

Stanisław Kowalczyk

Controversies surrounding economics and economists

What is economics or, more precisely – what does economics deal with? Probably the best-known answer is: *economics is what economists do...*

Some attribute this statement to an American economist, Jacob Viner (1892-1970) [Blattner, 2004], and others to Kenneth Ewart Boulding (1910-1993), an economist and philosopher of English origin [Backhouse, Middleton, Tribe, 1997]. Apart from the cited definition, which is more of a so-called *buzzword*, there is naturally a number of definitions of *economics* as a science. A separate and quite extensive study could easily be devoted to their review [e.g. Backhouse, Medema, 2009]. Here, I present some of the most often cited definitions of economics. So, by the time of A. Marshall, economics was referred to as *political economy*. Later on, it was still called this way in some countries, even with an extension referring to capitalism or socialism. The creation of the term “political economy” is attributed to Antoine de Montchrestien (c. 1575-1621), a French soldier, playwright, adventurer and only at the end – an economist, the author of the work, published in 1615, entitled: *Traicté de l'oeconomie politique*.

So, what is economics, or more precisely, what does economics deal with according to scientists? It is:

- a branch of science related to, firstly – the income of the society, and secondly – the income of the state, necessary to provide public services [Smith, 1776];
- a science of how wealth is created, distributed and consumed [Say, 1803];
- a study of ordinary human affairs, mainly in the field of welfare of people and their business activity [Marshall, 1890];
- a science investigating human behaviour, as relationships between objectives and limited resources, having alternative applications [Robbins, 1932];
- a study of social institutions that make up the economic system [Coase, 1977]. According to Coase, the interest of economists in social systems, other than economic system, such as political systems or legal systems, does not stem from their desire to contribute to the development of these disciplines, but from the need of better understanding of how the economic system, closely linked to other social systems, works;
- a study of the phenomena that may be understood as resulting from interactions between rational, selfish units [Krugman, 1996]. A few years later, Krugman and Wells defined economics as the study of economy, both at the level of individuals as well as of the society as a whole [Krugman, Wells, 2004];
- a study of relations between economy and social life [Phelps, 2008]. Econo-

mics – according to Phelps – is not, however, a science of making money (chrematistics);

- a study of efficiency of the use of scarce resources in connection with individual and social consequences of the economic activity [Gorynia, 2018].

This overview of understanding economics, abridged out of necessity, shows a lack of one concordant approach to its essence and contents. Or maybe economics is only an *economic* anemoscope? A kind of a useful *tool*, used solely to determine the direction of economic trends and possible directions of development; although, also this classification may not guarantee the success of economics as a science. Naturally, there are many more definitions of economics. Over time, some are forgotten and others gain importance. In general, almost all of them refer to human activity in terms of managing, creating wealth and its distribution and consumption. These are the issues that seem to be important, worth of dealing with, and, in substance, natural for human interests. Why, then, economics and economists so often become the target of attacks, including quite undiplomatic attacks?

Criticism of economics

One of examples of this kind is the work of Gilbert Rist, a professor of the Graduate Institute of International and Development Studies in Geneva, under a symptomatic yet unedifying for economists title: *L'économie ordinaire entre songes et mensonges*, published in English under the title: *The Delusions of Economics: The Misguided Certainties of a Hazardous Science*, the Polish publisher of which gave it a no less expressive title: *Urojenia ekonomii (Delusions of economics)* [Rist, 2015].

G. Rist undermines all fundamental pillars of economics, such as the scientific nature of the discipline, the *homo oeco-*

nomicus status, the category of market exchange, scarcity and utility of goods, and finally the paradigm of economic growth. The essence of his considerations is a collection of the following observations:

- market exchange is a form of reductionism,
- the nature of *homo oeconomicus* is a concept of the mind, not to say a state of mind,
- scarcity of goods (constant lack thereof) is a fable,
- utility of goods is a tautology,
- (market) equilibrium theory has been negated by economists themselves,
- the imperative of economic growth leads straight to a dead end.

All this is included in the chapter entitled *Economic "Science" as Religion*. According to G. Rist, a standard unit of economics, i.e. *homo oeconomicus* is fiction, which, as is known, was recognized by economists themselves, or at least by a significant part of them. Experience shows that often being unreasonable is still the most *rational* behaviour from the point of view of the interest of an individual.

There is nothing "natural" in the exchange, just as in the scarcity of goods, which thesis was created as an element of the *primal scene*, for the use of economics as a "science". It is similar in the case of utility, which has an *amoral* value, as it is connected only with the intensity of the desire of an individual to have something. The greater the desire, the greater the tendency and pursuit to have this something and, as a result, the higher the price, which, according to J. B. Say, is the only measure of utility. Therefore, a greater desire means a higher cost of access to what we want, and, consequently also its higher price.

Here, I leave aside the controversial nature of many G. Rist's theories, such as that about trade, derived, according to him, from religious beliefs of Goths, but

also – and perhaps above all – his position on scarcity and utility of goods. I will not engage in polemics with a number of controversial – here we need to say the truth, also legitimate – theories of the author. I want to emphasise, however, that G. Rist so consistently, not to say brutally, deals in the essence only with neoliberal economics, and not economics as such. Most of his critical remarks, in fact, refer directly to the neoliberal theory, and not to other economic trends. In conclusion, there is no way to agree with the G. Rist's view that economics is a set of beliefs, but we should admit that he was right saying that what economics describes and suggests is only one possible *vision* of the world.

Critical remarks on economics, and mostly economists, are also formulated by – which must be a cause for thought – economists themselves. Here, an example might be T. Sedláček, an economist of Czech origin, who admits that the wisdom of economists is no better than the theological myths and ideas pursued by poets or philosophers [Sedláček, 2015]. According to him, these critical remarks on economics may be the consequence of the fact that economics is one of the most future-targeted disciplines, thus, most of economists think that they can actually foresee the future. But this, especially in the recent, turbulent decades, is less and less possible. And what is most important, economics is a science about social laws and not about laws of nature, such as physics or biology. This, in turn, means that economics may be, or even has the right to be wrong in its diagnoses more than, for example, medicine or biology. While the behaviour of atoms in specific circumstances is predictable, it is no longer the case when it comes to human behaviour.

But the question arises, why, then, are we able to forgive doctors and biologists, but we flinch at erroneous opinions of

economists? And it is despite the fact that the erroneous diagnoses of the former may cost us a lot more and be more severe than the erroneous forecasts of economists.

What then is the future of economics if, first of all, economists are not able to clearly explain the past, and secondly, cannot effectively predict the future [Sedláček, 2015]. The more theoretically sophisticated the economic theory is and the more complicated assumptions it makes, the more inadequate to reality the explanation of reality it provides. It exploits models equally abstract as detached from reality and the real world. All this makes that economists often get passionate about predicting the future based on simple, or rather contrary, misleadingly complex assumptions. The assumptions, which detach these economic models from reality, rather than embed them in these realities. As T. Sedláček [2015] writes, through the famous *ceteris paribus* formula – that is almost an economic main commandment, economics *euthanises the living world*. It creates unreal situations and social beings, having little to do with the real image of the economy and society. So where is the mistake made by economists in their assessment of reality? Is it because of too great expectations put forward to economists, or rather contrary, too high and excessively exposed position occupied by economists in the social structure? The position which allows them to express opinions and judgements that are not necessarily compatible with socially common views and opinions.

Bad *ratings* of economics and economists have been additionally amplified by the crisis of the first decade of the 21st century, although its popularity was not increased also by such theories and “guidelines” addressed to many developing countries containing such stipulations as the need to liberalize trade, privatise the economy or withdraw from protectionism

of national economic systems. For most of these countries these ideas ended up in crises or deep economic collapses.

This growing criticism of economics provoked Raj Chetty into protecting economics as a science. In the article under the meaningful title *Yes, Economics Is a Science*, the author starts from the statement that indeed there are such economic issues, like the causes of economic recessions or the determinants of growth to which there are no simple answers. Any convincing answers seem almost impossible. But the same problems (referred to by R. Chetty as *big picture*) exist also in other sciences, such as medicine, and yet no one questions the scientific nature of this discipline.

In response to R. Chetty's article, Alan Y. Wang published his position, under a no less meaningful title: *No, Economics Is Not a Science* [2013]. According to A. Y. Wang, the weakening position of economics, similarly to psychology and sociology, forces these sciences to exceptionally uncertain behaviours. They are uncertain compared to such disciplines as physics, chemistry, biology, which in these terms reside comfortably [Wang, 2013]. This is due to the fact that for economics the basic building block is a human being and it is unpredictable and extremely difficult to explain in its behaviours and reactions. Here, it should be explained that it is mostly macroeconomics that A.Y. Wang attacks and denies it the right to be the science.

Criticism of macroeconomics is a consequence of the area of the economic reality, which is subject to analyses or considerations of this part of economics, which consists of, for example, the directions of the economic development, public debt, market equilibrium, financial policy, including fiscal and budgetary as well as fiscal policy, or the importance of the state in the economy. A possible incorrect rec-

ommendations and stipulations directly affect the market imbalance, increased inflation, reduction in the growth rate, generally extensive and long-term developmental problems, and, consequently, social welfare. By focusing on examining individual consumer and entrepreneur behaviours, and the relationships that occur between them, microeconomics maintains a more neutral position for the above general (and today global) economic processes, so that it avoids direct attacks and a large dose of criticism.

In turn, Joris Luyendijk, once connected with "The Guardian", writes that economists give the impression that they do not develop imperfect theories but discover timeless truths. In recent decades, academic economics has become increasingly mathematical, focusing on modeling and complex statistical analyses, at the expense of observations of reality and the actual economic fundamentals [Luyendijk, 2015].

Some economists may be confused by one of the prominent representatives of this discipline, a Nobel Prize winner of 2008 – Paul R. Krugman. He stated that it is true that economics is a science, but many economists (here, he referred to the Chetty's claim) do not behave as scientists. Agreeing with Chetty as to the principles, he finds that too many economists treat their field of research as theology which cannot be questioned.

Critical remarks on economics in the *current orthodox form (mainstream economics)*, are also formulated by the Polish economist and politician Grzegorz W. Kołodko. According to him: *Traditional economics is not able either to adequately explain contemporary phenomena and economic processes, or, all the more, suggest effective solutions to the economic policy* [Kołodko, 2017]. It is a consequence of economics' failure to keep up with scientific examination of the rapidly changing

economic reality, focusing of the economic theory on investigating the market, as a regulator of economic processes, at the same time, treating the capitalist market economies as almost one type and pattern of economic processes.

In turn, according to Stanisław Flejterski, social studies, including economic studies, although they provide loads of reliable information, are still mostly “descriptive studies”, but they do not provide strictly general laws governing social and economic processes and phenomena. Economics is, therefore, more an academic knowledge than a science [Flejterski, 2018].

Also Jacek Filek deals with the weaknesses and dilemmas that currently affect economics. These weaknesses, in terms of the economic practice, lead to conflicts and many crisis situations [Filek, 2017]. The author sees the main sources of weaknesses of contemporary economics in: (i) limiting the idea of democracy by the growing power of transnational corporations, (ii) dominance of the financial perspective at the expense of the social perspective, (iii) the promises of economics missing the economic reality, (iv) promoting market principles supporting economically strong entities at the expense of the less developed economies and enterprises, (v) too far-reaching liberalization of the markets, especially financial markets. When considering the possible causes of such a significant degradation of theoretical findings of economics, including primarily neoliberal economics, J. Filek finds that they involve: adoption of technocratic rationality as the basic operating principle, according to the rule that *end justifies the means*, detachment of economics from philosophical and humanistic roots, and degeneration of the main unit – *homo oeconomicus* [Filek, 2017].

We may find a lot more critical opinions on economics. These opinions are

formulated by representatives of other fields of science, mainly philosophers, ethicists, sociologists, political scientists and historians, but recently, even to a greater extent – the economists themselves. Not all, because a part of them is convincing others, or maybe more themselves, that everything is fine and economics is not having a breakdown. It is developing like any other sciences, has numerous achievements, being nothing better than others. Of course – nothing negative. The facts, however, do not support this well-being. The opinions concerning the good shape of contemporary economics could be heard also at the open meeting of the Institute of Markets and Competition of Collegium of Business Administration at the SGH Warsaw School of Economics, which took place on 28.11.2017, during which the main theses of this article were presented.

The vast majority of critical opinions on economics repeat virtually the same or similar allegations: lack of verifiability of hypotheses, abstract nature of assumptions, contradiction of views of individual economists, their arrogance in relation to other social sciences (such as treating social sciences by economists as one that is too “soft” and vague), or “political involvement” of the expressed opinions and positions. The allegations are addressed mostly to neoliberal economics, as in the essence, it has been dominant for the past decades, and the views mostly of this doctrine disappointed the representatives of the contemporary globalised society. However, the same ones who criticise economics and economists admit that economics is not a useless or misleading science. It is unquestionably needed, as it examines human behaviour, though sometimes form an incorrect perspective. Economists, however, must be aware that they will not make a breakthrough in the understanding of this behaviour, for as

long as they give up their megalomania, because as Richard M. Nielsen [2014] wrote, *it's better to be a prince than dream of being a king*.

Thus, economics, and more broadly, social sciences, are not a science in the same sense as physics or biology, as Karl Popper wrote decades ago [Popper, 1957]. It uses different methods, has different possibilities of ensuring repeatability of experiments, and finally, certain sequencing views is characteristic to it (cyclical nature of economic views, the example of which may be the recurring debates on the role of the state, protectionism, relations between the inflation level and unemployment, etc.), which is not the case in, for example, physics or biology. But, it is impossible to agree with the Wang's opinion that it is something that disqualifies economics as a science. Economics is not and will never be in a situation, when relevant models will accurately predict the day, when, for example, a financial crisis will begin, as physics is able to predict the time, when in given circumstances water reaches the temperature of 100 degrees Celsius. A full capacity to predict economic events would be a kind of self-fulfilling prophecy [Popper, 1957]. For instance, on the eve of the expected stock market crash at the latest everybody would want to sell their shares which would cause the crash on this very day. But it does disqualifies economics from being a science. It is caused only by inherent specificity of economics as a science in the field of its operation.

Robert J. Shiller, a Nobel laureate in 2013, writes about controversies surrounding economics as a science: *One problem with economics is that it is necessarily focused on policy, rather than discovery of fundamentals. Maybe it is because economic phenomena do not create the same fascination as the internal resonances of the atom or the functioning of a living cell. As such,*

economics is rather more like engineering than physics, more practical than spiritual. [Shiller, 2013]. At the same time, when we consider various manifestations of the economic policy, a lot of them are important, although they may not have the scientific aspect. But this is the way in which other sciences evolved. Together with its development, chemistry “got rid of” alchemy, and astronomy “got rid of” astrology. In the same way economics gets rid of, or rather will get rid of (and, certainly, it should get rid of) the tendency to *foretell* the future (naturally in terms of economics). According to R.J. Shiller, economics is more sensitive to modelling than for instance physics. Modelling, which in the first case (that is in the case of economics) require describing the behaviour of people, who are less predictable than the behaviour of fundamental particles typical for physics. People can just change their minds and behave completely differently. Neuroses or identity problems are typical to them, and this, consequently, determines the social and market processes. As a result, for instance behavioural economics may come into conflicts with the findings of the quantitative economics (econometrics), but only partially, not throughout the studied area, as the problems that remain to be solved are the same for both approaches (schools).

In general, this different status of economics among scientific disciplines – although not all – is a consequence of the limited possibility to experiment, and so to verify theoretical findings in practice and to ensure repeatability of events verifying the theoretical findings. For these reasons, economics today, perhaps more than ever, needs a shift towards empirical research – much more towards empirical research and analysis of experiments implemented locally, rather than theoretical considerations and constructing economic models diverging from reality.

Although the latter are also important, as the scientific work consists in formulating and proving theories, so not even in having them, but in the persistent and critical pursuit of the truth [Popper, 1935].

We should be aware that the lack of the possibility to experiment or to ensure repeatability of verification of theoretical findings does not apply only to economics. It is the same in the case of history, archaeology or religious studies. Physics, for example, as pointed out by K. Rochowicz, M. Sadowska and G. Karwasz [2017], tries to deal with the issues that may be easily re-examined by an experiment, which additionally may be repeated endlessly.

Contradictory hypotheses and the lack of possibility to experiment are the features typical, for instance, to history. Economists are quite often accused that they cannot correctly explain the past, but we do not make such arguments towards historians who are not able to unanimously determine even such a simple fact to the history of Poland, as the place of baptism of Mieszko I, which is an event we celebrated very pompously in honour of the 1000th and 1050th anniversaries, although for different ideological reasons in the first and second case.

Economics is also accused – as I wrote above – of the lack of possibility to verify the hypotheses, and yet it applies also to other sciences, such as the mentioned history. Recently, I had a chance to read a historical work dedicated to one of the lesser-known Polish rulers of the Middle Ages. Only two or three notes about him have been preserved to this day. And yet, it did not prevent a very well-known and valued Polish historian from writing an almost 300-page work about this ruler. A work consisting predominantly in the presentation of hypotheses posed by other historians and the position of the author of the work mentioned here. And it is

not the only book devoted to this ruler. Similarly as in the case of the place of baptism of Mieszko I, no one questions the scientific values of these historical works. Despite that, as Paweł Jasienica wrote himself, history is a field of knowledge that is quite relative and far from completeness and accuracy, although most of historians, in order to construct scientific generalizations, try to explore repeatable phenomena [Jasienica, 1988].

If economics is different from physics and chemistry, then also sociology is equally different from biology, and history from astronomy. Each field and discipline of science has common features as well as features that distinguish it. It has a specific identity. But still, they all belong to the world of science, which is defined as knowledge, but different from common or speculative (mythological) knowledge. However, as K. Popper states, as long as the development of physics means an increasing level of its universality [1935], it cannot be referred to economics, at least not in terms of all its dimensions. Although Isaac Newton, as a physicist could afford to state that he could see further thanks to the fact that he stood on the shoulders of giants, meaning his predecessors, this statement, unfortunately, only partially refers to economics. This is due to the fact that the development of physics is predominantly linear, whereas economics is largely cyclical. Some economic views and theories return after some time, although usually in an amended or modified form. The development of economics is, therefore, similar to being spiral, and to a lesser extent linear. Therefore, physics and economics are two different disciplines of science, but still, of the same science.

Frequent treating economics differently than other sciences is probably due to fact that it has practically, like no other scientific discipline, direct and immediate

impact on the situation of an individual that is on each of us. And it is a simple consequence of the fact that the economics deals with and examines an individual and their activity and behaviour. If so, by its findings and proposals, it affects the situation of this individual. Since this impact is not always and has not always been positive, and in the recent decades, it has been far more negative than positive, such a critical evaluation of the achievements of economics and economists cannot be surprising.

A number of other disciplines, such as medicine, biology, nutritional science or political science, also affect the behaviour of an individual. But the impact of the disciplines other than economics is usually indirect or seen only in the longer run. The proposals of economists may take their toll on the situation of individuals or society in a few months or even a few days (for example, the decisions in terms of shaping wages, interest rates or trade regulation). Cause and effect are easily identifiable and bound into chains of dependencies. The findings of other disciplines of knowledge are connected with more complex, thus, less clear relationships and consequences.

Crisis of economics?

Do, then, the remarks and views presented above give the right to make a claim about the crisis of economics? According to the PWN dictionary “crisis” involves *a disturbance of a system of values or a position of something*. Is such a “disturbance” happening currently in relation to economics?

G.W. Kołodko cited above emphasises that presently neither the assumption of rationality of business entities (*homo oeconomicus*), nor the assumption of the Keynesian theory about the effectiveness of economic policy conducted at the level of the nation state are sustainable. Economists – which is natural – make attempts

to break this deadlock in which the economy found itself. But all this leads to a simple finding that *we are dealing with the crisis of economics* and the need for a new paradigm [Kołodko, 2017; Kołodko, Koźmiński, 2017]. In this situation, a question arises as to the possible causes of the crisis of modern economics. There are at least a few such reasons *located* in the basic area of economic research, which is economy.

Firstly, there is a *qualitatively* new situation, being a consequence of globalisation. Globalisation, which has developed a turbulent and *non-continuous* environment. In this environment the events occur irregularly, randomly and unintentionally, but also constantly and instantly. This prevents the use of a traditional research apparatus of neoliberal economics to analyse the past and foresee the future. The models of neoliberal economics have lost their research capacities.

Secondly, such as neoliberal economics is not doing well with the global economy, so the world community is not doing well with globalisation and its consequences. Globalisation with its microeconomic nature does not surrender to global management and control. There are no managing institutions equivalent to transnational corporations, whereas the national states have become dwarf-like organisms with minimised functions.

Thirdly, in the world economy (globalised today), a separation of the real sphere from the regulatory sphere has occurred. A consequence of globalisation, and a result of reductionism of the national state functions, is the reduction of the roles of national regulatory entities (the economic authorities of different types and levels) and the entities of the so-called economic democracy (e.g. consumer associations, trade unions, environmental associations, NGOs, etc.) in relation to the entities of the natural sphere, mainly transnational corporations. The

corporations have taken over the tasks of the entities of the regulatory sphere and create the standards of conduct necessary for their operation on their own.

Fourthly, there is a separation of the financial sphere from the production sphere within the real sphere. As long as in 1960s and 70s the financial sector still provided service functions in relation to the manufacturing sphere, currently, the development of this part of the global economy exceeds the value of the manufacturing sphere several times. The processes presently taking place in the financial sector not only determine the processes in the manufacturing sphere, but also occur autonomously, regardless of the needs of the entities of the latter. This specific atomisation of these two spheres leads to a number of adverse phenomena, having their beginning in the financial sphere, but then transferring to the manufacturing sphere (e.g. the so-called speculative bubbles). These processes often do not succumb to economic analyses.

In turn, if we are looking for the causes of the crisis of economic sciences not in their surroundings but in their essence, the main causes relate to the following facts: (i) unreality of many assumptions of the economic models and their low resistance to changes in the economy, (ii) lack of practical verifiability of many economic theories (domination of theoretical considerations over empirical studies), (iii) minimising the significance of economic concepts and theories other than those of the mainstream economy (Jajuga, 2018).

These unfavourable situations are the reasons for blaming economics for forecasting errors, but also, or maybe to a larger extent, for being unable or even helpless regarding many contemporary economic phenomena. This helplessness is manifested in the lack of a reasonable description and explanation of the present and showing positive growth opportunities.

Social status of economists

The crisis of economics cannot remain without any effect on the social status of economists and their prestige in the scientific circles. Thus, the question arises about the position and place of economists in the contemporary globalised society. In a society, which largely *owes* its current being to economists, mainly those from the neoliberal provenance. Yet, why political scientists, sociologists and philosophers do not deal with foreseeing the future, or do it with much resistance, and the economists are so keen to do it? And despite the fact their predictions and forecasts do not usually prove their worth, or at least they are correct relatively rare, they still eagerly spread new ones, which are wrong just in the same way, or are even misleading [Chang, 2015].

Economists are often accused of a tendency to speak about may events at the same time, often taking opposite positions in relation to each other on the same matters. We could cite many examples of such different positions and suggestions in relation to the same problems, views presented and described by ordinary economists, as well as recognized celebrities including those with the Nobel Memorial Prize in Economic Sciences. Virtually, every significant work in the field of economics starts with the presentation of views of other economists on the issue being the subject of a given work. And surely, most of the cited views of other representatives of economic sciences will be different from the position presented by the specific author. As emphasised by Jan A. Scholte, there is no widespread agreement among economists in any of the key areas [Scholte, 2006]. However, this situation is typical also to other fields and disciplines of science.

The reasons of low or even lack of confidence in economists should probably in-

clude also an exceptionally high activity of the representatives of this discipline of science in politics and business practice. However, as it is well known, both political as well as economic activity is connected with a wide range of possible errors and incorrect decisions. This transfers the negative image of political and economic actions of economists to the entire community of this professional group; also to those having nothing to do with the non-scientific activity. There is considerable evidence that no other professional group, at least in terms of Poland – perhaps apart from lawyers and what is interesting historians and philosophers – is so active outside their basic scientific activity. In this situation, some even formulate opinions that economists are more concerned with the activities in politics, economy or media, than in science [Shipley, 2017].

Another allegation relates directly to the neoliberal economists. It says that the mainstream economists are interested in building elegant and internally consistent mathematical models, even if they are based on completely unrealistic assumptions. An example of this is the quoted *ceteris paribus* formula of T. Sedláček, which perfectly deforms the analysed reality. Thus, regaining the trust of the environment requires from economists a retreat from so wide non-scientific activities, a heavier reliance of their considerations on experiments and historical experience, and finally opening to new ideas, even if they are not yet complete alternatives to the standard theories [Shipley, 2017].

Susan Webber, in her work written under the pseudonym Yves Smith [2010], entitled: *ECONned: How Unenlightened Self Interest Undermined Democracy and Corrupted Capitalism* finds that economists are not completely closed to new ideas that are contrary to the dominant orthodoxy. Such positive trends include

the theory of asymmetric information (Akerlof, Spence, Stiglitz) and behavioural economics. But praising ends here. The main allegation concerns the fact that when there is an argument raised by a non-economist, but which is contrary to the main line of economics, in principle, it is treated as invalid, even if it includes practical and useful information. Besides, the “scientific mantle” created by economics gives economists the advantage in political discussions, even if some of their aspirations and ambitions are not confirmed by the practice. In this way, economists become a privileged class in the society, a class expressing even a pride in relation to other groups. Although a little further, the author notes that it may be a simple consequence of the fact that there is no single correct answer to the question in the scope of political economy. Therefore, Y. Smith classifies economics as the knowledge of public life, but the knowledge which is above all specialist, and not general.

What, then, should economists do to change the attitude of society, at least in this critical part, as to their opinions and work, and consequently, to economic sciences? First of all, which is natural, they should avoid situations, which expose them to criticism of the environment. This applies in the first place to limiting their non-academic activities, including, in particular, in the field of administration and government. So, there, where it is easiest to *stumble*. This, naturally, does not mean a total isolation of economists from the practice; after all, the contact of theory with practice may have positive effects for both spheres. The riskier is the activity in decision-making, as here it is easy to make errors, although there are examples of quite successful functioning of economists, even at the highest levels of government. However, it is an exception rather than a rule.

So, is the civilizational status of economics and economists a result of their desires or our expectations? By “our” I mean the members of the society. And the expectations of individual members of the society may significantly differ from the average for the entire population. This is probably due to a simple fact, which indicates that an average Kowalski, Smith or Müller, perceive reality, also the economic one, completely differently than economists. This is evidenced by the research conducted by Paola Sapienza from the Northwestern University and Luigi Zingales from the University of Chicago.

These researchers have shown that the views of economists and of the so-called average citizens are absolutely divergent. For example, whereas practically 100% of the economists treat forecasting of prices as complicated, statistical members of the society agree with this opinion only in 50 percent. On the other hand, whereas the “Buy American” action is considered by 80% of the surveyed Americans as beneficial from the point of view of the internal labour market of the USA, only slightly over 10% of the economists share this positive opinion on such a campaign. [Sapienza, Zingales, 2013]. So, if the opinions on such seemingly obvious issues divide the populations of economists and the rest of the society, then it cannot remain without any impact on the more general issues, such as the future of economy and the expected status of social and professional groups.

The improvement of the status of economists and increasing the benefits of their work to the society, according to Mariana Goryni [2018] requires actions taking into account at least the following principles: (i) opening to arguments of other scientific environments, (ii) entering new fields of research, (iii) abandoning arrogance in relation to other disciplines, (iv) being humble in relation to the real

world, (v) increasing the sense of identity with the sciences represented by them, (vi) departing from the fetish of formal divisions between disciplines, (vii) going back to philosophical foundations of economic sciences, (viii) multi-paradigm approach to economic sciences, (ix) imperative of teamwork, (x) broader cooperation with international environment. What draws the attention in the above decalogue is predominantly the recommendation to change the environmental attitude of the economists. Synthetically, it could be expressed as a recommendation of a greater personal humility and respect for other disciplines and their representatives.

Regardless of the direction of the future evolution of the environment of the economists and the economists themselves, it is important for their social position not to be the subject of mocking attacks. Economics and economists – to refer to the title of this paper – are indeed undoubtedly needed.

Conclusions

To regain their prestige and position, economics, and consequently, economists must return to the principles, which in the recent past have been way too often moved away as unimportant. They must return to speaking and writing about the society, state, social welfare, issues of ordinary people, human attitudes and reactions, or social institutions, instead of only about profit, relations between rational entities and market competition, or sector dominance. In other words, they should go back from the cherished chremastics to economics. There are at least three directions that require actions in order to improve the social reception of economics.

Firstly, there is the re-incorporation of ethics. As Elżbieta Mączyńska [2017] points out, (...) *despite philosophical and ethical foundations of economics, there has*

been a discord between economics and ethics. The discord is mostly visible on the grounds of neoclassical economics. This is a consequence of the basic assumption of this school of economics, which claims that the market is a sufficiently efficient and rational mechanism for resolving any issues, including those of ethics, and the matters of social justice. But the practice did not confirm this assumption, which is demonstrated by the scale of contemporary income disparities, leading to deprivation of biological needs of a growing part of the society. Therefore, economics cannot abstract from moral and ethical issues.

Secondly, referring to the above comments, the heart of interest of economics should comprise of a man as a social unit, with their needs and capabilities of their satisfaction. Economics will be helpless facing numerous important issues of the modern times, if a man will only be a background to the “market treadmill”, to paraphrase the famous expression of W.W. Cochrane [1974]. The mechanism of “spillover effects”, so much trumpeted by neoliberal economics, does not work. Free competition and the market mechanism marginalise the needs of an individual-man to the benefit of an individual-economic entity. Such an approach will not be approved by the society, so it meets with opposition, including the opposition towards economics promoting it.

Thirdly, economics should return to examining reality, the environment (empiria). It does not mean that it does not examine this empiria at all. But the last decades were mostly concerned with modelling reality. Modelling, or simplifying, and then drawing conclusions from this simplified form. But if the reality was simplified, then the conclusions were the same. The problem is that a possible non-compliance with the reality was usually to the detriment of this reality. Economics, mostly neoliberal economics, thus, has created an artificial reality and demanded that it behaved in accordance with the results of its modelling.

Fourthly, the determinant of the identity of economic sciences should be heterodoxy in the place of orthodoxy. In other words, the diversity of approaches, multi-directionality (interdisciplinarity) of research, multi-paradigmatism, equality of different theoretical concepts in the place of imperialism of one theory.

Probably, there are many more actions necessary to be taken to reverse the unfavourable opinions on economics. However, they all should seek to build a different, new image of economics. Economics as the study of shaping a significant part of our reality. Significant, as it is related to satisfying a number of human needs, mostly physiological, but also safety or belonging, and not only maximisation of explicitly understood usefulness.

References:

1. Backhouse R.E., Medema S.G. [2009], *Retrospectives On the Definition of Economics*, "Journal of Economic Perspectives", Volume 23, Number 1, Winter.
2. Backhouse R., Middleton R., Tribe K. [1997], *Economics is what economists do', but what do the numbers tell us?*, Paper for Annual History of Economic Thought Conference, University of Bristol, 3-5 September. <http://eis.bris.ac.uk/~hirm/.pdf>, accessed on: 25.05.2017.
3. Blattner N. [2004], *Economics is what economists do*, Speech at the Opening Session of the Integrated Master Programme, Faculty of Economics and Behavioral Sciences, Department of Economics, Albert-Ludwigs-Universität, Freiburg im Breisgau, 22 October, <http://www.bis.org/review/r041028g.Pdf>, accessed on: 25.05.2017.
4. Chang H.-J. [2016], *Żli Samarytanie. Mit wolnego handlu i tajna historia kapitalizmu*, Warszawa, Wydawnictwo Krytyki Politycznej.
5. Chetty R. [2013], *Yes, Economics Is a Science*, "The New York Times", 20 October, <http://www.nytimes.com/2013/10/21>, accessed on: 25.05.2017.
6. Coase R.H. [1977], *Economics and Contiguous Disciplines*, in: *The Organization and Retrieval of Economic Knowledge, Proceedings of a Conference Held by the International Economic Association*, M. Perlman (ed.), New York, Stockton Press.
7. Cochrane W.W. [1974], *Farm prices, myth and reality*, Westport Connecticut, Greenwood Press.
8. Filek J. [2017], *Czy koncepcja społecznej odpowiedzialności biznesu może być inspiracją dla nowego paradygmatu ekonomii?*, in: *Etyka i ekonomia. W stronę nowego paradygmatu*, Mączyńska E., Sójka J. (ed.), Warszawa, PTE.
9. Flejterski S. [2018], *Współczesne nauki o finansach – status metodologiczny, struktura, otoczenie, paradygmaty*, paper to the conference organised by the Polish Economic Society in cooperation with the Committee of Economic Sciences of the Polish Academy of Sciences, entitled: „Ewolucja nauk ekonomicznych. Jedność a różnorodność, relacje do innych nauk, problemy klasyfikacyjne”, Warszawa, March 14, 2018.
10. Gorynia M. [2018], *Współczesne nauki ekonomiczne – tożsamość, ewolucja, klasyfikacje*, paper to the conference organised by the Polish Economic Society in cooperation with the Committee of Economic Sciences of the Polish Academy of Sciences, entitled: „Ewolucja nauk ekonomicznych. Jedność a różnorodność, relacje do innych nauk, problemy klasyfikacyjne”, Warszawa, March 14, 2018.
11. Jajuga K. [2018], *Nauki ekonomiczne – dylematy klasyfikacji dyscyplin. Tendencje zmian*, paper to the conference organised by the Polish Economic Society in cooperation with the Committee of Economic Sciences of the Polish Academy of Sciences, entitled: „Ewolucja nauk ekonomicznych. Jedność a różnorodność, relacje do innych nauk, problemy klasyfikacyjne”, Warszawa, March 14, 2018.
12. Jasienica P. [1988], *Polska anarchia*, Kraków, Wydawnictwo Literackie.
13. Kołodko G.W. [2017], *Nowy pragmatyzm i jego znaczenie dla uczciwego gospodarowania*, in: *Etyka i ekonomia. W stronę nowego paradygmatu*, Mączyńska E., Sójka J. (ed.), Warszawa, PTE.
14. Kołodko G.W., Koźmiński A.K. [2017], *Nowy pragmatyzm kontra nowy nacjonalizm*, Warszawa, Prószyński i S-ka.
15. Krugman P. [2013], *Maybe Economics Is A Science, But Many Economists Are Not Scientists*, 21 October, <https://krugman.blogs.nytimes.com/2013/10/21=0>, accessed on: 01.06.2017.
16. Krugman P., Wells R. [2004], *Microeconomics*, New York, Worth Publishers Incorporated.
17. Luyendijk J. [2015], *Don't let the Nobel prize fool you. Economics is not a science*, "The Guardian", Sunday 11 October, <https://www.theguardian.com/2015/oct/11>, accessed on: 21.05.2017.
18. Mączyńska E. [2017], *Asymetrie społeczno-gospodarcze w kontekście teorii ekonomii i etyki*, in: *Etyka i ekonomia. W stronę nowego paradygmatu*, Mączyńska E., Sójka J. (ed.), Warszawa, PTE.

19. Nielsen R. [2014], *Why Economics Is Not A Science*, 9 August, <https://whistlinginthewind.org>, accessed on: 29.05.2017.
20. Phelps E. [2008], *Rynek w cuglach*, interviews of J. Żakowski, „Polityka”, No. 42, October 2008.
21. Popper K. [1957], *The Poverty of Historicism*, London and New York, ARK Paperbacks.
22. Popper K. [1935], *Logik der Forschung zur Erkenntnistheorie der Modernen Naturwissenschaft*, Springer-Verlag Wien GmbH.
23. Rist G. [2015], *Urojenia ekonomii*, „Le Monde diplomatique”, Biblioteka alternatyw ekonomicznych, Warszawa, Instytut Wydawniczy Książka i Prasa.
24. Rochowicz K., Sadowska M., Karwasz G. [2017], *Co to jest fizyka?*, <http://dydaktyka.fizyka.umk.pl/pdf>, accessed on: 31.05.2017.
25. Sapienza P., Zingales L. [2013], *Economic Experts vs. Average Americans*, <http://faculty.chicagobooth.edu/pdf>, accessed on: 25.05.2017.
26. Sedláček T. [2015], *Ekonomia dobra i zła. W poszukiwaniu istoty ekonomii od Gilgamesza do Wall Street*, Warszawa, Wydawnictwo Studio EMKA.
27. Scholte J.A. [2006], *Globalizacja. Krytyczne wprowadzenie*, Sosnowiec, Oficyna Wydawnicza „Humannitas”.
28. Shiller R. [2013], *Is economics a science?*, “The Guardian”, Wednesday 6, November.
29. Shipley D. [2017], *Why Not Make Economics a Science? Throw out theories that don't fit the facts*, “The Bloomberg”, 6 February, <https://www.bloomberg.com>, accessed on: 21.05.2017.
30. Smith Y. [2010], *ECONned: How Unenlightened Self Interest Undermined Democracy and Corrupted Capitalism*, New York, Palgrave Macmillan.
31. Wang A.Y. [2013], *No, Economics Is Not a Science*, “The Harvard Crimson”, December 13.

Prof. dr hab. **Stanisław Kowalczyk**, Institute of Market and Competition, Collegium of Business Administration, Warsaw School of Economics.

Translation: mgr Monika Borawska