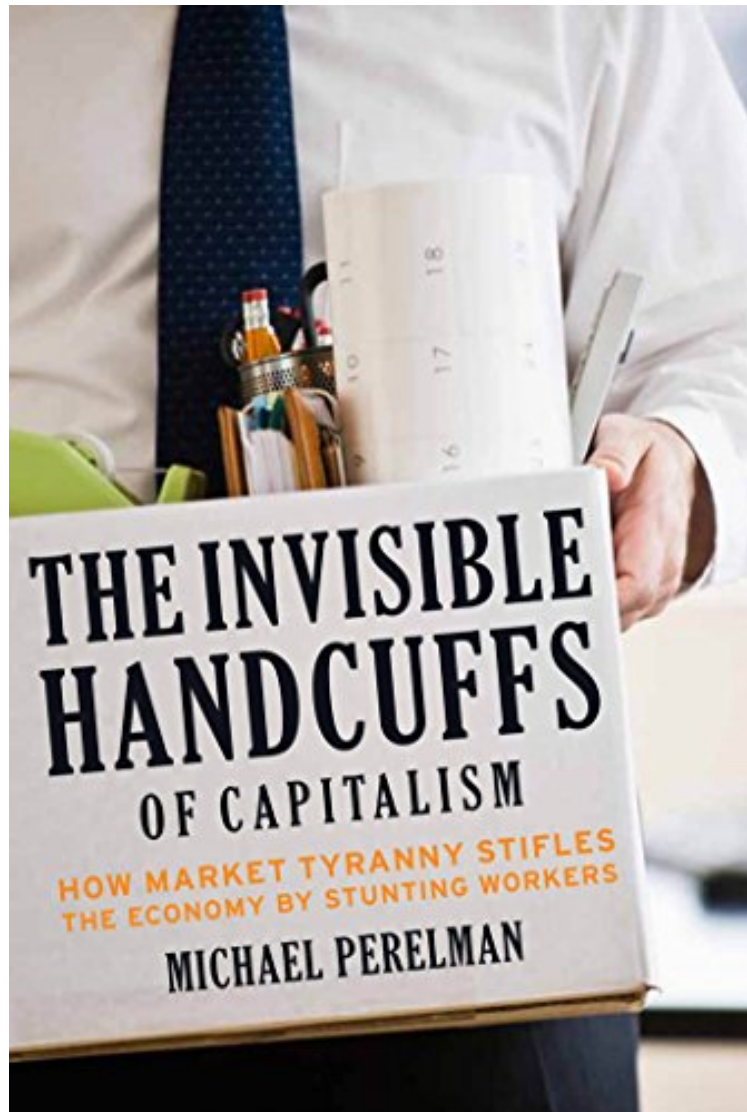


(Mobile ebook) The Invisible Handcuffs of Capitalism: How Market Tyranny Stifles the Economy by Stunting Workers

The Invisible Handcuffs of Capitalism: How Market Tyranny Stifles the Economy by Stunting Workers

Michael Perelman

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Michael Perelman : The Invisible Handcuffs of Capitalism: How Market Tyranny Stifles the Economy by Stunting Workers before purchasing it in order to gage whether or not it would be worth my time, and all praised The Invisible Handcuffs of Capitalism: How Market Tyranny Stifles the Economy by Stunting Workers:

15 of 16 people found the following review helpful. Great book, easy to understand.By B. G.The problem I've found with a good number of books on the subject of economics is that they tend to be fairly dense and contain glaring

omissions. It's always seemed to me that, despite its' insistence to the contrary, if economics is a science, it's a very shoddy one. In general, it doesn't take into account workers or working conditions, instead treating everyone as equal actors engaging in transactions. Perelman's book addresses these omissions and manages to do it in a way that is very easy to understand. He starts off by giving you a rundown of the position he is going to take in the book and giving the reader the very helpful example of the story of Procrustes to illustrate his point. He then goes into a brief history of economics, gradually building the case for his argument before launching into a full-scale assault on the market. Throughout the work, he provides documented instances of how markets and the top-down management structure stifle creativity and he does it all in a style that is very easy to understand. The book is well sourced and researched, but if you don't have access to a university library, you're likely going to find it very difficult to locate some of the material he used. The only complaint I have is that I wish the book was longer, haha.

3 of 5 people found the following review helpful. See more at <https://scottandrewhutchins.wordpress.com/2014/12/29/book-review-the-invisible-handcuffs-of-capitalism-how-market-ty> By Scott Andrew Hutchins

This book has my highest possible recommendation. I think it should be required reading for all people, especially those who adore Adam Smith (but probably haven't read the breadth of his work). Although Perelman does not invoke the term pseudoscience (as "pseudo-science") until page 195, this book is a scathing critique of neoclassical economics as a religious and faux-scientific discipline, and he ties it all directly back to Adam Smith, and back even further to the Greek myth of Procrustes. Although I have been a fan of the Greek myths since childhood (and Edith Hamilton's Mythology was required reading when I was in fifth grade; she glossed over him in two uninterested, antiseptic sentences that didn't grab enough attention of fifth grade boys (albeit most of those who were assigned to read this had been using a reading textbook intended for seventh graders, so we might have been slightly more mature) to get mentioned in class, and the Theseus story in my fourth grade reader, Golden Voyages [designed for 6th graders], started with him volunteering to be sacrificed to the Minotaur), Procrustes was new to me when he was introduced in the classical mythology course I took as an undergraduate student. The best analogy I had of Procrustes at the time, as a film student, was my railing against the reformatting of films for different sized-screens, which seems to have lost, as people watch squashed images on their widescreen TVs, and I did not even create the analogy, but repeated it after I read it. "Procrustean" is a very good term for my right-wing cyberbullies. Who but a Procrustean would tell someone with a master's degree, scoliosis, multiple herniated discs, neurogenic bladder, bilateral sciatica, and bilateral plantar fasciitis to work in a retail/food service job, hard physical labor, or that they should have majored in their weakest subject area (mathematics), in spite of excelling in other disciplines, simply to meet employer demand? I am not a human calculator, and no amounting of cutting or stretching will ever make me one. Troy Van Voorhis, who is now a physics professor at MIT, and I were the stars of my middle school academic team, which had three nearly-undefeated seasons (our few losses were controversial, including the coach of the other team insisting that Troy didn't give the answer to the last question of the game in a timely fashion, which is not what most people heard, which was "Rindash;timendash;p van Winkle."). Each player was allowed in no more than two of four rounds, so we never played the same round. He had the edge on me because I was eventually banned from answering the calculation questions, on which I was ably assisted by Josh Horstman, a math whiz (who got a perfect 800 on his math SAT, though I did quite a bit better than he did on verbal) whom I've mentioned in an anonymous fashion on this blog when what I was saying wasn't so praiseworthy. Back then, my value was seen, but today, those who aren't human calculators are often seen as of little value as a burger flipper, whether one can safely do the job for an extended period or not. That was the late 1980s, when Procrustean ideology was becoming entrenched but had not fully supplanted morality in the marketplace. For a Procrustean, a job is a job is a job, no matter how much it pays or its impact on a person's quality of life, health, or lifespan. It is simply an exchange of disutility (work) for utility (purchasing of commodities), in the minds of these pseudointellectuals. Perelman cites a study by Richard Thaler and Sherwin Rosen discussing the probability of death on the job, citing that there is a downward bias because poor people are more likely to accept dangerous jobs. If, for example, economists had the capacity to plumb the minds of students who are about to graduate with MBAs from elite universities, they could investigate how much more the students would accept from hypothetical investment banking jobs with an annual 1 percent chance of workplace fatality. If such a study were somehow possible, the value of "statistical life" would certainly be higher than estimates for the pool of potential jobs for farmworkers. Thaler quickly realized the weakness of his results. His friends told him they would never accept anything less than \$1 million in return for the increasing their chances of dying by 0.1 percent. Paradoxically, the same friends would not be willing to sacrifice any income to reduce the probability of dying on the job. "How would economists' subjective evaluation of their own welfare possibly change if they found themselves subjected to the imposition of long hours of grueling physical labor? I think any rational person knows the answer" (124). And yet I, with my MA rather than MBA, am supposed to take a job with a high risk of dying (as a fast food job would be for someone with a history of uncontrollable back spasms associated with prolonged standing) for minimum wage? There are some very sick people out there, and we have a system that encourages them called capitalism that should be called Procrusteanism. "Economists seldom realize that, like work, leisure can be productive and that fulfilling work might actually create more utility than leisure. None of that

matters within the theory because economists simply assume that work is nothing more than the loss of leisure" (72). "Within this world," Perelman elucidates us, "an accountant with a college degree could replace a star center on a professional basketball team without a college degree" (109). Overpaid hack Michael Cox thinks it's great when essential workers, such as firefighters, have to work two jobs to be able to afford to live in New York City. "It gives you portfolio diversion in your income," implicitly financializing the job market. Cox one-ups Smith by recasting workers as investors. "If only the poor, benighted workers could figure out how to extend the working day beyond 24 hours, they could divide their work among hundreds of jobs. I wonder how Dr. Cox would feel, however, if groggy but well-diversified firefighters arrived to save his house already so exhausted from their other job that they could not perform their duties effectively" (124-5). "Economists presume that work is simply the absence of leisure, and that only the duration of time on the job creates a negative utility. People are free to adjust their hours of work to maximize their utility per hour of work, as if a worker had the choice to take off work forty minutes early in order to maximize utility. Unemployment, even during serious depressions, reflects an increased preference for leisure over work" [based on Robert E. Lucas, Jr.'s *Business Cycles: The Yjro Januson Lectures* (118). Joseph Schumpeter sees cycles of depressions and recessions as necessary to competition. He is mostly admired for the phrase "creative destruction," while his more challenging ideas, such as this, are ignored (131). "Procrusteanism presents itself as the only way to create prosperity, yet Procrusteanism itself cannot flourish amid prosperity. Prosperity undermines efficiency in a market economy" (130). Drawing on Greg LeRoy's *The Great American Jobs Scam: Corporate Tax Dodging and the Myth of Job Creation*, Perelman tells us that the top 200 largest corporations in 2000 "employed a mere 0.78 percent of the workforce even though their sales accounted for 27.5 percent of world economic activity. That business is not particularly good at creating jobs—especially good jobs—should come as no surprise. Wall Street rewards corporations for eliminating jobs, not creating them. Profits rather than jobs are the highest priority of business leaders" (30-31). And yet they, like Mitt Romney, proclaim themselves the "job creators" and demand huge tax subsidies as rewards for their nonexistent generosity. He cites how the work of John Maynard Keynes (about whom he details quite unpleasantly late in the book, which can easily be summed up in one sentence: "Although Keynes looked forward to a time when people could flourish, his vision of flourishing almost seemed to be limited to those already living in a more refined manner" (285).) is wrongly interpreted as advocating more government spending, when what he said was that government is necessary to create sufficient jobs because business does not produce enough investment to keep the economy healthy (262). Neoclassical economics took a long time to take hold, let alone become mainstream. That it is a pseudoscience is made clear on page 76. Although Smith had tied his version of economics to Newton (196), himself the product of a public education, economists like Henry Dunning Macleod made the leap in the 1860s. Economists quickly (mis)appropriated the mathematics of physics to economics. In the words of one critic [Philip Mirowski] of this effort, "To put it bluntly, the progenitors of neoclassicism copied down the physics equations and just changed the names attached to the variables." Physicists found the economists' work sadly lacking, partly because the economists' model allowed for unlimited growth, while the physical system that they were emulating was restricted by such constraints as the conservation of matter and energy. In other words, economists love their little equations, but they have no basis in economic reality, which is why their models keep coming up untrue, causing massive growth at the top and massive shrinkage at the bottom, particularly the downward mobility of the majority of the middle class since 1980. Of course, this is such a religion that it's the only kind of economics now taught. At my high school, economics was a twelfth grade requirement taught by an Ayn Randian named Andrew Wiggins, who kicked me off the academic team in ninth grade because I was not showing proper deference to upperclassmen with incorrect answers. Because the high school academic game, *The Brain Game*, was shot in the studios of the Indianapolis affiliate, WTHR, they used a really crappy scoring system in practice called Quiz-a-Matic that was far inferior to those we used in middle school, for which we used the same devices in meets and tournaments as we did for practice. The devices we used in middle school allowed the button to be held down while another person was rung in; consequently, the person who hit first and longest on the other team would ring in automatically if the other person missed and had their turn canceled by the proctor. Not so with the Quiz-a-Matic—if you held the button down, it disabled the device, and someone was forced to let up so that someone else could ring in. Since I was a freshman, I was always forced to let up, and in nearly every case, the upperclassman had a wrong answer. The one I remember getting me kicked out, never to return, was "What language did Jesus preach in?" and I was the only one in the room who had even heard of Aramaic, Mr. Wiggins and the team befuddled about the correct answer printed on the sheet. I didn't hold a personal grudge against Mr. Wiggins, and I was, in fact, reading Rush Limbaugh's *The Way Things Ought to Be* in earnest at the time I was taking the class until someone had the sense to take it away from me (I forgot where I left off and never finished reading my replacement, which I eventually hid just in case I had guests who might see it and think I still agreed with him), but our school's academic team did have a pretty lackluster four years, with Troy not on the team by choice and me not on the team by command, all the while, wendash; North Central High School (Indianapolis, not Farmersburg) was rated the best academic high school in Indiana by Redbook in their state-by-state ratings, which the principal

would tout on the morning announcements on a regular basis (upscale rival Carmel, a wealthy suburb immediately to the north, was rated best for sports), so we really should not have had a lackluster academic team. I mention this seemingly irrelevant anecdote because it fits the mentality of mainstream economists so well. On pages 70 and 71, he mentions two economists I find stunning were allowed to have their inanities published in a peer reviewed academic journal: Clark Nordling and Steven Cheung. So devoted are mainstream economists to the idea that all work is a voluntary, even exchange, a dubious notion if ever there was one, that Nordling claimed in *Explorations in Economic History* that children working in factories voluntarily chose to have their employers beat them, while Cheung, writing in *Journal of Law and Economics*, claimed "that riverboat pullers who towed wooden boats along the shoreline in China before the revolution of 1949 agreed to hire monitors to whip them to restrict shirking" (71). It boggles the mind how anyone could take such notions seriously. Perelman cautions us that we must take such notions seriously, even knowing them to be erroneous, because so many with wealth and power take them seriously. Perelman goes on to show us how the Chicago School of Economics routinely rejects empirical evidence that does not fit with their dogma, such as the unscientific dismissals of separate studies by David Card and Alan Krueger and Richard A. Lester (not to be confused with the eponymous brilliant comic filmmaker) demonstrating that increasing the minimum wage does not increase unemployment. Perelman quotes at length from the aforementioned Sherwin Rosen's scienceless dismissal of Card and Krueger on page 82. At no point does Rosen cite any specific flaws or errors with Card and Krueger's data or their analysis of it. He just cannot accept a study that does not fit his dogma, and Perelman cites Deirdre McCloskey and Melvin Reder who have served on the University of Chicago's faculty, talking about how closely the school clings to old theories in the face of empirical evidence. Neoclassical economics is a religion. Card and Krueger shied away from such controversial work for the sake of their careers (81). Perelman further cites the example of William Stanley Jevons's analysis of how working conditions, such as repetitive movements in a factory, have a profound impact on efficiency and productivity. "Jevons's analysis was not that his analysis was imperfect, which it was. Instead Jevons's offense was that he opened a window on the imperfection of the emerging economic consensus about economic theory" (97). Indeed, Rosen lamented that Thaler took his career into behavioral economics, which is more associated with business academia than economics academia, in spite of the name, dismissing Thaler's later work as wasted on trivialities (107). Merton Miller, another of the Chicago faculty, refused to even speak with Thaler or Card and Krueger but leveled heavy and vague criticism against the latter pair (107). Circular reasoning, universally recognized as illogical, is a favorite tool of right-wing nutjobs, and economists are no exception. George Stigler, highly admired by the pathological liar Thomas Sowell, who was his student, "and his allies used enough invective to satisfy their colleagues that Lester must be wrong because his data was inconsistent with their theory" (81). "Lester and Card did not fail to convince their fellow economists because of errors in their work. Most economists either ignored their results or, worse yet, rejected them out of hand because they conflicted with their cherished beliefs" (82). "The example of a statistical life illustrates the opportunistic ways economists avoid looking into questions regarding, work, workers, and working conditions except when they can cherry-pick some useful results" (106). "Stigler did not mean the leisure and health of the workers, but that of their employers. CEOs often trade profitability for personal vanity—golf, private jets country clubs. Stigler wants us to ignore waste—[and] declared that unless economists can wrestle waste onto a simple mathematical box, economists must not take such a 'mighty methodological leap'" (102). "[Harvey] Leibenstein's sin was to suggest a line of research that would require economists to look at the way things are produced rather than confining themselves to the transactional side of the market" (103). One of my cyberbullies, #Capitalist Ramses @niebais1 on December 18, 2014 said "These new founded economists have never done due diligence on reality. It's sad to see guys like that publish papers or books." (<https://twitter.com/niebais1/status/545617687276052481?cn=cmVwbHk%3D>) He is part of the same religion to which Mr. Wiggins was presumably subscribing, since it's the new economists who challenge the orthodoxy who are using empirical evidence instead of dogma. The so-called liberal "media rarely notice deaths in the workplace or the prevalence of poor working conditions; The maximum punishment for willfully violating safety laws is a six-month sentence, half the maximum for harassing a wild burro on public lands" (58). "When such disasters [as Bhopal] occur, workers suddenly come into the forefront—not so much as victims, but rather as culprits who are supposed to bear the ultimate responsibility for the damage. Unmentioned is the nearly forty-year effort by employers to disempower unions left workers and regulators with less opportunity to effectively push for improvements in workplace safety" (60). He notes that the only workers covered in newspapers, in spite of large business sections, are professional athletes that most newspaper readers can't afford to see at work, anyway, which also fits for almost anyone whose career is covered by the arts and entertainment section of the paper (108). The Wall Street Journal once had an article honoring Bonnie Lovelette Rooks, who was still working as a janitor at a steel factory at the age of 79 because she needed the money to pay for her health care. "The tone of the story was not an expression of sympathy for Ms. Rooks; instead, it exuded and appreciation for the potential of extending working years worthy of Procrustes. Business has good reason to applaud the long career of Ms. Rooks, although she has less cause to appreciate the economic conditions that left her with so

much responsibility for an unaffordable medical system" (127). Before modern technology was important in production, considerations of labor were of great importance to economic thinking. The early political economists (as economists of the time were known) advocated policies to increase the amount of work, which, in turn, would make the nation more prosperous. Either directly or indirectly, they supported policies to drive people from producing goods for their own needs, forcing them to work for wages. These economists were also unanimous in their support for extending the workday as long as was humanly possible (61). Workers were not thought of as people, and their day-to-day experience was seen as irrelevant; Smith lumped them in with working cattle (62). Differences of skill or the intensity of work did not often enter into their analysis (63). Although workers were producing outputs that would have been unimaginable in Smith's day, their wages were far from commensurate with their productivity. In the shadow of this new form of industry, class lines were hardening. Traditionally, workers had a chance to prosper by beginning as independent artisans and eventually becoming small employers in their own right. In modern industry, traversing the path from shop floor to the main office was unlikely, even with the utmost perseverance (65). And yet, this myth is ingrained in most of us, at least in the Anglo-Saxon world, from a very young age. How realistic is Smith's vision? Perelman asks us. In a small island village in which industry only consisted of artisans producing on a small scale, a market society might have worked in the way Smith suggested. In such a world of micro-businesses, the ratio of workers to employers would be small. Under such conditions, young workers could reasonably expect that with diligence and a bit of luck their time as a wage laborer might be relatively short. Such an economy has probably never existed (159). Many cases do exist in which very bright, hardworking people are able to leverage their talents and opportunities into positions of authority. These exceptions serve to make the existing social pyramid less vulnerable to questions about fairness (278). These are exceptions that prove the rule. If it were not the rule that such things do not normally happen, the media would ignore it when it happens. The problem, however, Perelman explains with the American myth, is that the "normal" life cycle of labor that Smith imagined precludes a world in which large operations became common. If only relatively few rungs at the top are open to the many at the bottom, how could the typical young worker expect to ascend the ladder of success merely through hard work and diligence? (160). Adam Smith, the Procrustean prophet, insisted that individual virtue rather than social influences determine people's fate. The truth was (and still is) that members of the lower class had little chance of succeeding in business, even with a high degree of virtue. Today, in California, you can see farm workers sweating in the fields under the 100-degree sun. Nobody can doubt what these people are doing is difficult, but despite their hard work, their chance of material success is slight. Yet Smith seemed bewildered about why many poor people would express their discontent. The real surprise should be that people accept their lot in life while others wallow in obscene luxury. (188) For the most part, talent and strong work ethic alone are rarely enough to ensure success. Successful people almost invariably have received a crucial boost from some preexisting connections. The importance of such connections becomes obvious when well-connected people, no matter how undeserving, enjoy meteoric success (278). In the United States today, rewards are certainly not commensurate with contributions to society. How could anyone rationally explain why schoolteachers or nurses earn less than advertising executives or stockbrokers? (279) The exclusion of work, workers, and working conditions was not simply an accidental oversight. It served an important purpose in defending capitalism from accusation of exploitation. The radical shift from labor to the extreme subjectivity in which unmeasurable consumer preferences became the center of economic analysis scaled labor's marginalization in the theoretical world of economic theory. Other fields, such as sociology, industrial relations, or psychology might seriously explore questions of work, workers, or working conditions, but economics would not (86). In one sense, Perelman tells us, the neglect of working conditions in economic theory is ironic; very conservative economists insist that the discipline of work will improve people's character. This improvement extends beyond strictly economic welfare to people's moral and ethical qualities. This belief was a major justification for the "reform" of the welfare system, which was intended to drive more people into the job market. The intended beneficiaries were supposed to be the workers, whose human capital and moral character would improve through workplace discipline. The proponents of this policy never hinted that the inflow of additional workers into the job market would force wages down (97-98). Business leaders added that workers actually benefit from long hours because the restriction of leisure makes workers better people (123). In reality, Debauchery was not really a central concern for economists. If it were, they could just as easily look up the social ladder rather than concentrating their moral scrutiny on the less fortunate (124). Why in the world should anybody believe that only a few bad apples exist within the upper reaches of society, while the rest of the population, which did not cause the problem [the Great Recession], requires strict discipline? (298). The double standards advocated by neoclassical economists are enormous. Economists such as Arthur Hadley were reading Marx and publicly disagreeing, but advocating the creation of trusts, cartels, and monopolies, as well as government regulation to protect the railroads [which had been repeatedly going bankrupt] from the ravages of competition. Ironically, these same economists were simultaneously defending and refining mainstream economics rather than the railroads. They published articles and textbooks to "prove" that an unimpeded market economy is both just

and efficient. In effect, they produced one kind of economics for political and business leaders and another for workers, telling them why they should accept the market" (68). "Their critics accused economists of being too abstract and remote from the concerns of the real world. Business people rebuked them for not offering practical advice, while workers understood that economists were siding with business in its struggle with labor" (74). "The exclusion of labor was central to making the case that the system was just. Wages were treated as part of a voluntary transaction, just like any other" (79). On the same page, he shows that[E]conomists still cannot prove that the market system is efficient in the way that most people understand efficiency. Instead, economists define an efficient economy to be one in which nobody can be made better off without harming anybody else. This restrictive definition rules out any consideration of redistribution. To take a dollar from the richest person in the world, who would hardly notice the loss, and give it to a starving person would not constitute an improvement by this standard. In contrast, a policy that would make this same rich person better off by \$1 billion would represent an increase in efficiency, even if nobody else got anything. Because nobody else was made worse off, what could be the problem? This ridiculous argument may be Perelman's hypothetical, but he demonstrates how Harvard economics professor and controller of the National Bureau of Economic Research, Martin Feldstein argued exactly this point in a paper called "Reducing Poverty Not Inequality." The windfall for such a rich person would still count as an improvement in efficiency, even if it would harm the (non-market) quality of life for many others. An example would be if the wealthy could use their funds to bid up rents that could drive many people out of their neighborhoods. In effect, then, this new kind of economics became a science of justifying inaction in the face of demands for a more equitable society" (80). This is a real problem in New York City. Gentrification is forcing more and more people into the shelter system who had never previously been homeless, and the reason progressives seem unable to stop it is because this gross inefficiency is seen as the epitome of efficiency by the religious zealots of Procrusteanism.

Economic "proofs" that insist that market principles automatically maximize efficiency "depend upon hopelessly unrealistic assumptions," which results in the allegations that they have not been fully executed (248). It is not possible to prove market efficiency without accounting for time (90). As examples of atrocious scholarship on the part of mainstream economists, Perelman found only twelve mainstream economics articles on JSTOR from 2004 to 2008 mentioning working conditions, of which only two (the other ten mentioned the phrase in passing) dealt with working conditions even as a minor aspect—one disputing hideous working conditions of child laborers abroad, one stating "that factory working conditions were good," citing an economist of the mid-nineteenth century (87)! A big part of the problem is that students of economics are poorly educated indoctrinated. "More recent economics textbooks [say] that growing productivity of labor should show up in higher wages. Higher wages, in turn, allow more workers to enjoy more commodities. Textbooks continue to tell this story even though hourly wages corrected for inflation have remained flat for more than thirty-five years, despite enormous increases in productivity" (119). It is shameful that textbook authors are allowed to continue to promulgate this lie. Oxford put an imbecile into its inaugural Drummond Chair. Nassau Senior, misusing data from manufacturers, claimed that reduced time on the job would reduce output without reducing input, thus destroying both net and gross profits (129). "Whenever facts do not follow the logic of their theory, economists rely on their ingenuity to find explanations. They can always conjecture that preferences have changes. Perhaps, for some reason, leisure is less desirable today than it was in earlier times, thus people would choose to work longer hours for more commodities" (120). Edward Prescott disgraced the Nobel Prize, claiming in "Why Do Americans Work So Much Less than Europeans?" that workers in the U.S., in Perelman's words, "should work more hours because taxes were lowered, increasing the advantage of work" (120). "Economists must presume that consumers behave as emotionless geniuses in calculating utility to make their theories 'work'; and thus justify Procrusteanism" (147). "By assuming consumers made the sophisticated calculations necessary to maximize utility, economists were able to satisfy themselves that they were on solid scientific ground" (85). These assumptions have been disproven by behavioral economists, who, as mentioned, have been marginalized for not reinforcing the dogma (citing Janet Yellen, "Implications of Behavioral Economics for Economic Policy"). "From the perspective of Friedman and Wriston, the behavior of the French regarding the length of the workday was proof that common people are incapable of understanding what is in their best interests (in con3 of 23 people found the following review helpful. Best case made for capitalism - ever! By tumiwisi It is difficult to imagine a case argued in a less convincing, and more illogical manner. It's a mixture of 1930's agitators in Hyde Park and today's Fox News/Koch brothers propaganda. The latter in reverse, of course! The book has some entertainment value, especially the parts where author tries to push "to everybody according to his needs" idea in a way that would make Karl Marx turn in his grave. It's not easy to say if the book has been written by agent provocateur or a simpleton. All the corrupt bankers, politicians and organized crime masquerading as a legitimate business (i.e. any with EBITDA over \$5B) could not have made a better case for "free-market" capitalism if they tried.

Mainstream, or more formally, neoclassical, economics claims to be a science. But as Michael Perelman makes clear in his latest book, nothing could be further from the truth. While a science must be rooted in material reality,

mainstream economics ignores or distorts the most fundamental aspect of this reality: that the vast majority of people must, out of necessity, labor on behalf of others, transformed into nothing but a means to the end of maximum profits for their employers. The nature of the work we do and the conditions under which we do it profoundly shape our lives. And yet, both of these factors are peripheral to mainstream economics. By sweeping labor under the rug, mainstream economists hide the nature of capitalism, making it appear to be a system based upon equal exchange rather than exploitation inside every workplace. Perelman describes this illusion as the "invisible handcuffs" of capitalism and traces its roots back to Adam Smith and his contemporaries and their disdain for working people. He argues that far from being a basically fair system of exchanges regulated by the "invisible hand" of the market, capitalism handcuffs working men and women (and children too) through the very labor process itself. Neoclassical economics attempts to rationalize these handcuffs and tells workers that they are responsible for their own conditions. What we need to do instead, Perelman suggests, is eliminate the handcuffs through collective actions and build a society that we direct ourselves.