

GENERAL CRITIQUES

It is difficult to identify one “knock-‘em-dead” book that appears to stand out above all others. Each has some contribution to make. [The Skeptical Economist: Revealing the Ethics Inside Economics](#) by Jonathan Aldred of Cambridge U (Earthscan, Nov 2010/288p) discusses views about how we ought to live and what we value, and questions the ethical foundations of economics. [Debunking Economics: The Naked Emperor Dethroned](#) by Steve Keen of U of Western Sydney (Zed Books, revised edition, Sept 2011/544p) considers the many critiques of neoclassical theory, seen as “a degenerative research program” leading to a belt of hypotheses that shield core beliefs from critics. [The Puzzle of Modern Economics: Science or Ideology](#) by Roger E. Backhouse of U of Birmingham (Cambridge UP, Aug 2010/216p) describes how economists have tried to make their subject scientific, and the pace of dissent within the discipline. [Reassessing the Paradigm of Economics: Bringing Positive Economics Back into the Normative Framework](#) by Valeria Mosini of the London School of Economics (Routledge, July 2011/176p) questions neoliberal doctrine, as well as attempts to create scientific status, and calls for reformulating 21st century economics in an explicitly-recognized normative framework. Also see [The End of Value-Free Economics](#) edited by Hilary Putnam of Harvard U and Vivian Walsh of Muhlenberg College (Routledge, Nov 2011/240p). [Economics of Good and Evil: The Quest for Economic Meaning from Gilgamesh to Wall Street](#) by Czech economist Tomas Sedlacek (Oxford UP, May 2011/384p) questions the touting of economics as a science, and views it merely as a parable to grasp the world around us; ultimately, it is about good and evil.

[The Delusions of Economics: The Misguided Certainties of a Hazardous Science](#) by Gilbert Rust of the Graduate Institute of International and Development Studies in Geneva (Zed Books, Nov 2011/224p) examines the biases and quasi-religious beliefs that led to constructing economics as a “science.” [Gross Domestic Problem: The Politics Behind the World’s Most Powerful Number](#) by Lorenzo Fioramonti of the U of Pretoria (Zed Books, Jan 2013/208p) addresses the global quest to dethrone the GDP measure and changes from below. *[Economics after the Crisis: Objectives and Means](#) by Adair Turner, Chair of the UK Financial Services Authority (MIT Press, April 2011, 128p) argues that the faults of theory and policy that led to the recent crisis resulted from simplistic beliefs about the objectives and means of economic activity, and assumptions about inequality as inevitable and necessary. *[The Assumptions Economists Make](#) by Jonathan Schlefer of the Harvard Business School (Harvard UP, March 2012, 296p) also views economists as largely accountable for the financial crisis and income inequality, due to blind faith in the invisible hand of unregulated enterprise. *[Zombie Economics: How Dead Ideas Still Walk among Us](#) by John Quiggan of U of Queensland (Princeton UP, Oct 2010, 216p) lays bare the many assumptions behind market liberalism and dead ideas such as “trickle-down economics,” and asks how we might kill these zombie ideas once and for all. The new paperback edition (PUP, May 2012, 248p) adds a chapter on the re-emergence of questionable pre-Keynesian ideas about austerity and balanced budgets as a response to the recession.

[The Economic Crisis and the Crisis in Economics](#) (Institute for New Economic Thinking, April 2010) assembles proceedings of the inaugural conference of INET held at King’s College/Cambridge, where Keynes did his thinking in the 1930s. Topics include theory to guide reform and restructuring, a new global financial architecture, consequences of inequality, and what government can and will do. [The New Economics: A Bigger Picture](#) by David Boyle and Andrew Simms of the New Economics Foundation in London (Earthscan, Oct 2009, 192p; see APPENDIX #9) points to a world driven by economic assumptions that no longer work, and boosts “new economics” approaches that value real wealth, put people and planet first, and reflect full costs

in pricing. Similarly, [The Economics of Enough: How to Run the Economy as if the Future Matters](#) by Diane Coyle of U of Manchester (Princeton UP, March 2011/304p) argues that the world's leading economies face many crises and share "a reckless disregard for the future," and lays out steps to create a sustainable economy. *[Rapport de la Commission sur la mesure des performances économiques et du progrès social](#) by Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi (Ministere de l'Economie, Sept 2009/324p) considers quality of life, sustainable development, and the need for new indicators of wealth and progress. [Right Relationship: Building a Whole Earth Economy](#) by Peter G. Brown of McGill U and Geoffrey Garver of the Quaker Institute for the Future in Montreal (Berrett-Koehler, Feb 2009/216p; foreword by Thomas E. Lovejoy) exposes dangerous assumptions and uses the core Quaker principle of "right relationship" to aid the common good as foundation for a new economic model. [The End of Progress: How Modern Economics Has Failed Us](#) by Singapore-based economist Graeme P. Maxton (Wiley, 2011/226p) asserts that "our species is moving backwards" as we destroy more than we build, "a major cause of our problems is modern economic thinking," our financial system is broken, we will become financially poorer and less healthy, and many changes are needed. [Beyond the Financial Crisis: The Oxford Scenarios](#) by Angela Wilkinson of U of Oxford (Said Business School and James Martin 21st Century School, March 2010/81p) describes the recent crisis as caused by "socially constructed ignorance" of standard economics, and offers two scenarios of "Growth" (business as usual) and "Health" (coping with complexity and pursuing sustainability as opportunity). [The Restructuring of Capitalism in Our Time](#) by Marxist economist William K. Tabb of CUNY-Queens College (Columbia UP, Jan 2012/352p) questions the shift to financialization and calls for a social structure of accumulation that values economic justice over profit and establishes an inclusive, sustainable growth model.

All of the above-mentioned books have been energized by the Great Recession that began in 2008. But critiques of economic thinking go back several decades. In the post-2000 period, [The Meaning of the 21st Century: A Vital Blueprint for Ensuring Our Future](#) by James Martin (Riverhead/Penguin, 2006/400p) questions perverse subsidies and the false accounting of the GDP measure that ignores natural capital. [Capitalism as if the World Matters](#) by Jonathon Porritt of the UK Forum for the Future and the UK Sustainable Development Commission (Earthscan, Dec 2005) attacks the GDP measure and proposes a "Five Capitals Framework" that considers natural capital, human capital, social capital, manufactured capital, and financial capital. In [The Real Wealth of Nations: Creating a Caring Economics](#) (Berrett-Koehler, 2007/318p), Riane Eisler insists on six elements in any economic model: the market economy, the illegal economy, household production, unpaid community work, government, and the natural economy. Based on Eisler's thinking, [The State of Society: Measuring Economic Success and Human Well-Being](#) by Erwin de Leon and Elizabeth T. Boris of the Urban Institute (UI/CIP, May 2010/81p); offers a broad range of measures that go beyond GDP, with 79 indicators in 14 categories of well-being. [Economics for Humans](#) by Julie A. Nelson of Tufts U (U of Chicago press, 2006/154p) questions the biased beliefs of academic economics, which holds mathematical sophistication in high regard while issues of human need and caring are considered "non-rigorous." [A Guide to What's Wrong with Economics](#) edited by Edward Fullbrook of the U of the West of England (Anthem Press, 2004/323p) pillories micro nonsense, macro nonsense, ethical voids, misuse of mathematics, and neoclassical economics as ideology (shedding light on an ever-smaller proportion of economic reality), while advocating ecological economics. Fullbrook went on to edit [Real-World Economics: A Post-Autistic Economics Reader](#) (Anthem, 2007) and [Pluralist Economics](#) (Zed Books, 2008), to edit the *Real World Economics Review*, and to found the World Economics Association in 2011.

Several outstanding books were published in the 1990s. ***Turning Point: An End to the Growth Paradigm** by futurist Robert U. Ayres of INSEAD (St. Martin's Press, 1998) expresses "deep misgivings" about economic growth as currently defined and measured, world trade as an instrument to achieve growth, irrational belief in the free market, econometric models as "very sophisticated trend extrapolation machines," and economic mismanagement due to flaws in theory. ***The Genuine Progress Indicator: Summary of Data and Methodology** by Clifford Cobb, Ted Halstead, and Jonathan Rowe (Redefining Progress, 1995; brief version as *Atlantic Monthly* Cover Feature, Oct 1995, pp59-78) critiques the GDP measure for ignoring contributions of families, communities, and the environment (much of what economists call "growth" is really fixing blunders and social decay from the past), and proposes the GPI as a measure of "honest national accounting" expanding on the Index of Sustainable Economic Welfare proposed by Herman Daly and John B. Cobb Jr. Also see **The Green National Product: A Proposed Index of Sustainable Economic Welfare** by Clifford W. Cobb and John B. Cobb Jr (U Press of America, 1994/285p). **For the Common Good: Redirecting the Economy Toward Community, the Environment, and a Sustainable Future** by Herman Daly of the U of Maryland and John B. Cobb of the Claremont Graduate School (Beacon Press, 2nd edition, March 1994/534p), first published in 1989, critiques the failings of economics and proposed a real-world world approach to the economy, including a restoration of honesty to the function of money in the economic system. **The Death of Economics** by Paul Ormerod of *The Economist* (Faber and Faber, 1994; St. Martin's Press, 1995) viewed the orthodoxy of conventional economics as "trapped in an idealized, mechanistic view of the world" and questioned measuring prosperity by GDP, mechanistic modeling, and competitive general equilibrium. **The End of Economics? Ethics and the Disorder of Progress** by Christovam Buarque of the U of Brasilia (Zed Books, 1993) called for ethics in economics, valuing nature and culture, and rethinking progress. **The Misunderstood Economy: What Counts and How to Count It** by Robert Eisner of Northwestern U, a past president of the AEA (Harvard Business School Press, 1994) discussed failures of the GDP measure, the full value of government output, environmental deterioration, intergenerational transfers, and measure of human suffering and well-being. **Steady-State Economics** by Herman E. Daly (Island Press, 2nd edition, 1991), first published in 1977, criticizes the "more is better" growth paradigm, evasion of ethical issues, and the failure to seriously consider "management of the household." **Real-Life Economics: Understanding Wealth Creation** edited by Paul Ekins of U of London and Manfred Max-Neef of the Development Alternatives Center in Santiago (Routledge, 1992/460p) faults mainstream economics for failing to provide a coherent explanation of reality, and proposed a four-capital model of wealth creation and humanistic economics. The 37 essays were sponsored by London's Living Economy Network.

The 1980s also saw a number of critiques. **The Living Economy: A New Economics in the Making** edited by Paul Ekins (Routledge & Kegan Paul, 1986) provided papers from 1984/1985 conferences of The Other Economic Summit on the assumptions of GDP and human-scale economics. Contributors included James Robertson, Herman Daly, Hazel Henderson, Johan Galtung, John McKnight, and Willis Harman. **Future Wealth** by British economist/futurist James Robertson (Cassell, 1989/178p) questioned the "primitive assumptions" of conventional economics and proposed principles for a new economic order. Earlier in the decade, ***Dialogue on Wealth and Welfare: An Alternative View of World Capital Formation—a Report to the Club of Rome** by Orio Giarini of the Graduate Institute of European Studies in Geneva (Pergamon, 1980/386p) critiqued the GNP measure for including destructive activity and excluding non-monetarized production, insisting that the natural environment must be recognized in economic terms. A follow-on report to the Club of Rome, **The Limits to Certainty** by Orio Giarini and Walter Stahel (Kluwer Academic, 1993; preface by Ilya Prigogine) enumerates several ways in which the predominance of services alters the

fundamental notions of economic value. Both books are summarized in “The Wealth of Nations Revisited” by Orio Giarini, Garry Jacobs, Bernard Lietaer, and Ivo Slaus (*CADMUS*, 1:1, Oct 2010, pp 9-27). Also in the same issue, see “Indicators of Economic Progress: The Power of Measurement and Human Welfare” by Garry Jacobs and Ivo Slaus (pp 53-113), a lengthy summation of alternative economic indices such as ISEW and GPI, and a proposed Human Economic Welfare Index.

Also in the 1980s, ***The Moral Dimension: Toward a New Economics** by wide-ranging sociologist Amitai Etzioni of GWU (Free Press, 1988; see APPENDIX #8) criticizes the paradigm of neoclassical economics for overemphasis on free-standing selfish individuals. **Humanistic Economics: The New Challenge** by Mark A. Lutz of the U of Maine and Kenneth Lux (Bootstrap Press/ITDG, 1988; foreword by Amitai Etzioni), an update of **The Challenge of Humanistic Economics** (Benjamin/Cummings, 1979), critiques the one-dimensional “rational man” of mainstream economics and builds on the universality of human needs for basic material needs, meaningful work, and dignity. Of related interest is **Human Economy: A Bibliography** compiled by John Applegath of the long-defunct Human Economy Center in Amherst MA (HEC, 1981/77p), with 50 annotated items and some 950 unannotated items on critiques of economics, wealth distribution, self-sufficiency, ecology/environment, etc.

***Stabilizing an Unstable Economy** by widely-respected economist Hyman P. Minsky of Washington U (Yale UP, 1986/353p; a Twentieth Century Fund Report) took a “post-Keynesian view” that the standard body of economic theory is seriously flawed; despite its elegant logical structure, it fails to explain how financial crises emerge. ***Dangerous Currents: The State of Economics** by Lester C. Thurow of MIT (Random House, 1983) cited the intellectual disarray of economists, lack of shared ideas, unsupported assertions, and ever-narrower interpretations as mathematical sophistication increases; transition to another mode of thought is difficult, however, since it involves “abandoning a beautiful sailing ship.” **Economics and Policymaking: The Tragic Illusion** by political scientist Eugene J. Meehan of U of Missouri-St. Louis (Greenwood Press, 1982) noted that economists rarely examine their basic assumptions and their reward system strongly supports the status quo. ***The Politics of the Solar Age: Alternatives to Economics** by the remarkable auto-didact Hazel Henderson (Anchor Press/Doubleday, 1981, 433p) offered a spirited collection of essays aimed at a “complete restructuring of economics” and its statistical illusions; topics include the end of “flat-earth economics,” failures of Keynesianism and post-Keynesians, economists as apologists for late-stage industrial culture, and battles over changing paradigms; it utilizes extensive footnoting and annotations of 46 books on re-doing economic theory. Henderson’s earlier book, **Creating Alternative Futures: The End of Economics** (Berkeley/Windhover, 1978, 403p; foreword by E.F. Schumacher) had essays on economics as “our reigning sophistry,” the vision of a decentralized society, problems with GNP measures ignoring social and environmental costs, and inadequate modeling of “efficiency” criteria. **Managing Growth in the 80’s: Toward a New Economics** by Robert Hamrin (Praeger, 1980), former staff economist of the US Congress Joint Economic Committee, argued for new variables to overhaul old economic models, and a shift to the “economics of quality” and a “total employment economy.”