
RECENZJE I INFORMACJE

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REVIEW of the book: *Pomyśleć ekonomię od nowa. Przewodnik po głównych nurtach ekonomii heterodoksyjnej*, joint publication, translated by A. Piekarska, The Publishing House Heterodox, Poznań 2018, pp. 231.

Polish market of economic publications has recently witnessed the appearance of a new publishing house – Heterodox – which is undoubtedly becoming one of the most non-conventional ones in the country. This situation is connected with the global network (movement) referred to as *Rethinking Economics*, which unites students, scientists and the representatives of business from the entire world and also the advocates of the pluralistic approach to economics. So far the didactic curricula of economic studies have been dominated by the approach based on the Neoclassical perspective where economy is considered in a simplified manner as if it was either natural or geographical object and was subject to objective and universal laws. Such way of thinking (which idealizes economics that is purely mathematical and adheres to abstract forecasts after the economic crisis of the previous decade) is more frequently subject to critical assessment and it almost entirely dominated both teaching and practical application of economics, whereas towards critical phenomena it was vulnerable. The crisis was anticipated by only several economists, all of whom were closely related to the alternative approach considered as heterodox.

The reviewed book is a crucial publication for the *Rethinking Economics* movement. It includes nine essays that are not particularly extensive, but their aim is to bring one closer to the essence of heterodox concepts. The essays were written by the authors representing various scientific centers worldwide and having varied experience as scientists. The papers written by well known and recognized authors are published along with the essays prepared by young (but already experienced) individuals, which by no means affects the substantial level of the publication (that is very high).

The book begins with short forewords of program character that in ruthless manner diagnose the situation at economic universities, where the curricula as well as the research standards were monopolized by the mainstream scientists who paradoxically advocate the approach based on freedom and individualism. In practice they either ignore other methods of practising economics or put them aside as the “novelties” and “eccentric curiosities” of practically no importance for the

development of the science. The book's authors present the following key pillars of such approach: individualism (i.e. the treatment of all the economy participants as single entities), optimizing (the attachment to the most effective usage of resources) as well as the ideal of equilibrium on the market. The essays included in the publication consistently withdraw from these assumptions.

The nine essays present nine trends of heterodox economics. They include: Post-Keynesian economics, Marxian economics, Austrian economics, institutional economics, feministic economics, behavioral economics, complexity economics, cooperative economics and ecological economics. All these trends are clearly and precisely described provided that into consideration there is taken rather the encyclopedic or textbook abbreviation. The publication is ideal as the manual concerning these trends. It would be ideal if Polish schools of economics also decided to follow this example. Each chapter is completed with the presentation of the publications that are essential for this trend. The transparency and clarity of narration are astonishing. The essays are written in accordance with the following scheme: general assumptions, the main economic problems that need to be solved and the political proposals.

As regards the chapter devoted to Post-Keynesian economics the reviewer was intrigued mainly by two issues. The first issue regards a certain modification of the Keynesian assumptions regarding the decreasing inclination of consumers to acquire goods as the source of economic crises which is connected with slightly more emphasis laid upon the role of financial markets as the source of economic instability. However, the basic assumption remains unchanged – economy requires not only micro regulation (of the market), but also macro regulation (the state policy). The reviewer was astonished by the disappointment expressed by the Author (the eminent British economist Engelbert Stockhammer) that many Keynesian and neo-Keynesian economists were successfully convinced by the mainstream economics. This issue (competition or complementary character) appeared in several essays and it appears that it is not certain how this relation ought to be treated. Undoubtedly Post-Keynesian economics as well as the Austrian and institutional schools are close to the mainstream and their postulates are more frequently accepted by mainstream economics.

Marxian economics is focused on the criticism of capitalism as the way of organizing economy that intensifies social, economic and ecological problems of the world that is constantly based on the increasing exploitation. This trend is represented, among others, by T. Piketty's "Capital in the Twenty-First Century". The book received very negative evaluations of most mainstream economists who (probably rightly) were afraid that the publication reveals the myth of universal happiness formed on the bases of free market economy. Marxian economists emphasize that inequalities are still increasing and that they have global character, which may lead to the global social conflict, the consequences of which are hard to imagine.

Adverse reflections are represented by the authors of chapters devoted to the Austrian and institutional school. The former chapters are focused on the evaluation of the state as the extravagant participant of the market that uses "marked cards" and pushes himself/herself forward in economy and at all costs attempts to justify

the need to exist. The latter seek development possibilities in factors that are other than work and capital (in institutions) and in all that ensues from opportunism in the behaviors of market entities.

The subsequent chapters are focused on the problems of those who are less successful on the market because they are less wealthy, less autonomous or are discriminated against. It is emphasized most explicitly in the essays devoted to the feministic trend and the cooperative school. The first essay (among others) is focused chiefly upon the complex character of the category termed as household, which contributes to the fact that the assumption implying that a household makes the decision to acquire goods is not correct. A household is not a unit, but a community of people whose preferences are usually different. Additionally, the school's proposal is to replace the model of economy based on competition and rivalry with the model that adopts the assumption of interdependence and mutual concern although the essay does not provide a clear answer to the question on how to achieve this. The cooperative school proposes the return to a cooperative as the form of economic activity and a real path to better competition chiefly with large international corporations.

Other trends are focused on sounding out the chances guaranteed by the application of psychology (the issue regarding the rationality of economic behaviors and the importance of heuristics and cognitive mistakes) and science of complex systems (economics of complexity) as regards the explanation and programming of economic achievements of natural sciences (the key problem of sustainable development). In this way there was created a publication that shows clearly how versatile economics is and how many concepts and cognitive manners it contains as well as how poor and standard the didactic and scientific programs of academic institutions are, including the economic strategies that are based on them.

In Poland it appears that the situation is even worse than in the leading research institutes worldwide. After World War II varied and interesting Polish research concepts were replaced by Marxism. After 1989 there was a chance to recreate the former diversity, but Marxism was in administrative terms almost replaced by Neoliberalism or optionally referred to the social and economic doctrines of the Church, which unfortunately is not a particular intellectual challenge because (according to the reviewer) this doctrine is not fully adequate for the modern challenges.

Nevertheless, as regards Polish economic tradition it appears that among Polish economists there are precursors of economic schools discussed in the book. The Marxian school constitutes an almost open reference to the publications of Oskar Lange. Michal Kalecki is the precursor of Post-Keynesian economics. The traditions of the cooperative movement were Polish economic specialities. Ignacy Sachs was the precursor of the research on sustainable development and development economics. There appears only one drawback of the reviewed book – omitting the historical school and contemporary attempts to continue such methodological approach.

However, it does not mean that the situation is dramatic. There appear more and more publications devoted to ecological economics (in Poland in this context

sustainable development economics is mentioned), institutional economics, the Austrian school or behavioral economics. In this context there should be noted the activity of the institution located in Białystok. It is the leading center in terms of the environmental trend and it is famous for numerous conferences, symposia, its own publishing house and the journal that is gaining international acclaim. The University of Białystok offers the increasing number of publications on institutional economics and behavioral economics and there is a large group of advocates of the Austrian school.

The book is worth recommending for students and doctoral candidates, but first and foremost it is addressed at the advocates of economic orthodoxy. It explains the limitations of the world they have barricaded themselves in.