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Economics Made Simple [1]

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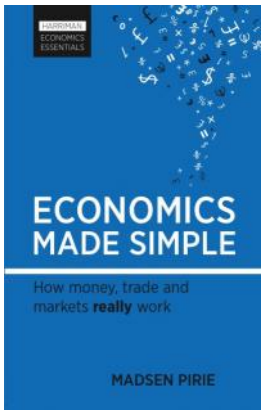

ASI President Madsen Pirie has a new book published today. It is "Economics Made Simple [3]" from Harriman House. It is an unusual type of economics book, treating the subject with an approach far removed from that of academic economics. "Many academic economists," Madsen tells us, "have retreated from the real world into mathematical models which purport to show relationships between past data, but tell us little about the present and nothing about the future."

The approach that Madsen adopts uses ordinary language and concepts to show that economics is largely intuitive. No-one 'invented' economics, he says, it developed naturally out of the ways people developed for dealing with each other and their resources.

Economics is about human behaviour. It is about the ways we have developed for dealing with each other in complex relationships. It is about how people whose time and resources are limited choose to allocate those resources, and how they interact with others to do this as effectively as they can manage.

Madsen starts with an account of the different values which different people set upon things, and how they exchange in order to gain greater value. From there we are led into specialization and trade, and from there into money and investment.

Madsen illustrates his points with insightful (and entertaining) anecdotes and examples. When he takes us into banking, taxation and government, these flow easily from the basic ideas we have already acquired. Even when we are into the world of international trade, outsourcing and globalization, he still puts the ideas across in terms of the actions of motivated individuals.

The book is not only a first class primer in economics, and one that demystifies it, but it also makes the basic principles underlying economics seem like no more than simple common sense!

Economics Made Simple is available to order from Amazon now. [3]

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[1] http://www.adamsmith.org/blog/economics/economics-made-simple
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[4] http://disqus.com/?ref_noscript
[5] http://disqus.com