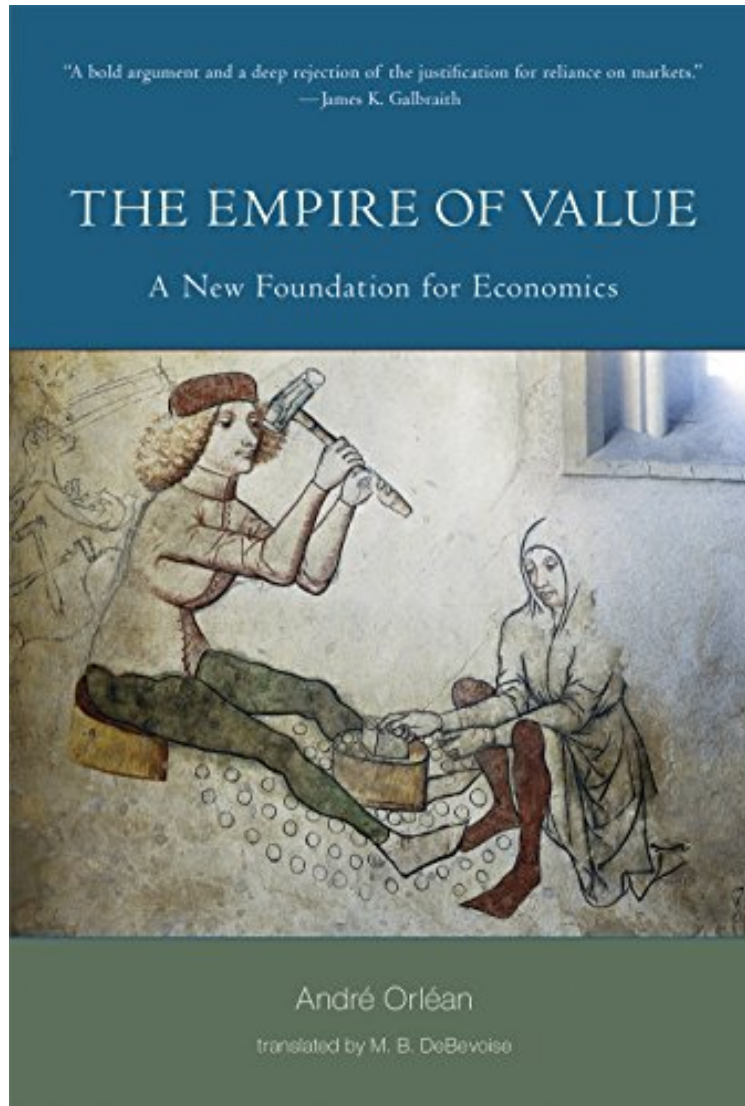


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The Empire of Value: A New Foundation for Economics (MIT Press)

Andreacute; Orleacute;an
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Andreacute; Orleacute;an : The Empire of Value: A New Foundation for Economics (MIT Press) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Empire of Value: A New Foundation for Economics (MIT Press):

7 of 7 people found the following review helpful. Finally someone with an alternative!By They'reTheMessWe'reInThis is not just a book about the recent financial crisis: It's about rethinking the foundations from the ground up of what the Nobel committee keeps calling "the economic sciences." By recasting the nature of

"economic value" and then patiently drawing out the implications of that recasting, Orleacute;an moves beyond the conventional critiques of "neoclassical economics" to what needs to replace it by way of a better, broader explanation of economic behavior. He is refreshingly forthright in drawing the implications of this as well. The readership of this book should be well beyond those in economics and policy analysis (my profession). To that end, Orleacute;an takes a number of opportunities in the book to sum up his argument, such that by the time the reader gets to the last chapters on the financial crisis, he or she will see how his "mimetic approach" applies with chilling detail. And what is his mimetic approach? To simplify, think of it this way. When you work under complex and uncertain conditions, economists are fond of telling you that you work on the basis of likely outcomes with respect to costs and benefits. Often, they tell you that the greater the uncertainty the more risk averse you become. The mimetic approach says: No; you might end up taking even more risks. It depends on whom you think knows what really is going on and then imitating him/her/them in your behavior. From this notion that economic behavior is profoundly imitative (mimetic) under conditions of high uncertainty Orleacute;an is able to look back to economists and sociologists who knew this all along and to consolidate those insights and extend them in original ways into a new foundation for economic analysis.

With the advent of the 2007--2008 financial crisis, the economics profession itself entered into a crisis of legitimacy from which it has yet to emerge. Despite the obviousness of their failures, however, economists continue to rely on the same methods and to proceed from the same underlying assumptions. Andreacute; Orleacute;an challenges the neoclassical paradigm in this book, with a new way of thinking about perhaps its most fundamental concept, economic value. Orleacute;an argues that value is not bound up with labor, or utility, or any other property that preexists market exchange. Economic value, he contends, is a social force whose vast sphere of influence, amounting to a kind of empire, extends to every aspect of economic life. Markets are based on the identification of value with money, and exchange value can only be regarded as a social institution. Financial markets, for example, instead of defining an extrinsic, objective value for securities, act as a mechanism for arriving at a reference price that will be accepted by all investors. What economists must therefore study, Orleacute;an urges, is the hold that value has over individuals and how it shapes their perceptions and behavior. Awarded the prestigious Prix Paul Ricoeur on its original publication in France in 2011, *The Empire of Value* has been substantially revised and enlarged for this edition, with an entirely new section discussing the financial crisis of 2007--2008.

In lucid, accessible language, Andreacute; Orleacute;an resurrects and explores the vital (but neglected) problem of value, grappling along the way with some fundamental defects of conventional theory. Through his mimetic hypothesis, the role of money emerges in the central role that both classical political economy and neoclassical economics denied to it. *The Empire of Value* is a bold argument, and a deep rejection of the justification for reliance on markets, except as a device for obtaining consent. (James K. Galbraith, The University of Texas at Austin) *The Empire of Value* is an engaging, ambitious, erudite, and innovative reflection on how markets work (or not). The scholarship is impressive and refreshingly different from many other 'big picture' books prompted by the global financial crisis of 2007-2008. This is a very smart book that forced me to consider new avenues of analysis and alternative interpretations. (Bruce Carruthers, Professor of Sociology, Northwestern University) This is a highly innovative and provocative book that will surely become part of the new economics that is so desperately needed today. What will especially appeal to many readers is the ingenious way in which the author mixes economics and sociology in his analysis. (Richard Swedberg, Professor of Sociology, Cornell University) About the Author Andreacute; Orleacute;an is Senior Researcher in the CNRS Center for Economics at the Eacute;cole Normale Supacute;rieure, Paris, and Director of Studies at the Eacute;cole des Hautes Eacute;tudes en Sciences Sociales.