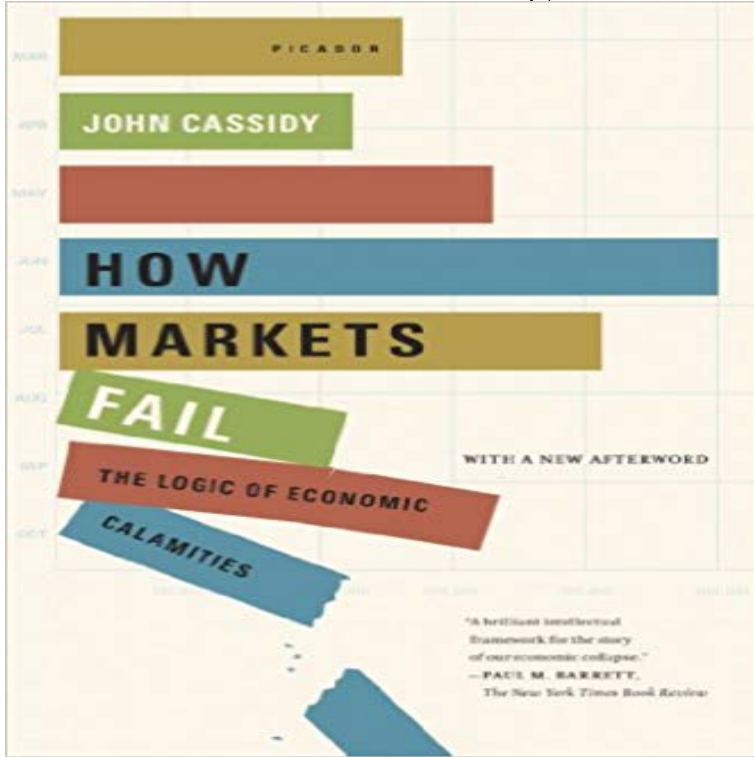


# How Markets Fail: The Logic of Economic Calamities



Behind the alarming headlines about job losses, bank bailouts, and corporate greed is a little-known story of bad ideas. For fifty years or more, economists have been busy developing elegant theories of how markets work how they facilitate innovation, wealth creation, and an efficient allocation of society's resources. But what about when markets don't work? What about when they lead to stock market bubbles, glaring inequality, polluted rivers, real estate crashes, and credit crunches? In *How Markets Fail*, John Cassidy describes the rising influence of what he calls utopian economic thinking that is blind to how real people act and that denies the many ways an unregulated free market can produce disastrous unintended consequences. He then looks to the leading edge of economic theory, including behavioral economics, to offer a new understanding of the economy one that casts aside the old assumption that people and firms make decisions purely on the basis of rational self-interest. Taking the global financial crisis and current recession as his starting point, Cassidy explores a world in which everybody is connected and social contagion is the norm. In such an environment, he shows, individual behavioral biases and kinks overconfidence, envy, copycat behavior, and myopia often give rise to troubling macroeconomic phenomena, such as oil price spikes, CEO greed cycles, and boom-and-bust waves in the housing market. These are the inevitable outcomes of what Cassidy refers to as rational irrationality self-serving behavior in a modern market setting. Combining on-the-ground reporting, clear explanations of esoteric economic theories, and even a little crystal-ball gazing, Cassidy warns that in today's economic crisis, conforming to antiquated orthodoxies isn't just misguided it's downright dangerous. *How Markets Fail* offers a new, enlightening

way to understand the force of the irrational in our volatile global economy.

How Markets Fail has 2035 ratings and 146 reviews. Szplug said: This is a timely, lucid, well-structured and well-argued book, perhaps the best of the h This highly readable book focuses on the ideas that informed the actors who contributed to the financial crisis of 2008. How Markets Fail: The Logic of Economic Calamities 1st (first) edition [John Cassidy] on . \*FREE\* shipping on qualifying offers. The logic of the economic system, embraced almost fanatically by Alan in the financial universe, had failed, and the markets had failed with it. How Markets Fail: The Logic of Economic Calamities (2009) is a book by economist and journalist John Cassidy. The book was published in the US by Farrar, Behind the alarming headlines about job losses, bank bailouts, and corporate greed is a little-known story of bad ideas. For fifty years or more, How Markets Fail by John Cassidy is an excellent analysis of the economic crisis, finds Jeff Randall. How Markets Fail: The Logic of Economic Calamities [John Cassidy] on . \*FREE\* shipping on qualifying offers. For fifty years, economists have Buy How Markets Fail: The Logic of Economic Calamities New Edition by John Cassidy (ISBN: 9780141036519) from Amazons Book Store. Everyday low prices How markets fail : the logic of economic calamities / Smiths invisible hand -- Friedrich Hayeks telecommunications system -- The perfect markets of Lausanne Behind the alarming financial headlines is a little-known story of bad ideas. For over fifty years, economists have been developing elegant theories of how How Markets Fail offers a new, enlightening way to understand the force of the irrational in our volatile global economy. Why do many people contribute How Markets Fail - the logic of economic calamities Cassidys core theme is that the ideas of efficient markets, rational expectations and Behind the alarming headlines about job losses, bank bailouts, and corporate greed is a little-known story of bad ideas. For fifty years or more, economists have How Markets Fail offers a new, enlightening way to understand the force of the irrational in our volatile global economy. Why do many people contribute