

This is not economy

Aufruf zur Revolution der Wirtschaftswissenschaft /

A call for a revolution in economics

Christian Felber, 23 September 2019

The author of “Change everything” and founder of the international Economy for the Common Good movement, Christian Felber, scrutinises and dismantles the orthodoxy of economic science. His 360 degree analysis goes from the would-be natural and value-free science to the excessive mathematisation and model fetishism to its radical forgetting of its own history, roots and name. The fact that mainstream economists did not see the crisis of 2008 coming is a logical consequence of these fallacies and flawed thinking. Since then, protest among students is spreading and the call for a plural economic science is getting louder. Christian Felber expands upon this criticism, adds his unique analysis and presents concrete proposals for a holistic, if not “holy” economic science.

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Part I: Tour through the landscape of criticism

Part one is a round trip through the existing criticism of economic science on all levels: history, epistemology, theory, methods, textbooks, scientific community, and gender. In this section, the author creates an easily readable synopsis of the overwhelming – and sometimes devastating – landscape of criticism. Despite the depth and range of criticism, it is surprising how economics remains immune towards it. This is not a characteristic of a serious, academically sound science.

Part II: Forgotten and repressed

The second part is the centrepiece of the book. It is the author's personal contribution to the spectrum of criticism, as a holistic, fundamental and creative thinker, and as a linguist. Part of a serious science is to enlighten its own history, epistemology, goals, and function in society. Far from this, economics is obfuscating these issues. It is completely cut off from its roots in political economy as part of moral philosophy (Adam Smith), it has no memory of the original meaning of the word "oikonomia", and it is completely unclear about the definition of economics. Accordingly, there is confusion about the goals of the economy: Is it efficiency? Is it growth? Is it wellbeing or the common good? Some say that economics has no goal at all – as it is a value-free science. The author's contribution is to reconnect economics to its roots, name and meaningful goals.

Part III: Political economy

This part starts with a critical analysis of the so-called "Nobel Prize in Economics" which does not actually exist. The author sheds light on its origins and its strategic function in legitimising the neoclassical school of economics and the ideology it drags along. It is a show-piece of political economy. The chapter "econocracy" builds on a recent book from three Cambridge graduate rebels and reflects the role of economic science and economists in contemporary society and politics. Through the example of the Mont Pelerin Society, the author shows how a worldwide network of lobbyists helped to establish the neoliberal narrative on free markets and its global political enforcement. Before offering a summary of the holistic analysis of the dominating neoclassical mainstream economics in "25 capital sins", he gives an update on a scandal in Austria about a school textbook. As the founder of the [Economy for the Common Good](#), Christian Felber appears in a textbook as an economic theorist between Hayek, Keynes, Friedman and Marx. In 2016, 141 economists demanded that the Austrian Minister of Education should ban Felber from the book. They succeeded in their public campaign, with the help of the Austrian Federation of Industrialists. In 2018, Felber reappears prominently in another textbook which he makes public in his new book.

Part IV: Core tenets of the neoclassical belief system

In order to explain the fallacies and failings of economics, this section elaborates five core areas of economics: GDP growth, homo oeconomicus, competition vs. cooperation, the relationship between state and market and the diverse types of ownership which are not treated equally in the field of economics. The author offers holistic and convincing alternatives.

Part V: Alternatives

The last section consists of two chapters. In the first, he reveals the story of the International Student Initiative for Pluralist Economics, its beginnings, motives and reform proposals. In the second and final chapter, the author exposes his own vision of a holistic if not "holy" economic science that reconciles economics with ethics and politics, that includes history, ecology, gender, power, and democracy, and which, by definition, is "universal". The alternative builds on a broad array of methods, and is underpinned by a transparent and state-of-the-art epistemology.

Sample chapter III. 4. Ideological system of beliefs

After taking this round trip, we come to a more complete picture of neoclassical economics. We should ask ourselves whether it is:

- a science
- a *pure* science
- a “royal discipline”
- a (quasi)natural or a social science
- a “pseudo science”
- “pure science fiction”
- a not-yet (fully mature)-science
- a belief system
- an ideology?

It has a bit of everything, but in the end I deem the term *ideological belief system* the most accurate. This term, on the one hand, clarifies that neoclassical economics is based upon anti-enlightening education (threshold concepts, troublesome knowledge, manipulative metaphors, “reality celibacy”) and, on the other hand, it shows that neoclassical economics meets a series of criteria for ideology. These include the non-definition of core concepts, intransparency about its own value system, non-falsifiability, immunization against criticism and legitimation of dominant power structures. Its cocooning mechanisms cut it off from its sociocultural contexts, history, origin, etymology, other disciplines and alternative schools of theory. This mechanism is, however, “necessary” for it to become untouchable on the one hand and to conserve the status quo, on the other. At the same time, it explains “the world” from its cocoon and attempts to overwrite democratic laws with undemocratic textbooks. The authors of standard textbooks make frequent use of manipulation and indoctrination and the scientific community is unable to prevent it. Instead, one can observe an aggressive rejection of alternative epistemological approaches, heterodox theories, and real-life alternatives (such as the Economy for the Common Good, steady-state economy, or commons). Its “psychoanalysis” does not show a self-reflexive, open, and organic science, but rather a fortress. Here are 25 reasons why neoclassical mainstream economics is an ideological belief system.

The 25 capital sins of neoclassical economics

1. It presents itself as or like a **natural science**, despite being a social science (“physics envy”).
2. It disseminates the **illusion of a value-free science**, although it is a pronounced value system (individual utility maximisation, competition, the pursuit of financial goals, growth, materialism).
3. It is unconscious and intransparent about its **epistemological** approach.
4. The **objective** (a priori) **knowledge ideal** copied from mathematics and detached from reality is not adequate for a social science.
5. Its **positivistic self-conception** is not state-of-the-art social sciences. It is suggestive of **enduring truths**, natural “market laws“ and the final discovery of the “functioning of markets”.
6. By almost exclusively focusing on markets, neoclassical economics suppresses and marginalises other realms of economic activities.
7. It has cut off its **historical roots to** philosophy, politics and ethics.
8. It has pushed aside the **original meaning** of its **name** (“oikonomia”). A discipline that holds the focus on financial figures, (ROI, profit, GDP), is correctly called **chrematistics**, not **economics**.

9. There is **no clarity** about its **goal** (“Economics is what economists do”).
10. It presents itself as the one and only **theoretical economic school** (“theoretical monism”) without indicating the existing **plurality of theoretical schools**.
11. It has a built an **overweight of mathematics** which is neither functional nor meaningful (“calculate with letters”).
12. It works almost exclusively with **models**, although the standard models are radically undercomplex, suppress relevant realities and, consequently, are incapable of accurate prediction (“methodical monism”, “reality celibacy”).
13. It describes markets with **misleading metaphors** such as “coordination mechanism” that provides “naturally” an “equilibrium” without explaining these metaphors.
14. It ascribes markets a **quasi-religious character**, being provided with a mythical “invisible hand” (Adam Smith) or an “auctionator” (Léon Walras), that does not exist.
15. The standard textbooks are written in an **anti-enlightening style** instructing “admiration”, “surprise”, “enchantment”, and “belief” instead of critical reflection, controversial discussion and innovative development.
16. It ignores **criticism** systematically (“falsification of falsifiability”).
17. It refuses to adopt **insights from other sciences** (“resistance to interdisciplinarity”).
18. It behaves **aggressively against deviating positions** and calls holistic thinkers or scholars from other disciplines “non-economists”.
19. It disseminates a **pathological, socially destructive and scientifically indefensible idea of man** (“Homo chrematisticus”).
20. It jeopardises the **ecological foundations of life** (ignorance of “planetary boundaries”).
21. Its **rhetoric opposes the state** and has a tendency of **hostility towards democracy**.
22. It **obscures power structures**, introducing markets as “free“ and “neutral on behalf of distribution“.
23. It suffers a heavy **over-representation of males** and **suppresses the caring and relationship work of females** in the “oikoi”.
24. It extracts **symbolic capital from a prize** (“Nobel Prize in Economics”), whose donor spoke out explicitly against a prize for a discipline of social sciences.
25. It **legitimises** the existing unethical and unsustainable **capitalistic (world) order**.

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