

Economics as master discipline

Andrea Saltelli

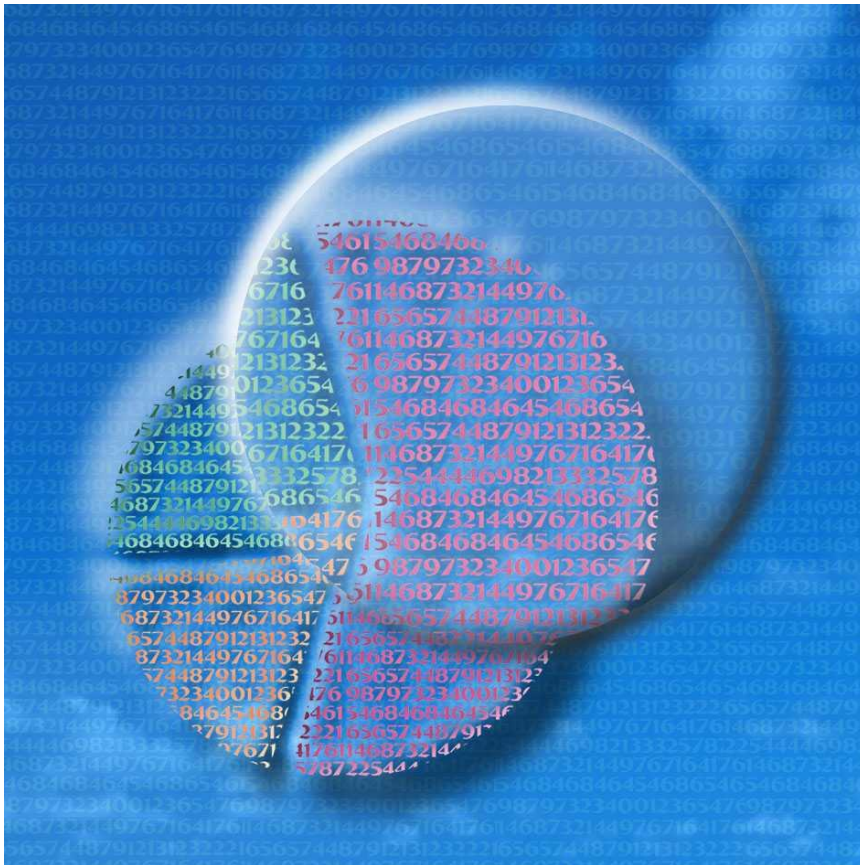
Centre for the Study of the Sciences and the
Humanities (SVT) – University of Bergen (UIB)

Institut de Ciència i Tecnologia Ambientals (ICTA) –
Universitat Autònoma de Barcelona (UAB)

Course at the European Parliament
Training for Directorate C, EPRS
Brussels

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Economics as a master discipline to solve practical problems.

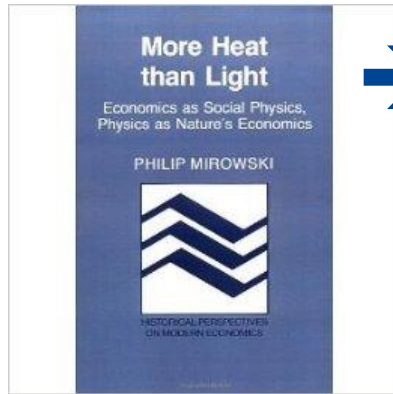
The predicaments of science (reproducibility, quality control, skills) and those of economic thought (loss of diversity, physics envy, ‘mathiness’).

Four conferences on science integrity

<http://www.wcri2015.org/>

A conference on ‘What’s Wrong with the Economy—and with Economics?’

<http://www.nybooks.com/blogs/gallery/2015/mar/29/whats-wrong-with-the-economy/>



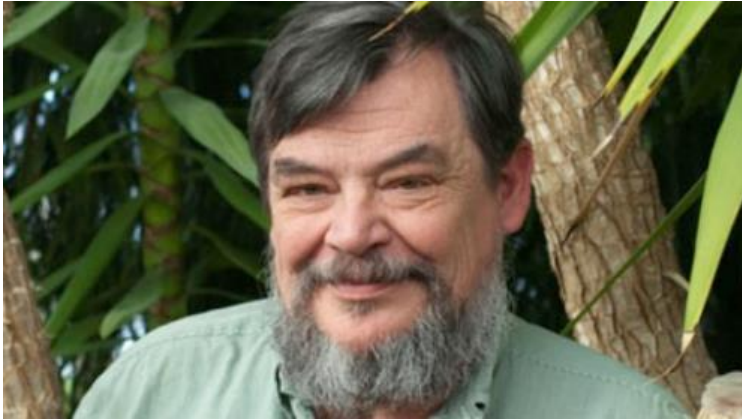
→ 1991



Philip Mirowski

→ 2013

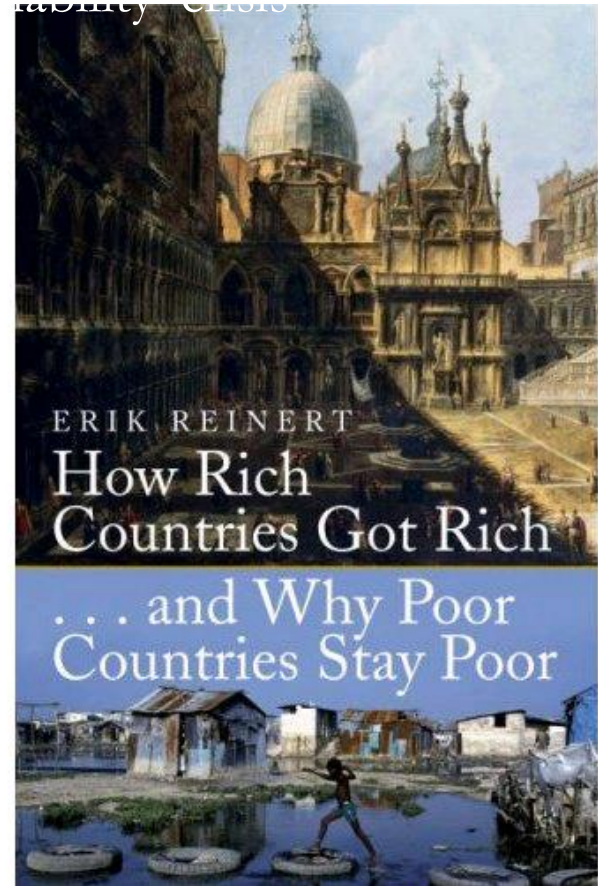


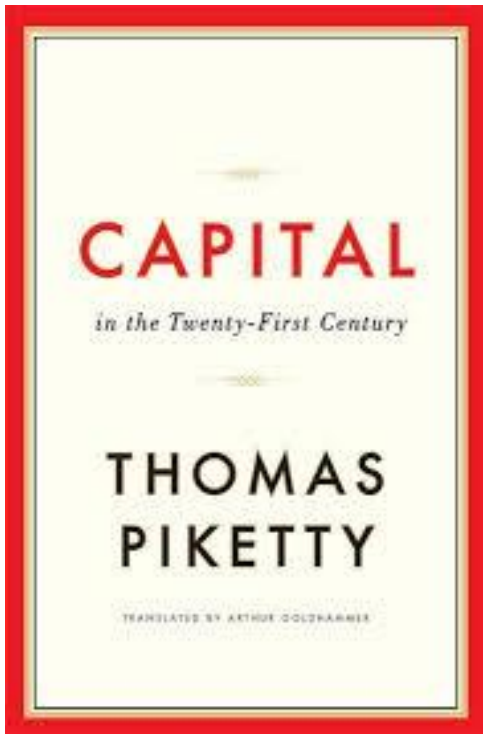


→ 2008

Erik Reinert

See also: Reinert, E.S., 2012, Economics and the Public Sphere: The Rise of Esoteric Knowledge, Refeudalization, Crisis and Renewal. Social Science Research Council, Essay, <http://publicsphere.ssrc.org/reinert-economics-and-the-public-sphere/>





→ 2014

“Piketty’s failure to relate inequality to power is not, it should be stressed, a particular failure on his part, but rather a general fault of neoclassical economics, tied to its position of ideological hegemony.”



Piketty and the Crisis of Neoclassical Economics | John Bellamy Foster | Monthly Review

 monthlyreview.org/2014/11/01/piketty-and-the-crisis-of-neoclassical-economics/

ASBJØRN WAHL

Review

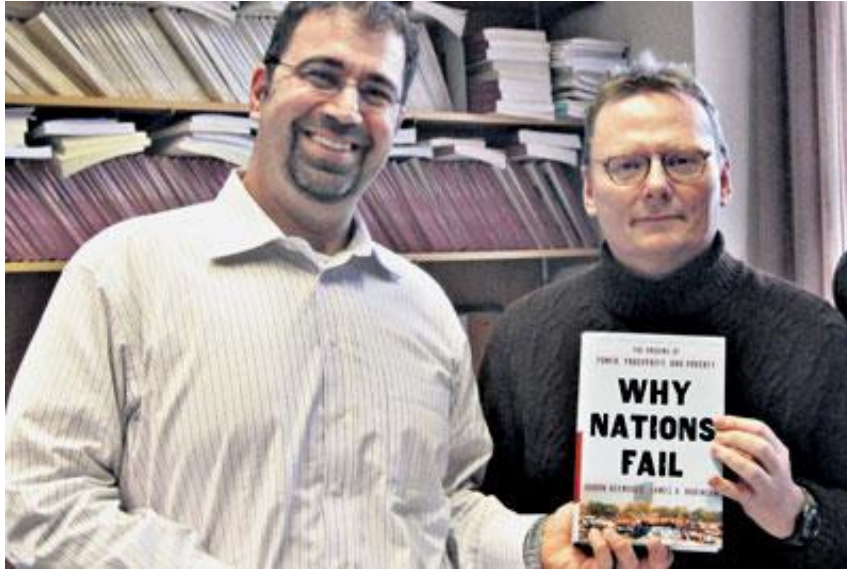
PAUL BUHLE on Vijay Prashad's *The Poorer Nations*

Monthly Review online <http://monthlyreview.org>

MR  <http://mrzine.monthlyreview.org>

us\$6 / CAN\$6 / €4.50 / £4.00

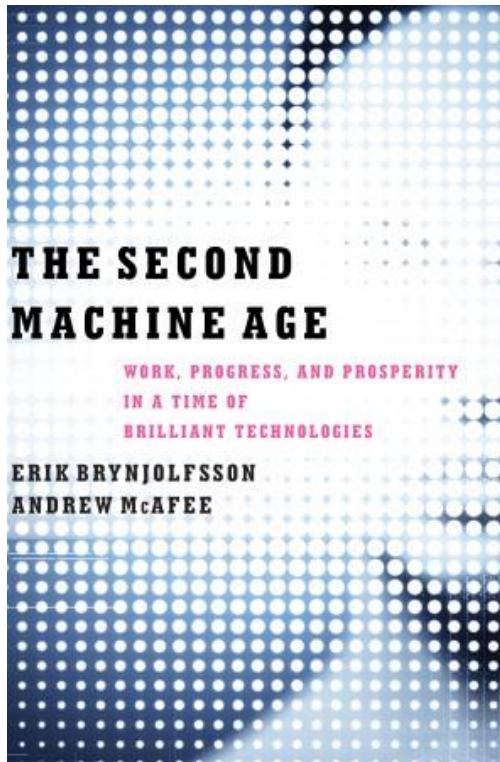




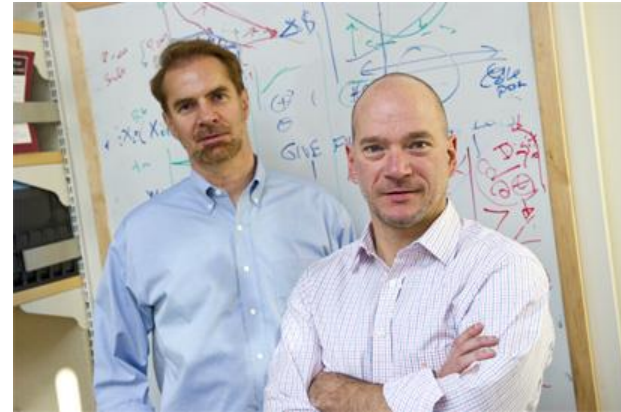
→ 2012

… quintessential vicious circle
between inequality and rent seeking
/ corruption

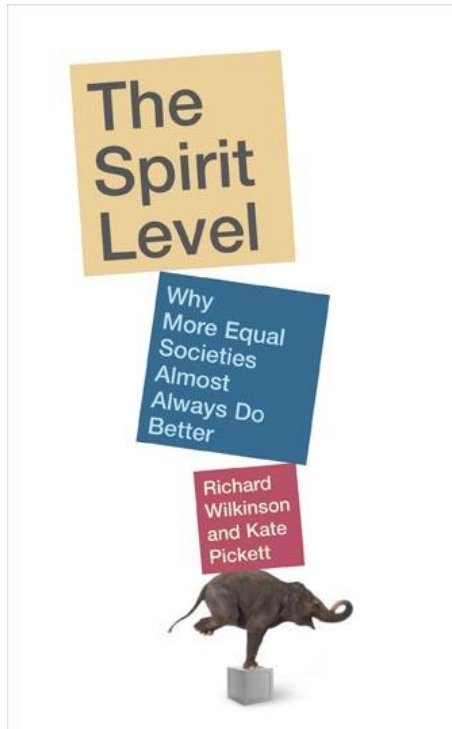
Acemoglu, D. & Robinson, J. (2012). Why Nations Fail. The Origins of Power, Prosperity, and Poverty, Crown Business Publisher.



→ 2014



- (i) Machines takes jobs,
- (ii) skill biased technological change,
- (iii) 'winner takes all' markets



→ 2012

NEW YORK TIMES BESTSELLER

JOSEPH E. STIGLITZ

WINNER OF THE NOBEL PRIZE IN ECONOMICS

"A searing read." —Nicholas Kristof

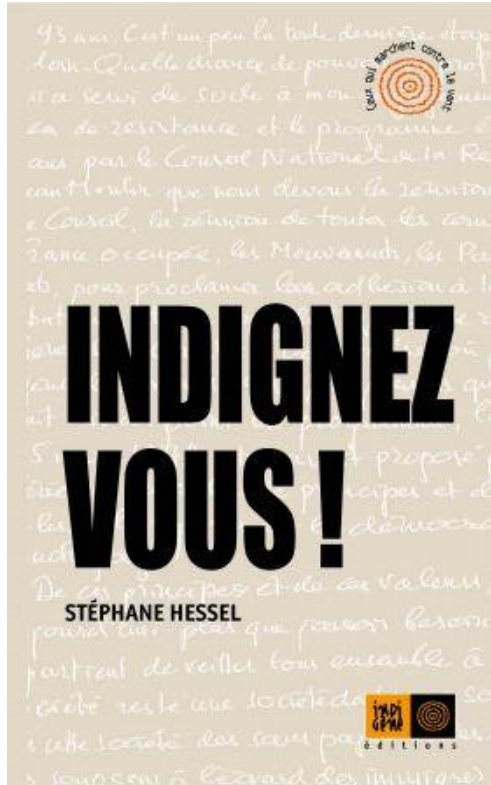
**T
H
E** **PRICE OF**
INEQUALITY

**HOW TODAY'S DIVIDED SOCIETY
ENDANGERS OUR FUTURE**

WITH A NEW PREFACE

→ 2012

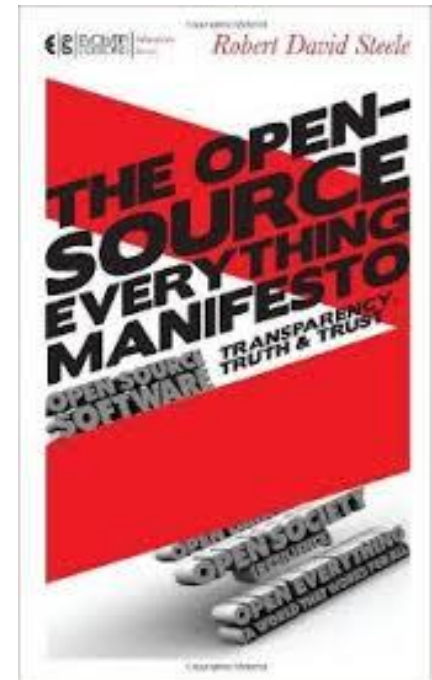




For Steele what the world needs right now is the restoration of trust collapsed by rampant corruption at all level of government and representation, and this can be achieved by a grass root movement for collective decision-making based on open source everything:



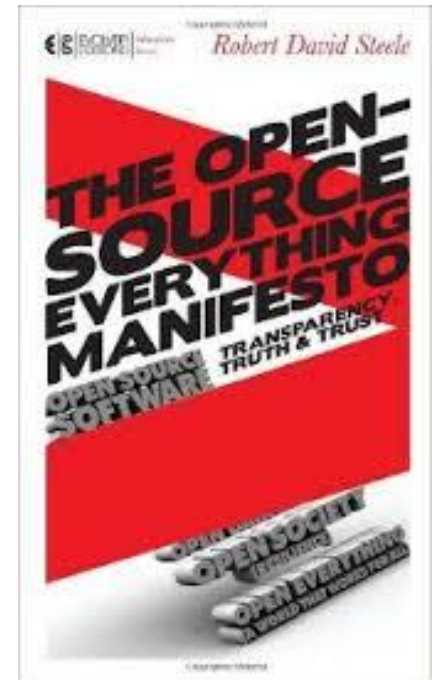
David R. Steele



‘The open source ecology is made up of a wide range of opens – open farm technology, open source software, open hardware, open networks, open money, open small business technology, open patents ...’



David R. Steele



Common element of the two crises:
statistics and mathematical modelling: a
new lingo: statisticulation, mathiness,...

Mathiness: *‘uses a mixture of words and symbols, but instead of making tight links, it leaves ample room for slippage between statements in natural versus formal language and between statements with theoretical as opposed to empirical content’*, by Paul Romer



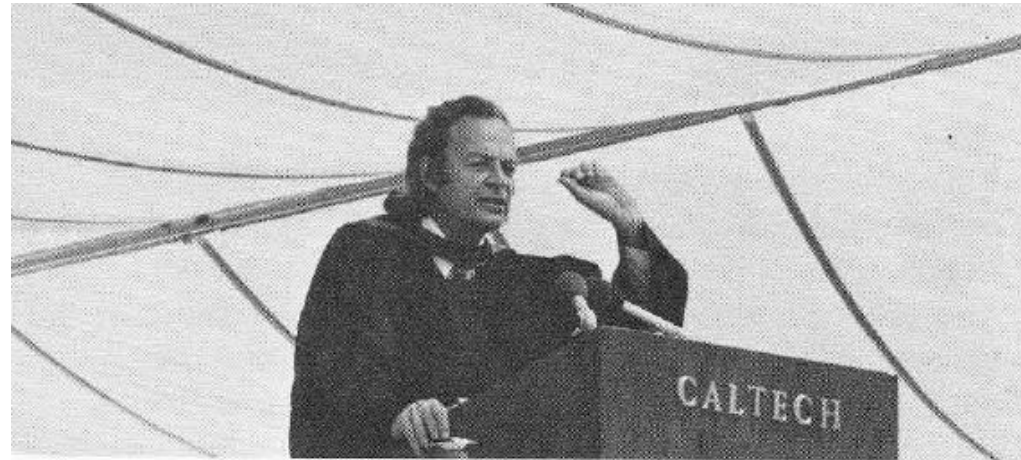
Paul Romer

Romer, P. M., Mathiness in the Theory of Economic Growth, American Economic Review: Papers & Proceedings 2015, 105(5): 89–93.

Paul Romer's Blog
quotes of Feynman's
Cargo Cult lecture in
relation to intellectual
honesty

<http://paulromer.net/feynman-integrity/>

Feynman argued for the moral commitment of scientists to go out of their way to try to falsify their own work, following a tradition in science from Karl Popper to Robert K. Merton.



Cargo Cult Science

by RICHARD P. FEYNMAN

**Some remarks on science, pseudoscience
and learning how to not fool yourself.
Caltech's 1974 commencement address.**

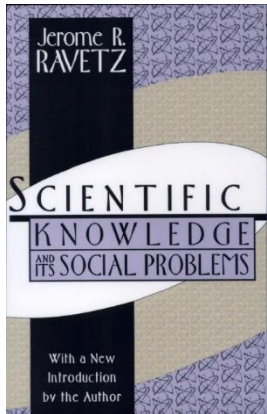
In relation to the predicaments of evidence based policy and the possible diseases of economics:

Ravetz, J., 1971, p. 366 [Chapter on IMMATURE AND INEFFECTIVE FIELDS OF INQUIRY]



[...] The situation becomes worse when an immature or ineffective field is enlisted in the work of resolution of some practical problem. In such [...] context [...] the relevant immature field functions to a great extent as a 'folk-science'. This is a body of accepted knowledge whose function is not to provide the basis for further advance, but to offer comfort and reassurance to some body of believers.

See also Jerry Ravetz, Economics as an elite folk science: the suppression of uncertainties, *Journal of Post-Keynesian Economics*, Winter 1994-95, 17(2).

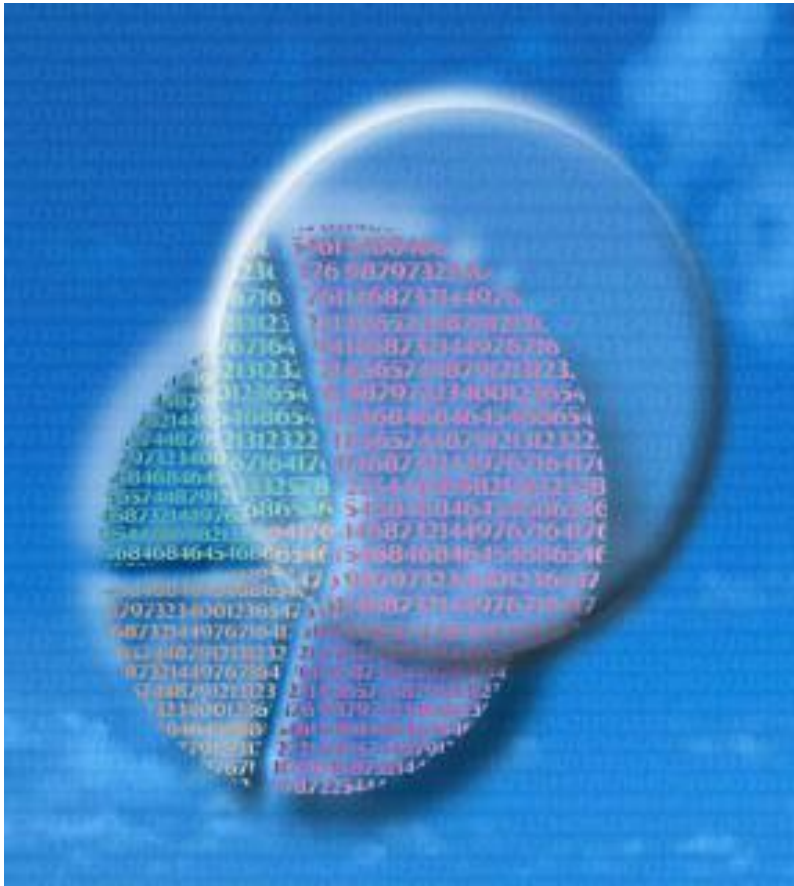


Critical economists have always wandered ...

Hendry, D.A., 1980, *Econometrics—Alchemy or Science?* *Economica*, 47, 387–406.

"It will be remembered that the seventy translators of the Septuagint were shut up in seventy separate rooms with the Hebrew text and brought out with them, when they emerged, seventy identical translations. Would the same miracle be vouchsafed if seventy multiple correlators were shut up with the same statistical material?"

Keynes, J. M. , 1940, *On a Method of Statistical Business–Cycle Research. A Comment*, *The Economic Journal*, Vol. 50, No. 197 (Mar., 1940), 154–156.



END

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