

Beyond the invisible hand: groundwork for a new economics by Kaushik Basu. Princeton, 2011. 273p bibl index ISBN 9780691137162, \$29.95

Adam Smith has taken some hits of late, and assumptions in *The Wealth of Nations* have been challenged. The “behavioral bunch” asks whether people are rational; the financial meltdown of 2007-10 forces one to question the macroeconomic stability of markets. In this volume, economist Basu (Cornell Univ.) posits that individual self-interests and free markets that ignore culture and societal norms are inconsistent with optimal societal outcomes. He states his challenge and mission in the preface: “This book is an attempt to give form to the dissenting voice” and is “primarily a critique of mainstream economics.” He looks at the discipline’s tenets and its alleged benefits: Do market pressures reduce discrimination? Do free markets and the tide of globalization raise all boats or just a few yachts? Most everything turns on the author’s constant concern about equity (as opposed to the economist’s usual emphasis on efficiency), and thus the frequent use of descriptors such as “exploited,” “cheated,” “outwitted,” and “complacency.” Rarely does a tract—and that is what this volume is, though it is a significant one—juxtapose Smith and Kafka. The endnotes and references are valuable guides for intelligent lay readers and scholars alike. Summing up: Recommended. General readers, students at all levels, faculty, researchers, professionals.