

GLEAMING (DIMMED) PROSPECT OF WESTERN ECONOMICS

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The more western economists prove that economics is a hard science, the more it is losing its validity. Turning to mathematics and statistics and leaving human emotions and especially ethics a long way behind, they have started out on a path that leads nowhere. Economics has ceased to be a way of explaining the world and enabling us to turn it into a better one and has become exclusively a way of enabling people to make virtual money. Not necessarily registered in internet accounts, but existing in people's minds though not in reality. Western economics has abandoned what Adam Smith called the wealth of nations and turned back to the mercantilistic way of thinking – money above all. The main difference is that now we are not looking for treasure islands but treasure 'phantoms'. And because phantoms and virtual money don't exist, we are stuck in a battle with an unprecedented virtual crisis.

But at one time economics was the realm of philosophers such as John Stuart Mill and Aristotle, as well as theologians like Thomas Aquinas. They considered whether the way of gaining profit was honest rather than whether it was cost effective in the contemporary meaning. Their ideas helped people to pursue a certain direction. They were able to deeply feel that they, their ancestors and their descendants are, were and would be part of the same long-term process. They had a feeling of existential safety, and a sense that there was something more important than just fulfilling their day-to-day needs. They were motivated to act and make decisions from a long-term, not a short-term perspective. People were aware of why they made profit and why they wanted to make it honestly.

Today, these ideas seem not to exist in social discussion. People don't try to find out whether their activity has a sense, but rather whether it is profitable. They reduce their horizons to simply responding to the problems of the 'here and now'. They don't want to waste their time on reflections about time and the passing of time. In this way they lose what is, in my opinion, the core of economics. So I was pleasantly surprised when I read a very interesting book

written not by an ancient man but by two contemporary authors – Akerlof and Shiller – entitled 'Animal Spirits'. Akerlof and Shiller return to the roots of Keynesian theory and respond to one of the fundamental questions posed by Keynes: why do people earn and spend money? They compare the state to the family and say that their concept corresponds to the concept of the Keynesian state. Akerlof and Shiller show that consumers and producers are living people not phantoms, can love and hate, and these feelings have real impact on the economy and the emergence of crises. But contrary to the assumptions of most contemporary theorists and practitioners of economics, real people make not only rational, but mostly irrational choices. This inconsistency between economic theory and the real economy is the reason for the unpredictability of crises. And the main problem is not that crises take place at all, because there have always been crises, but that they are so unexpected.

Akerlof and Shiller argue that many economists go too far in limiting the economic behaviour of consumers to the theory of rational expectations or market efficiency. Contemporary economists very often respond to Keynes' theory, some accepting, some rejecting his views, but what is hardly ever taken into account is what Keynes calls 'animal instincts'. They forget that before Keynes formulated his theory he asked the fundamental question: how do people drive the economy? For Akerlof and Shiller economic history is in fact a history of optimism. They recall the words of Senator Cabot, who said that during the panic of investors in 1907, there was not so much a shortage of cash as of confidence.

Akerlof and Shiller write about self-confidence not only as a state of mind, but above all, as the economic variable that can explain why recent crises were so unpredictable – because human nature is so unpredictable. In my opinion this idea can be taken a little further. People are not self-confident enough because they don't see a long-term perspective. Their activity is not a part of a predictable pattern, as that of their fathers and grandfathers was. And this is the key to why the Polish economy is in such a relatively healthy state.

In Polish society the notions of homeland and tradition are still very much alive. Poles are very proud of their country. Poles are traditionally Catholic. And, whether they attend mass every Sunday or not, most of the society admits that the ten commandments are a common value that every decent man should obey. In other words Poles still, consciously or not, can point to eternal truths that they have in common with their ancestors, and try to teach their heirs. They pursue a very philosophical pattern of understanding time.

Classical philosophy established three types of time: tempus (human time), aevum (eternity), and aeternum (the „greater eternity“ in which God exists). In aevum takes place everything we could call the economy.

Since the era of the Enlightenment, the idea of eternity has been abandoned. And today most societies (e. g. western countries) distinguish only one kind of time – the present. The consequence of this is a proliferation of universal laws advocating earning money and focussing on contemporary profits.

This has meant the abandonment of political economics in favour of mathematical economics. In this way the problem of what belongs to the eternal and what belongs to „tempus“ has been solved. Today everything takes place in the present. Even if we use a sequential model, from a philosophical point of view everything is in „now“ time. We are not so interested in the eternal. Future generations and futures transactions belong to the same dimension of time. In the past they would belong to totally different dimensions of human existence but today we try to overcome the problem of time by putting everything into the same time „dimension“. In this way we live in the illusion that we have got rid of the problem of time. But we haven't.

This 'new' approach to time has not yet established itself in the whole of Polish society. There are still many of the older part of the nation who think, or rather 'feel', in an 'older' way of thinking. Some of them do it consciously, others not. But they still remember the spiritual battle between the communist and the pre-Second-World-War way of thinking. Everything that had any link to the pre-war period was connected with tradition. The post-war period was synonymous with trying their hardest to maintain tradition and defend it from 'the red curse'.

Poles during the communist times had to answer a question that everyday life was continuously asking them: what really matters in life? But they were well prepared to find that life has eternal, as well as contemporary, aspects.

This approach has its roots in history and in the spiritual heritage from the previous centuries when Poland was under foreign occupation. A very famous and respected Polish poet wrote a book called 'Konrad Wallenrod'. In one scene the main hero, Konrad, is going to war. He says to his beloved Aldona that he has to leave her for a short time, to be able to come back and love her forever. Aldona doesn't want to accept his decision and accuses him of not loving her. She states that if he loved her he would never leave her to go to war. And he answers her that she is terribly wrong. If he abandoned his country in need, his love for her would be worthless. He must obey the spiritual law that his love for a woman must be in accordance with something 'bigger', else it has its basis in nothing and is therefore without value. Pursuing the thoughts of Ackerloff and

Kríza v politike – politika v kríze?

Shiller, and above all Keynes, I believe that the roots of the relatively healthy state of the Polish economy can be found in the fact that a large part of Polish society still remembers the need to ask the question 'what really matters in life?' and tries to answer this question according to old traditional patterns.