Bugs in the System

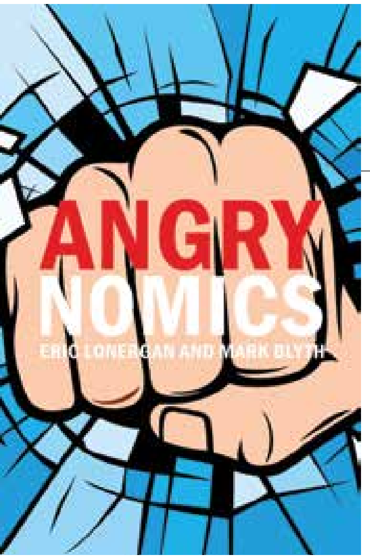
DESPITE WHAT its title may suggest, *Angrynomics* is about more than just anger and economics. In fact, it's composed of three interrelated topics: a history of capitalism over the past 150 years, an analysis of the current discontent (the anger), and a set of proposals for the future.

The book is a series of captivating short stories and "Platonic dialogues." Designed for the broader public, the work grounds itself in the academic research of many fields and authors, including economists Michal Kalecki and John Keynes, historian Karl Polanyi, psychiatrist Aaron Beck, and philosopher Martha Nussbaum. The authors need every ounce of this intellectual power to pursue their ambitious goal: unearthing the causes of current economic anger and proposing ideas on how to address it.

Eric Lonergan and Mark Blyth open by distinguishing "good" from "bad" public anger. So-called good anger stems from moral indignation against societal violators, while bad anger is an irrational, tribal energy manipulated for political ends by populist politicians. In the authors' estimation, recent public anger has been (mostly) good, due to macroeconomic trends (wage stagnation and inequality, asset bubbles) and indignation over the biased responses to the global financial crisis a decade ago. Although written before the global pandemic, the book also provides a framework to analyze the effects of the COVID-19 crisis, something that has only further inflated micro stressors on top of macro challenges.

The authors argue that throughout recent history the system of capitalism can be likened to that of a repeatedly crashing computer. But in contrast to previous systemic crises like the Great Depression or 1970s-era stagflation, the capitalist system never successfully rebooted after the global financial crisis. This means that while governments successfully repaired Capitalism 1.0 (pre–Great Depression) and Capitalism 2.0 (the Keynesian period), Capitalism 3.0 (our neoliberal period) was unable to reset after bugs crashed the system.

And what exactly were these software bugs? Wage stagnation, asset bubbles, excessive bank leverage, and inequality. The book highlights this well but could also have delved deeper into the changing political economy, since such outcomes are a product of the economic system itself, as well as the consequence of events that changed the political landscape.



Eric Lonergan and Mark Blyth
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The final section is dedicated to proposals, including helicopter money, dual interest rates, fiscal councils, raising money from licensing, sovereign wealth funds, and carbon taxes. Unfortunately, most of these measures have been proposed before and include well-known economic drawbacks. Yet the authors' most intriguing idea is the sovereign wealth fund, which they propose governments use more aggressively by harnessing low (or negative) interest rates on public bonds to invest in the stock market. The COVID-19 crisis offers a good opportunity for these funds because interest rates on safe assets are even lower and stock prices are depressed.

Overall, *Angrynomics* provides a good lens to understand the current political events in a broader context. It is also remarkably prescient, given that it outlines a conceptual framework of micro and macro stressors that may soon allow us to understand the implications of the unprecedented COVID-19 crisis. FD

ANTONIO SPILIMBERGO, deputy director, IMF Research Department