Economics - a Fascinating Science about Real Life

Author: Magdalena Platis, University of the Bucharest, Romania
magdalena.iordache-platis@drept.unibuc.ro

People leave in a very complex environment. There are very rapidly changes that affect the decision-making processes. No subject can control its actions on a long term – either the subject is an individual, a social group, an enterprise, a society or a Govern. This is happening because the real economy is nowadays functioning in a systemic manner, where each country, company or individual is networking regarding different objectives.

Economics as a science is studying the alternatives of efficiently administrate the scarce resources in order to better satisfy the needs. In other words, Economics is the most fascinating science of all. Economics is a fascinating science about real life. Here are some arguments:

• Economics is studying fundamental concepts that are part of the human life: needs, resources, efficiency, activity, production, costs, results, inputs, incomes, satisfaction, utility;
• Economics helps people to choose in a better way so that they become able to diminish their regrets of not doing something else;
• Economics offers solid basis for the decision-making process and help people to develop correct actions according to the inputs they can get;
• Economics contribute to the society development when individuals as economic actors use rationality as the main principle;
• Economics is part of the real life. Its fundamental questions “What”, “How much”, “How” and “For whom” allow people to find proper answers but not only about production or consumption, but also about events or aspects of their lives such as answers to questions like “What to do to be happier?”, “How to find a better job?”, “How much to invest in some activity?”, “What to say?”, “How to find a better friend?”;
• Economics is not studied by all individuals. Many of those who do
not become economists behave like real promoter of economic thinking just because they are structurally good administrators of their time, money and life;

- Economics helps management of companies to develop and implement effective strategies for its activities, so that efficient strategies can lead to stability and long life for it;
- Economics is a great instrument for the policy makers who can not provide reforming directions unless they take into consideration the contradiction between needs and resources, rationality and efficiency;
- Economics is based on economic laws which are objective and do not depend at all of concrete wishes or needs; in other words, economic laws act in the real economy no matter if people know and understand them or not.

In other words, Economics helps people to better achieve their objectives.

Once people admitted that there was a need of economic thinking, as well as of Economics, high specialists in this area have tried to compete in order to discover and promote a theory or a model in order to better understand a part of their life. In this context the Nobel Prize for Economy can be placed.

Therefore, there are two issues that come up from the message of the Nobel Prize for Economy:

a) To whom are the contribution of the authors addressed?
b) Which is the impact of the contribution of the authors in real society?

It is true that many authors who get the distinction of the Nobel Prize for Economy apply different statistical and econometrical models in order to demonstrate something and to explain the validity of their ideas. As a consequence, they address to other specialists in the area, even them not being all able to understand the entire content.

In addition, the contributions of the authors who get the Nobel Prize distinction remain useless if the decision makers at micro and mostly at macroeconomic level do not implement the results or militate for chances in policies.

Therefore, it is not enough that the Nobel Prize ideas fit the nowadays real economy. It does. But it is more important that the voice of the Nobel Prize authors be heard by policy – makers! Otherwise, the results of the contributions will remain of theoretical interest to be referred at by professors, academics and researchers only.
What should be done in order to demonstrate to decision-makers at national level the need of converting scientific ideas into real actions, so that the entire society can benefit?

Here are some proposals:

• A team of specialists should convert the economic ideas into clear and understandable meaning to non-economists; this is a must, since decision-makers or policy-makers do not need to be specialists in Economic Sciences;

• Once the economic thinking is “translated”, the same team or another one should divide the ideas into actions for policy makers on short, medium and long terms;

• Then, the most difficult step is to determine the responsible people to act or promote those actions. For this, they should get a minimum training about the main concepts and correlations and dedicate enough time to consultants or specialists to discuss with.

Only by attracting the decision-makers into the content of the economic ideas, the entire society can benefit from implementing relevant changes in the real economy!