What is Right Economic Way of Thinking?

A Short Story of Two Contrasting Views

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Abstract

This essay is an attempt at educational storytelling about two contrasting ontological views governing economics-learning. It points to mainstream economics based on the paradigm of methodological individualism vis-a-vis non-mainstream economics based on the alternative paradigm of methodological holism. The purpose, in light of this, is to draw the attention of economics teachers as to how they can negotiate the challenge set by the 2020 National Education Policy of sifting or integrating relevant understandings from different methodologies of inquiry about the socio-economic world so that economic pedagogy is oriented to tackling complex challenges in the real world. The essay suggests that Post Keynesian economics as a representation of non-mainstream economics should be *favoured because of* empirical evidence in its favour as also the need for socially progressive capitalism.

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1. Introduction

Economists differ in describing social reality due to differences in the "first commands" that guide the procedures of their 'scientific' investigations. This is what is known as social ontological difference. As Maki (2001) has pointed out, it refers to economists not holding the same "beliefs or ontological presuppositions—fundamental ideas about nature of being—which direct their thinking about economic behaviour and convictions about the way the economic world works." Little wonder that there is no single economic worldview.

Consider two stories in this connection that dramatize the concern of this essay. First, there is a story of a frog that lived in a well. There are different versions of it (e.g. Nandipati, 2022; Tzu and Palmer, 2006). One telling of it goes like this. "The frog was born and brought up there and spent its entire life believing its small well to be the entire world. One day, another frog came and fell into the well. Where are you from?, the first frog asked. I am from the sea, the second frog responded. The sea! How big is that? Is it as big as my well? Asking this, the first frog took a leap from one side of the well to the other. My friend, said the frog of the sea, how can you compare the sea with your little well? Then the first frog took another leap and asked, Is your sea so big? The frog of the sea exclaimed, What nonsense you speak, to compare the sea with your well! Well, then, said the frog of the well, nothing can be bigger than my well; there can be nothing bigger than this; this fellow is a liar, so turn him out."

The typical undergrad-econ-teachers, who are restricted by the mainstream economic curriculum, appear to be the "frog in the well" in the above story in that they are trained in mainstream economics and are restricted to teach only mainstream economic curriculum offered to the students, which has to be completed in little time frame designated to them. The frog of the sea represents non-mainstream economic learning shunned by the dominant mainstream economists.

Secondly, there is a story titled "The Croaking Frogs" (Akinbi, Undated). In this, the frogs in a swamp get into a croaking contest, and the cacophony of their simultaneous croaking disturbs not only the other resident creatures but also the smallest frog among them, who does not participate in the competition. The croaking frogs are an assortment of mainstream and non-mainstream economists *creating* variegated noises about the social and economic realm they think they know. The silent frog can be taken as the econ-teacher wondering about the veracity of what all the other frogs are saying.

How can this smallest frog interface itself with the surrounding noises? Like the frog in the well in the first story above, it can reject the non-mainstream noises unknown to it. Or, it can listen to the unknown noises and experience the discomfort of 'cognitive dissonance' (Mcleod, 2023), involving conflicting attitudes, beliefs or behaviours, whereby most likely it chooses to fall back onto the beliefs already known to it because homeostasis is better by surrendering to the beliefs of dominant intellectuals. The third response of this frog can be that it evaluates the beliefs of economists by empirical evidence in direct relation to the theories and models they hold. This essay supports this as the optimal response. There can be a fourth response which is that it can think about reconciling the differences and thereby put forward a better approach as some scholars have proposed (Bunge, 2000; List and Spiekermann, 2014), but this is not *our* concern.

2. The Heart of the Problem

Now the ontological problematic taken up here can be elaborated as follows. The mainstream and non-mainstream economists do not see eye to eye because their ontological methods differ, with the former following methodological individualism and the latter methodological holism. The mainstream economists, also called as atomists or individualists, believe that individualism is a robust, valuable and successful approach to explaining economic and social phenomena (Bulle, 2024; Neck, 2022). All explanations of social phenomena will have to be based on "individual beliefs, wishes, intentions and actions" (Bellido, 2024).

The non-mainstream economists, also known as holists, condemn this approach as dogmatic refusal to examine the "social structure or institutional or psychological forces which are involved in the moulding of individual preferences and purposes" (Hodgson, 1986). Much of the individual behaviour is shaped by factors outside the individual concerned. The "high-level social entities or properties such as states, institutions or cultures are ontologically or causally significant". As such, they go by what Asch (1952) had brilliantly said long time ago thus: "The unit is not an individual but a social individual, one who has a place in the social order…To understand the individual we must study him in his group setting; to understand the group we must study the individuals whose interrelated actions constitute it."

It is interesting to note how Bresser-Pereira (2003) highlights the difference *between individualists and holists in terms of their preferred method of inquiry.* The former have adopted the hypothetical-deductive method of methodological sciences like logic, mathematics and statistics which have no object other than the rationally constructed. The latter have embraced the empirical or historical-deductive method which is suitable to the substantive sciences such as economics. It facilitates the analysis of the real economic systems.

Lawson (2012) endorses this point saying that holism permits "elaboration of the real nature of social reality by tailoring its methods to that nature unlike individualism which determines methods a priori without consideration of the nature of the task". The problem is that "whatever the question or object of analysis, mainstream economists insist in advance that certain sorts of methods of mathematical modelling are always the appropriate tools." Consequently, the individualists do not exhibit "real engagement and debate over the nature of the social world and how it works".

In light of this, this essay is in consonance with the ontological grounding of the holists even as the dominant individualists never stop ignoring and disparaging the economic worldview of the holists.

3. Individualism and Holism in Some Detail

Hodgson (2025) is the best guide to make sense of the individualists and holists in some more detail. By this source, we can find the individualistic frogs croaking as follows:

"Economics is the science of choice in terms of specific core assumptions and analytical techniques. And it can be applied to any living organism. There is no need to learn from other disciplines. The best way of understanding a phenomenon is to build a model about it that can make correct predictions. In doing so, mathematical precision is a supreme virtue. History does not matter. Rationality in terms of consistency of self-interested behaviour is a foundation stone of economics. Individual preferences are taken as given. Individuals are identical or similar in information processing. The individual is always the best judge of her interests. There is no uncertainty because it does not fit into mathematical models. Scarcity is a central concept. Human decision making and computational capacities are massive or infinite. Technology is given. The focus is always on equilibrium outcomes. Diminishing returns are assumed to model equilibrium processes. The market is the universal context of all human interactions. Financial markets are self-regulating and efficient. Free trade is beneficial for both developed and developing countries. Economic development materializes with the spread of free markets. All welfare recommendations must be Pareto-efficient. All moral issues are reducible to individual preference or utility. Utility-based welfare analysis has universal applicability."

By contrast, the holistic frogs do profound croaking thus: "Economics is the study of a real object called the economy which is a part of human society concerned with the production and distribution of wealth. Ideas in other disciplines regarding psychological and other mechanisms behind human decision making and how institutions work are taken into account to understand economic phenomena. Mathematical models are of limited value when phenomena are more complex. Causal explanation is the purpose of science. Prediction is difficult to make with complex phenomena and non-linear interactions. Being roughly right is better than being precisely wrong. Social sciences should integrate in their pursuit of a common object of enquiry. Understanding of economic history, history of economics and the philosophy of economics are essential. Understanding and questioning of basic assumptions is vital. Humans are not entirely self-interested, even in the business sphere. The rhetoric of rationality is a diversion from the complex analysis of the psychological and other dispositions and mechanisms that drive human behaviour. We are not born with a fixed preference function at birth. Nor do we act as if we had one. Economic phenomena cannot be understood without taking into account the diversity within populations of human characteristics and dispositions. There is uncertainty. Human decision making and computational capacities are highly limited. Faced with complexity, humans use intuition and rules of thumb and they know that others do likewise. Individuals are not identical or similar in information processing. This is not all. Whether spontaneous or designed, the creation or development of institutions is difficult and costly in terms of time and resources. Innovation and technological evolution matter for economic change. History does matter. There are positive feedback, increasing returns, disequilibrium, cumulative causation, and path dependence. Markets are historically specific social institutions that organize ongoing exchange. They differ by their trading rules and outcomes. Rarely do they emerge spontaneously and they are difficult and costly to create. Financial markets are unstable due to uncertainty and bounded rationality. Without adequate national and market institutions, free trade in practice can result in commercial swamping of nascent enterprise by big foreign corporations. Economic development requires national and other institutions as foundations for economic activity. Individual is surely not the best judge of her interests due to limited access to information and limited cognitive capacities. Neither the individual nor the state should be the uncontested judge of individual welfare. Democratic processes are required for identifying and evaluating real needs. Pareto criterion is not the only standard of welfare. All societies have some moral imperatives that limit rampant individualism. Utility-based models are useless for adequate evaluation of ecological sustainability. Basic needs, egalitarian concerns and problem of limited information do matter in areas of health and education."

It follows from above that the holistic method of inquiry into social reality is not only more comprehensive but also has better sense and sensibility as compared to its individualistic counterpart. In fact, there is no scope for realism at all, *let alone critical realism*, about the economy in the individualistic or atomistic camp. Only fairy tales are concocted.

4. Argumentative Holism

Some holistic arguments as collated in Bose (2020; 2021a and b; 2022) reinforce the above points with some explanatory power apart from unearthing some new points about the pitfalls of individualistic thinking. Consider Gylys (2017), who has highlighted the following criticisms. Individualists have failed to forecast the future of real-world events and so have become the butt of popular jokes.

The individualistic position that collectivities do not exist or that they exist but could be understood through the analysis of the behaviour of their individual members is misleading. "Take, for example, the individualistic model of public choice. Here the presumption is that all participants of public life, beginning with an ordinary voter and ending with an elected politician, are driven by their own personal interests. They have the same motivation as market participants—they are essentially driven only by the search for private gains. The antinomy of this model is evident in two irreconcilable postulates—first, there is the acknowledgement and recognition that public life, with its regime of public choice, does exist; and secondly, the public figures, however, pursue not the goals of the public, but ones of their own private greed. There are no concepts of public life as public goods, solidarity, social capital, free riding in the individualistic models. As such, it is nothing but a bad theory."

The individualists believe in "a universally homogeneous historic reality" reduced to capitalism based on self-interest, private gain and perfect competition. They are "not bothered about the national specificities of the economic life of different countries. They have no respect for the history, culture or institutional arrangements of a country in question. Actually, they have no interest in how a market embedded in a particular social life operates in practice, or how a market is intertwined with social, political, cultural and other aspects of society. The holist approach is better in this regard."

Individualists believe that "the market where private goods (i.e. goods meeting private needs and wants) are produced, is the only productive, effective economic regime. The more the market, the more the economy so much so that economic reality is reduced to the model of a pure market. From this, it is proposed with absolute *certainty* that an unfettered, laissez-faire market can resolve all economic problems and that any collective action or any interventionism will hamper the smooth, elegant, and elastic functioning of the market forces. The natural economic order will be distorted to result in economic losses. Neoliberalism, monetarism, and the Washington Consensus are largely based on this set of beliefs. Their ideologues ignore the public aspects of wealth creation and suspiciously observe all regimes of non-individual governance as unnatural and non-economic. Their eternal, religious belief in spontaneity—the invisible hand—stems from 'naturalistic' thinking that the economy functions like nature. Since the market is the most natural regime, all non-market elements spoil the economy. But this naturalistic premise contradicts and denies the whole course of historical development as a process of evolving public arrangements and institutions that had helped people to cope with the problems of procurement of security, justice and other public goods. In the same vein, monopoly and monopsony are seen as not natural elements of the market as they do not represent regimes of self-regulation. It is ironic that the individualists prefer private visible hands rather than public ones! No activity can be justified by the individualists if it is not privatized and marketized."

The individualists neglect the "impossible problem of implementing the preconditions of perfect and fair competition even as the real economic market actors are striving exactly for the opposite! Little wonder that such concepts as public goods, public interests and needs, public governance, public finances and the like required to set right the real-world are avoided".

With regard to the theory of the firm, suppose these questions are asked: "Is the business firm a sum of employees, with each of them of equal status? Can we reduce a firm's real activities to the actions of separate individual employees? Are the needs, interests, and goals of an individual employee identical to the ones of the firm? Are the interests of the owner of the firm the same as those of the hired employees? Are they equals, not connected by relations of subordination and domination?" The individualists usually sidestep these questions as the logical answers to these questions do not fit in their individualistic picture of the world. The super individual realities of a firm's performance are not revealed. Also, the socially irresponsible behaviour of businesses is hidden.

The individualists apply their theory to the family: "A family is a market phenomenon. Each marriage should be considered as an exchange between a wife and a husband as entrepreneurs maximizing their own benefits. Such a conception leads to substantial cognitive, practical, social and economic losses. Such a theory is devoid of elements like love, devotion, affection, family duty and responsibility. There is no romantic and spiritual side of family life at all. There is competition and there is no cooperation and solidarity. Family cohesion, norms, rites and traditions, which originate from the family itself and from the communities or societies at large are neglected. The individualists are happy to present us with a parody of the family, instead of analyzing the true family in terms of the combination of the elements of egoism and altruism, and of competition and solidarity. People who internalize individualistic thinking of family are found to be hardly leading full-fledged family lives, since they put emphasis on competition, not on cooperation between spouses and between family members. Children growing up in such families have amputated souls as domestic altruism, family solidarity, readiness to make sacrifices for the common good of the family and other virtues, are marginalised and neglected. Individualistic thinking has exerted a substantial influence on the instability and unsustainability of families in Western societies. It has led to the loss of the social capital in families, a waste of limited family resources, and consequently, the loss of sustainability and vitality in such social entities."

There is empirical evidence belying a number of ridiculous assumptions underlying individualistic enquiry (Davey, 2015). Individuals do not have independent preferences that give rise to choices. "In fact, individual choices are governed by social, interpersonal or community processes, that is, by group psycho dynamics. Markets do not have all the information that market actors need. The market players do not have God-like powers to make accurate assessments of the future. In fact, the market is almost always shot through with a lack of information and/or information asymmetry. People have so much influence on each other precisely because of the absence of information and the uncertainty in which many economic decisions are taken. They are influenced and swayed by social trends. But for individualistic economists and politicians, there is no such thing as society even as it is now well-known that only collective psychology explains the mentality of bubbles in asset markets and speculation."

Market actors are dishonest. "There is rampant fraud and opportunism, secrecy and misleading accounts of product quality. Speculative manias have exposed such corruption. Instead, we have individualistic models which assume the reverse and they are taught to students."

Perfectly competitive markets (where there is no market power) are glorified for delivering wonderful outcomes like optimal allocation of resources and monopoly power is opposed. But this is paradoxical because "competitive success leads to the weaker companies being driven out and/or taken over by the stronger ones thereby accumulating more monopoly power. Without *Schumpeterian* competition, the Darwinist struggle between businesses does not deliver the benefits advertised in the textbooks, such as, cheaper products for all. For that reason, some capitalist countries have competition policies and there is policing against secret agreements between companies that restrain trade in favour of higher prices at the consumers' expense. However, a closer examination of some of these policies often reveals that the intended result is the opposite of the stated one. Moreover, the ideology of competition through free trade is intended to clear the field for those companies emerging in the first place and consolidating global dominance. Throughout economic history, the ideology of competition has been used to open up markets to the strongest market players and enable them to accumulate further market power. These are the players who will be most influential in political lobbying in the corridors of power. These are the very private sector players who will be influential to university departments of economics."

The assumption of self-interested and rational economic man ignores the findings of psychologists about what motivates people around the world in different cultures. "There are ten broad categories of human values, viz., universalism, benevolence, tradition, conformity, security, power, achievement, hedonism, stimulation and self-direction. Each of us is motivated by all these ten categories, albeit to varying degrees. In many actions taken by people, we see conflicting interests, self-sacrifice for moral reasons, genuine anguish about their difficult decisions, and doing things because they ought to, not because they give them satisfaction at all. People act altruistically, get depressed, act out of compassion, and do crazy things which do not fit into the individualistic models."

Moreover, "people behave like a herd; they do fear losses more than they do hope for gains; and rarely can our brains process all the relevant facts or information." More importantly, the individualists do not reckon with the real-world people, as neither purely selfish nor purely altruistic. They overlook the historical truth that people "do oblige social preferences by way of mutualistic/altruistic concerns and actions." The latter truth signifies a large solidaristic reality of people not explored by the mainstream frogs (Bowles and Gintis, 2011).

Keen (2011) has argued against the individualistic camp's obsession with equilibrium as follows. This is rather a long sub-story of holism, cut short as follows. "Economics as a discipline arose at a time when English society was in the final stages of removing the controls of the feudal system from its mercantilist/capitalist economy. In this climate, economic theory had a definite (and beneficial) political role: it provided a counter to the religious ideology that once supported the feudal order, which still influenced how people thought about society. In the feudal system, the preordained hierarchy of king, lord, servant and serf was justified *based on* the divine right of kings. The King was *God's* representative on earth, and the social structure which flowed down from him *reflected* God's wishes. This structure was nothing if not ordered, but this order imposed severe restrictions on the now dominant classes of merchants and industrialists. At virtually every step, merchants were met with government controls and tariffs. When they railed against these imposts, the reply came back that they were needed to ensure social order. Economic theory—then rightly called political economy—provided the merchants with a crucial ideological rejoinder. A system of government was not needed to ensure order. Instead, social order would arise naturally in a market system in which each individual followed his own self-interest. An essential aspect of this market social order was equilibrium. From the outset, economists presumed that the market system would achieve equilibrium. Indeed, the achievement of equilibrium was often touted as an advantage of the free market over any system where prices were set by fiat. Equilibrium was therefore an essential notion of the economic defense of capitalism: the equilibrium of the capitalist market would replace the legislative order of the now defunct feudal hierarchy. More importantly, whereas the feudal order endowed only the well born with welfare, the equilibrium of the market would guarantee the best possible welfare for all members of society. The level of individual welfare would reflect the individual's contribution to society: people would enjoy the lifestyle they deserved, rather than the lifestyle into which they had been born. If instead of equilibrium, economists had promised that capitalism would deliver chaos; if, instead of meritocracy, economists had said that the market would concentrate inequality, then economists could have hindered rather than helped the transition to capitalism (though they more likely would have been ignored). By the middle of the nineteenth century, the transition to capitalism was complete; what was left of feudalism was a mere vestige. But rather than the promised equilibrium, nineteenth century capitalism was racked by cycles and economic disparities of wealth. A major depression occurred roughly every twenty years, workers' conditions would improve and then rapidly deteriorate, prices rise and then fall, banks expand and then collapse. New robber barons replaced the barons of old. It appeared that, while promising a meritocratic equilibrium, capitalism had instead delivered unbalanced chaos. These realities have continued up to our times. Today, most economists imperiously dismiss the notion that ideology plays any part in their thinking. The profession has in fact devised the term positive economics to signify economic theory without any value judgements while describing economics with value judgements as normative economics—and the positive is exalted far above the normative. Yet ideology innately lurks within positive economics in the form of the core belief of equilibrium…economic theory has contorted itself to ensure that it reaches the conclusion that a market economy will achieve equilibrium. The defense of this core belief is what has made economics so resistant to change, since virtually every challenge to economic theory has called upon it to abandon the concept of equilibrium. It has refused to do so, and thus each challenge…has been repulsed, ignored, or belittled."

Keen's central point, thus, is that what makes individualistic economics different from, and inferior to, other sciences is the shameless "irrational tenacity with which it holds to its core beliefs in the face of either contrary factual evidence or theoretical critiques that establish fundamental inconsistencies in its intellectual apparatus."

Lastly consider the very disturbing argument that the individualistic camp is frighteningly inadequate by being amoral (WEA, 2012; Bose, 2018)

The World Economics Association has exposed not only corruption in the economists' advisory role in terms of conflicts of interest but also, in the aftermath of the 2008 financial meltdown, "the primary fraud in the economics profession—the intellectual fraud that is perpetrated whenever economists arrogantly pretend or presume to know more than they do know, or possibly can know, and when they claim the authority provided to them by their science to dictate how others must live".

Mainstream frogs are found to be indeed working as "hired guns for business interests without revealing their funding". That greed is good is conveyed succinctly by the individualistic-godfather Milton Friedman's quotable quote that the "social responsibility of business is to increase its profits", i.e. profit over people without moral awareness, moral judgement and moral action. This ideology has ruled the roost for long in the name of neoliberalism among the mainstream professional economists of the American Economic Association—the dominant body of mainstream, professional economists—

although the 2008 financial crisis has shown that an economic system (call it unbridled capitalism or self-regulating market economy) that "rewards amoral self-interest, creates economic instability, fractures economic security, fosters concentrations of economic power, exacerbates economic inequality, and violates ecological sustainability. This is the ethical deficit of the individualists in that they have not stopped being apologists for current economic arrangements and they are not explicitly concerned with how ethical issues necessarily intervene between economic means and social ends. Thus, the unmanaged market outcomes have materialized as immoral".

It follows from above that holist frogs are justified in attacking individualistic frogs thus (Syll, 2023): "Stop pretending that we have exact and rigorous answers on everything. Because we don't. We build models and theories and tell people that we can calculate and foresee the future. But we do this based on mathematical and statistical assumptions that often have little or nothing to do with reality. By pretending that there is no really important difference between model and reality, we lull people into thinking that we have things under control. We haven't. This false feeling of security was one of the factors that contributed to the financial crisis of 2008. Stop the childish and exaggerated belief in mathematics giving answers to important economic questions. Mathematics gives exact answers to exact questions. But the relevant and interesting questions we face in the economic realm are rarely that kind. Questions like "Is 2 + 2 = 4?" are never posed in real economies. Instead of a fundamentally misplaced reliance on abstract mathematical-deductive-axiomatic models having anything of substance of real economies, it would be better if we pursued thicker models and relevant empirical studies and observations. Stop pretending that there are laws in economics. There are no universal laws in economics. Economies are not like planetary systems or physics labs. The most we can aspire to in the real economies is establishing possible tendencies with varying degrees of generalizability. Stop treating other social sciences as poor relatives. Economics has long suffered from hubris. A more broad-minded and multifarious science would enrich today's altogether too autistic economics. Stop building models and making forecasts of the future based on totally unreal micro-founded macro models with intertemporally optimizing robot-like representative actors equipped with rational expectations. This is pure nonsense. We have to build our models or assumptions that are not so blatantly in contradiction to reality. Assuming that people are green and come from Mars is not a good—not even as a successive approximation—modelling strategy."

The holistic frogs are also justified in attacking the individualistic frogs as ethically deficient or willfully harmful people like DeMartino (2022) has revealed thus: "First, well-trained economists contribute to serious or even devastating harm. Only very rarely does public policy benefit everyone. Instead, public policy that benefits some members of society almost always harms others. In communities facing rising unemployment because of trade, people suffer increased morbidity, mortality, violent crime, domestic abuse, alcohol and drug abuse, and social isolation. Yet the vast majority of economists continue to press for free trade. Second, economists have a lot of influence but no control because they face irreparable ignorance. We can't ever know enough to reliably forecast the inflation rate one year out, or the long-term effects of policy. This is because, we simply do not know, and we can't ever know all the causal processes that operate in the social world. We won't ever know all of the relevant background conditions against which those causal processes operate. Even if we knew them today, that knowledge would be obsolete by tomorrow because the world is always changing in unpredictable ways. Policymaking is just one experiment after another. Third, economists are trained to trivialize harm. They are taught that all harms that people suffer from policy decisions, no matter how severe, can be fixed through monetary compensation. This is nothing but fictitious bullshit. For example, economists are taught to use a compensation test to judge policy. It is a simple test which says that a policy is good if those who gain from it gain more than the losers lose. Are the gains greater than the losses: that's the test. Economists do cost-benefit analysis to make the comparison of gains and losses. But is that the right way to decide if it's ok to harm one group of people to benefit another group of people? Would you go to a doctor who looked at you and thought that snatching some of your organs would help someone else more than it would hurt you? Economists get away with making that calculation every day. In that calculation, it doesn't matter if those being harmed are already the worst off in society. In fact, the compensation test doesn't pay any attention at all to inequality. Fourth, economists deny the significance of social harm which does extraordinary damage. The economics profession needs to do better—it should hold up a mirror to society and highlight the irreparable harms of deprivation. Too many economists continue to follow Milton Friedman in dismissing social harm, and that represents a profound moral failure. Fifth, economists can do better at confronting harm. Some economists today are joining non-economists in revising their thinking and practice around harm. For instance, those working in the new tradition called Decision Making Under Deep Uncertainty (DMDU) are managing the harms that come from public policy far more responsibly than has been the norm in economics. Practitioners who pursue DMDU presume that the future is unknowable—that we often can't predict the effects of policy. So, rather than trying to predict, the approach looks to discover policies that are apt to be robust—meaning policies that will do well enough, regardless *of* how the future unfolds. A second feature of the DMDU is that it empowers stakeholders rather than economists to evaluate policies. The stakeholders—those with skin in the game—are the ones who will wrestle with the question of which risks to take to promote their visions of the future. Instead of a compensation test there's an effort to find common ground among those with different interests and values. Here, those who might be harmed by policy have a direct voice in decision making. This approach does not always work, but neither does the current norm in which economists have unwarranted influence over policy that will cause substantial harm. DMDU represents one path forward for an economics profession that has done poorly facing up to its ethical duties."

5. Post Keynesianism

The Post Keynesian frogs are diverse. It is not easy to talk about them. And yet there are some salient common points that signify them as quintessential and exemplary representatives of holism (Aboobaker et al., 2016; Lavoie, 2014; Murphy, 2024; Keen, 2024).

Social structures or macroeconomic phenomena cannot be reduced to the behaviour of individuals. On the contrary, individuals always act in a certain institutional context which shapes their beliefs and actions, and connects different classes of agents or types of economic units with each other. Social structures and macroeconomic phenomena may exert causal powers that affect human behaviour, which then in turn determines macro-phenomena. Macro-phenomena and institutions might even exhibit emergent properties that cannot be fully explained by aggregating individual actions.

There are macroeconomic paradoxes. The term paradox means that what might seem reasonable for one single person, firm or state can lead to unintended, adverse or even irrational collective behaviour and outcomes when all individuals, firms or states act in a similar way. It is thus important to study macro-phenomena and their properties in their own right, and to look at how they in turn affect individual behaviour.

For example, there is 'Paradox of Thrift' in terms of higher saving rates leading to a reduction in total saving. This happens because when people save, they spend less, therefore businesses realise less revenue and reduce investment. Thereby, aggregate *expenditure and thus* income declines, *as* does total saving. There is 'Paradox of Debt' in terms of efforts to de-leverage leading to higher leverage ratios. This happens because when everybody saves more out of their income to repay debt, aggregate income declines and leverage (debt to equity) ratios rise. And there is 'Paradox of Tranquility' by way of stability *being* destabilizing! This results as a stable economy makes people more optimistic, leading to higher risk taking and higher gross debt-income ratios, which creates instability. These macroeconomic paradoxes are important building blocks of a thorough explanation of the recent financial crisis. The central point is that macroeconomics cannot be built on individualism.

Consumption, investment (residential or educational) and financial/portfolio allocation decisions are often strongly interdependent amongst individuals. Owing to psychological reasons and fundamental uncertainty, individuals compare themselves to others and base their decisions partly on rules of thumb and habits. *Herd* behaviour is at the heart of their explanation of the 2008 financial crisis. Because human behaviour is socially determined, they emphasize the role of different classes (workers, capitalists, rentiers) and institutions in society in shaping social reality. Their institutional analyses, by storytelling, describe the structure, operation and connections of economic institutions and organisations, and what kind of regularities and emergent tendencies arise from their interactions. Collective institutions such as monopolistic and monopsonistic firms, labour unions, wage and credit contracts and government regulation determine economic behaviour. Economic activity in a capitalist economy is demand-determined and there is no built-in-mechanism that guarantees full employment and full utilization of capacities. They build alternative economic theories for analysing the inherent features of modern capitalist economies such as unemployment, financial crisis, business cycles, depression, technological change and uneven development. It is the task of empirical science to collect and systematize statements about the world that should reflect reality as adequately as possible. Both empirical observation and logic are required to construct good economic theories. *Plausible stories about the real world economic system must start from stylized facts.*

Most Post Keynesian economists subscribe to the idea of achieving a more socially just system, with full employment, low levels of income inequality and high levels of individual freedom. In general, they do not wish to eliminate capitalism but wish to tame it and envisage an economic system which would constitute some middle *path* between liberalism and socialism. Lately, they have started addressing the climate change issues by collaborating with ecological economists and examining the role of energy in production (Keen, 2024; Beker, 2020).

To sum up and reiterate, among the holists, the economic worldview of the Post Keynesian frogs is appealing on three grounds (Aboobaker et al., 2016). First, while Post Keynesians stress the importance of realism--trying to tell relevant stories about the economy, based on facts--individualists follow the view of instrumentalism--which does not care about the degree of reality reflected in their assumptions, as long as they will *permit* precise predictions. Mainstream economists therefore use the concept of a perfect optimising agent. Also known as homo economicus, this concept allows them to make seemingly accurate predictions about the future economy, while not *considering* that humans do not behave like this agent in *the real world*. In contrast, Post Keynesians use the concept of satisficing agents. Like real humans, these follow rules of thumb and make decisions that suit an environment with fundamental uncertainty. Humans are thus social beings living in a complex system of institutions, gender, culture etc. In this view, sensible behaviour by individuals at the micro level can lead to unintended consequences on the macro level. Mainstream economics follows the idea of individualism where individual behaviour is simply aggregated to form a measure of macroeconomic level, ruling out any micro-macro paradoxes.

Secondly, the economic core of mainstream economics is scarcity of resources, namely capital and labour. Therefore, mainstream economists focus on the allocation of these resources and hence view prices as an *index* of scarcity. In contrast, Post Keynesians consider empirical evidence and regard the economy to be generally *operating* below full capacity. This shapes their view of the economy being in abundance. Their main concern is rather how to employ all the idle labour and capital. They understand prices as indicators of the unit production costs.

Finally, the political core of mainstream economics is based on the belief that unregulated markets lead to an optimal allocation of scarce resources. Post Keynesian frogs, although acknowledging the positive entrepreneurial effects, are highly suspicious of unfettered markets and tend way more toward tight regulation. Kolodko (2014) has endorsed this point. Governments must meddle to prevent situations where "entities willing to take immoral but profitable actions…pay the costs of their own pursuit of the highest possible profit. Would water be clean and grass green if this sphere becomes extremely commercialized and if we allow unbridled market speculation in waste, emission quotas, and particularly, in sophisticated financial derivatives, which is most profitable to some though not very beneficial to mankind as a whole?"

6. Concluding Remarks

We are all like frogs in a swamp croaking about something or the other as if we are the final arbiters. This essay is a sketchy story about how not to be a frog in the well. It has put forward how the economic worldview of the individualistic frogs differs from that of the holistic frogs. With regard to exploring the truth, knowledge and the degree to which we can obtain good knowledge of economic reality, the holists are immensely superior to their individualistic counterparts, in terms of their ontological presuppositions and real-world related theories.

The Post Keynesian frogs among the holistic frogs stand out as economists of the future by being honest, progressive, more socially minded than mathematical, descriptive and normative, pragmatic, heterodox and interdisciplinary, and dynamic (Kolodko, 2014). Both empirical evidence and logical reasoning are in their favour as is eminently demonstrated and coherently advocated, for example, by Komlos (2023). If individualistic microeconomics is replaced by Behavioural Economics and Economic Psychology along with study of imperfect markets, and individualistic macroeconomics by Post Keynesian Economics, it is possible to design social and economic policies that can transform capitalism to work for the welfare of everyone and planet. It is a feasible dream worth giving to students. And pedagogy based on this dream will also reduce the increasing academic adrift of the students.

Most importantly, if we just *concentrate on* inequality and environmental destruction *as the critical problems awaiting resolution*, we can just heed what Wisman (2024) has argued. The individualistic frogs, albeit unrealistic, do eminently serve the purpose of promoting a particular ideology. They have predilection for laissez-faire ideology the rhetoric of which makes the following claims: the government is incompetent and corrupt and must be minimized; the economy should be deregulated to let businesses and households freely pursue their own interests in unfettered markets; taxes, especially on the rich and corporations should be cut to stimulate investment and economic growth; welfare, including unemployment benefits and social security, must be eliminated to force the unemployed to seek jobs and poor workers to work harder and longer and responsibly save for retirement; in a free market economy, meritocracy rules such that all get their just rewards—the rich earn their wealth and the poor their poverty.

Such an ideology needs to be delegitimated in the current economic world of extreme inequalities wherein democracy is rapidly being eroded by the polarization of politics resulting from extreme inequality. Wealthy elites (billionaires and multimillionaires) are using the free market ideology to increase their political muscle to further undermine a weakened democracy that increasingly resembles a plutocracy. They do so because, in principle, democracy can lead to public policies that reduce, even dramatically, their wealth, income, and privileges. It is this threat that throughout history has led elites to oppose sharing political power with those below. This is not all. The death of democracy has many deleterious effects on society. It enables public policies that would further increase inequality and degradation of life conditions for non-elites. It also impedes implementation of the measures necessary to avoid ecological Armageddon, arguably the greatest challenge humanity has ever faced. Wealthy elites oppose environmental measures because they would not be in their short run interests. Consequently, they use their disproportional political power to stymy implementation of such measures. With continually weakened democracy or its disappearance, the necessary ecological measures are not likely to be enacted.

In light of this, the road ahead for humanity is forked. In one direction, the robust survival of laissez-faire ideology of the individualistic frogs takes us toward the death of democracy and environmental Armageddon; the other follows a path toward an alternative vision of employment security, freedom, and democracy in the workplace, dignity, and renewed community. It is a vision that conforms to what the Post Keynesian frogs call socially progressive or humanistic capitalism.

In the Indian context, the National Education Policy 2020 wants education to play the role of promoting higher order skills of critical thinking and problem solving in conjunction with enhanced social and emotional skills, not just basic cognitive skills among students. This means that economic education in the country, dominated by individualism-based curriculum must be replaced by holist perspectives. But such curriculum change is conspicuous by its absence.

This essay is, therefore, a plea to the economics teachers and their students and the authorities in charge of curriculum to abide by and ardently press for the holistic search for truth and knowledge to solve at least the problems of the real world such as inequality crisis and ecological doom.

The inspiring conclusion in general that follows from this essay is owed to Lagardien (2014) thus: "We owe it to our students, the next generation of leaders, to provide an education that opens their minds, and give them instruments with which to reach their own conclusions. This means we should, first, not produce clones of ourselves and, second, expose students to ways of thinking that will question and undermine the processes that have produced the vast inequalities in society, and the overall iniquities that poverty, unemployment, violence and marginalisation produce. To do so, we may have to break the existing frames of instruction and reevaluate the curricula we teach. Nowhere is this more necessary than in economics. Any intellectual challenges to the orthodoxy that underpins the discipline have tended to provoke the ire of those who benefit most from the status quo, or the reproduction of dominant ideas."

It is desirable that our students should aspire to be economists in the spirit of what John Maynard Keynes had said thus: "If economists could manage to get themselves thought of as humble, competent people on a level with dentists, that would be splendid."

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Students should not be kept in the dark about the ontology, epistemology and methodology of the standard economics they are learning and of the Post Keynesian Economics they ought to learn.

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