
Book Review

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**The Economics Anti-Textbook: A Critical Thinker's Guide to
Microeconomics**

by: Rod Hill and Tony Myatt

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by Zed Books

The Foundry, 17 Oval Way,

SE11 5RR, London, 305pp

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Rod Hill and Tony Myatt would like to see a different kind of economics, without the unrealistic representation of individuals and fictitious firms that populate standard (neoclassical) textbooks. A prime target of the *Anti-Textbook* is the uncritical penchant of standard textbooks for the model of perfect competition – without adequate discussion of the conditions in which this model is actually useful. Even if neoclassical economists somewhat recognised the pervasiveness of imperfect information in real life, it is not reflected in standard textbooks. Neither is the predominance of oligopolies, nor ubiquitous market externalities. Hill and Myatt see perfect competition as an “enabling myth” (p.71) for the standard textbook story.

Other chapters of the *Anti-Textbook* have a supportive function: the neoclassical firm, characterised by the typical deductively-determined U-shaped cost curves, consolidates perfect competition as an ideal reference point. And the purely logical nature of the comparative trade model, abstracting of capital flows, exchange rates, off-shored factories and all that characterises our times, is another main conduit of the world vision propagated by standard textbooks. It speaks volumes that in this regard even Paul Samuelson was critical of standard textbooks, calling them “dead wrong about necessary surplus of winnings over losings.”¹

Power (except for monopoly power) is ignored by standard textbooks; and (of course) standard textbooks ignore that firms influence political decision-making. And “it is curious and revealing, that while the textbooks claim their subject is about choices between alternatives, no alternatives are discussed when it comes to the central institutions of economic life ... The capitalist firm is the only game in town” (p.116). It leaves me to conclude that *standard economic textbooks are in fact all about power*: the power to shape the classrooms’ agenda; the power to predefine the acceptable arguments; and the power to direct the perceptions of the students.

This would not be a critical book review, if I did not make suggestions for improvement – especially when a second edition of the *Anti-Textbook* is in the making (probably due out in 2018).

The place of behavioural economics

What could long be considered a heterodox approach completely foreign to economists trained in neoclassical theory has recently entered the mainstream. For example, Mankiw/Taylor's 3rd edition recognises that behavioural economics describes consumer behaviour in a much more realistic way than neoclassical theory. It is true that this does not prevent them from explicating the neoclassical reasoning on dozens of lengthy pages. But even if behavioural economics still forms only isolated islands in the textbooks, I assume this will likely change in the near future.

In the 2nd edition of the *Anti-Textbook*, it is well worth asking, why neoclassical and behavioural economics were able to accommodate each other. Have the textbooks accepted all of behavioural economics or only part? Do they truthfully reflect the expected consequences from the findings of behavioural economics? Or is behavioural economics, as taken up by standard textbooks, innocuous for the overall standard textbook worldview?

Discourse analysis

The *Anti-Textbook* is an exercise in the tradition of critical discourse analysis as practiced by the French philosopher Michel Foucault. Hill and Myatt should therefore not hesitate to treat standard economics textbooks as one discourse, as a genre, while demoting differences between individual textbook authors as secondary importance to their footnotes.

Where the content of standard textbooks is summarised, indirect speech could give way to direct speech. For example, instead of writing "The textbook argument is that...", the authors could directly make the statements in the manner of a textbook.

Furthermore, at times these sections depart from the initial concept of summarising the textbooks by including critical appreciations, e.g., (p.12) the authors criticise the economists' understanding of rational behaviour; or in Chapter 9, on redistribution, where they deplore the absence of the issue of wealth distribution in standard textbooks. Both considerations do not belong in the summarising section, but rather, in the critical section of the *Anti-Textbook*. In other words, the authors should stay in character and in the summarising section merely render what is written elsewhere.

Leisure read for students

As a teacher of an introductory economics course, I have used the *Anti-Textbook* as a critical companion to a standard textbook. In written assignments and oral presentations, students were asked to compare a chapter of their standard textbook with the critique of the *Anti-Textbook*. The result corresponded well to my expectations and even surpassed them.

But... this was a mandatory graded assignment; I seriously doubt that students would select the *Anti-Textbook* as voluntary reading in their leisure time. This is why I suggest that Hill and Myatt produce a second edition with a partially revised concept and writing style. For its present version, the book is written for professors rather than for students.

In order to make the book more accessible for typical students of introductory economics, the following changes are welcomed:

- The *Anti-Textbook* is at its best when it summarises arguments in succinct form – in the introductory and conclusive parts of the single chapters and also of the whole book. The book would gain from simplification, and it could be shortened by several pages summarising some arguments.
- Especially in the second part of the book, the text seems at times too long, and quotes are too extensive (e.g., pp.102–107).
- An impression of repetitiveness (continual reappearance of the issue of perfect competition, or several instances about asymmetric information) could be avoided.
- There could be fewer sentences of the type “Prasch notes that...” and “Stiglitz argues that...” (p.143). Instead of these long quotes, the essence of the argument could be expressed in succinct statements by the authors themselves.
- Highlighting the main arguments would distinguish them from more demanding thought developments (which are probably less important for the overall purpose of the book).
- Recurring topics could be put into a different format, such as ‘case study’ textboxes, e.g., the minimum wage question which appears in different chapters.

I see the first edition of the *Anti-Textbook* as a genuine treasure of well-researched and referenced arguments that undoubtedly is the result of hard work. If there are other manuals being written at present, which strive to take on more differentiated positions, this could well be the merit of the *Anti-Textbook*, which is a recommendable read for every economics teacher.

However, I believe that a shorter and more palatably written second edition could potentially become a leisure read for students – and maybe an international best-seller. This would require a less academic writing style and overall book design. I look forward to the second edition.

Notes

- 1 “Where Ricardo and Mill rebut and confirm arguments of mainstream economists supporting globalization”, quoted in Hill and Myatt (2010, p.44).