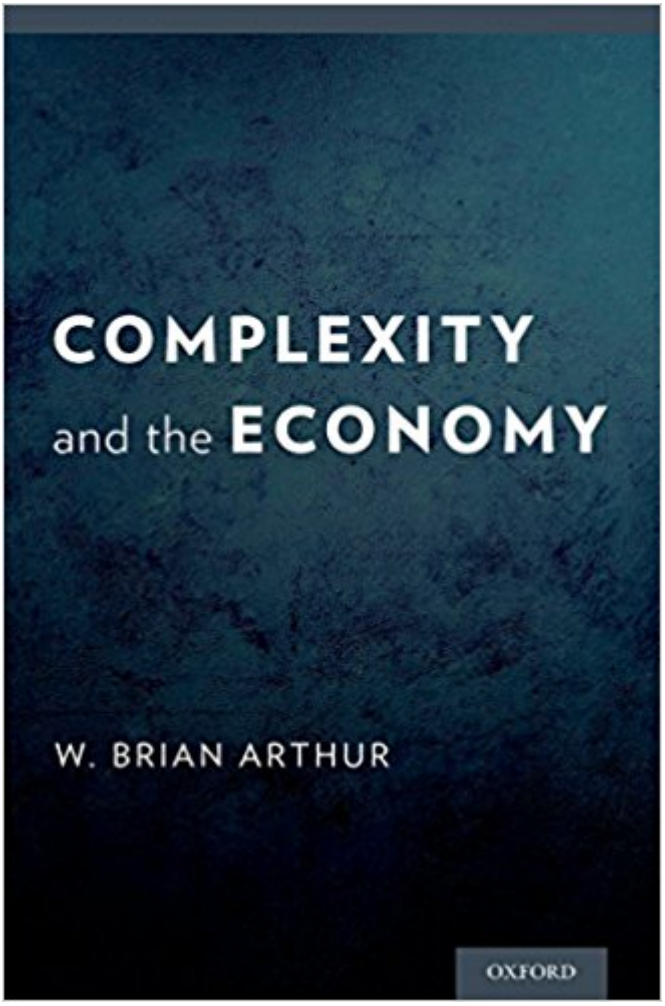
Complexity And The Economy



Synopsis

Economics is changing. In the last few years it has generated a number of new approaches. One of the most promising - complexity economics - was pioneered in the 1980s and 1990s by a small team at the Santa Fe Institute. Economist and complexity theorist W. Brian Arthur led that team, and in this book he collects many of his articles on this new approach. The traditional framework sees behavior in the economy as in an equilibrium steady state. People in the economy face well-defined problems and use perfect deductive reasoning to base their actions on. The complexity framework, by contrast, sees the economy as always in process, always changing. People try to make sense of the situations they face using whatever reasoning they have at hand, and together create outcomes they must individually react to anew. The resulting economy is not a well-ordered machine, but a complex evolving system that is imperfect, perpetually constructing itself anew, and brimming with vitality.The new vision complements and widens the standard one, and it helps answer many questions: Why does the stock market show moods and a psychology? Why do high-tech markets tend to lock in to the dominance of one or two very large players? How do economies form, and how do they continually alter in structure over time?The papers collected here were among the first to use evolutionary computation, agent-based modeling, and cognitive psychology. They cover topics as disparate as how markets form out of beliefs; how technology evolves over the long span of time; why systems and bureaucracies get more complicated as they evolve; and how financial crises can be foreseen and prevented in the future.

Book Information

File Size: 3195 KB

Print Length: 240 pages

Publisher: Oxford University Press; 1 edition (October 2, 2014)

Publication Date: October 2, 2014

Language: English

ASIN: B00NJQ20KU

Text-to-Speech: Enabled

X-Ray: Not Enabled

Word Wise: Enabled

Lending: Not Enabled

Screen Reader: Supported

Enhanced Typesetting: Enabled

Best Sellers Rank: #467,832 Paid in Kindle Store (See Top 100 Paid in Kindle Store) #108 inÂ Books > Health, Fitness & Dieting > Psychology & Counseling > Evolutionary Psychology #547 inÂ Kindle Store > Kindle eBooks > Business & Money > Economics > Economic Conditions #626 inÂ Kindle Store > Kindle eBooks > Nonfiction > Science > Behavioral Sciences > Cognitive Psychology

Customer Reviews

This, along with Alan Kirman’s Complex Economics, is a great introduction to thinking about the economy as a non-equilibrium complex system. In addition, Arthur provides occasional interesting discussion of the early days of economic complexity thinking at the Santa Fe Institute. Arthur is a careful and thoughtful presenter of challenging ideas, making them feel ’intuitive’.

Now , i see this book has some positive reviews, but its time for reality check.I have been reading a lot on the subject of Complexity in Economics , Sociology and others.When i first read that book, there were some at first glance "interesting" topics, some of the chapters were amusing and entertaining.But after i closed the last page of the book, and i was thinking what did i actually learn - i felt the emptiness.Then i read quite a bit of other books on Sociology and Economy, and then i opened the Brian Arthur book for second time.Then i realized how shallow the "ideas" of this Author and how greatly overrated he is.First example - he explains how the Steam Engine initially had simpler design and how it had to evolve to more complex system in order to fullfil increasing customer and market demands ??!! It’s obvious , it’s common sense its waste of the reader’s time.In the Second till Fourth Chapter he throws some equation without any explanation for the symbols or the logic behind them for people without background in statistics, also i do think most of his mathematical models are fundamentally flawed at inception.His theory for the adopting of the technologies may have been "the thing" in 1985, now its helplessly trivial ,obvious and obsolete.I watched some of his interviews on Youtube, very very tedious.This guy seems to simply observe trivial processes, then clothes that observation in some unclear and abstract way,without any added value, which makes the reader wondering whats exactly the end purpose of his writings.In my opinion the works of Loet Leydesdorff and Nicholas Rescher are in another universe and i highly recommend them for introduction in the subject

This is a complex exposition of a new economic paradigm that could be improved and simplified by incorporating information theory.

Great insights and background on how economics is evolving away from false assumptions that we all act rationally.

Brian Arthur is the best. His insight is fantastic

This collection of papers was one I expected to be a bit dry and overly academic, but I was surprised by how interesting it was to read.As Brian Arthur is one of the pioneers of applying complexity theories and "non-equilibrium" to the economy, getting to see his work progress and deepen in the series of papers that stretch over more than a twenty year period is fascinating.The time has definitely come for these ideas, and I believe this book is an excellent way to understand an admittedly complicated topic.I definitely recommend it!