TOK Mini Essay

The statement “Knowledge is nothing more than the systematic organization of facts.” does not apply to the area of knowledge Human Sciences, specifically Economics. However, it is important to define exactly what is meant by this phrase in order to truly understand its relation to this area of knowledge. Knowledge can be described as the theoretical and practical understanding and application of the subject. On the other hand, facts in economics would be considered as the segment of economics called positive economics, or that concerning objective analysis. It is also important to note that the statement is saying that knowledge only consists of facts which have been systematically organized, or classified according to a particular method or plan.

The statement can therefore be considered false, as there is a whole section of economics other than positive economics, or facts, called normative economics which is based upon opinions created using a combination of economic theories and ethics. A real life example of a common topic which is often addressed using normative economics is minimum wages. If left up to only positive economics, these regulations would probably be extremely minimal if they existed at all as the free market, excluding any form of government intervention, is often considered the most effective. However, because of ethical advantages in terms of helping the poor, they are often raised beyond the recommended value. A more definitive way of differentiating normative economics from positive economics would be that statements within the former often contain the word “should”, unlike the latter, which has no conditional or doubtful words.

Furthermore, although constant systematic categories and classification exists within economics, the existence of certain dualities of theories may sometimes cause confusion to exist. An example of this would be the duality of theories responsible for the nature of aggregate supply, the Neo-Classical theory and the Keynesian theory. One states that the aggregate supply of a nation’s goods and services will ultimately remain constant despite changes in price levels if left to the free market. The other states that price levels do make a difference in terms of a nation’s aggregate supply, and the higher the price level of goods and services the more supply available. These theories have been combined in more recent years to form a market system in which the former, or constant, Neo-Classical theory depicts the nature of aggregate supply in the long-run and the latter, more variable, Keynesian theory depicts the nature of aggregate supply in the short-run. However, despite this combination it is still often hard to differentiate the exact cause or nature of facts concerning aggregate supply due to the existence of this duality and thereby systematically organize them.

However, it is easy to make an argument against these claims. Firstly, it can be said that, despite the existence of normative economics and its’ subjective nature, the basis of it is still reliant upon positive economics, or the facts found in this particular AOK. For example a person would not say that the minimum wage of India should be Rs.8000, when facts i positive economics state that by doing so, the nation’s GDP, or total output for the year, would decrease by 25%. Also, in terms of the existence of dualities within the subject, it can be said that these types of facts can be categorized into a grouping of their own and often is.

Therefore, overall, it can be concluded that there is large amount of evidence which shows the topic statement to be false. Yet, arguments can be made against this which would show it to be true.