

EVALUATING NEOCLASSICAL ECONOMICS: THEORETICAL INSIGHTS AND REAL-WORLD APPLICATIONS

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Abstract

This research shows a review of the Neoclassical Economics theory with a view of discovering or disputing the claim – where possible – that the neoclassical theory is dead and worthless. This paper plagiarizes from the outcome of previous and relevant study conducted on this same proposition and uncovers the existence of a huge controversy in the literature – both old and new – of the effectiveness of the neoclassical economics. Given the lack of consensus on the neoclassical economics debate, the author of this manuscript then shows that while the Neoclassical theory is may not be dead; its effectiveness and efficiency given its entire underlying hypothesis that may be well within doubt. Furthermore, the paper found that requesting the death of a model can only occur when the primary assumptions or hypothesis of that model is conducted and still the model fails to deliver valuable results. In the case of the neoclassical economics model; the only criticism can be that the fundamental assumptions nor hypothesis cannot embrace in a real-world situation. Therefore, declarations of its death cannot stand firm in an authorized argument – its efficiency maybe; but certainly not death. The author does however try to provide a brief assessment of the various extensions and alternatives of the neoclassical model that have evolved in a bid to augment its supposed failings.

Keywords: Neoclassical Economics Theory

Introduction

In the human species history, the economic hypothesis has spread through numerous segments, marked by conflicting debates. After an age of reign of the earliest and outdated hypothesis, we support to the emerging of contemporary models: classical, neoclassical, Keynesian, neo-Keynesian, new classical and new Keynesian, to state the utmost significant economics school of thought. However, from the neoclassical standpoint, the economy is a structure free of uncertainty; uncertainty; the market and economic development can be designated by economic laws, constantly tends toward steady equilibrium and has the possible for nonstop progression. Hence, the economic downturned are not instigated by market errors, but by obstruction of illogical behaviour into the market mechanisms; usually, these obstructions are instigated but government intervention. Thus, 'the twofold questions to be examined of a customary of moulds in economics are these: Are they passive? And: Do they agree to the real world? I am an economist, and am excruciatingly cognizant of the of many vital purely scientific progresses that are likely to considerably develop in the descriptive power of economics notion, yet are slow on

the uptake, and therefore are not demonstrated in the papers or journals in this field (economics). Am continually intolerant with the slow-moving speed of the development of bringing the course of my study up to date. Nothing of this category would be accepted in the natural sciences. Nonetheless, we find some researchers attack on neoclassical economics impractical and uncalled for. In specific, their submission that neoclassical model be discarded in favor of some mingle of heterodox substitutes is unjustifiable. Some nonmainstream ideas have insights to offer us, but they must be integrated into economic model, rather than being wholesale substitutes for present model. Some impatient modernism believe that this cannot occur because the current orthodoxy in economics is immune to change, but I ponder the knowledge of the past eras that suggests that this is simple not the case.

For a couple of decades now neoclassical economics has been pronounce as the theory of devotion between economists and scholars. Neoclassical theory arises with the propositions that the economy is involved of logical self-interested individuals (consumers and firms) who maximize their satisfaction through voluntary exchanges in markets which; when free from outer interferences, produce an efficient equilibrium. Whilst the theory has advanced in sophistication since the year 1870s, this central proposal is aim at its core; most of the front-runners of the Nobel Prize have come from the neoclassical theory. However, this neoclassical economics predominant has described what counts as economics, and who considers as an economist. Anybody or any scholar that's not sharing these hypotheses is often deemed not be an economist. Because they seem not to conform to the viewpoints of neoclassical model, they find it tricky to get published in leading economic articles and get well known within the academy. Thus, the setback is there are severely academics who study economics, and who consider themselves economists, yet those do not consider their study genuine working within the neoclassical economics theory Paul Krugman (2009). When we hear from scholars and some economists that neoclassical economics theory is dead and worthless, we assume they mean they are discarding the satisfaction maximization scheme used to procure demand and supply curves etc.

Conversely, it appears to me that neoclassical theory is similar to that of newton's model gravity of physics. But physics went on from there, where economists appear to never resolve any debates. But just have the same argument over and over sitting on pave of assumption or hypothesis, which we (economists) have been confronted with. Part of the purpose is that economics is complicated, in the nous that experimental evidence is more complex to achieve. But several economists have agendas and so fill the empirical evidence with contrived studies to produce result that backs their clams. Their thesis is applauding or criticized based on the assumptions of the reviewer, not on the effectiveness of the study. There appears to be no technique in economics that acknowledges truth seeking and admonishes agenda promoting. This requires discoveries and agreeing on anything beyond simple theory very complex and real progress almost impossible. For instance, the difference in approach is the global warming argument. After 20 years debates and research, physics scientist are getting to a agreement on the

problem, whilst economist who counter action are calming that scientist are prejudiced, and abide to their original positions, even if they must disregard the substantiation. When confronted with proof physicists change their minds, while several economists do not. However, as we seek for more robust understanding of neoclassical economics usefulness, it will be appropriate to review the definition of neoclassical economics theory. According to E Roy Weintraub (2007), who define neoclassical economics as a model that emphases on how conception of efficacy or effectiveness of product simulates market forces; demand and supply. It proposes that since the consumer's objective is satisfaction maximization, consumer utility, and that the firms target is satisfaction is income maximization, the client is eventually in charge of market forces such as demand and price. While Hodgson G. M. (1992) who stated that neoclassical theory is a wide model that emphases on supply and demand as the driving forces behind the production, pricing, and consumption of good and services. Furthermore, neoclassical theory states that a product or service regularly has usefulness above and beyond its production cost. Nevertheless, neoclassical economics is a technique to economics with emphases on the steadfastness of goods, outputs and incomes distributions in market through demand and supply. Income strained individual repeatedly mediates this steadfastness across hypothesized maximization of satisfaction and incomes by organizations confronting production costs and engaging available information and factors of production, in accord with logical choice concept, a model that have been under debate for a couple of years now. Thus, there are three central hypotheses of neoclassical theory; it was aired by E Roy Weintraub (2007) that neoclassical economics center on three hypotheses, while certain branches of neoclassical model could have dissimilar tactics control. It will be essential to outline those assumptions. Individuals have logical preferences among results that can be recognized and allied with values. Persons maximize satisfaction and organisation maximizes profits Individuals act independently on the foundation of full and significant information. From these three hypotheses viewpoints, neoclassical economists have fostered an organization to recognize the distribution of scarce resources between alternative ends. Emanating from the fundamental hypothesis of neoclassical economics, it appears a broad variety of models about several zones of economic affairs. For instance, income maximization rests behind the neoclassical model of the organization, while the gleaning of demand curves leads to a comprehension of consumer goods, and the supply curve agrees an evaluation of the factors of production. Satisfaction maximization is the birthplace for the neoclassical philosophy of utilization, the gleaning of demand curves for customer goods, and the gleaning of labour supply curves and reservation demand.

Nonetheless, in another development market demand and supply are aggregated within organizations and their collaborations decide equilibrium production and price. The market demand and supply for each factor of output is emanated analogously to those for market endmost production to establish equilibrium revenue and the revenue allocation. Factor demand integrates the marginal output association of that factor in the production market. However, the neoclassical economics theory is dead for many, alive for few; depend on where you sit but still

generally accepted by economist and scholars. We hope I don't appear to be too straightforward if we say neoclassical economics is alive and well. Thus, the deliberation of Neoclassical hated up in the early 2000's, when a couple of scholars led by Steve Keen (2009), Philip Ball (2006), David Colander (2004) and others shows that neoclassical is dead, if not dead is seriously ill, for the reason that neoclassical economics theory fail to prognostication the economic depression of 2007 nor fail to predict the real-world economic theory.

In support, the authors led by (Hodgson, 1992; Finlayson et al. (2005), Gowdy (2009), Amariglio and Ruccio (2002), Kjosavic (2003) and (Aspromourgos, (1986) argue that neoclassical economics is still alive and useful in a open marketplace, rivalry founds in a price steadiness that is perfectly capable: demand equals supply and no funds are misused. The rest of this paper is organized as follows: Segment 2 will take a look at the criticisms of neoclassical economics model while also looking at other models that may have attempted to correct for such critique that exist in the literature. Section 3 will also focus on the usefulness of neoclassical economics with a view to demystifying this concept while also showing the estimation bias or limitations that may exist with its use as proposed in the economics discourse as well as throwing light on techniques that may have arisen as a way to correct for any such bias where they exist. The final section, section 4, of this paper will then attempt to provide a general recap of all that has been the discussed in the sections preceding it with an effort to answering the inherent question present in this discourse: "Is the Neoclassical Economics dead or alive?"

The Criticisms of Neoclassical Economics Theory

It is indubitable that scholar, and most post-graduate, microeconomics scholars are dominated by the neoclassical method to the area of economics. This locus has remained recognized since the 1960s, which, in academic period with the fast-accelerating speed of transformation, practically places it before living recall. This formula of show has become so fixed, with consecutive groups of students internalizing it, that it is tough to apprehend of substitute pedagogy. At the same time, nonetheless, the right of place of neoclassical economics as the orthodox discursive creation of economics and as an element of economic strategy is progressively being challenged. This introduces a crisis in the reproductive volume of economics as a valuable discipline that teachers need to address as a matter of need.

As advertised from the re-examined literature in the foregoing parts; while the neoclassical theory is still held on in the economics literature, it has received an immense volume of criticism amongst economist's professionals and scholars which therefore begs the question: what is wrong with the neoclassical theory? Why does it work in certain context and not in others? And when it does work why does it seem in certain cases that one or more underlying hypothesis of the theory seem to fail as observed on by Kaldor (1972) where he quoted that most analyses conducted on the neoclassical theory which declared the model to be ineffective – have certainly not satisfied all the accepted hypothesis of the theory and as such where not wholeheartedly acceptable in their conclusion. This segment of this article will therefore glance at these criticisms of the numerous characteristics

of the model by several authors while also putting forward some of the complementary methods, assumption and model that have developed to assist in the assumption of neoclassical economics.

Numerous researchers like David Romer, Buz Brock, John Thaler, William Baumol, George Akerlof, Joe Stiglitz, David Card, Alan Krueger, Paul Krugman, and Respectively are considered topmost contemporary scholars of economist, but separately functions outside the "neoclassical scheme" in shares of their work. They have on difference classification given their reaction of the tribulations of this model, the issues beside the phrase neo-classical theory could be particularly difficult to demand for its demise. According to them, they are. The use of the expression, neoclassical, to pronounce the economics that is applied nowadays is not only beneficial but it essentially hampers knowledge by learners and place individuals of what concurrent economics is. The phrase could still have a part in inter temporal relationships, but, if it is to do so, it is even supplementary significant to have the neoclassical era end at certain extant. They went further to say that currently; economics has transformed immensely from 1870"s to pronto, and is repeatedly changing. To function an inter temporal purpose, the expression, "neoclassical economic school of thought," has to expire. As been highlighted by them, we should be clear about what we see as the main setback with the use of the phrase neoclassical. This terminology is often used by some heterodox economists, by several non-specialists, and by historians of thought at unguarded moments, as a classifier for the method that the mainstream of economists takes nowadays. We all fall into the habit of shouting contemporary economics "neoclassical" whilst we want to contrast contemporary mainstream economics with heterodox economics. When we like the proxy, the neoclassical expression is frequently used as a slur, with our readers, or listeners, knowing what we mean. Of course, school of thought is extreme healthier at escaping this "slur" use than are others. The worst use, and the place one perceives the terminology "neoclassical" most frequently, is in the deliberations by amateur folks who reject to some slice of contemporary economic thought. To them immoral economics and neoclassical theory are tantamount terminologies. Their dispute is not that neoclassical model thoughts are not still in use; they are. Their disagreement is merely that they are not constraining attributes; they are not essential of what a present economist need do to have a sensibly upright chance for accomplishment. Individual can toil in a fairly dissimilar manner and still be pondered mainstream. According to Fullbrook (2012) who claim he has a main discipline experienced total let down on the measure that economics models consume in modern ages. He highpoints its failure from twofold viewpoints on neoclassical theory, One, economists oversaw, straight and within the commonness of their thoughts (neoclassical principles), the structuring of the worldwide financial economy that crumpled. The second, excluding for a few untouchables, economists unsuccessful to detect, even before the overall public observed, the tactic of the major financial breakdown of all time. To Fullbrook (2012), as an epistemological event, "the 2008 meltdown of the global financial system ranks with the observation of the 1919 solar eclipse". He was of the opinion that if professional practice in economics bear a resemblance to that in the natural sciences, then in the wake of the recent global

disaster economists would be falling over each other to proclaim the falsity of their theories, the inadequacy of their methods and the urgent need for new ones so that they could observe economic reality.

According to Colander David (2000) who identified that his not lonely in pronouncing the neoclassical lingo dead; certain scholars of thought, such as Niehans, do not apply the phrase at all. Even some folks who apply the term cross-examine its effectiveness. For instance, Mark Blaug (1985) composes: “Neoclassical theory converted himself so fundamentally in the 1940s and 1950s that anyone ought to invent a completely fresh description for post-war orthodox economics.” While, Galbraith, (2001) who argued that neoclassical theory has a very grim hitch because its restrictions critical rational in the area of economics and forces the scholars to observe hypothesizing and strategy recommendations across the inadequate lens of the neoclassical model” notions which embodies an impracticable segment of today’s world representativeness. Derek et al. (2009) suggested how neo-classical theory is massive nor fixed but characterized with some essential worries or hypothesis that repeatedly display in economic hypothesizing.

Similarly, Hodgson (2004) standpoint claims that a possible drawback with the element of neoclassical procedural uniqueness results from placing the whole descriptive liability of communal situation on persons. Hodgson maintained that the core miscalculation in this conviction is the disappointment to clarify in what way and why we obtain the presumed „social features” and in what way these presumed individual features could be clarified deprived of recourse to social relatives. According to Hicks (1983), I understand to the unpredictable usage of terminology neoclassical. In general idiom the phrase neoclassical is applied in dual independent means: one, to label the economics from the year 1870 to 1930s, and two, to define contemporary economics in citation to heterodox ratiocinate currently. Scholars have an ordinary propensity to use it in that similar mode. Regrettably, the dual uses create rational awareness only if contemporary economics is fundamentally identical in the previous time period as it is nowadays. Is either contemporary economics is part of neoclassical economics or it isn’t. However, Hicks (1983), who facilitated extend the usage of the phrase to embrace all marginality in his article Value and Capital had second thoughts, and in 1983 he proposed that the phrase neoclassical be dead. And the dual scholars who have investigated the history of the terminology neoclassical economics in profundity, Tony Aspromourgos (1986) and Sasan Fayazmanesh (1998), both resolve that the phrase should be declared dead. That been alleged, it can nevertheless be perceived that the criticizers of the neoclassical model do not instantaneously and completely dismiss its declarations with the exemption of the research of Hicks (1983 in which he boldly proclaimed the death of the neoclassical economics.

The Usefulness of Neoclassical Economics Theory

In Applying the usefulness of neoclassical economics, the neoclassical theory is a rather simplified model; one that appeals to general logic. It is in this object of simplicity that is considered to be one of the endearing factors that makes it popular in economics and scholar's discourse.

In economics theory, there's nothing exasperating than the dispute that neoclassical theory is a fiction of its fertility; that, simple, there is technical economics and there is hypothetical hand-waiving (by persons who have never really comprehended the brighter opinions of orthodox economics model) in this sagacity, neoclassical resembles racialism; while ever present and dominant, no one claims to be guided by it. Detractors must find a perfect classification of neoclassical economics if only in order to unshackle neoclassical economists from the coaxing to defense themselves behind immature rows viz, the non-existence of their school of thought then, the good argument could originate.

However, the orthodox or mainstream economics also been referred as neoclassical economics theory is unquestionably the utmost renowned and leading theory of economics (Hodgson, 1992; Finlayson et al. 2005). Gowdy (2009) in his empirical analysis sustain the predominance of neoclassical theory that prolonged academic past and its deep-rooted idea and a systematic technique with which to address an array of realistic and academic problems. Thus, its classical established on the conception that open marketplace or perfect competition outcomes in proficient resource portion which controls economics behaviours and forms equilibrium across market forces of demand and supply (O'Sullivan and Sheffrin, 2003; Finlayson et al, 2005). The „neo“ formation is founded on the momentous withdrawal in his organizational method since the classical notion emphasizes on economics output and the dynamics shaping it, to a proper and logical method that seats prodigious prominence on persons decision and the maximization of usefulness alongside the acceptance of numerical methods for economics examination. Amariglio and Ruccio (2002) and Kjosavic (2003) advocates the emphasis on persons favorites and choice constructing the marginalize revolt, the conjecture of a useful model of worth and the positive perceptiveness of scientific formalism hooked on neo-classical theory all cemented its manner for a discontinuity from classical economics.

In a bit to present extra robust understanding of the fitness nor usefulness of neoclassical model, the essential of neoclassical model is useful in its worth model with its use of extra model of usefulness as the foundation of its theories and equations (Aspromourgos, 1986). Similarly, it is intensely substantiated on the affirmative viewpoint, predominantly rational constructive (Katouzian, 1980). This is in correlation alongside Auguste Comte's standpoint that all procedures of effective understanding are founded on systematic proofs, as evidences are the only substances of comprehension. Nonetheless, the procedural decrees of neoclassical theory tradition cause some essential hypothesis or models. Derek et al. (2009) In his empirical paper advocates how neoclassical model is neither monolithic nor static but the hallmark figure of essential disquiets or hypothesis that repeatedly appears

in economic hypothesis. The fundamental hypothesis of neoclassical model that have given ascent to extensive variety of models about numerous zones of economic pursuit can be reviewed as follows; procedural instrumentalism (utility maximization), procedural equilibration (equilibrium economics) and methodological individualism. Methodological individualism, an essential assumption of neoclassical theory abodes stress on the individual as the essential element of examination and act. In the same vain it is the idea that descriptions of combined facts, communal system and organizations, in wellspring be built in positions of folks - their activities, morals and views (Hodgson, 2004, 2007; Udehn, 2002). Therefore, economic clarifications are necessitated at the stage of single representative whereas stress is assigned on individual mediators above structures. From the neoclassical model standpoint, methodological individualism hence assumes the subsistence of a logical folks who uses in the limitations of logical preference model as self-centered persons who tries to amplify his/her estimated satisfaction (Kjosavic, 2003).

Nonetheless, neo-classical article of faith has been the main focus of disapprovals particularly from orthodox economics school of thought. While, these later institutes recognize the part of group's objectives in the clarification of public case, they're confronted with intelligent genuineness of attributing the final descriptive liability of social configurations to the individual (see Kjosavic, 2003). While Hodgson G. M. (2004), in an innovator economics perspective, propound that a prospects fault with the article of neo-classical methodological individualism outcomes from placing the whole descriptive load of social phenomena on the individual. According to him, the core slipup in this policy is the inadequate to clarify how and why the individual obtains the presumed „social features“ and how these presumed individual physiognomies might be explained without recourse to social affairs or structures. An extra basic hypothesis on the neo-classical model found the conviction of usefulness expansion. Some study outlined have recognized in the thought of gentleman as logical or usefulness maximizing to offer clarification for human behaviour or social phenomena as the result of debate about measures of getting individual ends. Neoclassical theory underlines logic and engages utility maximization as the yardstick of logic (Dequech, 2007).

Nevertheless, the acute bouts on neo-classical model of methodological individualism, is that the idea of utility maximization have taken its dispassionate segment of disparagements. For example, Gans (1996) explores that logical codifications of activities or choice do-not subsist once normal circles of limitations are enforced on the person's comprehension of conceivable choice surroundings or surrogate choice. On an interconnected footnote, (Kjosavic, 2003) argues that „logical economic mankind“ as stated by the neo-classical theory logical decision dictum is imperfect to the self-centered person attempting to expand his/her satisfaction and does not employ to circles of entities. He contends that it sustains on rationally that once various persons attempt to exploit each person's satisfaction, the perplexity is that each individual we obtain fewer satisfaction than the highest attainable. In my own tactical point of view, while individuals do regularly exploit in their individual self-centeredness,

individual decision in admiration of decision which can't be diminish to unmoving optimization since it is regularly the paradigm that individuals create their decision on individual heed as founded on certain other remote aims or principled morals exclusive of any straight or instant individual benefits. Hence, logic might be believed to be prejudiced and a relative between a conviction or prearranged of morals and the foundation on which they are assumed.

In another assumption of neoclassical theory, equilibrium economics, stability, general equilibrium theory is essential to the model and training of neo-classical model since is the main background for procuring painstaking small basics for big theories and philosophies established on, (Rizvi, 1994; Ackerman, 2002; Hodgson 2004). According to Kaldor (1972), an established fundamental stand on the neoclassical school of thought is that general equilibrium theory is the essential fact for somewhat rationally stable clarification of the conduct of reorganized economic scheme. The core proposal of neo-classical general equilibrium theory as claimed by Arrow and Debreu (1954). They proclaim how supply and demand push the scheme to preserve economic forces, i.e. the centre where the supply of a product equals to the demand for it. Black, (1997) views that the equilibrium level is also a plight where no persons have a motive or instant reason to revise his action. Ackerman (2002) in his empirical analysis submits that GET is extensively cheered as the normative framework for offering rigorous hypothetical foundation for Adam Smith's „unobserved hand“ and for exhibiting the required assets of a reasonable economy. Daal and Jolink (1993) outlined that a main state for GET is open competition, a repercussion of free-market capitalism whereby the unlimited demand for commodities and service could unreservedly offer ascent to swap standards for every merchandise. Therefore, consumers and traders cannot just have unflawed knowledge concerning the costs of goods in the marketplace, although can moreover easily participate in market dealings whereas the satisfaction raising basic of person representatives evaporates the marketplace and allows it to transfer towards a stability state. However, the postulation of the neo-classical general equilibrium theory has initiated condemnations from a broad variety of sectors. For example, Kaldor (1972) maintains that the neo-classical theory proposes of similar output and utilization or similar demand and supply in state of balance does not give fretfulness to how markets act to disequilibrium, moreover since disequilibrium is being struck out or since equilibrating changes are expected to be prompt which he claims, is opposing to true lifecycle state. On an overall footnote, Wilson (1998) in his paper reviews the faintness of the neoclassical theory school of thought. For him, the current economic models seek to discover painless theories, overall rules that protect entirely doable economic preparations, while the inborn attribute of person conduct significantly restricted to the degree to the level prearranged for such preparations is likely nor even achievable. Moreover, the theories engaged, he claims, regularly decent petite since they remain closed and hence wrapped off from the difficulties of individual conduct and the limits forced by the surrounding.

Nevertheless, this neo-classical school of thought that has begun to contour by several scholars of economists who have existed in different classifications since the commencement of 1870 remains devoted to the essential values of classical mode of economic as well as embraces a different method from classics about worth philosophies and social accord. Individual benefit-social advantage issues in its place of the classical labor model of worth suited foremost in neoclassical economics. Within this basis, dispensing fact is acknowledged as a problem of pricing factors in producer theory; price creation is clarified in factor market inside the possibility of marginality evaluation; the segment that each of the features required to take from the net profit is strained to be dogged beneath the label of price model. Significantly as

Neoclassical theory“ awareness that is showing up in contradiction of civic liberation and government interferences is the finest resolution for the market gadget, allocation of resources and income distribution arose after Keynes, this neoclassical model has stood the dominant of micro-economic evaluation that lives till now by support and researchers.

Conclusion

Prearranging the above-mentioned on-going debate in the literature, it is well within the right of any well-meaning researcher or economist to ask this question: Is neoclassical economics theory dead or alive? Unfortunately, nevertheless, whether or not the neoclassical model is dead is one question that no economist can answer pending empirical tests in which all the fundamental postulations of the theory has been met and has been conducted, and as postulated by Kuhn (1962); and Mulligan (1998) amongst others; nearly all hypothesis of the neoclassical are not practicable in reality. As noted by Daly, H. (1996): “the result of any experiment is not what was specifically observed but rather an interpretation of what has been observed based on the assumptions applied by the researcher”. Therefore, it will be unfair to disprove the neoclassical theory on such a basis, as a researcher who carries out an empirical test on the neoclassical economics without first validating the hypothesis of the model of interest may very well be carrying out a test on something else as the conditional requirement has not been fulfilled. Conversely, the assumptions of the model could be invalidated and proven to be Unrealistic.

15. It is therefore my position that requesting the death of a model can only occur when the primary assumptions or hypothesis of the model are conducted and still the model fails to deliver valuable outcomes. In the case of the neoclassical economics model; the only criticism can be that the fundamental assumptions nor hypothesis cannot embrace in a real-world situation. Therefore declarations of its death cannot stand firm in an authorized argument – its efficiency maybe; but certainly not death – particularly given the pre-existent nature of economic models which are well known to be abstract representations of reality – like in the case of the Robin-Crusoe economy which is steadily used in academia; in which case the likelihood of any such existence of a one-man economy might only be present in some remote planet in which I believe economic theories formulated here on earth may not prove effective at all. The criticism regarding the neoclassical economics models not being an efficient

measure in real world could be hard because as indicated by Kuhn (1962) and Derek et al. (2009); the problem could easily lie in the use of proxies in representation of the number of essential anxieties or assumption that frequently surface in economic postulating. In summary therefore, my tactical point of view holds that: The neoclassical economics theory is not dead but its efficiency in predicting the real world is certainly questionable and this misgivings regarding its being an inefficient measure of real world is deeply rooted in the underlying assumptions guiding the model. Then I'll say neoclassical model is alive.

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