real-world economics review, issue no. 96
subscribe for free

Humanistic economics, a new paradigm for the 21st century

John Komlos [University of Munich, Germany]

The neoliberal failure of historic proportions

We are at the cusp of a new era. The 21st century did not begin in earnest until 2008, signifying a seismic break with the past in ways far too numerous to mention. To be sure, the Dot-Com bubble could have served as a lesson for the vulnerability of Wall Street and that it desperately needed vigilant oversight, but the economy emerged from that short recession relatively unscathed, and the warning sign was misunderstood. Sure, myriad of astute observers had warned for a very long time that neoclassical economics harbors dangerous elements and is merely an exercise in logic "in which social reality is neglected… This neglect is debilitating…" (Lawson, 1997, p. xii). However, it was not until the embarrassing financial crisis of 2008 that the recognition became pervasive that the real-existing economy has "fallen short of any conception of a 'good economy'—an economy offering a 'good life" (Phelps, 2015). It was humiliating, since it revealed for the whole world to see that the "emperor had no clothes" despite the immense amount of hubris that afflicted influential academic economists (Appelbaum, 2019; Chang, 2010; Fourcade, 2015; Keen, 2001).

The realization was prompted by at least five earth-shaking policy blunders supported by conservative economists such as Martin Feldstein, Milton Friedman, Friedrich Hayek, Glenn Hubbard, and Gregory Mankiw (Feldstein, 1986, 1989, 1993, 2017). These mistakes converged in a conjunction, fostering the rise of populism, which was a "response to a political failure of historic proportions" (Sandel, 2018). The neoliberal mistakes included:

a) supporting the Reagan-Thatcher economic policies that were supposed to initiate a new era of prosperity and "mass flourishing" (Jones, 2012). Instead, they magnified inequality not seen since the Robber Barons ruled the economic landscape at the turn of the 20th century and fostered the formation of an oligarchy (Atkinson, 2015; Bartels, 2016; Collier, 2018; Freeland, 2012; Johnston, 2003; Komlos, 2019a, 2020b; Levitsky and Ziblatt, 2018; MacLean, 2017; Mann and Ornstein, 2012; Posner, 2011). Neoliberal economists ignored the crucial role of power in the economy and the political system (Leonard, 2019; Piketty 2020). The immense wealth of the 1% combined with the lack of countervailing power for the rest of society meant that laws and institutions were shaped so as to magnify the privileges of the wealthy (Boushey, 2019; Rajan, 2019). They also neglected that the benefits would accrue mainly to the top 1% of the income distribution and lead to the "hollowing out" of the middle class (Komlos, 2018; Lazonick, 2015; Temin, 2017; Warren 2007; Wolff, 2017). Trickle-down economics was a sham: nothing reached the masses (Komlos, 2019a; Stiglitz, 2011). No wonder they turned against the elites and supported a strongman who promised to "drain the swamp" in Washington, D.C.

b) Globalization was supposed to be good for Americans. Mainstream economists "parrot[ed] the wonders of comparative advantage and free trade and… consistently minimized distributional concerns…" (Rodrik, 2016a, 2018). In reality, globalization was not Pareto optimal. It had winners and losers with devastating social, political, and demographic consequences: it created the Rust Belt, left millions hopelessly destitute, encouraged the disparagement of the political elite, and the fraying of the social contract that left many with nothing to grasp onto except a bottle, the trigger, or a hypodermic needle (Autor et al., 2020; Case and Deaton, 2020; Chang, 2008; Editorial Board, 2020; Koh, Parekh, and Park, 2019; Komlos, 1988; Krugman, 2000; Pierce and Schott, 2020; Reich, 2015, 2018; Rodrik, 2011; Stiglitz, 2006, 2017; Woolf and Schoomaker, 2019).[1]

c) Greenspan and Bernanke believed in the neoclassical dogma that deregulation would increase efficiency (Mirowski, 2013).[2] Worrying was superfluous in the era of the "Great Moderation" (Bernanke, 2004). In fact, Nobel Prize winning macroeconomist Robert Lucas had declared earlier in his presidential address to the American Economic Association that the "central problem of depression-prevention has been solved, for all practical purposes" (Lucas, 2003). Following in Lucas' and Bernanke's conceited footsteps, Olivier Blanchard, then chief economist at the IMF, and one of the more influential conventional macroeconomists, suggested literally minutes before the Meltdown that "The state of macroeconomics is good" and incomprehensibly, retained this judgement in the published version of his essay, even after the failure of macroeconomics and macroeconomists was obvious (Blanchard, 2009).[3] On the contrary, in spite of all the sophisticated analysts, deregulation and negligent oversight led to an immense financial crisis that added to the political destabilization, as well as to the continual fraying of the social contract (Foroohar, 2019; Minsky, 1982; Kakutani, 2018; Keen, 2017; Komlos, 2014; Krugman, 2009; Schiffrin, 2011; Shiller, 2000, 2008).

Paul Krugman thought that the problem was not only the failure to predict the crisis: "More important was the profession's blindness to the very possibility of catastrophic failures in a market economy" (Krugman, 2009). In fact, as late as 2007 Bernanke revealed that he had no understanding of systemic risks that had proliferated in the financial sector:

> "Importantly, we see no serious broader spillover to banks or thrift institutions from the problems in the subprime market; the troubled lenders, for the most part, have not been institutions with federally insured deposits…. We believe the effect of the troubles in the subprime sector on the broader housing market will likely be limited, and we do not expect significant spillovers from the subprime market to the rest of the economy or to the financial system" (Bernanke, 2007).

[1] Mankiw, then chairmen of the president's Council of Economic Advisers, revealed his ideological commitment when he justified the outsourcing of jobs, saying that it is "probably a plus for the economy in the long run" (CNN, 2004; Marglin, 2011, @1:52 minutes). He forgot that in the long-run populism might just get the upper hand, even if we are not dead, as Keynes intimated.

[2] The dogmatic and careless nature of Bernanke's mindset is revealed by how cavalierly he dismissed Minsky's views on the fragility of the financial sector. Bernanke stated disparagingly that "Hyman Minsky (1977) and Charles Kindleberger (1978) have in several places argued for the inherent instability of the financial system, but in doing so have had to depart from the assumption of rational economic behavior" (Bernanke, 1983). In other words, if you are a true believer, alternative viewpoints can be dismissed without any consideration whatsoever.

[3] This is the kind of hubris that prompted David Graeber of the London School of Economics to suggest that, "Mainstream economists nowadays might not be particularly good at predicting financial crashes, facilitating general prosperity, or coming up with models for abating climate change, but when it comes to establishing themselves in positions of intellectual authority, unaffected by such failings, their success is unparalleled" (Graeber, 2019).

> No wonder the Financial Crisis Inquiry Commission also blamed the Federal Reserve and its chairmen: "The captains of finance and the public stewards of our financial system ignored warnings and failed to question, understand, and manage evolving risks within a system essential to the well-being of the American public. Theirs was a big miss, not a stumble… To paraphrase Shakespeare, the fault lies not in the stars, but in us…. the Federal Reserve's pivotal failure to stem the flow of toxic mortgages, which it could have done by setting prudent mortgage-lending standards. The Federal Reserve was the one entity empowered to do so and it did not" (Financial Crisis Inquiry Commission, 2011, p. xvii).

d) Technological change was supposedly the mainspring of human progress, but, instead, it brought us Facebook, Russian trolls, white nationalists, and other extremists and contributed meaningfully to the destabilization of the political system (Foroohar, 2019; Komlos, 2016c; McNamee, 2019; Zuboff, 2019). In addition, it accelerated the devaluation of the skill set of a substantial number of workers that led to downward social mobility and fostered the feeling of abandonment for many and especially the less educated and less skilled white men.

The mainstream did not learn from history that all such major technological transitions were accompanied by social and political turmoil. For instance, the transition from feudalism to capitalism and from an economy dominated by the agricultural sector to one dominated by industry were characterized by revolutions and upheavals. Why should the transition from an industrial economy to a post-industrial knowledge economy dominated by information technology and finance be different?

e) The mainstream was encouraging the economy to be run at full throttle so that when the Covid pandemic hit there was little slack to take up. The economy was far from being a black-swan robust society (Taleb, 2006). 40% of U.S. adults did not have $400 cushion on hand to meet an unexpected expense (Board of Governors, 2018, p. 21).

In fact, practically no *consequential* society-wide prediction of neoliberal economists turned out to be near target as far as the real world was concerned. It should be obvious that they have outlived their usefulness (Skidelsky, 2020). "This failing in the West's economies is also a failing of economics" (Phelps, 2015). No wonder there has been an outpouring of criticism urging for a reformation of the canon (Bertocco, 2017; Boyle and Simms, 2009; DeLong, 2011; Fullbrook and Morgan, 2019; Piketty, 2020; Rifkin, 2019; Rodrik, 2016b; Saez and Zucman. 2019; Sen, 1977; Stiglitz, 2012, 2017).[4] And no wonder that the "deplorables" revolted. Flawed economic theory has led to economic policy mistakes which led to a dysfunctional political system and fraying of social cohesion. "Like the triumph of Brexit in the UK, the election of Trump was an angry verdict on decades of rising inequality and a version of globalization that benefits those at the top but leaves ordinary people feeling disempowered" (Sandel, 2019). The neoliberals failed and did so miserably (Komlos, 2017; Peters, 2019).

[4] On the 500-year anniversary of Martin Luther's challenge to the established church, a group belonging to the organization Rethinking Economics and to the New Weather Institute posted "33 Theses for an Economics Reformation" to the entrance of the London School of Economics (Simms, 2017).

Economists' errors

Where did neoliberal economics go wrong? There are too many mistakes for this short essay, but we can at least mention a couple of dozens of them.

1) Basing the discipline on axioms using deductive logic was a major error. Economics claims to be rigorous, yet its axioms are not subject to falsification (Popper, 1963). And when the data refute the theory, they amazingly claim that theory reigns supreme and the data are not good enough (Prescott, 1986). Instead, economics should be an inductive discipline and start with empirical evidence and real-world phenomena.

2) Creating a fantasy world populated by homo oeconomicus cannot lead to a rigorous discipline. Neoclassical economics is pre-Freudian and pre-Pavlovian. Moreover, it piled on unrealistic assumptions such as an infinite time horizon economy in decision making, perfect competition, perfect foresight, and rational expectations that are relevant to Superman and Wonderwoman but seldom to mortals (Rappaport, 1996).

3) Disregarding sister disciplines is unacceptable. The actual economy is embedded in a social system (Polanyi, 1944). Hence, the social sciences are like a seamless web. Neglecting advances in sociology, political science, and psychology was a recipe for failure.

4) Stressing the importance of GNP is a bad idea because output does not translate automatically into well-being or happiness and there is an incredible amount of evidence on that (Easterlin, 1974, 2015; Frank, 1999, 2004; Frey and Stutzer, 2002; Komlos, 2019d; Offner, 2006; Raworth, 2017; Scitovsky, 1976; Skidelsky and Skidelsky, 2012; Stiglitz et al., 2010, 2019). In the 21st century we no longer need an ever-increasing quantity of goods like we did in the 19th century (Frijters and Krekel, 2021). Materialism is insatiable and therefore can satisfy only temporarily because it inevitably makes people want more and ultimately leads to a treadmill existence.

5) To begin the analysis with adults is inexcusable since economic activity begins in childhood (Schor, 2005). To disregard the first two decades or so of life and its impact on the development of our character is unconscionable.

6) To assume that tastes are determined exogenously was misguided because in the U.S. alone corporations spend $300 billion annually in order to influence our taste and create desire in us.

7) To stress the perfectly competitive model at a time when it pertains to an inconsequential share of the economy is a nonstarter.

8) Mainstream economists insisted on the utility maximizing model although Herbert Simon demonstrated eons ago that satisficing was a more accurate description of choice in real time and many scholars have demonstrated that maximization was impossible for finite minds (Kahneman, 2003, 2011; Simon, 1955; Thaler, 2016a).

9) To assume that markets are efficient was an oversight, because in the presence of imperfect information they are not. And since imperfect information is ubiquitous, it follows that markets are rarely efficient (Akerlof, 2002; Greenwald and Stiglitz, 1986; Spence, 1973; Stiglitz, 2002).

10) Mainstream economics assumed that competition can be increased without increasing the stresses that are the concomitants of a high-pressure economy in which competition, output, and freedom are the indicators of success instead of security, safety, and leisure. Running the economy "hot" fostered insecurity, anxiety, despair, and the accumulation of stress with a few winners and many losers (Heller, 2018). The gig economy also increased stress in the labor market (Ravenelle, 2019; Rosenblat, 2019; Schor, 2019).

11) They trivialized the role of path dependence and how it can lead to inefficient consumption, resource allocation, technologies, as well as institutions (Arthur, 1994). To assume that economic processes are reversible is nothing less than "a pernicious error" (Peters, 2019).

12) They continued to base their models on exponential discounting when it was obvious that hyperbolic discounting should be the default choice.

13) They neglected the role of opportunistic behavior in the economy. Laissez faire policy also enables scammers to take advantage of people and lead to inefficient outcomes (Akerlof and Shiller, 2015; Johnston, 2012).

14) They trivialized the debilitating effect of labor market discrimination on people's lives (Chetty et al, 2020; Derenoncourt and Montialoux, 2021; Komlos, 2021b).

15) They failed to consider that markets have magnification mechanisms—first mover advantages and winner-take-all design—that favor those already privileged (Frank and Cook, 1995; Giridharadas, 2018).

16) They considered inequality to be benign even though it led to the dominance of an oligarchy (Drutman, 2015; Formisano, 2015; Gilens, 2012; Gylfason, 2019; Komlos, 2016b; Mayer, 2016; Page and Gilens, 2017; Payne, 2012; Piketty, 2014; Piketty et al., 2018; Reich, 2020; Stilwell, 2019; Wilkinson and Pickett, 2010, 2019). Even the arch-conservative ex-Chairman of the Federal Reserve, Alan Greenspan, admitted (in retrospect) that the increase in inequality was "disturbing" and predicted correctly that it might "spark… an economically destructive backlash" (Greenspan, 2007, pp. 365, 408).[5] That was 13 years before the insurrection of January 6.

17) Disregarded the crucial role of relative income and social status in life satisfaction (Duesenberry, 1949; Frank, 1985a, 1985b; Komlos, 2019d).

18) The assumption by mainstream macroeconomists that society can be represented by a single person called a representative agent – is absurd because the technique assumed the nonexistence of problems associated with income distribution, animal spirits, systemic risk, or with financial panics (Akerlof and Shiller, 2009; Hartley, Hoover, and Salyer, 1997; Haldane, and Turrell, 2018; Stiglitz, 2018).[6] Moreover, the whole is more complex than

[5] He also predicted correctly that if we do not reverse "a quarter century of increases in income inequality, the cultural ties that bind our society could become undone. Disaffection, breakdowns of authority, even large-scale violence could ensue, jeopardizing the civility on which growing economies depend" (Greenspan, 2007, p. 468; Scheidel, 2017).
[6] "Larry Summers's remark (quoted by Robert Waldmann) that the day when economists first started to think that asset prices should be explained by the characteristics of a representative agent's utility function was not a particularly good day for economic science" (Carroll, 2009).

the sum of its parts (Epstein, 2014).[7] By not thinking of the macroeconomy holistically, they disregarded interaction effects and synergism that exists in a group. People's behavior also changes in a collective (Arthur, 2021; Faulkner, et al., 2017; Olson, 1971; Wren-Lewis, 2018). That is the subject of analysis of systems theory and of social psychology: bandwagon effects, groupthink, keeping up with the Joneses, status seeking, and Veblen goods (Leibenstein, 1950). All this they assumed away.

These macroeconomists have shown the utter emptiness of their theories by having absolutely nothing relevant to say about either the financial crisis or its aftermath. Its proponents neither warned us of the coming of the crisis nor were they able to prescribe remedies on how to extricate ourselves from its anemic aftermath (Sachs, 2009). They are incapable of giving policy advice because such crises are not supposed to occur in their framework. "…real business cycle models… have nothing to do with the business cycle phenomena observed in the United States or other capitalist economies" (Summers, 1986, p. 24).

19) Mainstream misconceived the economy to be in perpetual equilibrium, whereas the modern economy is the exact opposite of that characterization: it is in a perpetual state of flux (Arthur, 2014; Beinhocker, 2006).

> "Complexity economics sees the economy… as not necessarily in equilibrium, its decision makers… as not super-rational, the problems they face as not necessarily well-defined and the economy not as a perfectly humming machine but as an ever-changing ecology of beliefs, organizing principles and behaviours" (Arthur, 2021).

20) Assumed that working did not generate satisfaction. Working creatively does.

21) Limited its research to models that were mathematically tractable thereby limiting severely the kinds of questions that could be explored (Romer, 2015; Thompson and Smith, 2019).

22) Measured unemployment and the inflation rate inaccurately (Häring and Douglas. 2012; Komlos, 2021a).

23) Assumed that increased choice increases wellbeing but disregarded the confusion created by too much choice and the time and effort needed to learn about the products offered (Schwartz, 2003).

24) Trivialized the role uncertainty plays in the economy (Arrow, 1963; Dow, 2015).

Toward a post-neoliberal economics

Post-neoliberal economics must shed itself of the fantasy world of mainstream economics by discarding the above 24 mistakes and replace it with a new discipline that focuses on improving the lives of flesh and blood human beings as they actually exist in space and time (Schumacher, 1973).

[7] Emergent behavior of complex systems means that the behavior of whole is not predicted by the behavior of their separate parts (Arthur, 2021).

1) We must be dedicated to the truth, the whole truth, and nothing but the truth. Half-truths do not belong in academia (Feynman, 1974). This sounds rather like a cliché until we consider popular textbooks in which we find, for instance, such principles as "Trade can make everyone better off" (Mankiw, 2018). This is not a false statement; nonetheless, the phrasing is insidious because the students' takeaway undoubtedly will be that everyone *will be* better off. The difference between "can" and "will" is too subtle for a novice to recognize. To be sure, trade *could* make everyone better off – after all, the possibility does exist – however, Mankiw neglected to add that, in fact, it never ever does. By ignoring the gainers and losers – a commonplace principle of international trade (Samuelson, 1948; Stolper and Samuelson, 1941), he actually deceived – brainwashed – tens of millions of students in an unconscionable sleight of hand.

   Consider another one of his insidious principles: "Rational people think at the margin". The students are not likely to understand that this does not mean that people are, in fact, rational. Instead, the statement implies that those who are rational, do think at the margin. However, this may well be a null set. In other words, there is a possibility that no one is rational. So, it also does not imply that anyone is really thinking at the margin, even though a cursory reading would imply it. Rather, it means that if there is anyone around who is rational, he/she will think at the margin. That is why honest economists will have to eschew obfuscation and point out all such deceptive formulations (Komlos, 2016a; Marglin, 2011).

2) Stress the ecological limits to growth and adjust our policies for a sustainable future and bring climate change under control (Boulding, 1966; Fleurbaey and Blanchet, 2013; Georgescu-Roegen, 1971; O'Hara, 2009; Rifkin, 2019; Sachs, 2015, 2017; Stern, 2015; Weitzman, 2009).

3) The economy must become inclusive by adopting Rawlsian principles of justice (Rawls, 1971). The economy should be such that we would be willing to enter it at random without knowing our position in it. Otherwise, it would not be a just economy (Rothwell, 2019).

4) The goal should be to improve the quality of life for a healthy and educated population, in a sustainable environment, with a good work-life balance, and keeping in mind our obligations to future generations yet unborn. We should strive for an economy that enables us to catch up to Switzerland in the contentment of the population, to Finland in educational achievement, to Sweden's Gini coefficient, and to Norway in longevity (Helliwell et al., 2019). These societies have demonstrated that it is possible to have both a high standard of living and a high life satisfaction. Thus, these goals are realistic. We are not striving for utopia.

5) The post-neoliberal economy should:

   a) eliminate poverty, slums, and unemployment (Chetty and Hendren, 2018);
   b) minimize pain, insecurity, and rent seeking;
   c) strive to achieve the health and educational attainment of the Scandinavian population (Heckman and Corbin, 2016).

   Instead of commodity fetishism, we should focus on the importance of social relationships, intellectual satisfaction, and a moral life (Tirole, 2017). Living in dignity in a flourishing society no longer needs economic growth of the developed world. It needs psychological, emotional, and spiritual growth.

6) We need protection from the advertising industry so that children can develop their character and grow up autonomously without the interference of commercial interests (Ehrenreich, 2005; Whybrow, 2005). It is crucial to acknowledge the endogenous nature of the utility function and that also implies a recognition that social norms, habits, customs, status seeking, and herding behavior all play a major role in aggregate demand (Boulding, 1969; Bowles, 1998; Easterlin, 2004; Fehr and Hoff, 2011; Frank, 2005; O'Donoghue and Sprenger, 2018; Veblen, 1899).

7) We should affirm that our goal is to live in a just and moral economy (DeMartino, 2011; Fleurbaey, 2018). "[M]arkets are not morally neutral instruments for defining the common good" and were not designed to provide moral oversight (Sandel, 2019, Sandel, 2013). That must come from outside of the economic system (Sen, 2009).

8) Economics should begin with the principles of behavioral economics (Kahneman and Tversky, 1979; Sunstein, 2016; Thaler, 2016b; Thaler and Sunstein, 2008).

9) The default model should be based on oligopolies, imperfect information, bounded rationality and take transaction costs seriously (Diamond, 2011; Simon, 1982).

10) Redefine the role of government in economic activity. Its role should not only be to fine-tune the economy and provide for public goods, but also:

    a) to safeguard the balance of power in the economy so as to prevent the emergence of an oligarchy. Its role is also to create institutions that lower the risk of living precariously by, for instance, providing universal health care coverage (Azmanova, 2020; Faux, 2012; Hacker and Pierson, 2016; Mazzucato, 2015).
    b) to formulate an industrial policy so that the formation of such regions as the Rust Belt, with its human toll, can be avoided in the future (Bailey, et al., 2019; Blanchflower, 2019).
    c) to become the employer of last resort in order to eliminate the pain of unemployment (Komlos, 2019c; Tcherneva, 2020).
    d) to provide consumer protection
    e) to assure that employees receive a living wage and that workers receive equal pay for equal work.

11) Economics has to acknowledge that basic needs have priority over other forms of consumption including conspicuous consumption.

12) Acknowledge the unique characteristics of time because it is: a) an element of every economic transaction; b) nonreversible; c) the only resource uniformly distributed; and d) limited to 24 hours a day.

13) Eschew social Darwinism. We should not idolize competition, because it leads to a stressful life and because the pain it inflicts on the losers should be taken into consideration.

14) Improve corporate governance so that CEOs are unable to exploit their power and determine their own salaries (Bebchuk and Fried, 2004; Ferguson, 2012; Lazonick, 2014; Williamson, 1975). Their success is based more on luck than on merit (Frank, 2016).

15) We have to set limits to inequality and to economic activity that does not increase the common good such as rent seeking and signaling (Saez and Zucman, 2019).

Humanistic economics, the paradigm needed for the 21st century

It should be obvious that progressives are not going to be able to start constructing a new economics for the 21st century from scratch behind a veil of ignorance. Moreover, our goal should be the implementation of policy rather than focusing on theoretical models since "economics is supposed to be an inquiry into the world, not pure thinking" (McCloskey, 2002). Hence, realpolitik requires that we set our sights on our long-range goals for a good society and insist that we adopt a new path so that we can reach the above goals within a generation or two and catch up to Scandinavia.

Undoubtedly, conceiving and reaching such a new path "intellectually… won't be easy" (Graeber, 2019). Nonetheless, there is an emerging consensus that the accumulation of anomalies in the normal science of economics is sufficient so that a "Kuhnian" paradigm shift is visible on the horizon (Bowles and Carlin, 2020; Decker et al., 2019; Hill and Myatt, 2010; Jo et al, 2018; Keen, 2016; Komlos, 2019b; Kuttner, 1997; Kwak, 2017; Lawson, 2016; Lee and Cronin, 2016; Madrick, 2015; Marglin, 2010; Mearman, et al., 2018a, 2018b; Morgan, 2014, 2015, 2016; Nooteboom, 2019; O'Hara, 2007; Rubinstein, 2006, 2017; Schneider, 2019; Skidelsky, 2020; Sraffa, 1960; Stiglitz 2019; Stilwell, 2011; Tirole, 2015; Turner, 2012; van Staveren, 2015). Indeed, a reformation in economics is a precondition for the survival of Western Civilization since neoliberal economists have driven us into an ideological dead end that raised the specter of populism, a real threat to democracy, and culminated in a violent insurrection on January 6, 2021. Thus, we urgently need a new Keynes for the 21st century and humanistic economics would be a robust beginning for the creation of a Capitalism with a Human Face (Arrow 1978; Lutz and Lux, 1979).

Humanistic economics implies that a kinder and more just economy is possible, one that is embedded in a truly democratic society. The goal is not to squash markets but to tame them so that we control them and not the other way around. This new economy would enable people to live their daily lives with less uncertainty, less manipulation, less stress, less deception, less conflict, and less fear that their lives could spiral out of control at the next cyclical downturn of the economy or the next bout with medical emergency. Such an economy is not utopian. It has been achieved to a considerable degree in Switzerland, in the Nordic model, and is similar to the social-market economic model of Germany and Austria.

In humanistic economics flesh-and-blood people count, as they experience their quality-of-life in the real existing economy, and not the number of inanimate commodities produced or the monetary value of abstract concepts such as GNP (Komlos, 2019b; Lutz and Lux, 1988; Brockway, 1991). Therefore, the goal should be to create an economy structured in such a way that everyone can realize their human potential, flourish, and live a dignified life.

References

Akerlof, George (2002) "Behavioral Macroeconomics and Macroeconomic Behavior," *The American Economic Review* 92 (3): 411-433.

Akerlof, George and Robert J. Shiller (2009) *Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism*. Princeton, NJ: Princeton University Press.

Akerlof, George and Shiller, Robert (2015) *Phishing for Phools: The Economics of Manipulation and Deception.* Princeton, NJ: Princeton University Press.

Appelbaum, Binyamin (2019) *The Economists' Hour: False Prophets, Free Markets, and the Fracture of Society*. New York: Little, Brown and Company.

Arrow, Kenneth J. (1978) "A Cautious Case for Socialism", *Dissent Magazine*, Fall: 472-480; https://www.dissentmagazine.org/wp-content/files_mf/1426269747ACautiousCaseforSocialism.pdf accessed May 6, 2019.

Arthur, W. Brian (1994) *Increasing Returns and Path Dependence in the Economy*. Ann Arbor: University of Michigan Press.

Arthur, W. Brian (2014) *Complexity and the Economy*. Oxford: Oxford University Press.

Arthur, W. Brian (2021) "Foundations of complexity economics," *Nature Reviews Physics* 3: 136–145; http://tuvalu.santafe.edu/~wbarthur/.

Atkinson, Anthony (2015) *Inequality: What Can Be Done?* Cambridge: Harvard University Press.

Autor, David, David Dorn, Gordon Hanson, and Majlesi, Kaveh (2020) "Importing Political Polarization? The electoral Consequences of Rising Trade Exposure," *American Economic Review* 110 (10): 3139-3183.

Azmanova, Albena (2020) *Capitalism on Edge: How Fighting Precarity Can Achieve Radical Change Without Crisis or Utopia.* New York: Columbia University Press.

Bailey, David, Glasmeier, Amy, and Tomlinson, Philip R. (2019) "Industrial policy back on the agenda: putting industrial policy in its place?" *Cambridge Journal of Regions, Economy and Society*, 12, (3): 319–326.

Bartels, Larry (2016) *Unequal Democracy: The Political Economy of the New Gilded Age* 2nd edition. Princeton: Princeton University Press.

Bebchuk, Julian and Jesse Fried (2004) *Pay Without Performance. The Unfulfilled Promise of Executive Compensation.* Cambridge, MA: Harvard University Press.

Bertocco Giancarlo (2017) *Crisis and the Failure of Economic Theory: The Responsibility of Economists.* Cheltenham, UK: Edward Edgar Publisher.

Bernanke, Benjamin (1983) "Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression," *American Economic Review* 73 (3): 257-276.

Bernanke, Benjamin (2004) "The Great Moderation," Remarks by Governor Ben S. Bernanke at the meetings of the Eastern Economic Association, Washington, DC, February 20, 2004, https://www.federalreserve.gov/boarddocs/speeches/2004/20040220/.

Bernanke, Benjamin (2007) "The Subprime Mortgage Market," Speech, May 17; https://fraser.stlouisfed.org/files/docs/historical/bernanke/bernanke_20070517.pdf.

Blanchard, Olivier (2008) "The State of Macro," NBER Working Paper No. 14259.

Blanchard, Olivier (2009) "The State of Macro," *Annual Review of Economics*, 1 (2009): 209-228.

Blanchflower, David G. (2019) *Not Working: Where Have All The Good Jobs Gone?* Princeton, NJ: Princeton University Press.

Board of Governors of the Federal Reserve System (2018) "Report on the Economic Well-Being of U.S. Households in 2017," May.

Boulding, Kenneth (1966) "The economics of the coming spaceship Earth," in Henry Jarrett (ed.) *Environmental Quality in a Growing Economy*. Washington, D.C.: Resources for the Future.

Boulding, Kenneth (1969) "Economics as a moral science," *The American Economic Review* 59 (1): 1-12.

Boushey, Heather (2019) *Unbound: How Inequality Constricts Our Economy and What We Can Do about it*. Cambridge, MA: Harvard University Press.

Bowles, Samuel (1998) "Endogenous Preferences: The Cultural Consequences of Markets and Other Economic Institutions," *Journal of Economic Literature* 36 (1): 75–111.

Bowles, Samuel and Carlin, Wendy (2020) "What Students Learn in Economics 101: Time for a Change," *Journal of Economic Literature* 58 (1): 176-214.

Boyle, David and Andrew Simms (2009) *The New Economics. A Bigger Picture*. London: Earthscan.

Brockway, George P. (1991) *The End of Economic Man: An Introduction to Humanistic Economics*. New York: W.W. Norton.

Chang, Ha-Joon (2008) *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism.* New York: Bloomsbury Press.

Chang, Ha-Joon (2010) *23 Things They Don't Tell You About Capitalism*. London: Bloomsbury Press.

Chetty, Raj and Nathaniel Hendren (2018) "The effects of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects," *Quarterly Journal of Economics*, 133, 3: 1107-1162.

Chetty, Raj, Nathaniel Hendren, Maggie R. Jones, Sonya R. Porter (2020) "Race and Economic Opportunity in the United States: An Intergenerational Perspective," *Quarterly Journal of Economics* 135 (2): 711-783.

Christopher D. Carroll (2009) "Punter of Last Resort," VoxEu, March 13.

Case, Anne and Angus Deaton (2020) *Deaths of Despair and the Future of Capitalism*. Princeton: Princeton University Press, p. 113.

CNN (2004) "Bush adviser backs off pro-outsourcing comment," February 12.

Collier, Paul (2018) *The Future of Capitalism: Facing the New Anxieties*. New York: Harper.

DeLong, Bradford (2011) "Economics in Crisis," *The Economists' Voice,* 8 (2): 1–2.

DeMartino, George (2011) *The Economist's Oath. On the Need for and Content of Professional Economic Ethics*. Oxford, UK: Oxford University Press.

Decker, Samuel, Wolfram Elsner, and Svenja Flechtner (2019) *Principles and Pluralist Approaches in Teaching Economics. Toward a Transformative Science*. Abingdon, UK: Routledge.

Derenoncourt, Ellora and Claire Montialoux (2021) "Minimum Wages and Racial Inequality," *Quarterly Journal of Economics* 136 (1): 169-228.

Diamond, Peter (2011) "Unemployment, Vacancies, Wages." *American Economic Review,* 101 (4): 1045-1072.

Dow, Sheila C. 2015. "Addressing uncertainty in economics and the economy," *Cambridge Journal of Economics*, 39 (1): 33–47.

Drutman, Lee (2015) *The Business of America is Lobbying: How Corporations Became Politicized and Politics Became More Corporate*. New York: Oxford University Press.

Duesenberry, James (1949) *Income, Saving, and the Theory of Consumer Behavior*. Cambridge, MA: Harvard University Press.

Easterlin, Richard A. (1974) "Does Economic Growth Improve the Human Lot?" in Paul A. David and Melvin W. Reder, eds., *Nations and Households in Economic Growth: Essays in Honor of Moses Abramovitz*, New York: Academic Press, Inc.

Easterlin, Richard (2004) "The Economics of Happiness," *Daedalus* 133 (2): 26–33.

Easterlin, Richard A. (2015) "Happiness and Economic Growth – The Evidence," in Wolfgang Glatzer, Laura Camfield, Valerie Moller, and Mariano Rojas, eds., *Global Handbook of Quality of Life*, Dordrecht, NL: Springer, pp. 283-299.

Editorial Board (2020) "The America We Need" *The New York Times*, April 9.

Ehrenreich, Barbara (2005) *Bait and Switch: The (Futile) Pursuit of the American Dream.* New York: Metropolitan Books.

Epstein, Brian (2014b) "Why Macroeconomics does not Supervene on Microeconomics," *Journal of Economic Methodology* 21 (1): 3-18.

Faulkner, Philip, Pratten, Stephen, and Runde, Jochen (2017) "Cambridge social ontology: clarification, development and deployment," *Cambridge Journal of Economics*, 41 (5): 1265-1277.

Faux, Jeff (2012) *The Servant Economy: Where America's Elite is Sending the Middle Class*. New York: Wiley.

Fehr, Ernst and Karla Hoff (2011) "Introduction: Tastes, Castes and Culture: The Influence of Society on Preferences," *Economic Journal* 121 (556): F396-F412.

Feldstein, Martin (1986) "Supply Side Economics: Old Truths and New Claims**,**" *American Economic Review* 76 (2): 26-30.

Feldstein, Martin (1989) "Tax Policy for the 1990s: Personal Saving, Business Investment, and Corporate Debt," *American Economic Review*, 79, 2:108-112.

Feldstein, Martin (1993) "Tax Policy in the 1980s: A Personal View," NBER Working Paper no. 4323.

Feldstein, Martin (2017)"Cutting US Corporate Tax is Worth the Cost," *Project Syndicate*, November 27.

Ferguson, Charles (2012) *Predator Nation: Corporate Criminals, Political Corruption, and the Hijacking of America.* New York: Crown Business.

Feynman, Richard (1974) "Cargo Cult Science," *Engineering and Science* 37 (7): 10–13.

The Financial Crisis Inquiry Commission (2011) *The Financial Crisis Inquiry Report* (Washington DC, Government Printing Office).

Fleurbaey, Marc and Didier Blanchet (2013) *Beyond GDP: Measuring Welfare and Assessing Sustainability*. Oxford: Oxford University Press.

Fleurbaey, Marc (2018) *A Manifesto for Social Progress: Ideas for a Better Society*. Cambridge University Press.

Formisano, Ronald (2015) *Plutocracy in America: How Increasing Inequality Destroys the Middle Class and Exploits the Poor*. Baltimore: Johns Hopkins University Press.

Foroohar, Rana (2016) *Makers and Takers. How Wall Street Destroyed Main Street.* New York: Crown Business.

Foroohar, Rana (2019) *Don't Be Evil: How Big Tech Betrayed Its Founding Principles – and All of Us.* New York: Currency.

Fourcade, Marion, Etienne Ollion, and Yann Algan (2015) "The Superiority of Economists," *Journal of Economic Perspectives* 29, 1: 89-114.

Frank, Robert H. (1985a) "The Demand for Unobservable and Other Nonpositional Goods," *The American Economic Review* 75, 1: 101-116.

Frank, Robert (1985b) *Choosing the Right Pond.* New York: Oxford University Press.

Frank, Robert H. (1999) *Luxury Fever: Why Money Fails to Satisfy in an Era of Excess.* New York: Free Press.

Frank, Robert H. (2004) "How Not to Buy Happiness," *Daedalus* 133 (2): 69–79.

Frank, Robert H. (2005) "Positional Externalities Cause Large and Preventable Welfare Losses," *American Economic Review* 95 (2): 137–141.

Frank, Robert H. (2016) *Success and Luck. Good Fortune and the Myth of Meritocracy*. Princeton: Princeton University Press.

Frank, Robert H. and Philip J. Cook (1995) *Winner-Take-All Society.* New York: Free Press.

Freeland, Chrystia (2012) *Plutocrats: The Rise of the New Global Super-Rich and the Fall of Everyone Else*. New York: Penguin Press.

Frey, Bruno and Stutzer, Alois (2002) “What Can Economists Learn from Happiness Research?” *Journal of Economic Literature* 40, 2: 402-435.

Frijters, Paul and Krekel, Christian (2021) *A Handbook for Wellbeing Policy*-Making. Oxford: Oxford University Press.

Fullbrook, Edward and Jamie Morgan (eds.) (2019) *Economics and the Ecosystem*. Bristol, UK: World Economics Association.

Georgescu-Roegen, Nicholas (1971) *The Entropy Law and the Economic Process.* Cambridge, MA: Harvard University Press.

Gilens, Martin (2012) *Affluence and Influence: Economic Inequality and Political Power in America.* Princeton, NJ: Princeton University Press.

Giridharadas, Anand (2018) *Winner Take All. The Elite Charade of Changing the World.* New York: Knopf.

Greenwald, Bruce and Joseph Stiglitz (1986) “Externalities in Economies with Imperfect Information and Incomplete Markets,” *Quarterly Journal of Economics* 101 (2): 229–264.

Graeber, David (2019) “Against Economics,” *The New York Review of Books*, December 5.

Gylfason, Thorvaldur (2019) “Inequality Undermines Democracy and Growth ,” in Luigi Paganetto (ed.), *Yearning for Inclusive Growth and Development, Good Jobs, and Sustainability*. Switzerland: Springer Nature, pp. 137-158.

Hacker, Jacob and Paul Pierson (2016) *American Amnesia: How the War on Government Led US to Forget What Made America Prosper*. New York: Simon & Schuster.

Haldane, Andrew and Turrell, Arthur (2018) “An interdisciplinary model for macroeconomics,” *Oxford Review of Economic Policy* 34 (1-2): 219-251.

Häring, Norbert and Niall Douglas. 2012. *Economists and the Powerful: Convenient Theories, Distorted Facts, Ample Rewards* (London: Anthem Press).

Hartley, James, Hoover, Kevin, and Salyer, Kevin (1997) “The limits of business cycle research: assessing the real business cycle model,” *Oxford Review of Economics* 13 (3): 34-54.

Heckman, James, J. and Chase O. Corbin (2016) “Capabilities and Skills,” *Journal of Human Development and Capabilities* 17 (3): 342-359.

Heller, Nathan (2018) “The Bullshit-Job Boom,” *The New Yorker*, June 7.

Helliwell, John, Haifang Huang, and Shun Wang (2019) “Changing World Happiness,” in *7th World Happiness Report*. Chapter 2; https://worldhappiness.report/ed/2019/changing-world-happiness/.

Hill, Rod and Tony Myatt (2010) *The economics anti-textbook: a critical thinker’s guide to microeconomics.* London: Zed Books.

Jo, Tae-Hee, Chester, Lynne, and D’Ippoliti, Carlo, eds. (2018) *The Routledge Handbook of Heterodox Economics: Theorizing, Analyzing and Transforming Capitalism*. London: Routledge.

Johnston, David Cay (2003) *Perfectly Legal: The Covert Campaign to Rig Our Tax System to Benefit the Super-Rich – and Cheat Everybody Else.* New York: Portfolio Books.

Johnston, David Cay (2012) *The Fine Print: How Big Companies Use “Plain English” to Rob You Blind.* New York: Portfolio Books.

Jones, Daniel Stedman (2012) *Masters of the Universe: Hayek, Fredman, and the Birth of Neoliberal Politics.* Princeton: Princeton University Press.

Kahneman, Daniel (2011) *Thinking, Fast and Slow.* New York: Farrar, Straus and Giroux.

Kahneman, Daniel (2003) “Maps of Bounded Rationality: Psychology for Behavioral Economics,” *American Economic Review,* 93 5: 1449–1475.

Kahneman, Daniel and Tversky, Amos (1979) “Prospect Theory: An Analysis of Decision under Risk,” *Econometrica* 47, 2: 263-291.

Kakutani, Michiko (2018) *The Death of Truth. Notes on Falsehood in the Age of Trump*. New York: Tim Duggan Books.

Keen, Steve (2001) *Debunking Economics: The Naked Emperor of the Social Sciences.* London: Zed Books.

Keen, Steve (2016) *Developing an economics for the post-crisis world.* London: College Publications.

Keen, Steve (2017) *Can We Avoid Another Financial Crisis?* Cambridge, UK: Polity.

Koh, Howard K., Parekh, Anand K., and Park, John J. (2019) "Confronting the Rise and Fall of US Life Expectancy," *Journal of the American Medical Association* 322 (20):1963–1965.

Komlos, John (1988) "Is Free Trade Passé? a Comment," *Journal of Economic Perspectives* 2 (4): 207-209.

Komlos, John (2014) "The Banality of a Bureaucrat, Timothy Geithner and the Sinking of the U.S. Economy," *Challenge: The Magazine of Economic Affairs,* 57 (5): 87-99.

Komlos, John (2016a) *Principles of Economics for a Post-Meltdown World*. Berlin: Springer, http://www.springer.com/us/book/9783319278278.

Komlos, John (2016b) "Another Road to Serfdom," *Challenge: The Magazine of Economic Affairs*, 59 (6):491-518.

Komlos, John (2016c) "Has Creative Destruction Become More Destructive?" *B.E. Journal of Economic Analysis and Policy* 16 (4): 1-12.

Komlos, John (2017) "The Triumph of Trumpism," *Journal of Contextual Economics, Schmollers Jahrbuch*, 137 (4): 421-440.

Komlos, John (2018) "Hollowing Out of the Middle Class: Growth of income and welfare in the U.S., 1979-2011," *Challenge: The Magazine of Economic Affairs*, 61 (4): 303-324.

Komlos, John (2019a) "Reaganomics: A Watershed Moment on the Road to Trumpism," *The Economists' Voice* https://doi.org/10.1515/ev-2018-0032

Komlos, John (2019b) *Fundamentals of Real-World Economics: What Every Economics Student Needs to Know* (2nd edition). Abingdon, UK: Routledge.

Komlos, John (2019c) "Despair at Full Employment: The Urgency of a Fairer Labor Market," *Challenge: The Magazine of Economic Affairs*, 61 (5-6): 363-386.

Komlos, John (2019d) "Growth of Welfare and its Distribution in the U.S., 1979-2011," *Journal of Income Distribution* 28, 1: 1-19.

Komlos, John (2020) "Across-the-Board Tax Cuts Generate Inequality," *Challenge: The Magazine of Economic Affairs* 63 (2): 90-97.

Komlos, John (2021a) "The Real U.S. Unemployment Rate is Twice the Official Rate, and the Phillips Curve," *Challenge: The Magazine of Economic Affairs* 64 (1): 54-74.

Komlos, John (2021b) "Covert Racism in Economics," *FinanzArchiv/Public Finance Analysis*, 77 (2021) 1: 83-115.

Krugman, Paul (2000) *Geography and Trade*. Cambridge, MA: MIT Press.

Krugman, Paul (2009) "How Did Economists Get It So Wrong," *The New York Times*, September 2.

Kuttner, Robert (1997) *Everything for sale: The virtues and limits of markets*. New York: Alfred Arnold.

Kwak, James (2017) *Economism. Bad Economics and the Rise of Inequality*. New York: Pantheon Books.

Lawson, Tony (1997) *Economics and Reality*. London: Routledge.

Lawson, Tony (2016) "Ideology and economics," in Petter Naess and Leigh Price (eds.), *Crisis System: A critical realist and environmental critique of economics and the economy*. Abingdon, UK: Routledge.

Lazonick, William (2014) "Profits Without Prosperity: How Stock Buybacks Manipulate the Market, and Leaves Most Americans Worse off," *Harvard Business Review*, September.

Lazonick, William (2015) "Labor in the Twenty-First Century: The Top 0.1% and the Disappearing Middle-Class," in Christian E. Weller (ed.), *Inequality, Uncertainty and Opportunity: The Varied and Growing Role of Finance in Labor Relations.* Cornell University Press, pp. 143-192.

Lee, Frederick and Cronin, Bruce, eds. (2016) *Handbook of Research Methods and Applications in Heterodox Economics*. Cheltenham: Edward Elgar.

Leibenstein, Harvey (1950) "Bandwagon, Snob and Veblen Effects in the Theory of Consumers' Demand," *Quarterly Journal of Economics* 65 (2): 183-297.

Leonard, Christopher (2019) *Kochland: The Secret History of Koch Industries and Corporate Power in America*. New York: Simon & Schuster.

Levitsky, Steven and Ziblatt, Daniel (2018) *How Democracies Die*. New York: Crown Publishing.

Lucas, Robert, E. Jr. (2003) "Macroeconomic Priorities," *American Economic Review* 93 (1): 1–14.

Lutz, Mark and Kenneth Lux (1979) *The Challenge of Humanistic Economics*. Menlo Park, CA: The Benjamin Cummings Publishing Co.

Madrick, Jeffrey (2015) *Seven Bad Ideas: How Mainstream Economists Have Damaged America and the World*. New York: Vintage.

MacLean, Nancy (2017) *Democracy in Chain. The Deep History of the Radical Right's Stealth Plan for America*. New York: Viking Penguin.

Mankiw, Gregory, N. (2018) *Principles of Economics* (8th edition). Boston: Cengage Learning.

Mann, Thomas E. and Norman J. Ornstein (2012) *It's Even Worse Than it Looks: How the American Constitutional System collided with the New Politics of Extremism*. New York: Basic Books.

Marglin, Stephen A. (2010) *The Dismal Science: How Thinking Like an Economist Undermines Community.* Cambridge, MA: Harvard University Press.

Marglin, Stephen A. 2011. "Heterodox Economics: Alternatives to Mankiw's Ideology," Occupy Harvard Teach-In on Heterodox Economics. December 7; https://www.youtube.com/watch?v=Pf0-E8X-GHo&feature=player_embedded accessed April 5, 2020.

Mayer, Jane (2016) *Dark Money. The Hidden History of the Billionaires Behind the Rise of the Radical Right.* New York: Doubleday.

Mazzucato, Mariana (2015)*The Entrepreneurial State: Debunking Public vs Private Sector Myths*. New York: PublicAffairs.

McCloskey, Deirdre (2002) *The Secret Sins of Economics*. Chicago: Prickly Paradigm Press.

McNamee, Roger (2019) *Zucked: Waking Up to the Facebook Catastrophe*. New York: Penguin Press.

Mearman, Andrew, Guizzo, Daniel, and Berger, Sebastian (2018a) "Whither political economy? Evaluating the CORE Project as a Response to Calls for Change in Economics Teaching," *Review of Political Economy* 30 (2): 241-259.

Mearman, Andrew, Berger, Sebastian, and Guizzo, Daniel (2018b) "Is UK economics teaching changing? Evaluating the new subject benchmark statement", *Review of Social Economy* 76(3): 377-396.

Minsky, Hyman (1982) "The Financial Instability Hypothesis: Capitalistic Processes and the Behavior of the Economy," in *Financial Crises: Theory, History, and Policy*, ed. Charles P. Kindleberger and Jean-Paul Laffargue. Cambridge, UK: Cambridge University Press, pp. 12–29.

Mirowski, Philip (2013) *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. London and New York: Verso.

Morgan, Jamie (2014) "Necessary pluralism in economics: The case for heterodoxy," *Royal Economic Society Newsletter,* no 167, October: pp. 16-19;
https://www.res.org.uk/uploads/assets/uploaded/d0f470de-3d71-40db-92aa8d77b543b361.pdf
accessed October 5, 2020.

Morgan. Jamie (2015) "Is economics responding to critique? What do the UK QAA 2015 Subject Benchmarks for Economics indicate?" *Review of Political Economy* 27 (4): 518-538.

Morgan, Jamie (2016) "The contemporary relevance of a Cambridge tradition: Economics as political economy, political economy as social theory and ethical theory," *Cambridge Journal of Economics* 40 (2): 663-700.

Nooteboom, Bart (2019) *Uprooting Economics. A Manifesto for Change.* Cheltenham, England: Edward Elgar Publishing.

O'Donoghue, Ted and Charles Sprenger (2018) "Reference-Dependent Preferences," *Handbook of Behavioral Economics: Applications and Foundations* 1:1-77.

Offer, Avner (2006) *The Challenge of Affluence: Self-Control and Well-Being in the United States and Britain Since 1950*. Oxford: Oxford University Press.

O'Hara, Philip (2007) "Principles of Institutional-Evolutionary Political Economy – Converging Themes from the Schools of Heterodoxy," *Journal of Economic Issues* 41 (1): 1-42.

O'Hara, Philip (2009) "Political economy of climate change, ecological destruction and uneven development," *Ecological Economics*, 69 (2): 223–234.

Olson, Mancur (1971) *The Logic of Collective Action: Public Goods and the Theory of Groups.* Cambridge, MA: Harvard University Press.

Page, Benjamin and Martin Gilens (2017) *Democracy in America? What Has Gone Wrong and What We Can Do About It*. Chicago: University of Chicago Press.

Payne, Keith (2012) *The Broken Ladder: How Inequality Affects the Way We Think, Live, and Die*. New York: Viking.

Peters, Ole (2019) "The ergodicity problem in economics," *Nature Physics* 15, 1216-1221.

Phelps, Edmund (2015) "What is Wrong with the West's Economies?" *The New York Review of Books*, August 13.

Pierce, Justin and Schott, Peter (2020) "Trade Liberalization and Mortality: Evidence from US Counties," *American Economic Review: Insights* 2 (1): 47-64.

Piketty, Thomas (2014) *Capital in the Twenty-First Century* (Cambridge, MA: Harvard University Press).

Piketty, Thomas (2020) *Capital and Ideology*. Cambridge: Harvard University Press.

Piketty, Thomas, Emmanuel Saez, and Gabriel Zucman (2018) "Distributional National Accounts: Methods and Estimates for the United States," *Quarterly Journal of Economics* 133 (2): 553-609.

Polanyi, Karl (1944) *The Great Transformation: The Political and Economic Origins of Our Time*. New York: Rinehart.

Popper, Karl (1963) *Conjectures and Refutations: The Growth of Scientific Knowledge*. New York: Harper & Row.

Posner, Richard (2011) *The crisis of Capitalist Democracy*. Cambridge, MA: Harvard University Press.

Prescott, Edward (1986) "Theory Ahead of Business Cycle Measurement," *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall, pp. 9-22.

Rajan, Raghuram (2019) *The Third Pillar: How Markets and the State Leave the Community Behind.* New York: Penguin Press.

Rappaport, Steven (1996) "Abstraction and Unrealistic Assumptions in Economics," *Journal of Economic Methodology* 3 (2): 215–236.

Ravenelle, Alexandrea (2019) *Hustle and Gig. Struggling and Surviving in the Sharing Economy.* Berkeley: University of California Press.

Raworth, Kate (2017) *Doughnut Economics. Seven Ways to Think Like a 21st Century Economist.* White River Junction, Vermont: Chelsea Green Publishing.

Rawls, John (1971) *A Theory of Justice*. Cambridge, MA: Harvard University Press.

Reich, Robert (2015) *Saving Capitalism: For the Many, Not the Few*. New York: Knopf.

Reich, Robert (2018) *The Common Good*. New York: Knopf.

Reich, Robert (2020) *The System: Who Rigged It, How We Fix it*. New York: Knopf.

Rifkin, Jeremy (2019) *The Green New Deal: Why the Fossil Fuel Civilization Will Collapse by 2028, and the Bold Economic Plan to Save Life on Earth.* New York: St. Martin's Press.

Rodrik, Dani (2011) *The Globalization Paradox: Democracy and the Future of the World Economy.* New York: W.W. Norton & Co.

Rodrik, Dani (2016a) "Straight Talk on Trade," *Project Syndicate*, November 15.

Rodrik, Dani (2016b) *Economics Rules: The Rights and Wrongs of the Dismal Science*. New York: W.W. Norton & Co.

Rodrik, Dani (2018) "Populism and the economics of globalization," *Journal of International Business Policy*," 1(1-2): 12-33.

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

Rosenblat, Alex (2019) *Uberland. How Algorithms Are Rewriting the Rules of Work*. Berkeley: University of California Press.

Rothwell, Jonathan (2019) *A Republic of Equals. A Manifeto for a Just Society*. Princeton: Princeton University Press.

Rubinstein, Ariel (2006) "A Sceptic's Comment on the Study of Economics," *The Economic Journal* 116 (510): C1–C9.

Rubinstein, Ariel (2017) "Comments on Economic Models, Economics, and Economists: Remarks on Economics Rules by Dani Rodrik," *Journal of Economic Literature*, 55 (1)" 162-172.

Sachs, Jeffrey (2009) "Rethinking Macroeconomics," *Capitalism and Society* 4 (3): 1–9.

Sachs, Jeffrey (2015) *The Age of Sustainable Development*. New York: Columbia University Press.

Sachs, Jeffrey (2017) *Building the New American Economy: Smart, Fair, and Sustainable*. New York: Columbia University Press.

Saez, Emmanuel and Gabriel Zucman (2019) *The Triumph of Injustice. How the Rich Dodge Taxes and How to Make Them Pay.* New York: W.W. Norton & Co.

Samuelson, Paul (1948) "International Trade and the Equalisation of Factor Prices," *Economic Journal* 58 (1948), 230: 163-184.

Sandel, Michael, 2019. "Populism, Trump, and the Future of Democracy," Institute for New Economic Thinking, March 15.

Sandel, Michael (2018) "Populism, liberalism, and democracy," *Philosophy & Social Criticism* 44 (4): 353-359.

Sandel, Michael (2013) "The Moral Limits of Markets," YouTube video, New Economic Thinking, https://www.youtube.com/watch?v=UbBv2ZGC2VI accessed June 19, 2020.

Scheidel, Walter (2017) The Great Leveler: *Violence and the History of Inequality from the Stone Age to the Twenty-First Century*. Princeton University Press.

Schiffrin, Anya (2011) *Bad News: How America's Business Press Missed the Story of the Century.* New York: The New Press.

Schwartz, Barry (2003) *The Paradox of Choice: Why More Is Less.* New York: Ecco.

Schneider, Geoffrey (2019) *The Evolution of Economic Ideas and Systems. A Pluralist Introduction.* Abingdon, UK: Routledge.

Schor, Juliet (2005) *Born to Buy: The Commercialized Child and the New Consumer Culture.* New York: Scribner.

Schor, Juliet (2019) *After the Gig. How the Sharing Economy Got Hijacked and How to Win It Back.* Berkeley: University of California Press.

Schumacher, Ernst F. (1973) *Small Is Beautiful: Economics as If People Mattered.* New York: Harper Torchbook.

Scitovsky, Tibor (1976) *The joyless economy: an inquiry into human satisfaction and consumer dissatisfaction*. Oxford: Oxford University Press.

Sen, Amartya (1985) *Commodities and Capabilities.* Amsterdam: North-Holland.

Sen, Amartya (2009) *The Idea of Justice*. Cambridge, MA: Harvard University Press.

Shiller, Robert. J. (2000) *Irrational Exuberance and the New Financial Order.* Princeton, NJ: Princeton University Press.

Shiller, Robert (2008) *The Subprime Solution: How Today's Global Financial Crisis Happened, and What to Do About It.* Princeton, NJ: Princeton University Press.

Simon, Herbert A. (1955) "A Behavioral Model of Rational Choice," *Quarterly Journal of Economics* 69: 99–118.

Simon, Herbert A. (1982) *Models of Bounded Rationality.* Cambridge, MA: MIT Press.

Simms, Andrew (2017) "The new reformation: 33 theses for an economics reformation, December 12. http://www.newweather.org/2017/12/12/the-new-reformation-33-theses-for-an-economics-reformation/

Skidelsky, Robert (2018) *Money and Government: The Past and Future of Economics*. New Haven, CT: Yale University Press.

Skidelsky, Robert (2020) *What's Wrong with Economics: A Primer for the Perplexed.* New Haven: Yale University Press.

Skidelsky, Robert and Skidelsky, Edward (2012) *How Much Is Enough? Money and the good life*. New York: Other Press.

Spence, Michael (1973) "Job Market Signaling," *Quarterly Journal of Economics* 87 (3): 355–374.

Sraffa, Piero (1960) *Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory.* Cambridge, UK: Cambridge University Press.

Stern, Nicholas (2015) *Why Are We Waiting?: The Logic, Urgency, and Promise of Tackling Climate Change.* Cambridge, MA: MIT Press.

Stiglitz, Joseph (2002) "Information and the Change in the Paradigm in Economics," *American Economic Review* 92 (3): 460-501.

Stiglitz, Joseph (2006) *Making Globalization Work.* New York: W.W. Norton.

Stiglitz, Joseph (2011) "Of the 1%, by the 1%, for the 1%," *Vanity Fair*, May.

Stiglitz, Joseph (2012) *The Price of Inequality: How Today's Divided Society Endangers Our Future*. New York: W.W. Norton & Co.

Stiglitz, Joseph (2017) *Globalization and Its discontents Revisited: Anti-Globalization in the Era of Trump*. New York: W.W. Norton & Co.

Stiglitz, Joseph (2018b) "Where Modern Macroeconomics Went Wrong," *Oxford Review of Economic Policy* 34 (1–2): 70–106.

Stiglitz, Joseph (2019) *People, Power and Profits: Progressive Capitalism for an Age of Discontent*. New York: W.W. Norton.

Stilwell, Frank (2011) *Political economy: the contest of economic ideas*. New York: Oxford University Press, 3rd edition.

Stilwell, Frank (2019) *The Political Economy of Inequality.* Cambridge, UK: Polity.

Stolper, Wolfgang F. and Paul A. Samuelson (1941) "Protection and Real Wages," *The Review of Economic Studies* 9, 1: 58-73.

Summers, Lawrence (1986) "Some Skeptical Observations on Real Business Cycle Theory," *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall, 23-27.

Sunstein, Cass (2016) *The Ethics of Influence: Government in the Age of Behavioral Science.* Cambridge, UK: Cambridge University Press.

Taleb, Nassim Nicholas (2006) *The Black Swan: The Impact of the Highly Improbable.* New York: Random House.

Tcherneva, Pavlina (2020) *The Case for a Job Guarantee*. New York: Polity.

Temin, Peter (2017) *The Vanishing Middle Class: Prejudice and Power in a Dual Economy*. Cambridge: The MIT Press.

Thaler, Richard (2016a) *Misbehaving: The Making of Behavioral Economics.* New York: W.W. Norton & Co.

Thaler, Richard (2016b) "Behavioral Economics: Past, Present, and Future," *The American Economic Review* 106, 7: 1577–1600.

Thaler, Richard and Cass Sunstein (2008) *Nudge: Improving Decisions About Health, Wealth, and Happiness.* New Haven, CT: Yale University Press.

Thompson, Erica and Leonard Smith (2019) "Escape from model-land," *Economics*, 13 (40): 1-15, October 8.

Tirole, Jean (2015) "Market Failures and Public Policy," *The American Economic Review* 105 (6): 1665-1682.

Tirole, Jean (2017) *Economics for the Common Good.* Princeton: Princeton University Press.

Turner, Adair (2012) *Economics After the Crisis: Objectives and Means*. Cambridge, MA: MIT Press.

van Staveren, Irene (2015) *Economics After the Crisis. An Introduction to Economics from a Pluralist and Global Perspective*. Abingdon, UK: Routledge.

Veblen, Thorstein (1899) *The Theory of the Leisure Class: An Economic Study of Institutions.* London: Macmillan.

Warren, Elizabeth (2007) "The Vanishing Middle Class," in *Ending Poverty in America: How to Restore the American Dream*, ed. John Edwards, Marion Crain, and Arne L. Kalleberg. New York: New Press.

Weitzman, Martin (2009) "On Modeling and Interpreting the Economics of Catastrophic Climate Change," *Review of Economics and Statistics* 91 (1): 1–19.

Whybrow, Peter C. (2005) *American Mania: When More Is Not Enough.* New York: W.W. Norton.

Wilkinson, Richard and Pickett, Kate (2010) *The Spirit Level: Why Greater Equality Makes Societies Stronger* (London: Bloomsbury Publishing).

Wilkinson, Richard and Pickett, Kate (2019) *The Inner Level: How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone's Well-Being*. London: Penguin Press.

Williamson, Oliver (1975) *Markets and Hierarchies: Analysis and Antitrust Implications.* New York: The Free Press.

Wolff, Edward N. (2017) *A Century of Wealth in America.* Cambridge, MA: Harvard University Press.

Woolf, Steven H. and Schoomaker, Heidi (2019) "Life Expectancy and Mortality Rates in the United States, 1959-2017," *Journal of the American Medical Association* 322 (20):1996–2016.

Zuboff, Shoshana (2019) *The Age of Surveillance Capitalism. The Fight for a Human Future at the New frontier of Power*. New York: PublicAffairs.

Author contact: John.Komlos@gmx.de

SUGGESTED CITATION:
Komlos, John (2021) "Humanistic economics, a new paradigm for the 21st century." *real-world economics review*, issue no. 96, 22 July, pp. 184-202, http://www.paecon.net/PAEReview/issue96/Komlos96.pdf

You may post and read comments on this paper at https://rwer.wordpress.com/comments-on-rwer-issue-no-96/