

*Jana Piteková*



**YOUR  
ECONOMICS**

Jana PITEKOVÁ

# YOUR ECONOMICS

**Really? Of course, I touch every single day of Your life. Have you eaten anything today? Or was it just a favourite morning coffee so far? I'm happy if you have a roof over your head, clothes and ... also a mobile phone. Wow, people haven't had this convenience for millennia. I, the economics, am also Your life. I am here for every person and I long to be loved. Just like a mother loves her child.**

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*I dedicate this book to my husband and the father of our four children. This year, the Lord blesses us with our 35th wedding anniversary. Michal, I love you very much and thank you for the example of patient and humble love.*

*"What I learned with a good intention, I now pass on" (Wis 7, 13)*



"No one has to study Economics, but everyone has to live it."

(Jana Piteková)

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# Introduction

I almost lost the love of my life because of economics. It wasn't until later that my husband confessed that he had considered breaking up after I enthusiastically told him that I had been helping the time pass waiting for a first date by studying economics. Yes, at the age of eighteen I fell in love not only with my husband, but also with economics. A cordial relationship with economics was born thanks to teachers in high school and college.

If you want to understand politics you must first understand economics. Politics is very simple and readable if you understand economics. Do you think that watching less politics and focusing more on economics is like going under the gutter from the rain? I'm not surprised at you. My students also told me sentences like:

- Economics is just a theory and I won't use most of what I learn in life.
- Microeconomics and macroeconomics are just a necessary evil that we have to go through in order to learn finance, business economics, management, marketing is simply what I will really need in practice.
- If it is necessary, we will learn everything you want, as long as there are no graphs and exercises for calculations.

Ugh, it didn't sound good to me, but I took it as a big challenge. The words of an Old Testament psalm came to mind - Try and see how good the Lord is. I invite you to read this book - try and see how beautiful and meaningful economics is.

You could ask what new and different information this particular book will bring. After all, hundreds of books on economics, many lectures, videos, and professional articles are available on the Internet. Yes, you're right. In addition to taking care of the household and raising four children, I only managed to read dozens books on economics. For many years I did not know how I could contribute to economics scientific research. After all, in one's lifetime it is neither possible to read what all the others have already written, nor enrich economics with something new. That's why I devoted myself to the subject of tourism, which I studied and which I have been living in since birth. However, compared to economics, I consider tourism

to be "just" a field of business. I scientifically said goodbye to it with the monograph "Two worlds of tourism in Slovakia" (Piteková, 2022).

I offer you a comprehensible explanation of the system in which every single person survives. I emphasize the importance of "household" as a subject of the market cycle. Households answer the question of "what" to produce with their monetary votes. Three corners of every household are said to be held by a woman. But in 99% of economics books, the authors are men. I understand this. It is too difficult and vast a science to be sufficiently devoted to it in addition to taking care of the three out of four corners of the household. That is why I am writing this book at a mature age, when the youngest of my four children is already thirteen years old and relatively independent.

I tried to put a sensitive mother's heart into economics. A mother's heart that gives life and nurtures a child. A child who will one day become an adult and make economic decisions every day.



## Material and methodology

The basic material is the knowledge and experience gained over thirty years. Each year of working at the university and lecturing economics gave me something new. Many times during the lecture, logical connections of the learned theoretical knowledge occurred to me. As I matured as a wife and mother of two, three, four children, the connections between practical life and economic theory were gradually established in my mind. Every year, while preparing for individual and ever-repeating economic topics, I said to myself how I could be so stupid a year ago and not have understood such obvious things. I humbly admit that I do not understand many things and I cannot understand and explain them even today.

The basic method of economics is the method of scientific abstraction - the way scientists simplify things. I tried to the best of my knowledge and conscience to abstract from unimportant things, but at the same time to respect the system. For me, the systematic research approach and the historical-logical method are a means to simplify economics and explain it comprehensive way. I use the method of observation and empiricism (experience) from the point of view of all three basic subjects of the market mechanism. Household - as a wife and mother of four children, business - as a business owner providing private accommodation and also from the state's point of view - as a long-term employee of a public university. The analysis of individual phenomena and the synthesis of knowledge created a space for understanding the functioning of the system, which is the basic subject of economic research.

As early as four centuries before Christ, Aristotle is said to have written two kinds of books. For the public laity and for the professional public. Your economics belongs to the first group and it is also written for you if you are 13-89 years old. Before I submitted the text to the reviewers, it was read by my 13-year-old daughter (illustrator of the book) and my husband's 89-year-old uncle MUDr. Alexander Pitek, who has been living in Switzerland since 1968. I was waiting for feedback on whether they understood the written text. I also included neighbors, my hairdresser, non-economists and other "ordinary people". They understood the importance of economics, they understood the meaning of studying it, and for me it was

a signal that I could publish the book. Of course, it went through peer review before, because even if it is written for laymen, to "fall in love" with economics, it has to be true, authentic and correct.

I use elements of fiction, humorous insight as well as a personal approach. Microeconomics (behavior of an individual, household, company) is naturally greater, because we can directly influence it every day with our behavior, decisions and actions. Not macroeconomics, the average person has minimal influence on macroeconomic stability, but it is good to understand macroeconomic contexts. If for nothing else, then to not stress over things I can't influence, can't change, and which aren't worth wasting time on.

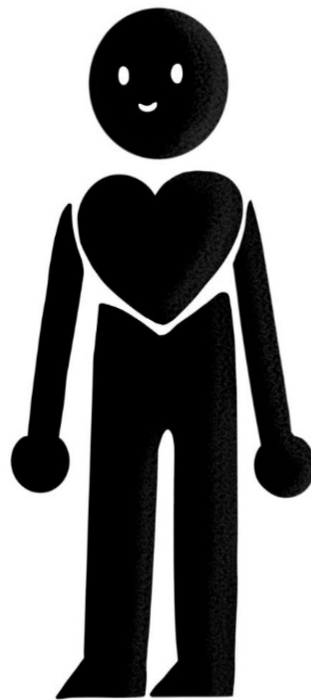
In the framework of microeconomics, I pay more attention to the behavior of households than businesses - because each one of us is part of a household, but not everyone (or far fewer people), are part of private businesses.

I prefer to use simple and understandable economic categories for the general public - the market of goods (instead of the market of goods and services, or the market of products and services) and the labour market (instead of the market of labour, land and capital, the market of production factors, the market of inputs, production factors). Given that 80-90% of people make their living primarily through work, this production factor will be dominant. Advanced macroeconomics uses only the labour market to derive the aggregate supply curve. I will be very happy to use this abstraction.

The move to the depth of faith is the Holy Scriptures, the move to the depth of economics is Adam Smith's work "Wealth of Nations" (1776). When you flip through this 900-page book, you won't find any graphs or examples. So I will be inspired and fulfill the pious wish of many. In the Wealth of Nations, you will find only one more extensive table that maps rent (rental price of land) and wheat prices. Also, in the monograph there will be only one scheme - the market cycle - as a key to understanding economics.

Adam Smith also inspired me in a comprehensive view of economics. He explains the goods market in parallel with the labour market. Microeconomics simultaneously with macroeconomics. Perfect competition with imperfect one, etc. In order not to get lost in this vast colossus of economics, it is necessary to get things in order in the very first chapters. I missed this in economics textbooks.

Just as households and businesses are made up of people and their mutual relationships, so the economic system depends on the specific decisions of specific people. The alpha and omega of the economy is a man. An ordinary good man. Goodman, the mascot of this book.



## Economics is also your life

Every person who lived, lives and will live on this earth is an economist. Each one of us, if we want to survive, we must satisfy at least the basic needs - food, clothing, housing. We can survive a month without food, a week without water. Our ancestors already knew that the resources that can be used to satisfy needs are limited and precious. We can explain it using the example of soil. To this day, man has not succeeded in producing even a grain of soil in any laboratory. Soil is God's gift and we cannot increase its quantity. However, it is a key production factor, especially in agriculture. People understood this long before the division of labour, trade, money and even schools arose. The first definition of economics that sticks in my mind, is that economics is the oldest art but the youngest science.

You might say to yourself, really, even today it is art. The art of making a living from the means available to me. From paycheck to paycheck in the better case, dependent on social benefits, or pension, at worst. However, I have excellent news for everyone. We've never been better off than now. Never really. Smile and thumbs up!

