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Best books of 2021: Economics

Martin Wolf selects his must-read titles for the second half of 2021



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Martin Wolf NOVEMBER 17 2021

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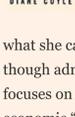
The Future of Money: How the Digital Revolution is Transforming Currencies and Finance
by Eswar S Prasad, *Belknap £28.95/Harvard University Press \$35*

Digital technologies are also transforming the world of finance. Prasad of Cornell provides an [invaluable overview](#) of what this might mean: physical money will disappear; central bank money will compete with the new private versions; financial intermediation will be transformed; and new opportunities will open to the world's population. But, with opportunities come risks. As Prasad summarises: "A glorious future beckons, perhaps".



The Resilient Society
by Markus K Brunnermeier, *Endeavor \$24*

In this important book, Princeton's Brunnermeier argues that "resilience can serve as the guiding North Star for a post-Covid society". The global financial crisis and the pandemic have taught us that we need to be resilient if we are to respond to shocks successfully. Resilience is not the same as "robustness". It is "about being able to weather a storm and recover". We must do better at it.



Cogs and Monsters: What Economics Is, and What It Should Be
by Diane Coyle, *Princeton University Press £20/\$24*

Coyle, now at Cambridge university, is an exceptionally thoughtful commentator on economics. In this [book](#), she rejects what she calls the "straw men" arguments of the many critics of economics, though admitting how difficult it is for economists to be objective. Instead, she focuses on two other weaknesses: first, the assumption of the rational economic "cog" has become even more unrealistic in the age of "snowballing" digital "monsters"; and, second, practitioners of economics are wildly unrepresentative of the society they study.



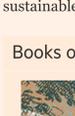
An Economist at Home and Abroad: A Personal Journey
by Shankar Acharya, *HarperCollins India \$24*

Acharya has been a close friend of mine since we met in 1971, when we both worked together at the World Bank. Subsequently, he returned to India, where he was the longest serving chief economic adviser in the finance ministry, serving three reforming finance ministers, notably Manmohan Singh. Since then he has been the wisest analyst of the performance of the Indian economy. In this lovely autobiography, he recounts his personal and professional life with charm and perspicacity.



Three Days at Camp David: How a Secret Meeting in 1971 Transformed the Global Economy
by Jeffrey E Garten, *HarperCollins \$29.99, Amberley £20*

At a secret meeting at Camp David over the weekend of August 13-15 1971, President Nixon and his senior advisers decided to sever the link between the dollar and gold. This was not just the definitive end of the gold standard, it also marked the beginning of a new monetary order. In this outstanding book, Garten explains in detail what happened and draws lessons for today.



Sustainable Futures: An Agenda for Action
by Raphael Kaplinsky, *Polity £18.99/Wiley \$21.50*

Ours is an age of intellectual upheaval. People are looking for new paradigms. Kaplinsky, an expert on innovation, defines our challenge as the exhaustion of the "Mass Production" paradigm and its replacement with the "Information and Communications Technologies" paradigm. Our task, he argues, is to build a prosperous and environmentally sustainable world in this new context.

Books of the Year 2021

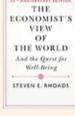


All this week, FT writers and critics share their favourites. Some highlights are:
Monday: Business by Andrew Hill
Tuesday: Politics by Gideon Rachman
Wednesday: Economics by Martin Wolf
Thursday: Fiction by Laura Battle
Friday: History by Tony Barber
Saturday: Critics' choice



The New Economics: A Manifesto
by Steve Keen, *Polity £12.99/Wiley \$14*

Keen is one of the world's leading heterodox economists. This [book](#) is a fierce assault on a lack of realism of neoclassical economics that borders on religious belief. He is particularly effective in skewering the complacent assumptions of conventional beliefs in macroeconomics, monetary economics and environmental economics. A great deal of what he writes makes good sense, especially on the merits of Post-Keynesian and "biophysical economics". The simplifying assumptions of conventional economics are indeed dangerous.



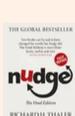
The Age of Unpeace: How Connectivity Causes Conflict
by Mark Leonard, *Bantam Press £18.99/\$36.95*

Leonard, director of the European Council on Foreign Relations, has written a [book](#) that has the twin merits of being both short and important. It has also created an interconnected world that has brought great benefits. But it has led to a tribal backlash, with "populist leaders promoting national glory over global understanding". His correct conclusion is that "if the connections that are essential to our wellbeing are also being turned into deadly weapons, we need to find ways of making them less dangerous."



The Economist's View of the World: And the Quest for Well-Being
by Steven E Rhoads, *Cambridge University Press £20*

This is a 35th anniversary version of a classic. Rhoads, an emeritus professor of politics at the University of Virginia, has built upon the best explanation I know of how orthodox economists think about choice, markets, externalities and other concepts. The new edition will be valuable to non-economists and economists alike: the former will learn how economists think; and the latter will learn some of the limits to how they think.

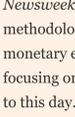


Six Faces of Globalization: Who Wins, Who Loses, and Why It Matters
by Anthea Roberts and Nicolas Lamp, *Harvard University Press £28.95/\$35*

This is an interesting and original book. Its starting point is that people have different "narratives" of globalisation. The authors distinguish six such narratives: the "establishment" narrative; the "left-wing populist" narrative; the "right-wing populist" narrative; the "corporate power" narrative; the "geo-economic" narrative; and the "global threats" narrative. Their conclusion is that the best approach is to synthesise apparent opposites. There is not one truth, but rather many partial truths.

Tell us what you think

What are your favourites from this list — and what books have we missed? Tell us in the comments below



Nudge: The Final Edition
by Richard H Thaler and Cass R Sunstein, *Allen Lane \$18*

Nudge, originally published in 2008, was an immensely influential and important best-seller about how to influence people to make better decisions, thereby ameliorating the trade-offs between bottom-up foolishness, on the one hand, and top-down command, on the other. The authors called it "libertarian paternalism". Here they have substantially revised the earlier version in the light of new ideas, developments and research. The title represents a commitment to ensure that they do not write another version. So read it now: this is the definitive edition.



Samuelson Friedman: The Battle Over the Free Market
by Samuelson and Friedman, *WW Norton \$28.95*

This is a follow-up to the author's *Keynes Hayek*. Its focus is with this debate between MIT's Paul Samuelson and Chicago's Milton Friedman, whose contrasting views graced the pages of *Newsweek* for 18 years. Samuelson was an economist's economist: his methodological influence was profound. Friedman had a huge influence on monetary economics. But his political influence was arguably even greater. By focusing on these two men, Wapshott illuminates debates that remain current to this day.



The Magic Money Tree and Other Economic Tales
by Lorenzo Forni, *Agenda £14.99/\$25.00*

Budget constraints matter. This is true for private households and businesses. It is also true for governments. Those that forget this simple lesson of history will get into a mess. This is the theme of this little book by Forni of the University of Padua. He takes the reader through the basic realities of budgeting, credit and money. It is the job of governments and central banks to stabilise economies through fiscal and monetary policy, as Keynes taught us. But one cannot create long-term growth simply by creating vast amounts of money. If one forgets this truth, one is likely to end up looking rather like contemporary Argentina.

For economics books published in the first half of the year, see [Martin Wolf's mid-year selection](#)

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