Foreword

Modern economics has in the recent years been often accused of ignoring the achievements of other scientific disciplines such as psychology and other fields of medical research, sociology, political sciences, or philosophy. Most mainstream economists did not accommodate them in the course of conducted research, thus missing an opportunity to reach more robust, more interesting, and sometimes more applicable conclusions. Additionally, a growing number of economists started using research tools typical for this scientific discipline to solve problems that were earlier typical for other disciplines (e.g., analyze human decisions regarding family or living location). Such attitude in itself does not constitute a scientific mistake, yet it cannot be applied indiscriminately as it may lead to results accommodating only certain perspectives such as the evaluation of strictly monetary factors. Critique of this approach may be noticed in accusations formulated in the recent years which led to the analysis of the problems labeled as ‘economics imperialism’ or ‘economization of science’.

Nevertheless, simultaneously among some economists a trend opposite to the above-mentioned could have been observed, initially rather small and limited to certain universities and research institutes. One of its effects is the increasingly wider recognition and application of approaches characteristic for the ‘neuroeconomics’ category.

Fortunately, the division between economics and other disciplines which focus on similar research problems seems to be decreasing. Moreover, research methods and tools used by many economists are becoming more complex as they incorporate the widely recognized methods from other disciplines. This book, which I had a great pleasure to read, is an important step in this direction. It may be regarded as a sign of the deep change occurring in modern economics – maybe even a substantial shift in its paradigms. Authors present many different aspects of neuroeconomics and issues linked with this approach. As they show, methods of neuroeconomics may be applied to very distant economic topics, ranging from accounting through reaction of managers to media economics.

Neuroeconomics may be defined in various ways from very limited to a much wider field of interdisciplinary science covering various aspects linked with the processes occurring in the human organism and their impact on the undertaken actions. Authors of the presented chapters chose the second approach to the benefit of the reader. I strongly believe this book will of much interest and use to both scientists who may use the presented methods in their own research, and practitioners seeking fuller understanding of the decisions made by market participants (e.g., their clients) and impact on their situation. Furthermore, this book may be read by specialists from other disciplines than economics (or, more generally, business studies) who may use it as an inspiration for further studies and cooperation with researchers concentrating on the business studies.
There also some readings which will be especially interesting for people seeking an overview of the fundamentals of neuroeconomics and current trends in this new research field as well as comparisons between classical models and modern approaches. Another fascinating topic linked with neuroeconomics is different economic behavior patterns in various cultures. It should not be forgotten, though, that discussed issues are not limited to the decisions in the private sector – neuroeconomics, behavioral and game-theory approach apply to public sector as well, as proved in this book.

Increasing popularity of neuroeconomics may mean the dawn of seemingly outdated economic models based on assumptions excluding role of emotions in decision making. Results of the research presented in this book show that the updated models can be more convincing tools. It also proves that the topic of neuroeconomics is undertaken by scientists from different universities in various, often very distant countries; therefore, it may be regarded as a global trend not limited to a few places.

Chapters that seem particularly important in the context of the events in the global economy observed over the last few years are the ones devoted to the financial issues. The growing size of the financial system in comparison to other parts of the economy means understanding the actions of financial markets participants should be an especially important research topic. It often turns out that typical research methods used by economists fail to explain some of the observed phenomena e.g. behavior during times of market stress or transmission of shocks as well as some of the decisions made by investors or other people managing their personal assets. In such cases neuroeconomics can offer a number of useful tools and approaches, including the ones presented in this book: behavioral approach to accounting, neuroaccounting, decision making in finance (e.g., impact of several biases influencing investors), and discussion on the efficient market hypotheses – one of the most controversial topics among the financial academics and finance industry in the recent years.

I trust this valuable book is first in the series of groundbreaking publications, beneficial for the economists and researchers in other disciplines as well as the general public. I also firmly believe it will spark interest among many scientists and practitioners who will follow the route suggested by the authors.

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