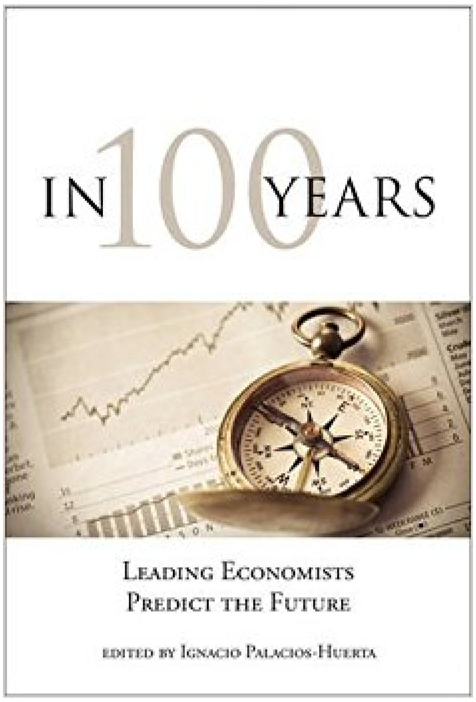
The book was found

In 100 Years: Leading Economists Predict The Future (MIT Press)



Synopsis

This pithy and engaging volume shows that economists may be better equipped to predict the future than science fiction writers. Economists’ ideas, based on both theory and practice, reflect their knowledge of the laws of human interactions as well as years of experimentation and reflection. Although perhaps not as screenplay-ready as a work of fiction, these economists’ predictions are ready for their close-ups. In this book, ten prominent economists -- including Nobel laureates and several likely laureates -- offer their ideas about the world of the twenty-second century.In scenarios that range from the optimistic to the guardedly gloomy, these thinkers consider such topics as the transformation of work and wages, the continuing increase in inequality, the economic rise of China and India, the endlessly repeating cycle of crisis and (projected) recovery, the benefits of technology, the economic consequences of political extremism, and the long-range effects of climate change. For example, 2013 Nobelist Robert Shiller provides an innovative view of future risk management methods using information technology; and Martin Weitzman raises the intriguing but alarming possibility of using geoengineering techniques to mitigate the inevitable effects of climate change.Contributors Daron Acemoglu, Angus Deaton, Avinash K. Dixit, Edward L. Glaeser, Andreu Mas-Colell, John E. Roemer, Alvin E. Roth, Robert J. Shiller, Robert M. Solow, Martin L. Weitzman

Book Information

Series: MIT Press

Paperback: 216 pages

Publisher: The MIT Press; Reprint edition (August 21, 2015)

Language: English

ISBN-10: 0262528347

ISBN-13: 978-0262528344

Product Dimensions: 6 x 0.6 x 9 inches

Shipping Weight: 12.6 ounces (View shipping rates and policies)

Average Customer Review: 2.3 out of 5 stars   10 customer reviews

Best Sellers Rank: #682,937 in Books (See Top 100 in Books)   #129 inÃ Â Books > Business & Money > Economics > Comparative   #316 inÃ Â Books > Business & Money > Economics > Econometrics   #2120 inÃ Â Books > Business & Money > Economics > Economic Conditions

Customer Reviews

Stimulating reading. (Foreign Affairs)

Ignacio Palacios-Huerta is Professor of Management and Strategy at the London School of Economics.

I am told that economists usually fail at predicting the future. Their strong point is disecting the past and making sense of it. I was surprised when I read the book that these economists, all taking slightly different approaches, gave a logical viewpoint of the future. Of course there were fudge factors; such as wars, pandemics, economic turmoil, climate change, and so on that might alter their predictions. I thought the essays gave the reader a clear view of what might happen.If I was to fault any part of the book, I do not believe enough emphasize was placed on artificial intelligience and robots. If progress continues, there will be more unemployment and under-employment. I do not believe the current income tax system will work and some other method of taxation will have to be developed. This subject really was not addressed.We are living in a world turning on economics, especially capitalism. If one is to be prepared for the future, this is an excellent starting point.

The frameworks provided by leading economists is impressive, occasionally disturbing yet optimistic in league with Keynes 1930’s prediction. There is much food for thought.

The editor has gathered opinions about the next 100 years from 10 economists, including three Nobel laureates. Their views are distributed over a spectrum of political and mathematizing temperaments and one gender. Nine teach at "saltwater" universities (Harvard, MIT, Princeton, Yale, Stanford), the other in Barcelona; aside from the editor, only one contributor received his Ph.D. from the University of Chicago, and he is easy to spot. Most essays seemed reasonably humane and most of them probably way too optimistic, though these two majorities were not identical. I came away with more scary insights about top-tier economists than with enlightening ones about the future. But your impression of this book will depend very much on your political outlook.A few pieces were relatively mild, predicting (or at least hoping for) continued growth and improvement in the human condition, with some caveats. Daron AcemoÃƒâ Ã Å¸lu’s biggest fear is that the democratizing "rights revolution" will falter, perhaps due to a religious counter-Enlightenment in the Middle East or to a rise of fascism in China or even the US; otherwise we should expect 100 years of "unrelenting growth." The trend of the past 30-40 years has been for the economic benefits of productivity improvements to go increasingly to shareholders rather than labor, but apparently AcemoÃƒâ Ã Å¸lu assumes this trend will reverse, as when he suggests that productivity improvements in services can give rise to a new middle class (@29); he doesn’t offer any explanation of why or how. Angus Deaton worries about inequality, but is more sanguine that health in poor countries may continue to improve, regardless of economic growth rates. He also believes growth is grossly underestimated, since GDP doesn't fully account for the benefits of ATMs, email, cell phones, and Internet shopping (@41). But if GDP were augmented to reflect these, would we suddenly think our smartphones have made us richer or have become more convenient in consequence? -- if anything, the exercise would show that a larger GDP can leave our lives unchanged from those we have right now. Avinash Dixit's piece is less sharply-drawn than most, combining a worst-case scenario (focused mainly on the US) with a dream wish-list. But I give him points for saying that he doesn't place much importance on wealthy countries substantially increasing their economic well-being in the coming century: maintaining their standard of living would be good enough (@55-56). John Roemer's piece was mild more with regard to novelty than to substance: he's deeply pessimistic that the US will be able to do anything about climate change (presumably during a window of opportunity in the next few decades, not the whole century), given that the Republican Party will block such steps, absent some devastating catastrophe. The Democrats get knocked in his piece, too, especially for their Clinton-era policies that made the financial crisis possible.Robert Solow delivers a short piece in his typical lofty, earthy, grumpy, droll and bet-hedging tone. The more you re-read it, the more difficult it is to pin down to any particular view. As always, he is artful, and not vague, in his vagueness. He does seem out of touch, though, when it comes to why Americans (and Japanese and Koreans) work so many more hours than do the French and Germans. He cites two reasons: First, "Americans like to get ahead." Second, the Europeans face high taxation on a marginal hour worked, so "routine behavior responses would lead" them to work less than Americans (@139). The first explanation seems to belong to an earlier and simpler era, and the second seems to believe Europeans think like Americans. Among other explanations he ignores is that Americans might be worried about losing their jobs, and their real incomes are declining, so they need to work more to stay in the same place -- for many, getting ahead is no longer the question. See, e.g., Bernstein & Kornbluh, "Running Faster to Stay in Place: The Growth of Family Work Hours and Incomes" (2005); things haven't improved in the decade since that article was published.The pieces by Andreu Mas-Collel and Edward Glaeser were true to type. Mas-Collel, lead author of the leading textbook of mathematical neoclassical microeconomics, places great faith in the constructs of economic theory, without much reference to reality. He predicts that by 2113 "we will have managed to completely eliminate poverty in the world." He's calculated the growth rate necessary to achieve this: "it would be enough" to have 3.5% average per capita growth for 100 years (@87). He omits to mention, though, that not even the most spectacular growth success stories to date, Japan and China, were able to achieve such a sustained rate. He also says that all energy problems can be solved if we "let prices do their work;" and other environmental problems will be resolved by "the imputation of correct usage prices, transmitted by the markets or by regulation" (id.) My favorite line was "I believe that the Tiebout effects will be increasingly felt at a global scale" (@93-94). An endnote teaches us that "In the Tiebout model individuals enjoy perfect mobility, have perfect information, and are free to choose their communities. ... This process sorts people into 'optimal' communities and determines the equilibrium provision of local public goods according to their tastes" (@174n11). This is a lot stronger than predicting economic immigration on global scales; I had to wonder if it might not be just a tad too perfect, perfect, free, optimal and equilibrium to be true.Glaeser seems to be trying to sound like Milton Friedman, but occasionally lapses into Newt Gingrich. E.g., he tells us "The three largest uses of American time are sleeping (8.7 hours daily), working (3.2 hours daily), and watching television (2.83 hours daily)," and goes on to muse on "the fact that Americans now spend almost as much time watching television as working" (@61-62). He seems here to have deliberately chosen misleading aggregates -- or are we to believe that's the typical breakdown of a *working* American's day? (Cf. the "welfare queen" myth.) Glaeser doesn't discuss global warming per se, but rather environmental disasters, which are reassuringly dismissed as "local" and transitory. The greatest danger we face is from "ultraegalitarian political policies" (@82). The Occupy movement is based on envy (@67), and pointlessly so: "high-end hairdressers and limousine drivers and clothing salespeople may well thrive in a more technologically intensive world" (@63). If you lack those skills, don't worry: "A highly unequal future is not all bad. Great fortunes can fund philanthropy, and we should expect plenty of that" (@65). Thank you, kind sir!Alvin Roth and Robert Shiller, both Nobel laureates, get the top prizes for the creepiest pieces in the book. Roth's is an entirely amoral musing on what sorts of things might be subject to markets in the future, even (or especially) if we think they are repugnant now. He sees all aspects of human reproduction as becoming completely commoditized "reproductive services." We may regard privacy as something to be sold: "As personal data become increasingly valuable for business purposes, such data may also come to be viewed more like intellectual property, with protections akin to patent and copyright protection today, moderated by fair use exceptions, so that uncompensated use of transactional data may come to seem repugnant, or at least subject to limitations." (@113; BTW, good luck as an individual suing some mega-corporation for non-payment after it uses your information, assuming you can even detect its use.) "[S]afe performance-enhancing drugs" (note the existence assumption) may become fashionable, just like coffee, or even mandatory in "future competitive careers. When assistant professors of economics in 2113 fall behind their expected production of an article a week, their department chair may suggest that they increase their dose of creativity-enhancing or attention-focusing pharmaceuticals to boost their chance of tenure" (@111). Roth never mentions any sorts of ethical or other concerns about these matters. He's perfectly adopted the neoclassical standpoint of reducing everything to "preferences," that what's repugnant today won't necessarily be so in the future, and vice versa: it's all good. As one of the fathers of the neoclassical school, LÃƒÂ©on Walras, put it more than 100 years ago: "Whether a substance is sought by a doctor to cure a sick person, or by an assassin to poison his family, is a very important question from other points of view, but a matter of utter indifference to ours. The substance is useful, according to us, in both cases, and perhaps more in the second case than in the first." Roth goes Walras one further: he doesn't concede anything to those other points of view.Even more chilling was the essay by Shiller about "The Risks of the Next Century and their Management." Like the pioneering self-hypnotizer Ãƒâ mile CouÃƒÂ©, he reassures us that "the mathematical theory [of risk management] is getting better and better" (@121); the 2008 financial crisis was only a "setback" (@122). He predicts that "artificial intelligence," by which he means something less rigorous than what computer scientists would consider AI, will bring about "unification of global culture" (@122-123). Plus, "there is likely to develop a cosmopolitan culture of the people most connected with [AI], a sort of world elite, who, by their constant communications, will tend to develop some loyalties to each other rather than to their geographical neighbors, while billions of others will form a worldwide string of ghettos" (Id.) Like Roth, Shiller makes these pronouncements with complete ethical detachment. For him, downsides seem to come only from unmanaged risk. So he's untroubled by elites and ghettos; what worries him is that AI will create "greater correlations across countries and regions," leading to potentially greater instability. Global warming? Don't sweat it, the solution is "a new kind of homeowners' insurance" (@132). Shiller is also very bullish on our sharing privacy data. We'll also be able to "sell shares in [our] own future income," since AI will handle the enforcement problems that were "unworkable" in Milton Friedman's day. This will allow a "new and better form" of indentured servitude ("a common institution in the past, [which] was an economically useful kind of contract") to "again play a role in the effective risk management of the next century." (@126). And here's the beauty part: "Advancing risk management along these lines over such a long time can be thought of as a continuation of a historic trend toward the democratization and humanization of our society." (@136) Ghettos and indentured servitude = democracy and humanization? Words fail me.The essay that best filled the imaginative remit of a book like this was Martin Weitzman's, though it seems at first hardly to be about economics at all: its focus is geoengineering as a response to climate change. After noting that we've actually been geoengineering the earth for many centuries, as our industry and agriculture have been changing the face and climate of the planet, Weitzman narrows his use of the term to "solar radiation management," and specifically to an "artificial space sunshade" (155). This can be achieved by, e.g., seeding clouds through shooting sulfur dioxide particles into the upper atmosphere. Weitzman doesn't propose that we engage in this activity. Rather he's worried about the consequences of its being so cheap: "[I]ts extraordinary costlessness turns the geoengineered sunshade into a public goods nightmare that rivals the climate change problem itself." (@157). *Any* country with a medium-sized economy could afford to create such a sunshade, but we don't have any idea of what its environmental consequences would be -- especially the bad ones. One terrible scenario would be if some local catastrophe occurs, and the affected country decides unilaterally to erect a sunshade in the belief that this will mitigate the problem. To reduce the odds of this happening requires broad-scale international agreement, but there's no sign that's forthcoming as to any issue relating to climate change, much less geoengineering in particular. Here, at last, is a scary insight of a salutary sort.While several authors fret about inequality of income, only one devotes so much as a sentence to inequality of wealth. That's Glaeser, who assures us that "[i]nequality of wealth provides plenty of incentives to work hard and innovate" (@65), thereby explaining why so many founders of Silicon Valley startups come from community colleges and inner-city slums. The rest of this august group miss a theme that Thomas Piketty, Emmanuel Saez and others have been writing about for years, namely that wealth inequality is not only more severe than income inequality within countries, it's far more potent than income inequality at dividing society as time progresses, especially at 100-year timescales. This theme is explored most recently in Piketty's "Capital in the 21st Century," published in France several months before this book, and now available in English. Given that wealth inequality is already worse in the US than in Europe -- the top 1% control about 33% of US wealth, compared to 20%-25% in Western European countries and Japan -- it's a shame that these contributors displayed so little insight into what's going on in their own backyard. In their defense, perhaps they were simply trying to live up to our expectations about economists.It's a no-brainer to predict which book, this one or Piketty's, will be read farther into the next 100 years. My other prediction is that readers of this book will sort into communities according to their own tastes, if I may borrow a phrase. All in all, a bit of wonk candy with few nutritious bits; a better investment as an ebook than as something that will occupy shelf space.

The book is very light on ideas, the only essay that is original and thoughtful is Roth's, which is available online for free. Don’t waste your time and money on this one.

Making predictions is hard, especially about the future. (OK, I stole that line). It gets trickier still if the future timeline is 100 years long. So you have to salute the editor and contributing authors of this collection of future-gazing essays published in 2013 for going way, way out on a limb. All of them are economists, and the list of authors is heavy with famous names from that field of study. However, the quality of the result is very uneven.The first, best and most comprehensive chapter was written by Daron Acemoglu, co-author of Why Nations Fail, which is a great book. In this chapter, he summarizes much of the argument of that book, particularly the key idea that it is institutions first and foremost which determine the wealth of nations, not their cultural or natural endowments. In particular, he believes that it is ***inclusive*** and democratic institutions which create the conditions -- rule of law, respect for property rights and human rights, and so on -- that in turn enable broad economic and social development. Extractive institutions, in contrast, exist to support the needs and desires of the elite. If it is in the interest of the elite to prevent technological, educational and medical progress, they will do just that -- think Putin or Assad here.Acemoglu contemplates the next 100 years and overall sees things getting better. The trends of the past 50-100 years will continue, as the world’s population shifts more and more towards inclusive institutions, as rights become more widespread, as technology advances, as life expectancy rises, and so on. But, he would not be a academic of the dismal science if he did not at the same time summon up a list of the things that could go wrong with this rosy forecast: stalling growth in key countries such as China and India that fail to develop functioning democratic institutions of governance, global warming, the risk of a delayed demographic transition driving the population of the planet over 10 billion, rising inequality, and the "counter-Enlightenment" that is increasing the role of religion in government in countries as assorted as the US, Turkey, and India.Another excellent chapter was written by Martin Weitzman, who declares at the outset of his chapter that he will focus exclusively on climate change since he considers that to the keystone issue -- or as he describes, the "mother of all externalities" -- for the next 100 years. He discusses a number of grim scenarios, including worst case events such as a dramatic acceleration of warming as methane from permafrost and the seafloor is released, creating a runaway positive feedback loop. On the whole, the author does not think that our species is capable of rousing itself to action until things get significantly worse, and disaster is imminent. He thinks that at that point we will reach for geo-engineering solutions, such as creating an artificial "sunshade" in the high atmosphere, using sulphur dioxide for example, which will help control planetary warming. This is not a permanent or complete solution, but should buy us time to drastically cut carbon emissions and come up with other geo-engineering solutions.Several other authors also penned chapters, several of which I skimmed and found wanting. Edward Glaeser, whose book "Triumph of the City" I really enjoyed, tosses off a backward-looking and US-centric view that fails to convince me of anything much. Robert Shiller, another author of excellent economic works, in his chapter chooses to focus narrowly on risk management, and take a largely short-term and narrow view of the future. Robert Solow's chapter discusses the impact of different (and unknowable) rates of productivity growth, and concludes that most reasonable scenarios result in a standard of living 100 years from now much higher than the one we now enjoy -- if global warming does not mess things up.In general, it was interesting to note how just many writers of this book touched on two common issues: 1) climate change and 2) income and wealth inequality as a major economic and social threat for our future, which to me at least said that the economics profession may be at last giving both these issues their due.

This book is garbage. There is not a single essay containing any new or thoughtful arguments regarding the future. Further, it is written by men who are clearly past their prime, and the biases of old age ring through every essay. Don't waste your money.

A huge disappoinment, a waste of time and money. Don't buy it!

Most of the reviews of this are accurate

Economists Mathematics for Economists Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China Environmental Pest Management: Challenges for Agronomists, Ecologists, Economists and Policymakers The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor Mathematics for Economists: An Introductory Textbook