The Foundations of Real-World Economics: What Every Student Needs to Know
By John Komlos
Routledge: Abingdon, Oxon, 2019. 292 pages, £29.99

On February 6, 2019, the *Wall Street Journal* ran a piece: 'This One Here is Gonna Kick My Butt—Farm Belt Bankruptcies Are Soaring." The article goes on to say: "These struggles are driving consolidation shifting a greater number of acres under fewer, larger farms." This article was no doubt read by countless readers, most highly knowledgeable about mainstream economics, who unthinkingly read this piece without asking themselves if something is not missing in Economics 101. In the same unthinking way, they have read not that long ago about stock market crashes, unaffordable and bubble-driven house prices, sovereign debt crises, oil price crashes, and cryptocurrency crashes. The mainstream economics textbook orthodoxy is swallowed hook, line and sinker, attributing to free markets an intelligence that passes understanding, putting out of court further questioning.

The readers of this farm belt article would see how far their thoughts are pinned down by mainstream economics, however, if they read this new edition of John Komlos's book. Sir Francis Bacon famously wrote: "Some books are to be tasted, some to be swallowed, and some few to be chewed and digested." For those studying undergraduate economics, or economics professors that largely teach undergraduates, or anyone closely following economic, political and social events of the day, this book should be 'chewed and digested.' Perhaps mainstream economics is a stiff and mechanistic theory which cannot account for fitful and unsuspected economic and financial somersaults that reshuffle the places individuals hold in communities and families. The mainstream whitewashes this reshuffling as stray events which rarely recur.

Komlos is interesting. With real and penetrating insight, in fifteen close-packed chapters, spanning microeconomics and macroeconomics, he retraces the steps of mainstream economic textbooks. He subpoenas to the bar of economic thinking the work of psychologists, biologist, and heretical Nobel Prize winners in economics. Komlos cites statistics economists have missed such as happiness indices and longevity statistics to show that measures such as GDP growth do not tell the whole story.

For starters, Komlos finds the foundations of real-world economics far different than those assumed in mainstream textbook economics. Part of the appeal of the dismal science is that it flatters human beings with superhuman rationality and unerring optimization capabilities. It credulously assumes a species of humanoids that more closely resemble a deity than the humans known by psychologists and biologists. Komlos calls this species of humanoids 'homo oeconomicus.' He pours forth a Niagara of economic and psychological evidence that this conception of humanity is a myth. Besides assuming a species of homo oeconomicus,' the mainstream assumes an economic system that exhibits its own brand of rationality. The further the government recedes into the background, the better the economy performs. Individuals can be as selfish as they like in income earning activities and the economic system redirects all selfish efforts to advance the public good, the famous invisible hand. It almost sounds too good to be true, particularly if one recalls the unforeseen and whipsawing economic and financial fiascos that stubbornly recur.

Producing goods is the most fundamental purpose of the economy. The mainstream teaches that rational, utility-maximizing consumers decide what the economy produces. Komlos argues that the mainstream has too long glossed over the complexities of consumer behavior, claiming consumers make rational decisions when in fact many consumption decisions are made at an unconscious level. Media advertising starts conditioning consumers when they are children. Secret and hidden appeals to unconscious impulses persuade consumers to make buying decisions that the consumers consciously believe to be well thought out. Thoughtful weighing of buying decisions may only be rationalizing the instincts formed in earlier eras under different and even primitive environments.

Komlos would not be surprised with the bankruptcies in the farm belt and greater concentration of land ownership. With the upmost clearness and adequacy of analysis, he connects the growing idealization of markets with widening income inequality and the shrinking middle class.

This thought-stirring book covers a rich variety of topics and has many intelligent comments and clarifying suggestions. This review has not mentioned the innumerable cases where sellers and employers have the upper hand in setting prices and wages. This book is eminently serviceable as a college reader. It presents much sounder foundations of economics. Those who 'chew and digest' it will be rewarded with information and inspiration.

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China and Japan in the Global Economy
Edited by Tomoo Kikuchi and Masaya Sakuragawa
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China and Japan in the Global Economy, edited by Tomoo Kikuchi and Masaya Sakuragawa, is a collection of selected essays designed to address three main issues: one, how Japan and China can ensure peace and prosperity in Asia; two, how Japan and China can cooperate economically and politically to optimize resource allocation and channelize savings for productive investment in Asia; and three, how Japan and China and promote free trade in a way that would allow other Asian economies to upgrade their industries in the global supply chain. The first chapter introduces the project. Chapter Two discusses the rise of the Asian economy and the economic challenges faced by China,