Book Reviews

How Economics Should Be Done: Essays on the Art and Craft of Economics
By David Colander and Huei-chun Su
Edward Elgar, 2018

How Economics Should Be Done is an excellent book that discusses the methodological approaches of economics and economic policy. As the authors highlight in the introduction, the book aims to discuss the methodological underpinnings of economic sciences, because as Colander has argued, 'just as economics has become remote from the real-world economy, so too has economic methodology become remote from what the economists do'. Colander argues that economists should make use of a methodological framework that combines science, heuristics, creativity and moral judgments.

Huei-chun Su has selected seventeen of Colander's articles that portray his arguments through a tripartite division of the study of economics and one final section focusing on methodology in a broader sense. The first part is dedicated to the study of *methodological framework and methodology for economic policy as art*. In this Section, Huei-chun Sun introduces the reader to five different articles written by Colander through which he reflects on the methodology of economics and the economics profession. In this part, Colander reveals that the reason for the loss of relevance of economic research nowadays is not related to the amount of research done by economists but is due to economists' unachievable aim to maintain a neutral standpoint. Colander brings to the forefront of the discussion the concept of judgements and argues that economic methodologists should avoid maintaining a neutral stance but make judgements whilst showing the basis of those judgements clear.

The second part of this book focuses on the *methodology for microeconomics.* Here, Huei-chun Su has selected articles which focus on applied microeconomic policy research as well as introducing the reader to more unconventional methodological perspectives such as complexity economics. According to Colander's view, models are very useful for specific policy problems relating to microeconomics, however he argues that economists have failed to recognise the extent to which these models can be useful. Colander asserts that economists should receive methodological guidance about how to make better use of these models in real-world problems. His more recent work reaches in to areas of complexity of economics and its methodology and argues that this new perspective can complement the existing mainstream economic thinking.

The third part, titled *methodology for macroeconomics,* gives an insight of the extent to which mainstream economic modelling provides understanding of the real economy. Colander argues that developing specific general equilibrium models to understand the dynamics of the macroeconomy is difficult, and that economists need to recognise the limitation in the application of these models. Thus, in the process of applying theories economists should highlight that these are heuristic theories rather than macro theories. Through his work presented in this section, he highlights that economists should move away from the traditional macroeconomic perception of the economy as a system made up of homogenous atomistic individuals, and the need to understand the emergent phenomena in the dynamic complex economic systems.

Part four of this book focuses on the *pragmatic methods for doing economics as a profession*. While the previous three sections dealt with the methodology used in economics specifically, this section discusses methodology in a broader sense. After the financial crisis in 2008, unlike other economic methodologists, Colander has remained pessimistic about the change that economic methodology can achieve. Through the work presented in this part, Colander sees methodology as embodied in the institutions of economics. He argues that the only way for a change in the economics methodology is through a change in the institutional structure which led to the current situation of the economics profession.

The text demonstrates how a better understanding of the methodological framework used in economics and the economic profession can help the reader to have a better insight into the ways that real-world problems can be better approached and investigated.

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Europe's Growth Champion: Insights from the Economic Rise of Poland
By Marcin Piątkowski
Oxford University Press, 2018

After 30 years of the transformation, Poland's economy is seen as a success story. Undoubtedly, Poland has achieved stable growth rates and built its strong economic position as a member of the EU. For many, Poland become the vanguard of Central and Eastern Europe. Piątkowski's *Europe's Growth Champion* examines the reasons for this recent success.

In the first part of the book, Piątkowski outlines his methodological approach and gives an extensive background on Poland's economic history. He adopts a new institutional framework (Acemoglu et al., 2005), which recognizes the proper institutions as drivers for the economic growth. The author expands this framework also attributing economic development to culture, ideology and ideas. Following Acemoglu et al. Piątkowski shows that a shift from extractive (undemocratic) to inclusive societies (democratic) is a key to economic development.

To understand the success of Poland, its economic backwardness in historical perspective should be considered. Frequently, the recent economic success is solely juxtaposed with the gloomy years of communism. Piątkowski uses the