**Table 16: Short Descriptions of theoretical approaches**

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| **Approach** | **Short Description** |
| *Austrian school* | The Austrian school came into existence at the end of the 19th century in Austria in order to explain economic reality by deducing it from certain universal principles such as subjective value, spontaneous order and opportunity costs. The School became more distinctly organized as such after the Second World War when neoclassical Economics went through its formalistic revolution and thus moved further away from the Austrian School; at first the two were very similar. Because the world is complex and even unknowable to a large extent, unconstrained markets are viewed as the best institution as they convey crucial information through price mechanisms. |
| *Behavioral economics* | Uses certain insights from psychology to explain how, when and why humans may behave in ways that are different from neoclassical theory, which leads to the conclusion that human rationality is bounded. So rather than processing information like a computer as neoclassical economics assumes, people rely on heuristics that allow them to make rough judgements and are influenced by framing in doing so. Decision making within markets is however not random, hence irrationality can be predictable. This approach is widely used in policy and interaction design, a practice known as 'paternalistic libertarianism' or ‘nudging’. |
| *Classical political economy* | Developed at the end of the 18th century to give a systematic explanation of the economy by looking at the tendency of markets to move towards equilibrium and the interaction between landowners, capitalists and workers. Based on the labour or cost theory of value, most classical political economists argued for free trade and free markets. |
| *Complexity economics* | Recently arisen out the application of methods from mathematics, physics and biology to economic problems. Humans are rule followers, as they emulate others and are adaptive to changes in their environment. Not everyone follows the same 'rules', and 'rules' are not constant over time. Hence, the system is always subject to change. |
| *Ecological economics* | Economies are open and complex systems which are embedded within societal (eco)systems, most importantly the biosphere. They need to be looked at from a holistic approach. The approach questions unlimited pursuit of material wealth and utilitarian perspectives of well-being. |
| *Feminist economics / Social economics* | Economic life is socially and morally embedded; developments in consumption, production and distribution are also explained by reference to social and moral moorings. Human beings are products of social interactions, engaging in conflict, competition as well as cooperation with each other at different moments in time. Instead of focusing on the 'economic man' who has only market transactions, they engage with the entire fabric of provisioning, investigating the ways people organize themselves to make a living as interdependent social processes. Unpaid work, such as housework and care work; informal and subsistence economies are thus also included in the analyses. |
| *Neoclassical economics* | Human beings are rational and selfish, as their decisions are solely motivated by expected utility maximization based on their given and stable preferences. Mathematically deduced from these assumptions about individuals, an analysis of markets arises. These markets work mainly through price mechanisms; their efficiency as well as their potential failures are analysed. |
| *Original Institutional economics* | Arose largely out of the desire to make economics an empirical science. Individuals, markets and the economy are seen as a whole. They are not analysed as independent phenomena, but as embedded in institutions. People derive habits and value-orientations from the environment, which they in turn influence through their interactions with other people. |
| *Post-Keynesian economics* | The starting point is a situation in which actors are uncertain about the future, while knowing what happened in the past. Effective demand, consumption and investment, depends for a large extent on animal spirits. The normal economic situation is one of enduring involuntary unemployment and less than full use of production capacity. Capitalism exists on an inherently unstable foundation and regularly requires anti-cyclical fiscal policy interventions to achieve prosperity. |
| *Radical economics* | Focuses on conflict and exploitation within economic systems. Humans are creative beings who realize their ideas through their work. Within the capitalist system, the struggle between workers and capitalists is dominant. The drive for private profit also leads to continuous technological advances and accompanying instability. |

**Table 17: Three Important Economists for each approach**

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| **Approach** | **Important** **Economists** | | |
| *Austrian school* | Carl Menger | Friedrich Hayek | Ludwig von Mises |
| *Behavioral economics* | Herbert Simon | Daniel Kahneman | Amos Tversky |
| *Classical political economy* | Adam Smith | David Ricardo | John Stuart Mill |
| *Complexity economics* | William Brian Arthur | John Barkley Rosser | Eve Mitleton-Kelly |
| *Ecological economics* | Karl William Kapp | Herman Daly | Robert Costanza |
| *Feminist economics / Social economics* | Marilyn Waring | Amartya Sen | Ester Boserup |
| *Neoclassical economics* | Léon Walras | Alfred Marshall | Paul Samuelson |
| *Original Institutional economics* | Thorstein Veblen | John Kenneth Galbraith | Geoffrey Hodgson |
| *Post-Keynesian economics* | Piero Sraffa | Nicholas Kaldor | Hyman Minsky |
| *Radical economics* | Karl Marx | Paul Sweezy | Richard Wolff |