Review of: "What Went So Wrong in Economics"

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Potential competing interests: No potential competing interests to declare.

The article highlights the importance of considering planning horizons and their effects on economic behavior, and suggests that a departure from the prevalent assumptions and frameworks is necessary to explore new avenues for research and understanding in economics. It calls for open-mindedness, a willingness to learn, and a potential for a new formative moment in the field of Economics.

It discusses the evolution of economic thought in the 1930s and its subsequent impact on the field of economics. It starts by highlighting the significance of debates during the 1930s, tracing the origins of a post-Marshallian synthesis to Clapham's influential paper in 1922. Pigou's endorsement of increasing returns and rejection of decreasing returns is noted as a turning point. The field saw a proliferation of new ideas aimed at addressing fundamental gaps, leading to a period of growth and boundary refinement.

The onset of World War II in 1939 disrupted this trajectory, diverting attention away from ongoing discussions and unresolved issues. After the war, economists sought to move beyond the uncertainties of that time. The author points out that Hicks (1942) and Samuelson (1947) played key roles in guiding the field forward, leading to the emergence of General Equilibrium (GE) theorists like Arrow and others, who received Nobel Prizes for their contributions.

The article then critiques the selective focus of economists, highlighting the concept of opportunity costs and the potential loss of theoretical innovations due to narrow perspectives. It points to alternative fields like institutional, ecological, social, and cultural economics as examples of areas where more realistic conceptions could have been pursued, but largely remain undeveloped. The author raises concerns about the dominance of equilibrium models and the avoidance of chaotic complexity in economic modeling.