

Editorial introduction

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This Journal comes out from a barely disguised, though deep, anxiety about the way we, the economists, may improve the ways of providing meaningful explanations for what makes and does not make sense in such economic developments as prosperity, globalisation, material imbalances, labour relations, or common property. These issues are usually resuscitated under contemporary labels such as “feminism”, “environmentalism”, “Marxism”, or “liberalism”. However, it can be argued that these issues have represented in fact recurrent threads of economic thinking dating back to ancient times.

There is one benign sign that economics needs a radical overhaul as to its method of inquiry. This sign is constant reminder that “the day when philosophy becomes a popular subject is the day for the philosopher to consider where he took the wrong turning.” [1] That economics is a popular subject would be quite a self-evident sort of thing. Educated people enlighten us thereabout, and some exercises in socialization may be as insightful. In the midst of the marginalist revolution and long after the Millian philosophy had become a classic, J.N. Keynes took a sceptical look at the state of political economy by arguing that: “It deals with phenomena which, while encompassed with difficulties, are matters of every-day observation; and it has few technical terms that are not also terms of every-day discourse. A not unnatural consequence is that people think themselves competent to reason about economic problems, however complex, without any such preparatory scientific training as would be universally considered essential in other departments of enquiry.” [2] In more recent times, the stylistic component is the only novelty: “The only element that can give the economist an advantage is the possible role of a priest in the corridors of power, whether private or governmental. The advantage comes from having insider’s information.” [3] As for some more mundane hints, the reader is advised to take a cab and ask the driver about her country’s most worrying economic problem— deficits, why the rich get richer, stock exchange shocks, or house market shenanigans— and, for pleasure,

try another time to elicit an opinion about why nuclei may change due to bombardment with neutrons, electrons or other nuclei. One's awareness of the aforementioned argument will thus grow more acute.

Yet, there is solid justification to consider that the economic mode of inquiry rests on shaky foundations. We are told by reputed scientists that economists "can concoct a model to generate any result desired by a reader with a deep pocketbook." [4] What is then economics good for?

"The United States and other countries must work together to right a skewed pattern of trade and investment around the globe." [5] What is then monetary economics good for?

The expansion of European Union structural policy increasingly played the role of an exchange value in support from further market integration. [6] What is then the economics of integration good for?

"The world's *most* successful economies during the last four decades prospered doing things that are more commonly associated with failure." [7] What is then international economics good for?

"Prices are no longer of unique importance in telling how resources are allocated. The distribution of resources...is the result not of the firm's control over prices but of the aggregate exercise of all its powers." [8] What is then microeconomics good for?

"The widespread view, common throughout the social sciences, that groups tend to further their interests, is unjustified, at least when it is based, as it usually is, on the (sometimes implicit) assumption that groups act in their self-interest because individuals do." [9] What is then public economics good for?

This outset is no more than a small-scale replica of an intellectual quest defined by a profound belief that economics and social sciences in general should be radically repositioned on a different epistemological basis. The conventional approach suggests that such early inquisitiveness about asking, for example, "Is an R^2 this low OK for this kind of model? Is it reasonable to assume the Jacobian matrix has this strange sign pattern?" [10] may be essential to professional success in economics. By contrast, this Journal follows a different path by inviting its readership to an intellectual journey that takes the predominant position of natural imagery off the economic contexts.

This necessary conceptualization does not enjoy the benefits which would normally accrue from a lenient approach of the scientific establishment. It however has the advantage of inheriting a glorious tradition, which, at least in Western philosophy, dates back to the same seventeenth century when the current orthodox view was born through the works of René Descartes and Isaac Newton. It was also then that Giambattista Vico, with unfortunate prescience, waged an unrelenting struggle with his contemporaries to defend his dissenting ideas about the time-structure of history which “is not simple, but complex, not linear, but contrapuntual [and] must be traced along a number of lines of development, nor is it possible to establish an unequivocal coherence among these.” [11] Scholars like Wilhelm Dilthey, Wilhelm Windelband, A.D. Xenopol, Fernand Braudel, and Immanuel Wallerstein have since defended, whether explicitly or not, Vico’s rationale and expounded an alternative theory of social systems that only fragmentarily resembles the Cartesian dream. Time has now come to live up to this rich tradition in economics too.

Endnotes

[1] Peter Winch, *The Idea of a Social Science and its Relation to Philosophy*, London, Routledge & Kegan Paul, 1958, p. 2

[2] John Neville Keynes, *The Scope and Method of Political Economy*, Kitchener, Batoche Books, 1999 [1890; 1917], pp. 9-10

[3] Renato Di Ruzza and Joseph Halevi, “How to Look at Economics Critically: Some Suggestions”, in Fullbrook, Edward (Ed.), *A Guide to What’s Wrong with Economics*, London, Anthem Books, 2004, pp. 133-143

[4] James Markusen of the University of Colorado (U.S.) cited by *The Economist*, „Economics focus”, January 20th, 2007

[5] Ben Bernanke, Federal Reserve Chairman and former professor of Princeton University (U.S.), cited by Associated Press, “Bernanke urges trade imbalance fix”, September 11th, 2007

[6] Andrew Moravcsik, *The Choice for Europe. Social Purpose and State Power from Messina to Maastricht*, London, UCL Press, 1999

- [7] Ricardo Hausmann and Dani Rodrik, "Economic Development as Self-Discovery", NBER Working paper, March 2002
- [8] John Kenneth Galbraith, *Economics and the Public Purpose*, Boston, Houghton Mifflin Company, 1973, pp. 111-112
- [9] Mancur Olson, *The Logic of Collective Action. Public Goods and the Theory of Groups*, Cambridge, Harvard University Press, 1971 [1965]
- [10] Wade D. Hands, *Reflection without Rules. Economic Methodology and Contemporary Science Theory*, Cambridge, Cambridge University Press, 2001, p. 3
- [11] Robert A. Caponigri, *Time and Idea. The Theory of History in Giambattista Vico*, Notre Dame, University of Notre Dame Press, 1953, p. 119

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