

Economists do not think

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The Guardian [has an article this morning](#), hidden deep within its website, about an economic study on thinking.

The amusing thing about this study is that it noted this:

"So much of what it means to be human is about what's going on in our head," said Dr Joshua Tasoff, a senior author on the study. "The fact that we haven't really looked at that as economists is really quite extraordinary."

In a couple of sentences, an explanation is offered as to why economics gets so much wrong. It has never bothered to look at real people and what they do or think. In a social science, that is quite an admission, and quite an omission.

And what did the study then do? It was mundane. It simply asked people to record what they were thinking about. Not why, or with what aim, just what. From that survey, it concluded there are four types of thinkers, reaching conclusions that I recall the likes of Cosmopoliatm discussing when I was quite young with girlfriends who read that august journal.

The reality is that economics has not thought about this, but philosophy has been doing so for thousands of years. However, because economists never think, let alone think outside their own silo, most have not noticed.

The word philosophy comes from the Ancient Greek word philosophia, meaning "love of wisdom," formed by combining philein (to love) and sophia (wisdom). It is, then, all about thinking, and almost all philosophers would agree there are three branches to that subject. They are:

- * Ontology, which asks: What exists?
- * Epistemology, which asks: How can we know what exists?
- * Ethics, which asks: Given what exists and what we know, how should we act?

They might add:

* Logic, which asks: How should we reason from what we know?

Now, I know I am basing my opinion of this new economics study on a newspaper report, but I suspect that it went nowhere near these topics, and I am equally sure that there is good reason for that.

Most economists and politicians do not want to see the world through this framing. Why? They are frightened of what ontological thinking might do to them.

For example, if they asked what the money system really is, or, in other words, asked how money exists, they would realise that the economic system that we have is based on an ontological falsehood about what money is. But they will not do that.

Their whole identity is wrapped up in the falsehood they have spent their lives promoting. They are totally invested in the household analogy, the belief that money is an exogenous variable within the economy, and not an endogenous one that governments can control, and if they accepted the truth, the whole of their reality - as they perceive it - would collapse. They cannot change, because all their authority would fall apart if they did.

This is the reality that we face. We cannot win an argument with these people. They might even know they are wrong, but they are not going to admit it. The price of doing so is too high. Our only hope then is to work around them. How to do that is the question.