RETHINKING ECONOMICS: BEYOND THE PARADIGM OF INSTRUMENTAL RATIONALITY

Sherman Xie
School of Management/China Institute for SMEs,
Zhejiang University of Technology (China)
E-mail: shermanxas@163.com

Manuscript received 17 August 2025; accepted 21 November 2025.

ABSTRACT

This paper critically examines contemporary mainstream economics, revealing it to be in a state of profound paradigm crisis characterized by an excessive focus on instrumental rationality at the expense of value rationality. Tracing the intellectual evolution from Classical foundations (Smith's division of labor, Ricardo's comparative advantage) through Keynesian demand management and subsequent challenges from Hayek and Friedman, the analysis highlights a trajectory where economics progressively distanced itself from socio-political realities and phenomenological depth through mathematical formalization. The discipline, originally a servant to political science concerning wealth production and distribution, faces significant paradoxes: Its limited predictive power for markets and crises contradicts its prominent societal status; the market-state dichotomy questions the necessity of economists; and internal theoretical fragmentation (monetarism, rational expectations, supply-side economics) weakens its explanatory power. Ultimately, the paper argues for a fundamental rebalancing, advocating for a dialectical unity of instrumental and value rationality to address the core theoretical presuppositions, methodological flaws,

http://dx.doi.org/10.22201/fe.01851667p.2026.335.92562

developmental imbalances, and adverse real-world consequences stemming from the current crisis.
Keywords: Intellectual history, quantification (/model) worship, instrumental rationality, value rationality, pragmatism trap, social responsibility, ethical vacuum.
JEL Classification: A1, B0, E0, H0, P0.

REPENSAR LA ECONOMÍA: MÁS ALLÁ DEL PARADIGMA DE LA RACIONALIDAD INSTRUMENTAL

RESUMEN

Este artículo examina críticamente la economía dominante contemporánea, revelando que se encuentra en un estado de profunda crisis paradigmática caracterizada por una excesiva focalización en la racionalidad instrumental en detrimento de la racionalidad axiológica. Rastreando la evolución intelectual desde sus fundamentos clásicos (la división del trabajo de Smith, la ventaja comparativa de Ricardo) pasando por la gestión keynesiana de la demanda y los subsiguientes desafíos planteados por Hayek y Friedman, el análisis destaca una trayectoria en la que la economía se distanció progresivamente de las realidades sociopolíticas y la profundidad fenomenológica mediante la formalización matemática. La disciplina, originalmente una servidora de la ciencia política en lo concerniente a la producción y distribución de la riqueza, enfrenta paradojas significativas: su limitado poder predictivo para los mercados y las crisis contradice su prominente estatus social; la dicotomía mercado-estado cuestiona la necesidad misma de los economistas, y la fragmentación teórica interna (monetarismo, expectativas racionales, economía del lado de la oferta) debilita su poder explicativo. En última instancia, el artículo aboga por un reequilibrio fundamental, defendiendo una unidad dialéctica de la racionalidad instrumental y la axiológica para abordar los presupuestos teóricos centrales, las fallas metodológicas, los desequilibrios en el desarrollo y las adversas consecuencias en el mundo real derivadas de la crisis actual.
Palabras clave: historia intelectual, adoración de la cuantificación (/modelo), racionalidad instrumental, racionalidad axiológica, trampa del pragmatismo técnico, responsabilidad social, vacío ético.
Clasificación JEL: A1, B0, E0, H0, P0.

1. INTRODUCTION

Economics, as a prominent discipline, has deeply penetrated other fields with its way of thinking and research methods, demonstrating strong interdisciplinary influence. This phenomenon not only broadens the scope of economic research but also promotes the development of related disciplines. The reason economics can widely permeate into other disciplines lies in its provision of a rigorous analytical framework and practical research tools. For example, core assumptions (such as rational actors) and analytical focuses (such as equilibrium and efficiency) of modern economics provide clear perspectives for studying complex socio-economic phenomena. At the same time, quantitative analysis methods of economics have injected new vitality into empirical research in other social sciences. In a word, the way of thinking and research methods of economics are reshaping theories and practices in multiple disciplinary fields, promoting academic innovation, and solving social problems. In the future, with the emergence of more interdisciplinary subjects, the impact of economics will further expand, providing important support for sustainable human development.

However, contemporary mainstream economics is experiencing a paradigm crisis[1] (Kuhn, 1996) characterized by an overemphasis on instrumental rationality while neglecting value rationality. Centered on this topic, this paper will be divided into two parts. The first part will provide a brief review and critique of the history of economic thought over the past 200-plus years. The second part will offer a detailed analysis and exposition of this paradigm crisis currently confronting economics.

In the first part, we argue that before becoming an independent discipline, economics originally served as a servant to political rule. Its primary focus was on how to achieve the effective production and equitable distribution of material wealth to ensure the long-term stability of the state (or regime). This constitutes both the starting point and the ultimate

[1] The concept of the paradigm, introduced by the philosopher of science Thomas Kuhn in his seminal work *The Structure of Scientific Revolutions*, fundamentally refers to a mode of thinking, theoretical framework, or worldview that defines how questions are posed, problems are solved, and phenomena are interpreted within a given field. In this context, we adopt this concept and its core implications to explore the themes central to this paper.

goal of economics. Hence, economics should rightfully have retained its original name: Political economy. However, with the depoliticization of economics, the discipline, developing independently, shifted its focus from the political question of how to achieve the effective production and equitable distribution of national wealth to the technical problem of how to achieve the matching of supply and demand. Yet, facing the intractability of purely technical problems, economics has been compelled to return to the fold of political science, beginning to focus on and research how to achieve a reasonable balance between the free market and government planning. However, after being hijacked by mathematical tools, modern economics no longer possesses the clarity and depth of thought found in classical political economy. It has lost its capacity for keen insight into the evolution of the socio-economic organism and its power to explain reality. Therefore, we contend that as an independent discipline, economics has been dead since the 1970s. It has devolved into a form of self-referential amusement within the economics community. In other words, modern mainstream economics is undergoing a severe paradigm crisis.

In the second part, we analyze and elaborate on this paradigm crisis facing modern mainstream economics in detail from the perspectives of theoretical foundations, methodology, disciplinary structure, and value orientation. From the perspective of theoretical foundations, the economic man hypothesis is overly simplistic, rational choice theory is excessively instrumentalized, and the scarcity assumption is too one-sided. Methodologically, current mainstream economics suffers from an idolization of quantification and an ethical vacuum. In terms of disciplinary structure, there exists a significant structural imbalance among different subfields within mainstream economics. Regarding value orientation, the instrumental rationality focus of modern mainstream economics has engendered severe social alienation, leading to the desertification of values in the public sphere and the proliferation of a crisis of meaning.

We will elaborate on both parts in detail in the main body of the text that follows.

2. AN UNCONVENTIONAL REVIEW OF THE INTELLECTUAL HISTORY OF ECONOMICS

I once engaged in discourse with an economist regarding the fundamental purpose of human existence. His response was immediate dismissal, asserting such inquiries lay beyond his discipline's scope —deeming them philosophical rather than economic. Recognizing the conceptual breadth of this question, I narrowed my focus to the objectives of economic growth itself. After an extended disquisition on the subject, I requested a concise summation. His conclusion: The ultimate aim of economic growth is to secure human freedom.

While acknowledging this as a compelling proposition, I probed further into the nature of freedom, inquiring whether it encompassed both material and intellectual dimensions. His subsequent elaboration prompted me to redirect these nuanced considerations to philosophers and logicians. Yet this very suggestion contradicted his prior assertion that economists confine themselves strictly to economic matters. When challenged on whether freedom's definition remained intrinsically economic, his response proved similarly discursive.

Consequently, I confined subsequent questions to empirically verifiable domains within economics:

> Have economists demonstrated consistent accuracy in forecasting equity markets? Scarcely. Did they anticipate major financial crises? Exceptionally rarely. Is their scholarship meaningfully connected to paradigm-shifting technological innovations? Minimally. Did economists contribute materially to the advent of the Internet? Negligibly. If entrepreneurs and innovators constitute the primary engines of progress, to what extent have they drawn upon economic expertise? Virtually none. Does their predictive record inspire professional confidence? Marginally, at best. This presents a profound paradox: Given such demonstrable limitations in both foresight and tangible influence, why do economists feature so prominently on prestigious media platforms, often commanding substantial remuneration? The incongruity between their societal stature and practical efficacy compels a reexamination of economics' intellectual foundations (Qian, 2017; Xie *et al.*, 2025).

2.1. Production and distribution: Economics was originally a minor servant to political science

Reflecting upon the two-century intellectual trajectory of economics as a formal discipline, empirical evidence suggests that Keynesian economics stands as the school of thought demonstrating the most substantive practical utility. If compelled to identify a secondary framework of comparable significance, one might acknowledge Neo-Keynesian revisions. The foundational contributions of Adam Smith —particularly his treatise on the division of labor— and David Ricardo's theory of comparative advantage, rooted in differential resource endowments, fundamentally address congruent mechanisms of economic organization. While Smith's exposition possesses greater phenomenological immediacy, Ricardo's formulation achieves higher abstraction. Collectively, their theoretical constructs provide the principal explanatory architecture for global economic development across the ensuing two centuries.

Within domains spanning industrial production, international trade, and geographic industrial relocation, these paradigms converge upon a central inquiry: Through which mechanisms is national wealth generated? Having established the core principles of wealth creation (Smith, 2008), subsequent theorists such as Karl Marx confronted a distinct yet revolutionary question: Given the existence of accumulated national wealth, by what normative and structural principles ought it be distributed? Smith posited a distribution proportionate to labor contribution; Ricardo advocated allocation aligned with inherent resource advantages. Marx, however, interrogated the systemic inequity with trenchant candor: "Why should a minority capitalist class appropriate the predominant share of wealth, while the laboring multitude responsible for its creation remains dispossessed?" His conceptualization of proletarian class consciousness, crystallized in *Das Kapital* (Marx, 2024), precipitated a century of transformative —and frequently convulsive— social revolutions and national liberation movements globally (Hobsbawm, 2010b, 2010a; Stone, 2013; Huntington, 2006; Schumpeter, 1976; Skocpol, 2015; DeFronzo, 2006; Wallerstein, 2011; Goldstone, 2014).

A century thereafter, Alfred Marshall's empirical observations of market transactions —noting the subtle negotiations between buyers and sellers— led to an analytical breakthrough. He reconceptualized the market as a dynamic equilibrium system, metaphorically termed the "scissors" framework, wherein "supply" and "demand" constitute interdependent blades. This theory's formalization marked a pivotal epistemological shift, enabling the systematic integration of prior economic insights. Smith and Ricardo's work became canonized as foundational to the "supply-side" perspective, which examines how factors of production (labor, land, technology) generate wealth. This corpus, collectively termed Classical Economics, addresses a singular ontological question: What constitutes the origin of wealth? Its unequivocal answer —the division of labor and comparative advantage— remains characterized by theoretical parsimony (Marshall, 2013). It should be noted that Smith and Ricardo did not champion free-market, demand-and-supply policies; actually, Smith mentions "the invisible hand" metaphor only once and not as a theory. Actually, it was Milton Friedman who portrayed Smith as a free-marketeer, but such a perspective is not to be found uncritically in either of the British classical authors. Smith was very critical of the capitalists' interests and was keen to accept the need for state regulations (Perrotini-Hernández *et al.*, 2011; Tsoulfidis, 2024).

The ascendancy of supply-demand analytics endowed economists with an expanded methodological repertoire. As economics evolved from a marginalized sub-discipline of political economy into an autonomous field, the graphical representation of supply and demand curves facilitated the incorporation of mathematical formalization. This epistemological transition progressively distanced economic reasoning from its socio-political foundations and phenomenological realities, orienting it instead toward mathematical modeling. Consequently, contemporary economic analysis now exhibits a pronounced dependency on quantitative data, suggesting a discipline reconstituted through computational logic.

2.2. Supply and demand: Did economics truly break free from political science?

History then witnessed its most profound crisis —the Great Depression. This era presented the stark spectacle of capitalists discarding milk daily. The Depression exposed the bankruptcy of the supply-side wealth doctrines championed by Milton Friedman. Perpetual focus on production proved insufficient; landlords sat atop grain surpluses in anxiety, and capitalists faced genuine desperation. The crisis powerfully validated Marx's prescience in *Das Kapital*: Capitalism's inherent contradictions were laid bare, demonstrating that enduring wealth cannot be built upon a foundation of pervasive poverty.

Compounding the situation, collective farming flourished in the Soviet Union, while socialist ideals experienced a resurgence across the West. At this critical juncture, a rescuer emerged: John Maynard Keynes, the influential economist destined to evoke both profound admiration and enduring controversy. Keynes' treatise, *The General Theory of Employment, Interest, and Money* (1936), offered capitalism a lifeline. Its core thesis was straightforward: The crisis stemmed from insufficient effective demand, not supply, necessitating government intervention to stimulate spending. Employed workers gain income, income fuels demand for goods like bread and milk, eliminating the need for wasteful disposal (Keynes, 2018).

But how should the government intervene? Keynesians embraced the "broken window" parable: A shattered window necessitates new glass, spurring the glassmaker's production. Similarly, this logic often translates to restarting infrastructure projects. Even recently repaired roads might be excavated anew to provide employment. Concerns over the efficiency of such government spending? That was a problem for political scientists, in Keynes's view.

Keynes formulated three key principles: The diminishing marginal propensity to consume, the diminishing marginal efficiency of capital, and liquidity preference. Essentially, as incomes rise, the proportions on necessities like food decline; expanding factories face declining efficiency gains; and businesses, burdened by existing debt, resist borrowing even at zero interest rates. This liquidity preference puzzle —why refuse seemingly free money?— is best understood by entities like Japan's heavily indebted corporations[2]. Crucially, Keynes's analysis revealed a path forward: enhancing worker prosperity was fundamental to capitalist prosperity itself.

Keynes galvanized global economic thought, forging a consensus: Establish a permanent stabilizing mechanism between government and the market —continually adjusting the mixture, adding "flour" (representing demand factors: Investment, consumption, exports) when "water" (money/liquidity) is excessive, and vice versa. This Keynesian paradigm

---

[2] The Bank of Japan (BOJ) first introduced a zero interest rate policy in 1999 and later implemented a negative interest rate policy in 2016. This experimental phase continued until March 2024, when the BOJ ended its negative interest rate policy and raised the short-term interest rate to a range of 0-0.1%. This policy adjustment marked the conclusion of Japan's eight-year-long experiment with negative interest rates.

dominated the post-war era, seemingly banishing major economic crises. China notably applied its tenets to weather the 1998 Asian Financial Crisis —printing money to fund infrastructure when investment lagged and providing export tax rebates to boost external demand. The strategy resurfaced during the 2008 Global Financial Crisis via China's massive four-trillion-yuan stimulus. Keynesianism appeared to be the panacea.

However, following the 2008 crisis, Chinese economist Justin Yifu Lin, during his tenure as World Bank Chief Economist, advocated for "moving beyond Keynesianism." Why? While the post-war three decades marked a golden age for both Western economies and Keynesianism, subsequent events nearly consigned it to obsolescence. First, the Oil Crisis ignited global inflation. Second, monetarist and liberal economic doctrines gained prominence. As the saying goes, "well-fed societies crave broader freedoms." Human nature, as Maslow observed, seeks higher-order liberties once basic needs are met —a desire Keynesian interventions, focused primarily on demand management, could not fully satisfy.

2.3. Market and planning: Economics is forced to return to the embrace of political science

During World War II, Friedrich von Hayek, a young Austrian economist at the London School of Economics, sought to contribute to the Allied effort. However, his Austrian nationality barred him from British military service due to security concerns over potential disloyalty. Channeling his frustration into scholarship, Hayek immersed himself in the British liberal tradition, synthesizing his research into the seminal work *The Road to Serfdom* (1944) [Hayek, 2008]. Its central thesis contended that state intervention —particularly collective farming— would catastrophically undermine human freedom and economic efficiency. The book ignited immediate controversy upon publication, arriving as postwar Britain embraced socialist policies under Clement Attlee's government, despite Winston Churchill's wartime leadership. By the late 1970s, Britain had veered toward a de facto socialist model, exemplified by state-funded strike subsidies for workers. Disillusioned, Hayek relocated to the United States, where his ideas gained traction among advocates of free-market economics. Though primarily a political philosopher, Hayek's 1974 Nobel

Prize in Economics signaled mounting disillusionment with Keynesian orthodoxy.

Concurrently, Milton Friedman emerged as a formidable critic of Keynesianism, pinpointing its fatal flaw: Inflationary pressure (Friedman and Schwartz, 1963; Friedman and Friedman, 1990). Friedman argued that once governments become habituated to deficit spending, austerity becomes politically untenable. While Keynes's theoretical models appeared robust, he underestimated the institutional incapacity of democracies to constrain fiscal excess. Democratic legislatures, far from curbing expenditure, often exacerbated it through logrolling —legislators trading favors to secure benefits for constituents or donors, thereby institutionalizing unsustainable spending. This dynamic, articulated in public choice theory, explained the U.S. government's spiraling debt.

The confluence of legislative avarice and monetary expansion fueled stagflation —a phenomenon Friedman attributed directly to Keynesian policies (Higgs, 2013). Had Keynes survived, Friedman countered, his despair over irresponsible spending would not absolve the theoretical vacuum enabling it. Central to Friedman's critique was the assertion that inflation stems solely from central banks "printing money at breakneck speed." Both Hayek and Friedman thus sought to dismantle Keynes's "secret channel" linking state power to market manipulation.

As the Chicago School's intellectual leader, Friedman championed a libertarian manifesto: Minimal government, maximal market autonomy, and zero state intervention in economic coordination. This ethos rendered Justin Yifu Lin's advocacy for industrial policy —despite his Chicago PhD— an apparent betrayal (Lin, 2011). Yet Lin's stance reflected pragmatic adaptation after the Washington Consensus (rooted in Chicago School principles) faltered in Latin America. For Lin, development economics demanded a return to classical foundations: Adam Smith's division of labor and David Ricardo's comparative advantage, rejecting ideological rigidity for context-sensitive solutions.

2.4. The final elegy: The decline and sorrow of economics

The 1970s stagflation catalyzed a proliferation of economic theories, yet simultaneously signaled the discipline's intellectual decline. Monetarism (Friedman and Friedman, 1990; Brunner and Meltzer, 1997; Taylor, 2007;

Meltzer, 2010), rational expectations (Lucas, 1972, 1981; Barro, 1976; Kydland and Prescott, 1977; Sims, 1980; Lucas and Sargent, 1982), and supply-side economics (Laffer *et al.*, 2008; Mundell, 1968; Gilder, 1981; Roberts, 1984; Bartley, 1992; Wanniski, 1998; Kudlow and Domitrovic, 2016; Moore and Laffer, 2018) emerged in rapid succession, fragmenting economic discourse. Unlike the classical school —which offered penetrating insights into socioeconomic evolution— post-1970s economics progressively lost its explanatory power, particularly as mathematical formalism supplanted real-world relevance. This epistemological shift reduced the discipline to a self-referential academic exercise, mirroring the fate of poetry studies after poetry's cultural demise or journalism schools amid traditional media's decline —a hollow vestige of its former substance.

There are three obvious paradoxes in real economics.

1. Market-State Dichotomy: In a perfectly free market devoid of state intervention, 99% of economists would be redundant, as entrepreneurs possess superior practical economic understanding. Conversely, under complete central planning, economists would be equally obsolete as governments monopolize economic management.
2. Crisis Response Paradox: Libertarian economists derive their relevance from Keynesian interventions during crises (Hirschman, 2013), yet Keynesians face crises of credibility when their solutions exacerbate systemic distrust.
3. Expertise Legitimacy: Economists' incessant internal conflicts undermine public confidence, revealing their debates as status-seeking maneuvers rather than truth-seeking endeavors.

Subsequently, the limits of economic authority became evident:

1. Principle vs. Practice: Economic "principles" often merely formalize preexisting human behaviors —market vendors intuitively grasp concepts that economists laboriously theorize. Even luminaries like Irving Fisher failed to translate theory into personal financial success.
2. Interdisciplinary Supremacy: Explaining economic phenomena is not economists' exclusive domain. Political scientists, sociologists, psychologists, entrepreneurs, and consumers frequently offer more cogent analyses without professional credentials.

While modern mainstream economics lacks the classical school's depth and societal insight —its mathematical abstraction divorcing it from reality— this critique necessitates contextual nuance. For instance, Alfred Marshall's role in refining supply-demand theory transcends simplistic attribution of curve creation. Such oversimplifications here serve narrative concision for tracing 200 years of intellectual history; subsequent analyses will restore complexity to these multifaceted economic ideas.

3. MAINSTREAM ECONOMICS IS FACING A SEVERE PARADIGM CRISIS

After offering an overview of the history of economic thought, we must now turn to a serious issue: Mainstream economics (primarily the theoretical economics dominant in academic research and the political economics that dominates policy-making) is currently undergoing a paradigm crisis. This crisis is primarily manifested in the overemphasis on instrumental rationality at the expense of value rationality. We will briefly argue this point from four perspectives: The skewed presuppositions in its theoretical foundations, methodological flaws, the imbalance in disciplinary development, and the real-world consequences of the expansion of instrumental rationality. Ultimately, our ideal is to see economic research achieve a dialectical unity of instrumental and value rationality.

3.1. The theoretical foundation of mainstream economics includes the disciplinary gene of instrumental rationality

Contemporary mainstream economics exhibits a bias in its theoretical presuppositions, which is mainly reflected in three aspects: The singularity of the economic man hypothesis, the instrumental tendency of rational choice theory, and the one-sidedness of the scarcity theory.

3.1.1. The singularity of the economic man hypothesis

Adam Smith proposed the moral man hypothesis in *The Theory of Moral Sentiments*, emphasizing that human behavior is not only driven by self-interest but also influenced by sympathy, morality, and social norms. This contrasts with his economic man hypothesis in *An Inquiry into the Nature and Causes of the Wealth of Nations*, indicating that Smith did not reduce human behavior to purely economic calculation (Smith, 2018, 2008). John Stuart Mill criticized Bentham's utilitarianism for oversimplifying human behavior in *Utilitarianism*, arguing that happiness encompasses not only the pursuit of material interests but also spiritual, moral, and emotional fulfillment. Therefore, he famously stated that it is better to be a dissatisfied Socrates than a satisfied pig (Mill, 2012). Karl Marx criticized the capitalist tendency to reduce all social relations to exchange value in *Das Kapital*. He pointed out that people are seen as personifications of economic categories, with their behavior and motives determined by capitalist production relations, ignoring human subjectivity and sociality (Marx, 2024). Peter Berger and Thomas Luckmann, in *The Social Construction of Reality*, explored the social construction of human behavior from a sociological perspective, noting that the economic man hypothesis overlooks the impact of culture, history, and social norms on human behavior. They argue that human behavior cannot be reduced to a single economic motive (Döbler, 2022). John Maynard Keynes also criticized classical economics' reliance on the economic man hypothesis, suggesting that human behavior is not entirely rational but is influenced by psychological, emotional, and social factors. Therefore, he advocated for government intervention to compensate for the deficiencies of market mechanisms (Keynes, 2004). Amitai Etzioni directly criticized mainstream economics' dependence on the economic man hypothesis, proposing the concept of social economics and emphasizing the importance of morality, emotion, and social relations in economic behavior (Etzioni, 2010). Xie argued that the micro-foundations of modern mainstream economics (the economic man hypothesis and the scarcity hypothesis) have serious flaws, leading to instability in the theoretical edifices of neoclassical macroeconomics and Keynesian economics, and the corresponding economic policies are also imperfect. This indicates that theoretical economics needs to be more realistic; otherwise, the effectiveness of its paradigms and policy recommendations will be questioned (Xie, 2020). Galit Ailon analyzed the limitations of the economic man hypothesis from a phenomenological perspective, pointing out that its universality in market societies is not based on reality but is maintained through social interaction and cultural norms. The author believes that the economic man model neglects the sociality and complexity of human behavior (Ailon, 2020).

3.1.2. The Instrumental Tendency of Rational Choice Theory

Rational choice theory pushes instrumental rationality to the extreme, believing that human behavior can be fully explained through cost-benefit accounting. This logic transforms social issues (such as environmental protection and labor relations) into technical calculations, ignoring their ethical connotations. Max Weber was the first to distinguish between instrumental rationality and value rationality in *The Protestant Ethic and the Spirit of Capitalism*, and pointed out that the excessive expansion of instrumental rationality will lead to the alienation of social relations and the loss of ethical connotations. He believed that modern capitalist society simplifies all behaviors into technical calculations, ignoring the value of morality and emotion (Weber, 1930). As mentioned earlier, Adam Smith emphasized in *The Theory of Moral Sentiments* that human behavior is not only driven by self-interest but also influenced by sympathy, morality, and social norms. This contrasts with the economic man hypothesis he proposed in An Inquiry into the Nature and Causes of the Wealth of Nations, indicating that Smith did not reduce human behavior to mere economic calculation (Smith, 2018, 2008). As previously mentioned, Peter Berger and Thomas Luckmann explored the social constructiveness of human behavior from a sociological perspective, pointing out that rational choice theory ignores the influence of culture, history, and social norms on human behavior. They believe that human behavior cannot be simplified to a single economic motive (Döbler, 2022). Karen Cook and Margaret Levi strongly criticized rational choice theory in *The Limits of Rationality*, emphasizing that its instrumental tendency ignores the complexity and diversity of human behavior, especially in the application to social issues and ethical decision-making. (Cook and Levi, 1990). James Coleman explored in *Foundations of Social Theory* how to explain the relationship between individual actions and macro-social structures through rational choice theory, but also pointed out its limitations, especially in ignoring ethical and moral factors when explaining complex social phenomena (Coleman, 1990). Schwartz explored in *The Paradox of Choice: Why More Is Less* the limitations of rational choice theory in real life, pointing out that too many choices and calculations can lead to decision fatigue and dissatisfaction, ignoring the role of emotions and psychological factors (Schwartz, 2005).

3.1.3. The One-Sidedness of Scarcity Theory

Mainstream economics starts with the premise of resource scarcity, presupposing the principles of competition and efficiency, but it does not reflect on whether scarcity is created by the production mode itself, dominated by instrumental rationality (such as resource depletion caused by overconsumption). This linear thinking ignores the regulatory role of value rationality in the fairness of resource allocation. Peter Berger and Thomas Luckmann discussed the social construction of resource scarcity from a sociological perspective, pointing out that scarcity is often shaped by social norms, cultural concepts, and economic systems. They criticized the instrumental understanding of scarcity in mainstream economics, emphasizing the need to pay attention to social equity and ethical values (Döbler, 2022). Nicholas Georgescu-Roegen analyzed resource scarcity from the perspective of the second law of thermodynamics, pointing out that resource depletion and environmental pollution are inevitable results of economic activities. In his book *The Entropy Law and the Economic Process*, he criticized the simplified understanding of resource scarcity in mainstream economics, emphasizing the need to rethink production and consumption patterns (Georgescu-Roegen, 1971). Donella Meadows and Dennis Meadows, among others, analyzed the relationship between resource consumption and economic growth through system dynamics models, pointing out that resource scarcity is not merely a natural phenomenon but is exacerbated by human production and consumption patterns. In their book *The Limits to Growth*, they criticized the linear thinking of mainstream economics on resource scarcity, emphasizing the need to re-examine economic growth models (Meadows, 1979). E.F. Schumacher criticized the instrumental understanding of resource scarcity in modern economics in his book *Small Is Beautiful: A Study of Economics As If People Mattered*, advocating for the inclusion of ethics and sustainability in economic decision-making. He believed that resource scarcity is often caused by overconsumption and irrational production methods, rather than natural limitations (Schumacher, 2010). Thomas

Piketty explored the relationship between capital accumulation and resource distribution in his book *Capital in the Twenty-First Century*, pointing out that resource scarcity is amplified under the capitalist system, leading to increased social inequality. He criticized the excessive emphasis on efficiency and competition in mainstream economics, overlooking fairness and sustainability (Piketty, 2017).

3.2. Mainstream economics suffers from the flaws of quantitative worship and ethical vacuum in methodology

Contemporary mainstream economics has flaws at the methodological level, which are mainly reflected in three aspects: The hegemonic position of scientism, the systematic exclusion of value rationality, and the lack of ethical judgment.

3.2.1. The hegemonic position of scientism

Economics constructs "objective truths" through mathematical models, excluding unquantifiable values (such as dignity and cultural identity) from the analytical framework. Donella Meadows, Dennis Meadows, and others revealed the unsustainability of economic growth to resources and the environment through system dynamics models and criticized the tendency of traditional economics to ignore ecological costs. They emphasized the need to redefine development to incorporate environmental and social factors (Meadows, 1979). Herman Daly and Joshua Farley put forward the framework of ecological economics in the book *Ecological Economics: Principles and Applications*, emphasizing that economic activities should be carried out within the constraints of the ecosystem and criticizing the neglect of natural resources by traditional economics. They advocated incorporating ecological and social values into economic analysis (Daly and Farley, 2004). Giacomo Alisa and others criticized the paradigm of economic growth supremacy in the book *Degrowth: A Vocabulary for a New Era* and advocated achieving ecological sustainability and social equity by reducing the scale of economic activities (D'Alisa *et al.*, 2014). Wolfgang Streeck explored the internal contradictions of the capitalist economic system in the essay collection *How Will Capitalism End?: Essays on a Failing System*, criticized the development model centered on GDP growth, and believed that this model ignored hidden costs such as social inequality and ecological destruction (Streeck, 2017). Kate Raworth criticized the excessive dependence of traditional economics on GDP growth in the book *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist* and proposed the "Doughnut Economics" model, emphasizing that economic development should meet human basic needs while not exceeding the carrying capacity of the Earth's ecosystem. She believed that economics needs to incorporate ecological and social values, rather than just quantitative indicators (Raworth, 2018).

3.2.2. Systematic exclusion of value rationality

Instrumental rationality demands "calculability" and "universality," but value rationality, which emphasizes "unquantifiable" factors such as faith and morality, is labeled as "irrational." Max Weber pointed out that the development of capitalism has promoted the dominant position of instrumental rationality, while value rationality (such as religious beliefs and morality) has gradually been marginalized. He analyzed how Protestant ethics promoted the instrumental rationalization of capitalism but also led to the decline of value rationality. He used the concept of *The Iron Cage of Rationality* to describe how instrumental rationality has turned modern society into an iron cage, where efficiency and calculability dominate, and value rationality (such as faith and morality) is excluded. He believed that this rationalization process led to the alienation of people and the loss of meaning (Weber, 1930). Herbert Marcuse, in his famous work *One-Dimensional Man: Studies in the Ideology of Advanced Industrial Society*, criticized the hegemonic position of instrumental rationality in modern industrial society, arguing that technological rationality suppressed human criticality and creativity, leading to the marginalization of value rationality (such as art, philosophy, and morality). He pointed out that this one-dimensional society caused people to lose their pursuit of higher values (Marcuse, 1991). Jürgen Habermas, in his book *The Philosophical Discourse of Modernity*, explored the colonization of the lifeworld by instrumental rationality in modern society, believing that the expansion of instrumental rationality led to the systematic exclusion of value rationality. He proposed the need to restore the status of value rationality through communicative rationality (Jurgen, 1990). Wolfgang Streeck and others, in the collection of essays *How Will Capitalism End?: Essays on a Failing System*, criticized capitalism's over-reliance on economic growth, believing that this model, dominated by instrumental rationality, ignored ecological and social values. They called for a re-examination of the role of value rationality in the economy and society (Streeck, 2017).

3.2.3. Absence of ethical judgment

Philippe Mongin examines the issues of value judgments and value neutrality in economic research (Mongin, 2006). At its core, this debate revolves around the relationship between positive economics (descriptive, fact-based analysis) and normative economics (prescriptive, value-laden judgments). Mark Blaug argues that empirical analysis constitutes the scientific foundation of economics, while normative claims should be discussed transparently outside this empirical framework (Blaug, 1992, 1998). Thomas Mayer evaluates the role of formalism and methodological rigor in economics (Mayer, 1992), while Bruce Caldwell traces the historical influence of positivism on economic thought (Caldwell, 2013). Further expanding the discourse, Ben Fine and Dimitris Milonakis critically analyze the phenomenon of economic imperialism —the expansion of economic methodologies into non-economic disciplines (Fine and Milonakis, 2009). Mainstream economics often claims to be "value-neutral," but the application of instrumental rationality itself implies value choices. For example, corporate layoff decisions are based on the principle of cost minimization (instrumental rationality), but they avoid value considerations such as employees' right to subsistence and social stability. Milton Friedman, in his book *Capitalism and Freedom*, although emphasizing the importance of the free market, also acknowledged that economic decisions might involve ethical issues. He proposed that businesses and society need to find a balance between instrumental rationality and ethical values, rather than completely avoiding ethical judgment (Friedman, 1968). John Rawls, in his famous work *A Theory of Justice*, proposed the theory of "justice as fairness," emphasizing that social institutions should be based on the principle of fairness rather than purely instrumental rationality. He criticized the excessive focus on efficiency and utilitarianism in economics, believing that this ignored the value of social justice and individual rights (Rawls, 2005). Viviana Zelizer, in her book *Morals and Markets*, analyzed the ethical dimension of market behavior, criticizing the tendency of economics to reduce market behavior to instrumental rationality. She emphasized that market behavior should take into account moral and social values (Zelizer, 2017). Edited by Daniel Hausman, the collection *The Philosophy of Economics* brought together discussions on philosophical issues in economics by several scholars, including critiques of instrumental rationality and ethical judgment. The book emphasizes that economics should not ignore its implicit ethical choices (Hausman, 1984). Amartya Sen, in his book *On Ethics and Economics*, criticized the neglect of ethical values by mainstream economics, believing that economics should not claim to be value-neutral but should incorporate considerations of justice, fairness, and human well-being. He pointed out that the application of instrumental rationality itself implies ethical choices, and economics needs to re-examine its ethical foundations (Sen, 1987). Luigino Bruni and Stefano Zamagni, in their book *The Ethical Dimensions of the Economy*, explored the ethical issues in economics, criticizing the excessive reliance of mainstream economics on instrumental rationality. They believed that economic decisions should consider ethical values such as human dignity, social solidarity, and sustainable development (Eecke, 2008).

4. CONCLUSION AND PROSPECT

To expose and critique the paradigmatic crisis that mainstream economics is currently facing, which overemphasizes instrumental rationality while neglecting value rationality, this paper cites a large number of works from heterodox economics. Their breakthroughs in transcending instrumental rationality are mainly reflected in the following five aspects:

1. Critique and Transcendence of the Rational Man Hypothesis. Heterodox economics (such as behavioral economics and evolutionary economics) questions the "rational man" hypothesis of mainstream economics, arguing that human behavior is not entirely rational but is influenced by bounded rationality, information asymmetry, and psychological factors.

2. Introduction of Historical and Institutional Analysis. Heterodox economics emphasizes the historicity and institutional nature of economic activities, suggesting that economic phenomena cannot be separated from specific social, cultural, and historical contexts. For instance, new institutional economics and evolutionary economics focus on the impact of institutional changes and historical evolution on economic behavior, opposing the static equilibrium analysis of mainstream economics.
3. Focus on Social Justice and Ethical Values. Heterodox economics criticizes mainstream economics for its excessive reliance on instrumental rationality and neglect of social justice and ethical values. For example, Marxist economics and radical political economics emphasize the impact of production structures and social institutions on economic distribution, advocating for a re-examination of economic issues from the perspective of social justice.
4. Reflection on Mathematization and Formalization. Heterodox economics opposes the tendency of mainstream economics to over-mathematize and formalize, arguing that such research methods are detached from reality and unable to explain complex economic phenomena. For instance, the Austrian School emphasizes that the market is a dynamic process of transactions, opposing the "general equilibrium" theory of neoclassical economics.
5. Emphasis on Uncertainty and Trial-and-Error Mechanisms. Heterodox economics (such as the Austrian School and evolutionary economics) believes that economic systems are full of uncertainty and complexity, advocating for adaptation through trial-and-error and learning mechanisms rather than relying on presupposed rational models.

These breakthroughs make heterodox economics more grounded in reality, providing richer theoretical tools and analytical frameworks for understanding complex economic phenomena.

The excessive reliance of contemporary mainstream economics on instrumental rationality is essentially a continuation of the hegemony of scientism since the Enlightenment (Xie, 2023). To break out of this predicament, we need to return to Max Weber's warning that instrumental rationality is the giant of means, while value rationality is the beacon of meaning. (Weber, 1930). Only by constructing a dynamic balance between the two can economics truly become a study that benefits society, rather than a mere technique of calculation. This requires paradigmatic innovation at the theoretical level, methodological pluralism, and value calibration in policy design.

Firstly, mainstream economics needs paradigmatic innovation at the theoretical level. It is unnecessary and impossible to completely overturn the existing economic research paradigm in the short term. However, even if a direct transition from instrumental rationality to value rationality is not feasible, we can introduce complex thinking and dialectical rationality, unifying capital logic with humanistic values, and seeking a balance between efficiency and fairness, material and spirit.

Secondly, mainstream economics needs methodological pluralism. Theoretical economics could draw on the embeddedness theory from sociology (Polanyi, 2001; Granovetter, 1985; Sharon and DiMaggio, 1990), repositioning economic behavior within the network of social relations and acknowledging the guiding role of value rationality over instrumental rationality. For example, social enterprises use commercial means to address poverty while adhering to their public welfare mission.

Lastly, mainstream economics needs value calibration in policy design. Political economy could establish multi-dimensional development indicators (such as happiness indices, ecological footprints, etc.), incorporating ethical weights into cost-benefit analyses. For instance, Nordic welfare states use high taxes to regulate wealth disparities, reflecting the synergy between instrumental and value rationality. ◄

REFERENCES

Ailon, G. (2020). The Phenomenology of Homo Economicus. *Sociological Theory*, 38(1), 36-50. https://doi.org/10.1177/0735275120904981

Barro, R.J. (1976). Rational Expectations and the Role of Monetary Policy. *Journal of Monetary Economics*, 2(1), 1-32. https://doi.org/10.1016/0304-3932(76)90002-7

Bartley, R.L. (1992). *The Seven Fat Years: And How to Do It Again*. Oxford: Maxwell Macmillan International. https://www.amazon.com/dp/002901915X

Blaug, M. (1992). The Distinction between Positive and Normative Economics. In: M. Blaug, *The Methodology of Economics: Or, How Economists Explain* (pp. 112-134). Cambridge Surveys of Economic Literature. Cambridge: Cambridge University Press. https://doi.org/10.1017/CBO9780511528224.007

Blaug, M. (1998). The Positive-Normative Distinction. In: J.B. Davis *et al.*, *The Handbook of Economic Methodology* (pp. 370-374). Edward Elgar Publishing. https://doi.org/10.4337/9781781954249.00095

Brunner, K., and Meltzer, A.H. (1997). *Money and the Economy: Issues in Monetary Analysis*. Cambridge University Press. https://www.amazon.com/dp/0521445426

Caldwell, B. (2013). Of Positivism and the History of Economic Thought. *Southern Economic Journal*, 79(4), 753-767. https://doi.org/10.4284/0038-4038-2012.274

Coleman, J.S. (1990). *Foundations of Social Theory*. Belknap Press. https://www.amazon.com/dp/0674312252

Cook, K.S., and Levi, M. (1990). *The Limits of Rationality*. Chicago: University of Chicago Press. https://doi.org/10.7208/chicago/9780226742410.001.0001

D'Alisa, G. *et al.* (2014). *Degrowth: A Vocabulary for a New Era*. London: Routledge. https://doi.org/10.4324/9780203796146

Daly, H.E., and Farley, J.C. (2004). *Ecological Economics: Principles and Applications*. Washington: Island Press, https://www.amazon.com/dp/1559633123.

DeFronzo, J. (2006). *Revolutionary Movements in World History: From 1750 to the Present*. Bloomsbury Publishing USA. https://www.amazon.com/dp/1851097937

Döbler, T. (2022). The Social Construction of Reality: A treatise in the Sociology of Knowledge. In: R. Spiller *et al.*, *Schlüsselwerke: Theorien (in) der Kommunikationswissenschaft* (pp. 171-186). Wiesbaden: Springer Fachmedien Wiesbaden. https://doi.org/10.1007/978-3-658-37354-2_11

Eecke, W. (2008). *Ethical Dimensions of the Economy: Making Use of Hegel and the Concepts of Public and Merit Goods*. Springer Berlin Heidelberg. https://doi.org/10.1007/978-3-540-77111-1

Etzioni, A. (2010). *Moral Dimension: Toward a New Economics*. New York: Free Press. https://www.amazon.com/dp/B003EJDGCI

Fine, B., and Milonakis, D. (2009). *From Economics Imperialism to Freakonomics: The Shifting Boundaries between Economics and other Social Sciences*. London: Routledge. https://doi.org/10.4324/9780203880289

Friedman, M. (1968). *Capitalism and Freedom: A Leading Economist's View of the Proper Role of Competitive Capitalism*. University of Chicago Press. https://www.amazon.com/dp/B000I158GC

Friedman, M., and Friedman R.D. (1990). *Free to Choose: A Personal Statement*. Mariner Books Classics. https://www.amazon.com/dp/0156334607

Friedman, M, and Schwartz, A.J. (1963). *A Monetary History of the United States: 1867-1960*. Princeton University Press. https://www.amazon.com/dp/0691003548

Georgescu-Roegen, N. (1971). *The Entropy Law and the Economic Process*. Harvard University Press. https://www.amazon.com/dp/0674257812

Gilder, G.F. (1981). *Wealth and Poverty: A New Edition for the Twenty-First Century*. New York: Basic Books. https://www.amazon.com/dp/1596988096

Goldstone, J. (2014). *Revolutions: A Very Short Introduction*. Oxford University Press. https://doi.org/10.1093/actrade/9780199858507.001.0001

Granovetter, M. (1985). Economic Action and Social Structure: The problem of embeddedness. *American Journal of Sociology*, 91(3), 481-510. https://doi.org/10.1086/228311

Hausman, D.M. (1984). *The Philosophy of Economics: An Anthology*. Cambridge University Press. https://www.amazon.com/dp/0521709849

Hayek, F. (2008). *The Road to Serfdom: Text and Documents: The Definitive Edition* (B. Caldwell, Ed.). Routledge. https://doi.org/10.4324/9781315728124

Higgs, R. (2013). *Crisis and Leviathan: Critical Episodes in the Growth of American Government*. Oxford University Press. https://www.amazon.com/dp/1598131117

Hirschman, A.O. (2013). *The Passions and the Interests: Political Arguments for Capitalism before its Triumph*. Princeton University Press. https://www.amazon.com/dp/0691160252

Hobsbawm, E. (2010a). *The Age of Capital: 1848-1875*. Hachette, UK. https://www.amazon.com/dp/0679772545.

Hobsbawm, E. (2010b). *The Age of Revolution: 1789-1848*. Hachette, UK. https://www.amazon.com/dp/0679772537

Huntington, S. (2006). *Political Order in Changing Societies*. Yale University Press. https://www.amazon.com/dp/0300116209

Jurgen, H. (1990). *The Philosophical Discourse of Modernity: Twelve Lectures*. Cambridge: MIT Press. https://www.amazon.com/dp/0262581027

Keynes, J.M. (2004). *The End of Laissez-Faire: The Economic Consequences of the Peace*. Prometheus. https://www.amazon.com/dp/1591022681

Keynes, J.M. (2018). *The General Theory of Employment, Interest, and Money*. Palgrave Macmillan Cham. https://doi.org/10.1007/978-3-319-70344-2

Kudlow, L., and Domitrovic, B. (2016). *JFK and the Reagan Revolution: A Secret History of American Prosperity*. New York: Portfolio. https://www.amazon.com/dp/1595231145

Kuhn, T.S. (1996). *The Structure of Scientific Revolutions*. University of Chicago Press. https://www.amazon.com/dp/B002AHYJQC

Kydland, F., and Prescott, E. (1977). Rules rather than discretion: The inconsistency of optimal plans. *Journal of Political Economy*, 85(3), 473-491. https://doi.org/10.1086/260580

Laffer, A.B. *et al.* (2008). *The End of Prosperity: How Higher Taxes Will Doom the Economy - If We Let It Happen*. Threshold Editions. https://www.amazon.com/dp/1416592385

Lin, J.Y. (2011). New Structural Economics: A Framework for Rethinking Development. *The World Bank Research Observer*, 26(2), 193-221. https://doi.org/10.1093/wbro/lkr007

Lucas, R. (1972). Expectations and the Neutrality of Money. *Journal of Economic Theory*, 4(2), 103-124. https://doi.org/10.1016/0022-0531(72)90142-1

Lucas, R. (1981). *Studies in Business-Cycle Theory*. The MIT Press. https://www.amazon.com/dp/0262120895

Lucas, R., and Sargent, T. (1982). *Rational Expectations and Econometric Practice*. HarperCollins Publishers Ltd. https://www.amazon.com/dp/0043390188

Marcuse, H. (1991). *One-Dimensional Man: Studies in the Ideology of Advanced Industrial Society*. Boston: Beacon Press. https://www.amazon.com/dp/0807014176

Marshall, A. (2013). *Principles of Economics*. London: Palgrave Macmillan. https://doi.org/10.1057/9781137375261

Marx, K. (2024). *Capital - A Critique of Political Economy*. Princeton University Press. https://doi.org/doi:10.1515/9780691240466

Mayer, T. (1992). *Truth Versus Precision in Economics*. Edward Elgar Pub. https://www.amazon.com/dp/1852785527

Meadows, D.H. (1979). *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind*. New York: New American Library. https://www.amazon.com/dp/0330241699

Meltzer, A.H. (2010). *A History of the Federal Reserve: 1913-1951*. University of Chicago Press. https://www.amazon.com/dp/B00A41UEWE

Mill, J.S. (2012). *Utilitarianism*. Amazon Digital Services, Inc., https://www.amazon.com/dp/B00849BWNS

Mongin, P. (2006). Value Judgments and Value Neutrality in Economics. *Economica*, 73(290), 257-286. https://doi.org/10.1111/j.1468-0335.2006.00501.x

Moore, S., and Laffer, A.B. (2018). *Trumponomics: Inside the America First Plan to Revive Our Economy*. New York: All Points Books.

Mundell, R.A. (1968). *International Economics*. New York: Collier-Macmillan. https://www.amazon.com/dp/B0006BTY1Y

Perrotini-Hernández, I. *et al.* (2011). Beyond the Washington Consensus. In: G. Angeles Castro *et al.*, *Market Liberalism, Growth, and Economic Development in Latin America*. London: Routledge. https://doi.org/10.4324/9780203816127-4

Piketty, T. (2017). *Capital in the Twenty-First Century*. The Belknap Press of Harvard University Press. https://www.amazon.com/dp/0674979850

Polanyi, K. (2001). *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press. https://www.amazon.com/dp/080705643X

Qian, X. (2017). *Why Economists Are Becoming Increasingly Useless — A Brief History of Economics* (in Chinese). https://mp.weixin.qq.com/s/rEuBBUgn1qDthFWyC-HhOw

Rawls, J. (2005). *A Theory of Justice*. Belknap Press of Harvard University Press. https://www.amazon.com/dp/0674017722

Raworth, K. (2018). *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. London: RH Business Books. https://www.amazon.com/dp/1603587969

Roberts, P.C. (1984). *The Supply-Side Revolution: An Insider's Account of Policymaking in Washington*. Cambridge, MA: Harvard University Press. https://www.amazon.com/dp/0674420411

Schumacher, E.F. (2010). *Small Is Beautiful: Economics as if People Mattered*. New York: Harper Perennial. https://www.amazon.com/dp/0061997765

Schumpeter, J. (1976). *Capitalism, Socialism and Democracy*. Routledge. https://doi.org/10.4324/9780203202050

Schwartz, B. (2005). *The Paradox of Choice: Why More is Less*. HarperCollins Publishers. https://www.amazon.com/dp/B00ZT1MSO6

Sen, A.K. (1987). *On Ethics and Economics (The Royer Lectures)*. New York: B. Blackwell. https://www.amazon.com/dp/0631154949

Sharon, Z., and DiMaggio, P. (1990). *Structures of Capital: The Social Organization of the Economy*. Cambridge University Press. https://www.amazon.com/dp/0521375231

Sims, C.A. (1980). Macroeconomics and Reality. *Econometrica: Journal of the Econometric Society*, 48(1), 1-48. https://doi.org/10.2307/1912017

Skocpol, T. (2015). *States and Social Revolutions*. Cambridge University Press. https://www.amazon.com/dp/1107569842

Smith, A. (2008). *An Inquiry into the Nature and Causes of the Wealth of Nations*. University of Chicago Press. https://www.amazon.com/dp/B00847CE6O

Smith, A. (2018). *The Theory of Moral Sentiments*. London: Lulu.com. https://www.amazon.com/dp/1387879995

Stone, B. (2013). *The Anatomy of Revolution Revisited: A Comparative Analysis of England, France, and Russia*. Cambridge University Press. https://doi.org/10.1017/CBO9781107053823

Streeck, W. (2017). *How Will Capitalism End? Essays on a Failing System*. London: Verso Books. https://www.amazon.com/dp/1786632985

Taylor, J.B. (2007). *Monetary Policy Rules*. University of Chicago Press. https://www.amazon.com/dp/B07W7RFK4H

Tsoulfidis, L. (2024). Adam Smith's Theory of Value and the Falling Rate of Profit: Uncommon Conceptions and Common Misconceptions. *Investigación Económica*, 83(330), 28-52. https://doi.org/10.22201/fe.01851667p.2024.330.89801

Wallerstein, I. (2011). *The Modern World-System IV: Centrist Liberalism Triumphant, 1789-1914*. University of California Press. https://www.amazon.com/dp/B004XU6G4W

Wanniski, J. (1998). *The Way the World Works*. Washington, D.C: Gateway Editions. https://www.amazon.com/dp/0895263440

Weber, M. (1930). *The Protestant Ethic and the Spirit of Capitalism*. London: Routledge. https://doi.org/10.4324/9780203995808

Xie, AS. (2020). The paradigm crisis of modern mainstream economics. *Axiomathes*, 30(1), 37-48. https://doi.org/10.1007/s10516-019-09435-0

Xie, S. (2023). Paradigm Shift in Mainstream Economics Studies. *Revue roumaine de philosophie*, 67(2), 363-383. https://www.webofscience.com/wos/woscc/full-record/WOS:001184046900013

Xie, S. *et al.* (2025). Economics and Economics Education: Crisis and Countermeasures. *Education as Change*, 29. https://doi.org/10.25159/1947-9417/18870

Zelizer, V.A.R. (2017). *Morals and Markets: The Development of Life Insurance in the United States*. New York: Columbia University Press. https://www.amazon.com/dp/0231183356