, to say the least, modest. Defining away the most prevalent economic problems of modern economies and failing to communicate the limitations and assumptions of its popular models, the economics profession bears some responsibility for the current crisis." (The Financial Crisis and the Systemic Failure of Academic Economics, <http://sandcat.middlebury.edu/econ/repec/mdl/ancoec/0901.pdf>, p.13)

² An expression of such very radical views is the book titled "Crises in Economics" (edited by E.Fullbrock (2003), Routledge, advertised using this text "Economics can be pretty boring. Drier than Death Valley, the discipline is obsessed with mathematics and compounds this by arrogantly assuming its techniques can be brought to bear on the other social sciences."(www.routledge.com).

³ Let us remind ourselves that the concept of economic imperialism is associated with the extension of economic analysis to other fields of social life other than those which fall in to the sphere of economics, as well as the

perception that economics is a subject which does not allow for the discussion of its postulates and at the same time the assignment of its superiority in relation to other social sciences⁴.

The conviction of the author of this essay is that contemporary economics is not as bad as claimed by those who raise at least the issue of economists not being able to predict the latest crises, or that it is as perfect as perceived by those who do not see the necessity of significant changes in this field of study who at best are susceptible to discussing the differentiated competencies of economists themselves⁵

In the author's opinion, the reality of economics as a subject is a reflection of the problems which are typical of social sciences. The only difference being that a certain group of economists, in particular those linked to modern mainstream economics, presented and continue to present the achievements of economics in such a way as if the subject were an exact science, which as subjects are expected to provide a greater amount of precision and predictive ability than the social sciences⁶. Put another way, economics and economists fall prey time and time again to the process of granting themselves a specific nobility within the realm of social sciences and, as is well known, "noblesse oblige" (with nobility come responsibilities)⁷. Since the level of formalization of some economics texts is comparable with the works from the field of exact science and even formal subjects such as mathematics, it is necessary to be prepared for the fact that in light of this there is an increasing level of expectation regarding the precision of answers not just regarding how the Great Depression from the 20s and 30s ran its course but, above all, how the latest crises will continue to progress, how to fight it and what can be done to avoid similar occurrences in the future. It is not possible to continuously isolate oneself from other social sciences and in difficult times protect oneself with a shield of complexity, evolution and limited predictive capability regarding social phenomena.

Problems with Contemporary Economics

Discussion over contemporary economics as a subject is not simple for a number of reasons. First of all there is no universally accepted definition of economics. Two main approaches to the definition of economics are, the approach that has evolved from the traditions of Classical economics and the concepts used in Adam Smith's fundamental text.

inclusion of economic analysis tools in the arsenal of research tools of other social sciences.

⁴ At this point we quote the opinion attributed to Gregory Stigler, one of the winners of the Nobel prize in economics, who in answer to the question why there are no Nobel prizes from other areas of social sciences answered: "Do not worry about them, they have the Nobel prize in literature of course" (quote from Ł.Goczek (2007), *Ekspansja teorii ekonomii*, w: Balcerzak A.P., Górecka D. (red.), *Dylematy teorii ekonomii w rzeczywistości gospodarczej XXI wieku*, Wyd. A. Marszałek, Toruń.

⁵ The duet of two Warsaw University Professors in the column published in *Rzeczpospolita* newspaper regarding the need for change in economics, Tomasz Żylicz, referring skeptically to the need for change in economics suggested by Zbigniew Hockuba (Hockuba 2009), wrote that it is not economics that requires change but those economists who he described as poor (Żylicz 2009). Contextually it was possible to conclude that he was referring to those unfamiliar with or incorrectly interpreting contemporary mainstream economics.

⁶ John Stuart Mill first called economics "inexact science" But inexact not means easy or not science at all. Tom G. Buchholz writes „Economics may not be a „hard” science. But that does not mean it is an easy science. Because it is so fluid, it is hard to hold in place and to study.” (T.G. Buchholz (2007), *New Ideas from Dead Economists*, Plume, p.308).

⁷ An expression of this nobility for some economists is the Nobel Memorial Prize in Economic Science. Let us remind ourselves, that this prize was not among those established by A. Nobel himself and that the granting of the first such award took place only in 1969 and therefore over fifty years after the initiation of the Nobel awards linked to the will of A. Nobel, which does not foresee the expansion of the initially established list of prizes. Moreover, even today some of A. Nobel's heirs and some public opinion have never accepted the prize in economics as a fully-fledged Nobel prize.

The approach in defining economics based upon this tradition is described as a “span,” which aims to (although in various ways by various authors) set out the boundaries of that which economics should deal with. The beginnings of the second approach to defining economics are linked with Lionel Robbins and his description of economics as a “science which measures the behaviour of man as the relationship between aims and limited resources which can be applied in various ways.”⁸ This definition belongs to the approach, which is known as Essentialism and attempts to describe the essence of the facts which have economic characteristics.

The second reason for which scholarly considerations in an economic dimension do not belong to the easiest of tasks is linked with the clear and persistent division among economists in to those who are attributed to the positivistic-deductive approach and those who can be described as representatives of the historic-empirical approach, which has persisted from the rise of the Historic school on one side and the Lausanne school or, alternatively, the mathematical school on the other.⁹ The first group attempt to make economics a science which could fulfill the criteria akin to those which apply to the formal sciences also described as deductive or priori. The best examples of such sciences are mathematics and logic. The very far-reaching application of mathematics is typical of the positive-deductive stream in economics. In the extreme version, mathematics becomes a selection criterion as opposed to a analysis tool which deserves to be called a scientific problem as well as a final tool for verifying whether or not studies that have been carried out are correct (Mayer, 1996, p.43). The positive-deductive stream in economics is identified with the development of formalistic theories which in their purist forms constitute a group of theorems.

The historic-empirical approach concentrates on that which attributes economics to the social sciences within the scope of empirical, inductive or even a posteriori studies. In empirical studies, facts are also a source which allows for the possibility of describing a law and also form a basis for its verification. In the historic-empirical approach, mathematics constitutes only one tool. Specific concerns regarding the formal elegance of arguments are a characteristic of this approach, as is the pursuit of creating models to embrace analyzed phenomena. From the perspective of the positivistic-deductive approach, accusations of inadequacy pertaining to the scientific nature of arguments are made, aimed at representatives of the historic-empirical approach.

Discussions regarding the extent to which economics can have a positive dimension as opposed to a normative one (Blaug, 1995, p.177, Czarny, 2004, p.58-73) continues in the backdrop of the dispute between the two described approaches. The clash of views between those whose ideal science is tied to the unambiguous separation from all value judgments and those who claim that the avoidance of value judgments is very difficult if not impossible especially within the social sciences to which economics is attributed, is not limited just to economics.¹⁰ In the opinion of the latter, the idea of positivity can only be reached by paying the price of limiting analysis to that which is stripped of any historic or social context, which leads to conclusions which are either erroneous or so general that they are useless in practice.

All comments regarding the main ways of practicing economics as a science, which have been presented thus far, can be expressed in several fundamental issues. The first is a question regarding the universality of findings and therefore including that which can be

⁸ Quote from: A. Glapiński, (2006), *Meandry historii ekonomii. Między matematyką a poezją*, Szkoła Główna Handlowa, Warszawa 2006, p.24. The ideology regarding the approach to defining economics was sourced from the same work.

⁹ *Ibid*, p.27-28

¹⁰ Halina Zboroń, the author of an interesting work on the subject of the philosophical and sociological context of economics, follows a similar vein in her conclusions. See: H. Zboroń, *Teorie ekonomiczne w perspektywie poznawczej konstruktywizmu społecznego*, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań

described as economic law. There are two possible extreme stances in this matter. On one side is a vision of economics as an ahistorical science whose findings are always as true as everywhere else. On the other side is a vision of economics as a science within which no laws can be formulated as a result of the time and spatial variability of the studied subjects. In accordance with this point of view, only the concepts of trend, analogy, regularity but not law can be used within the field of economics, for everywhere means nowhere and always in reality, however, usually means never.

The second issue is the dispute over the role of abstract and deduction. Again, two possible marginal approaches are, on one side, the vision of so-called pure economics, or a science aiming towards the ideology which is the inscrutable example of mathematics as a science. In the opinion of opponents of this vision of economics, the care and attention regarding accuracy or indeed the specific elegance and formal aspect of arguments emphatically dominates, in this case, over the pursuit of truth in the sense of strict references to reality and over the practical usefulness of obtained results. In terms of the clash over the role of abstract and deduction, another possible extreme stance is the reduction of economics to a purely inductive science, in which there is no room for abstract and which aims to only generalize minor empirical studies. This approach threatens to trivialize scientific studies, risks the over-use of the *pars pro toto* principle and confining studies to that which can be described as the pre-theoretical stage of science.

The third area of discussion is the role of mathematics and quantitative methods which is sometimes brought down to the division in to the so-called quantitative approach and qualitative approach in economics. Again, the two possible extreme stances are on one side, as mentioned above, the treatment of mathematics not as an analytic tool but as a tool used for selecting that which deserves to be described as a scientific problem because it is possible to translate it in to mathematical language. On the other side is the idea of the futility and impossibility of deeper references to mathematics, which is unable to reflect the whole complexity of economic phenomena and especially changes of a qualitative character¹¹. In reference to the clash over the role of mathematics in economics, it is difficult not to notice that the majority of work fundamental for the development of economics is based upon quite limited mathematical apparatus and is included in the qualitative approach rather than in the quantitative. On the other hand, it is important to stress that mathematics often ruthlessly strips all the weak points in logical arguments and likewise constitutes a certain rigor which defends against the practicing of economics in a manner contaminated with what is often called Ricardo's sin¹².

The next area of dispute on the subject of economics as a science is the already mentioned issue of the links between economics with other social sciences. On one hand is the possible idea of pure economics, or a science fully allowing for the application of mathematics and also cleansed of a social context. On the other hand are the marginal supporters of the holistic approach in accordance with which it is not possible to separate economics and economic analysis from other social sciences. Such a vision was and is close to the representatives of the so-called old or traditional institutionalism. Writing about economics as an element of social sciences it is necessary to recall that Adam Smith, generally perceived to be the father of economics as a science, was not just the author of the

¹¹ In Paul Krugman's opinion "the economics profession went astray because economists, as a group, mistook beauty, clad in impressive-looking mathematics, for truth", (2009, How Did Economists Get It So Wrong?, The New York Times, 6.09.2009).

¹² David Ricardo, being a being a great polemicist, did not shy away from such formulations in his statements in which he very clearly exhibited and encompassed all that which fit the theories which he wanted to prove, but skillfully avoided or reduced the importance of that which was contrary with the accepted theory.

famous “Inquiry into the Nature and Causes of the Wealth of Nations,” but also – very rarely referred to by contemporary economists – “The Theory of Moral Sentiments.” It seems that only a joint analysis of both works allows to obtain a full picture of A. Smith’s views on economic and social life as elements inextricably tied to each other.

Finally and probably the most important issue from the perspective of discussions regarding economics as a science and particularly in its contemporary form, is the question regarding the paradigm, or a kind of collection of fundamental assumptions on which a science is based. From this perspective we can, on one hand, identify a so-called mainstream economics which mainly refers to the paradigm which reaches with its roots to traditional neoclassical economics. Representatives of various schools and streams of contemporary economics function beyond mainstream economics. The problem, however, is based upon the fact that none of the alternative schools is able to propose a paradigm which would be able to compete or form an alternative to the assumptions of mainstream economics. In effect, alternative economics rather fulfills a role of a sometimes effective critic of the weaknesses of mainstream economics, as opposed to an equivalent partner offering an alternative way of practicing economics.

Discussions regarding a paradigm or even the paradigms of contemporary economics is somewhat linked to the question “is or should economics be a pluralistic science?” Pluralism in this sense means something more than just tolerating the existence of schools or concepts of sometimes critically different sources, or visions of economic mechanisms. The fact that such different schools or directions exist is only an expression of diversity. Pluralism, however, according to its postulators should be based on the situation akin to that of contemporary physics, in which sometimes fundamentally different theories jointly exist and develop, while each of them has an important status in the development of physics as a whole. In economics both the divide in to so-called orthodox and heterodox, main stream and alternative economics is more or less clearly linked to the hierarchisation and recognition of various schools and concepts as right, the only right, or decisive rejections of others. An example is both the Keynesian fashion known from the past or the later fashion for it being occasionally radically condemned or rejected as is the current fashion of institutionalism.

Time for Change in Economics?

In the previous fragment of this essay I attempted to show the particularly important problems or dilemmas of contemporary economics. Another issue, which applies to the consequences of so-called postmodernism, could be added to this list and would be worthy of a separate essay. In the simplest terms, postmodernism is linked to the departure from typical modernistic traditions of truth as an absolute value and the general absolutization of any values. Everything is more or less relative. This excludes the possibility of constructing theories based upon the idea of objectivism, especially in the social sciences. Problems linked to postmodernism are accompanied by the gap, which repeatedly makes itself known, between sciences such as economics (which is conventionally described as laboratory) and a science in its popular or media version adjusted to the demands of mass culture. The former attempts to respect the various rigorous demands of analysis and inference. The latter is distinctly less rigorous but then again often more spectacular and is presented as non-disputable. In effect, public opinion often associates economics above all with popular experts, thanks to their presence in the media, who do not necessarily have to be high class specialists, but then again often, willingly and resolutely express themselves on the subject of various phenomena. It is possible of course or even desirable that economics, in its purest scientific sense, be combined with specific economics in a popular version, but this is not an

easy task and is not equally accessible to all¹³.

Posing the question “is it time for change in economics” and trying to indicate some of the possible components of this change we notice that periods of significant turbulence in economic practice, as I mentioned in the introduction, facilitate the intensification of discussions regarding changes in economics. Periods of crises phenomena cause a buildup of doubt regarding the correctness or even the effective application of previous theoretical concepts. This is what happened during the Great Depression which led to the clear weakening of faith in the ideals of the generally reliable market self-regulation lauded by the then dominant neoclassical school, which consequently caused, among others, the star that was John Maynard Keynes to shine

Is today’s situation reminiscent of the times of the Great Depression? It seems that just as caution must be exercised in practical comparisons, it is also worth applying restraint with respect to discussions over economics as a science. In the last eighty years that have passed since the outbreak of the Great Depression, the world and economics have changed significantly. Let us remember that when the Great Depression began, even though economics had developed over more than one hundred years, including the publication of the “Inquiry into the Nature and Causes of the Wealth of Nations,” it was still relatively young and not until recently, since the end of the nineteenth and beginning of the twentieth centuries, existed as a separate academic area of study. During the eighty years since the Great Depression, economics strengthened and enriched itself, among others, thanks to the broad application of mathematical tools.

When observing economics, the statement that the science has changed only in the sense that transformations have been evolutionary in character and that there is nothing to indicate that some sort of violent paradigmatic change, equivalent to that of the Keynesian revolution, has taken place, seems reasonable. Recognition, that a revolution is not likely to occur in economics and perceiving the ongoing evolution does not mean that certain statements regarding these changes cannot be formulated which, in the conviction of the author should, to a greater degree than observed to-date, be reflected in the transformation of economics. These changes should be linked to the broader inclusion of the historic dimension of economic phenomena and economics itself, the revival of the ideal that economics belongs to the social sciences and a reviewed approach to the possibilities of mathematization of economics, taking in to account realities.

With respect to the first issue, it is important to note the tendency to limit or even eliminate such subjects as the history of economics or the history of economic thought, which is visible even at the level of most economic teaching programs. Even at this stage of developing both future practicing economists and economic researchers, the level of awareness that economic phenomena are historic phenomena, often cumulative or repetitive albeit in different conditions, is disappearing or has been severely limited. The lack of awareness of historic economic phenomena and their links with different social phenomena means that the scope of economic thought is being limited to the here and now. The lack of a historic aspect makes it difficult to perceive that here and now will soon be there and then, albeit its consequences may yet impact future events. The lack of historic knowledge means that a peculiar slang is being formed, based on references to excerpts of the achievements of economic classics which are more or less in line with the current facts. An example is the attribution of “the invisible market hand” to Smith. Almost all defendants of the freedom of market forces repeat this as a mantra, albeit few know that Smith used the term “invisible hand” in the “Inquiry Into The Nature And Causes Of Wealth Of Nations” only once without

¹³ A good example of this type of combination including its skillful popularization is the Paul Krugman, the winner of the 2008 Nobel Memorial Prize in Economic Science.

elaborating with the word “market,” even when the assumed addition of this word results from the analysis included in his work. The lack of historical knowledge means that there is a risk that the “Chinese Whispers” effect may arise whereby the reference to almost only the so called newest literature in our own work means that views or concepts are first met in mainly secondary form and are sometimes themselves deformed. The lack of historic awareness as well as the awareness of the mainly evolutionary as opposed to the revolutionary development of economics means that not necessarily the appropriate developments are assessed where there are significant loop holes demanding filling in the fabric of economic knowledge and where in effect beyond exercising one’s intellect, we are not able to achieve much. The postulate of strengthening the historic dimension of economics is also the aim of the development of empirical research akin to that which is the subject of interest in cliometrics. A relatively large number of concepts function in economics which are subjected to attempts of solid empirical verification in a limited scope, albeit not necessarily due to the lack of appropriate historical data.

The problem with refreshing the notion of economics belonging to the social sciences includes two issues. One is the need for openness which does not mean that concepts developed within the social sciences should be accepted without criticism. Economics should move from economic imperialism and its own form of separatism, with respect to other social sciences, towards the notion of cooperation and joint enrichment.¹⁴

The second and probably more important issue is the need for recognition that the social dimension of economics means, that the visions of an economic individual as a kind of machine that calculates costs and benefits with a very limited or zero input of the environment, do not quite match. For Adam Smith, equally important was the mechanism which he presented in the “Inquiry,” according to which the desire for profit plays an important part in our behaviour, which is a somewhat different picture of human behaviour than previously presented in “The Theory of Moral Sentiments.” However, it does not seem that the solution to the problems tied to the concept of “Homo Oeconomicus” was the straightforward adoption of the vision “Homo Sociologicus” or the concept typical of the behaviouristic approach. The conscious but not just declarative acceptance of economics as a social science should involve the acceptance of the economic world’s variability and the evolutionary character of economic phenomena. Of course as a starting point for economic analysis and highly abstractive models it is possible to step away from the idea of evolution, but this should be treated as a specific idealistic assumption and not a foundation of economic analysis.

Recognition of the evolutionary nature of economic phenomena should more often than to-date be accompanied by the genuine and not merely declarative recognition that “institutions matter.” It would, of course, be an exaggeration to claim that institutional economics should become a kind of new orthodoxy. However, the postulates of some of the followers of the so-called traditional institutionalism, as well as the concepts made popular by the supporters of the so-called new institutional economics will, as is expected, be increasingly present in economics.

¹⁴ An attempt at summarizing the current status of the discussion pertaining to the relationship between economics and other social sciences, made by representatives of economic sciences, is included in the article of Michał Brzezinski, Marian Gorynia and Zbigniew Hockuba, *Ekonomia a inne nauki społeczne na początku XXIw. Między imperializmem a kooperacją*, „*Ekonomista*” 2008, nr 1, p. 201 – 232. The sociological perspective regarding the ties between economics, sociology and other social sciences is included, among others, in the article by Michał Czwaro (Homo oeconomicus kontra homo sociologicus, czyli dlaczego ekonomiści nie lubią socjologów, a socjologowie nie przepadają za ekonomistami, „*Studia Socjologiczne*” 2003, nr 3, pp.113-136). A. K. Koźmiński in: *Ekonomia a inne nauki społeczne*, MBA 2008, nr 1, p.74-80 writes on the subject of the relationship between economics and other social sciences. This text includes, among others, a quite bold and controversial theory that the “era of great economic theories have passed” (p. 74).

And finally the mathematization of economics. Appreciating the scholarly achievements, being the effect of the application of mathematics in economics, it should be noted that economic problems can not be brought down to either a set of axioms or mathematic puzzles. Excessive exposure of the mechanical and mathematical dimension of economics results in practice and in the financial sector for example, in the birth of the specific temptation to view formal solutions (new complicated products in a mechanical and mathematical sense) as a specific panaceum for traditional problems and in particular those linked with the concept of decision risk.¹⁵ The overvaluation of views regarding the role of mathematics in economics should not be identified with the concept of the limited application of mathematics, but even in the increase it is use. However this, as it seems, will be tied to the diminishing role of economics in the service of mathematics, or economics used as specific training material for the perfection of mathematics and mathematized forms of presenting knowledge. Instead, there will be an increasing role of mathematics in the service of economics (Czarny, 2007, p.69-70).

Concluding Remarks

Economics will never be a science equivalent to the formal sciences or even the natural sciences. This is a result of the nature of social sciences, to which economics belongs. It would be good for its future development, if economists would come to terms with this fact, but it would not, simultaneously, serve as a justification for reducing economics to a fragmented description of the surrounding world and a specific set of studied cases. The subject requires generalization and the construction of theories even if from a historic perspective we come to the conclusion that they are imperfect or even flawed. It should also be remembered that despite the development of experimental economics, in particular with respect to macroeconomic phenomena, the possibilities regarding the verification of theoretical concepts remain and will continue to remain limited. It does not guarantee success in the development of econometric models and related simulations of real processes. Our predictive capability will always be imperfect due to the variability and complexity of economic phenomena which, apart from the world of pure economics, can not be separated from other social phenomena. In effect, there will always be room for the famous and not quite diagnosed invisible hand, who's actions Adam Smith attempted to describe and was not really able to fully explain in any other convincing way.

Economics should also become more pluralistic in the sense that it should accept various theories and concepts that draw on sometimes different paradigms. Besides, apart from the most ardent supporters of the pure approach in terms of a particular school or theory, economists are increasingly practicing eclectic economics or even so-called complex economics (Wojtyna, 2008). Of course, just as in the case of the previously discussed linking of economics with other sciences, eclecticism or complexity can not be synonymous of a specific economic mish-mash.

Some (although obviously this does not apply to all) economists could do with a dose of humility given the complexity of the world, which they are trying to familiarize themselves

¹⁵ It is worthwhile drawing attention to the quite important role of some economists tied to the academic environment and in particular specialists in the field of finance. On one side, these individuals, of particular importance at this point are the prominent representatives of American universities, jointly created or created new concepts such as shareholder value or methods for derivative instrument valuation (the latter was even honored with one of the most controversial Nobel prizes for Robert Merton and Myron Scholes in 1997) and spread these ideas both throughout and outside of the academic world. On the other side, they often cared about the incorporation of these concepts in practice within financial institutions, performing the functions of advisors or even managers.

with and understand, as well as the associated limitations of the science that they practice. Of course, opinions that lead to the scholarly status of economics being disavowed, just as in the case of the remainder of social sciences and humanics should be fought, but this should not take the form of economic triumphalism. Between anti-economism and economic triumphalism there is a place for a solid science, albeit different to physics or biology.¹⁶ It is also worthwhile remembering the words of Henry Hazlitt and that “today is tomorrow, which yesterday was neglected by bad economists.” Of course, just like every such type of bon mot, this saying can be deemed too simplified or unfair. The majority of economists simply try to practice their profession in accordance with the best knowledge available, thereby attempting to understand economics which can be perceived as fascinating or even beautiful¹⁷. The difference is that, just as was said by Milton Friedman, “What makes science so fascinating is that its fundamental principles are so simple that anyone can understand them, yet few understand them.”

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¹⁶ At this point it is worthwhile mentioning the results of a survey carried out in the USA in 2006, where 2300 individuals were requested to describe the scientific status of various areas of knowledge. There were four possible scientific statuses: very scientific, pretty scientific, not too scientific and not at all. In the case of physics, biology and medicine over 90% of respondents assigned them very or pretty scientific statuses. In the case of economics, only 51% of respondents assigned it a very or pretty scientific status, whilst 45% of respondents treated economics as not too scientific or completely unscientific. Also in the case of accountancy, which was included in the survey, 34% of the survey’s participants assigned it a very or pretty scientific status and 63% as not too scientific or completely unscientific. What is interesting is that the results for sociology, treated somewhat condescendingly by some economists, were not very different to those of economics (49% for a very or pretty scientific status and 38% for a not too scientific or completely unscientific status). In all cases, there were individuals who did not reply or concluded that they did not associate with the relevant knowledge area and these remaining individuals made up the 100%. Date from: *Is Economics a Science? From Nobel Prizes to Public Opinion*, <http://asociologist.wordpress.com>.

¹⁷ An interesting article by Jerzy Wilkin deals with the idea of beauty with respect to economics. See: J. Wilkin, *Czy ekonomia może być piękna? Rozważania o przedmiocie i metodzie ekonomii*, *Ekonomista* 2009, nr 3.

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