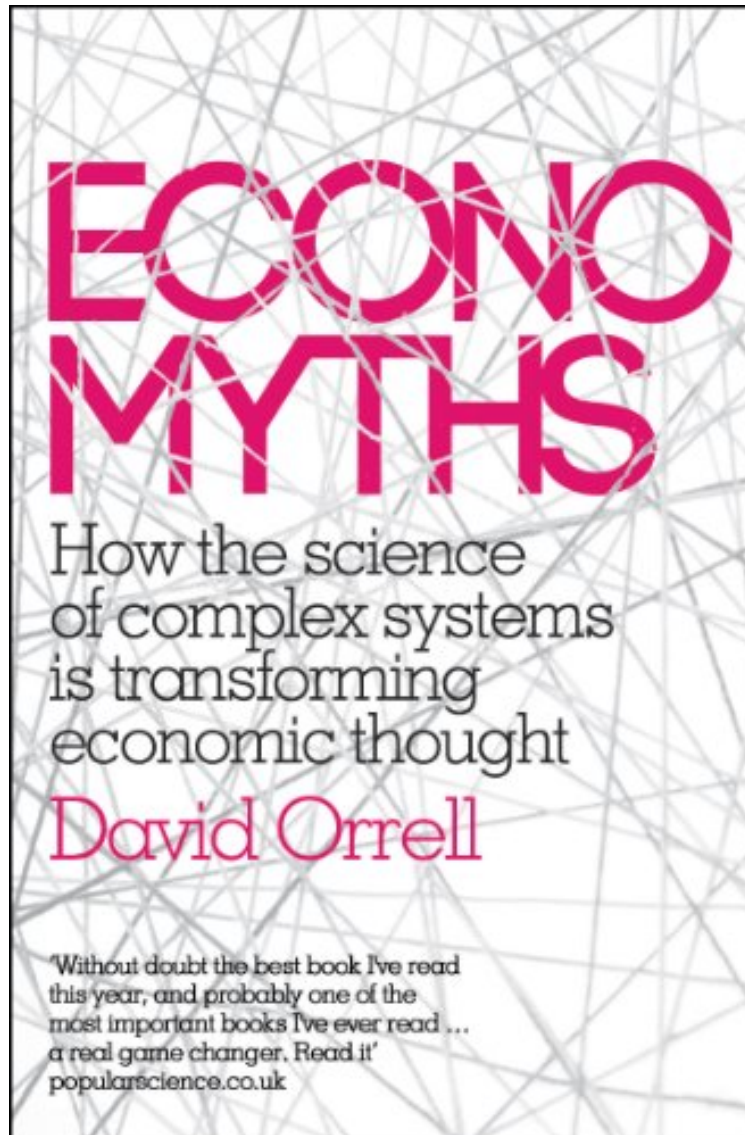


Economyths: How the Science of Complex Systems is Transforming Economic Thought

David Orrell

DOC | *audiobook | ebooks | Download PDF | ePub



DOWNLOAD



READ ONLINE

#455302 in eBooks 2010-05-06 2010-05-06 File Name: B00JFVOMAO | File size: 23.Mb

David Orrell : Economyths: How the Science of Complex Systems is Transforming Economic Thought before purchasing it in order to gauge whether or not it would be worth my time, and all praised Economyths: How the Science of Complex Systems is Transforming Economic Thought:

4 of 4 people found the following review helpful. The Economy is Unfair, Unstable and Unsustainable By theRook David Orrell has written a gem of a book. He systematically lays bear the myths of mainstream economics in a lucid, accessible and entertaining fashion. Orrell shows how orthodox economics is hopelessly mired in a reductionist,

atomistic mindset based on defunct 19th century physics. Science has moved on but economics lags more than a century behind. Mainstream economists claim that our present economic system is stable, rational and the most efficient way of allocating resources. *Economyths* convincingly demonstrates this to be a fiction; the economy is actually unstable, unfair and unsustainable. Insights from complexity theory and other areas of science are applied to show how mainstream economics fails to explain reality - Don't worry, the author uses plain English so no math knowledge is required. Orrell draws just as much on findings from fields outside mathematics and science such as psychology, sociology, ecology, feminism (as a red-meat-eating, beer-drinking, football-watching male I was surprised by how enjoyable this chapter was), anthropology and non-orthodox economics to devastating effect, hammering nail after nail into the coffin of economic pseudoscience. By the end of this book you should be in no doubt that mainstream economics is an intellectually stagnant, morally bankrupt, outmoded ideology whose main use is to excuse rampant greed, environmental degradation and social injustice. This book deserves to be read by a wide audience and should appeal to a broad range of readers as its subject matter concerns everybody on the planet. As Orrell says: "One of the things missing from neoclassical economics - and it's a big one - is the rest of the planet." 14 of 23 people found the following review helpful. A breath of reality into economic charlatanry

By H. M. Gladney
Orrell demonstrates that neo-classical economics, the basic economics still taught in our universities is rubbish. Exposes the rotten heart of economics--charlatanry wearing the trappings of science and speaking its language while violating the most basic scientific discipline--confirming that its central models conform to empirical data--behavior in the real world. As widely publicized and used by banks, governments, and other financial institutions, neo-classical economics is an ideology that pretends to be a science--a fraud on the public. Economists use the language and tools of science, but systematically violate scientific method. A scientific fundamental is that a theory is only good as long as it fits observation. If the data does not conform to the theory, the theory gets thrown out. Economic theory consistently deviates from market behavior, but instead of replacing such theory, economists ignore spikes and disasters that they do not understand. Strongly recommended to anyone who prefers not to waste his money following advice from an economist!

2 of 2 people found the following review helpful. Required reading

By Jay Baker
This book is brilliant and eye-opening, as well as being by far the most readable book on economics I have ever come across. It very clearly analyses where standard economic theory has failed, and proposes ways to improve. For instance: theory states that the economy is made of up rational, independent, fully informed actors, all striving to maximize their economic outcomes. This ignores the obvious fact the humans are often not rational, engage in herd behavior, and are often driven more by fear and/or greed than logic. This means that price stability and rationality predicted by theory is very different from what we see in the real world, where asset prices can swing wildly in ways that are often disconnected from their underlying financial fundamentals. Orrell doesn't offer ways to predict the timing of the booms or crashes which result, but does suggest policy approaches which could go a long way towards stabilizing the system. With topics ranging from stability to gender issues, inequality to happiness, this book offers a far broader, richer, and more satisfying view of economics than I have ever come across before. It should be required reading for anyone in business, finance, or government.

From the inability of wealth to make us happier, to our catastrophic blindness to the credit crunch, "*Economyths*" reveals ten ways in which economics has failed us all. Forecasters predicted a prosperous year in 2008 for financial markets - in one influential survey the average prediction was for an eleven per cent gain. But by the end of the year, the Standard and Poor's 500 index - a key economic barometer - was down 38 per cent, and major economies were plunging into recession. Even the Queen asked - Why did no one see it coming? An even bigger casualty was the credibility of economics, which for decades has claimed that the economy is a rational, stable, efficient machine, governed by well-understood laws. Mathematician David Orrell traces the history of this idea from its roots in ancient Greece to the financial centres of London and New York, shows how it is mistaken, and proposes new alternatives. "*Economyths*" explains how the economy is the result of complex and unpredictable processes; how risk models go astray; why the economy is not rational or fair; why no woman (until 2009) had ever won the Nobel Prize for economics; why financial crashes are less Black Swans than part of the landscape; and, finally, how new ideas in mathematics, psychology, and environmentalism are helping to reinvent economics.

'A must read for understanding the roots of the financial crisis, the severe limitations of the field of economics and what needs to be done to improve our ability to avoid future crises.' -- Spyros Makridakis, author of 'Dance With Chance' 'This is without doubt the best book I've read this year, and probably one of the most important books I've ever read... Orrell exposes the rotten heart of economics... There are other books talking on economics, but I've not come across another that explains it so well for the layperson, takes in the credit crunch, totally destroys the validity of economics as we know it and should be required reading for every politician and banker. No, make that every voter in the land. This ought to be a real game changer of a book. Read it.' -- Brian Clegg, *Popular Science* 'The author dissects ten fundamental misunderstandings ... Orrell manages to convincingly explain the relevance of these myths and make them understandable, even for laymen, in a wider context.' -- *Handelsblatt*

About the Author
David Orrell studied

mathematics at the University of Alberta, and obtained his doctorate from Oxford University on the prediction of nonlinear systems. His work in applied mathematics and complex systems research has since led him to diverse areas such as weather forecasting, economics, and cancer biology. His work has been featured in the *New Scientist*, the *Financial Times* and on BBC Radio. Excerpt. copy; Reprinted by permission. All rights reserved.

Economyths, like a host of other books, was born from the financial crisis. I first started working on it in 2009, a few months after Lehman Brothers went bankrupt, and the first edition was published in 2010. In a way it was a reaction to events at the time; but it was also about broader questions that I had been working on for a while, such as how we use numbers and mathematical models to simulate and understand the world, and how this was being affected by new approaches such as complexity science. Since the book first came out, a lot has happened. In March 2011 the Canadian magazine *Adbusters* printed an extract from Chapter 10 urging students of economics to take a chance on 'speaking up, questioning your teachers, being open to disruptive ideas and generally acting as an agent of change'. The publisher Kalle Lasn added: 'Ten years from now, as the blowback from the externalities of their way of doing business repeatedly hammers us and global warming kicks in with a vengeance, we'll look back [at neoclassical economists] and wonder what it was about these logic freaks and their money narratives that so mesmerized us.' A few months later, Lasn wrote a blog post calling for a peaceful occupation of Wall Street, beginning on 17 September (his mother's birthday), to protest against issues such as wealth disparity and the involvement of financial companies in politics. Quite a few people turned up to the event, which became known as Occupy Wall Street. It grew into a movement that soon spread around the world. The same *Economyths* extract, which was reprinted in the November issue of *Adbusters*, as well as their book *Meme Wars: The Creative Destruction of Neoclassical Economics*, had noted that elite institutions including Harvard University were grooming students for work in the financial sector. It was therefore cheering when that month, as part of what was by then the global Occupy movement, Harvard students staged a walk-out from Gregory Mankiw's Economics 10 class. According to Gabriel Bayard, one of the organisers, 'Ec 10 is a symbol of the larger economic ideology that created the 2008 collapse'. (I am not claiming the book played any role in all of this, but it certainly came out at a receptive time.) One of the students' complaints was that the course offered 'very little access to alternative approaches to economics'. A similar concern motivated the founding of the World Economics Association in May of that year. Its manifesto called for an emphasis on attributes such as a plurality of approaches, diversity in membership, relevance to the real world, and ethics. More than 3,600 people from 110 countries joined in the first ten days. In the UK, Manchester University economics students started the Post-Crash Economics Society, posting a petition to revise the economics syllabus in November 2013 (with what was then the second edition of *Economyths* on its list of recommended reading). The following year, students from Quebec – part of the International Student Initiative for Pluralist Economics – wrote a petition noting that the field leaves 'little room for ethical, epistemological, philosophical, political and historical reflection, which would allow the discipline to reflect on itself and renew continuously'. The umbrella organisation known as Rethinking Economics soon represented over 40 groups around the world. Students and others had made similar calls for reform in the past, most famously perhaps in the 'post-autistic economics' movement initiated at the École Normale Supérieure in Paris in 2000; but the financial crisis had now added a much greater impetus. In May 2014, Cambridge University economists Ha-Joon Chang and Jonathan Aldred noted that their subject 'is the only academic discipline in which a significant and increasing number of students are in an open revolt against the content of their degree courses'. The number of people protesting about economics, and proposing or calling for new ideas and approaches, did not therefore quietly decline as the economy slowly healed – instead it continued to explode. Economics, it seemed, had finally passed the tipping point. The field would never look the same again. Unless, of course, you were an economist.