

Inflationary Narrative and Economic Awareness

The various stages of the recent narrative about the threat of inflation bring together all the negative features of the so-called mainstream economics, especially in the field of applications in the so-called economic policy.

Well, first we heard *ad nauseam* that the mad creation by central banks of trillions of new money units does not have to translate into price inflation, because “there is no logical necessity here” and “only the future will show whether this so-called monetary experiment will end in failure”. It is hard to find a clearer manifestation of sterile positivism and pseudo-experimentalism in mainstream economic discourse.

Later, when ordinary people started to complain about obvious price inflation, one heard derogatory gibberish about the fact that there is no price inflation because it is not shown by arbitrarily defined indicators used by statistical offices. Here, in turn, we can see a model example of the unreal formalism of the dominant economic orientations.

Later still, when price inflation appeared even within the above-mentioned indicators, official announcements began that this inflation was merely “temporary”, caused by a “post-lockdown rebound” or other ad hoc behavioral excuses. Here is another key feature of mainstream economic trends: contingent psychologism as an inexhaustible source of “additional explanatory variables”.

When it became clear to everyone that the above-mentioned inflation is not only not temporary, but is accelerating in an increasingly protracted manner (for both monetary and non-monetary reasons, related to ruinous “lockdowns”, “green” regulations, bureaucratic mess and regime uncertainty etc.), then voices began to be heard that it was a “natural price” for political “saving the economy” from all the misfortunes of this world, from financial crashes to viruses and “climate change”. Here we can finally see the culmination of all the above-mentioned shortcomings: the statist absurdism ordering the treatment of monopolistic apparatuses of oppression and their central banks as magic fields that bend reality, within which all common-sense laws of economics cease to apply.

So if someone asks the question why the global economy has been in the state of a permanent and still deepening crisis over the last 20 years, the answer may be found in the above list of basic elements that make up the state of economic awareness dominating in the world – among “specialists” tone of “economic policy”, as well as among laymen showing at least passive acceptance of it.

Fortunately, no one is doomed to this state of affairs, because for 150 years a tradition of economic inference has been developing, which is in direct opposition to all these

tendencies: a tradition that uses logical deduction instead of positivism and pseudo-experimentalism, sticking to causal realism instead of sterile formalism, based on praxeological laws instead of psychological ones, contributions and professing “analytical anarchism” instead of mindlessly adopting any political assumptions. This is the tradition of the so-called Austrian School of Economics, which is worth getting to know as soon as possible and as thoroughly as possible in order to contribute to building a mature state of economic consciousness, preventing the permanent inflationary destruction of the global economy, and even more so to falsify this ruin with the help of manipulations and sophisms that are becoming more and more insulting to reason and slogans.