

# KIRKUS REVIEWS

## TITLE INFORMATION

### THE IMAGINARY ECONOMY

*A New Conception*

Mario Fabbri

Translated by Mario Fabbri and Alan Nixon

La fabbrica delle illusioni srls (165 pp.)

## BOOK REVIEW

An independent scholar critiques mainstream economics and proposes an original explanation for the rise of service-sector employment.

By “imaginary,” Fabbri (*The Downfall of Nations*, 2016, etc.) means “the growing part of the economic system that claims to be ‘productive’ and is not.” The “real” economy means tangible goods—agricultural and manufactured products. The text minimizes jargon and is free of mathematical formulas but contains a dozen simple graphic illustrations. The author opens with a chart showing U.S. per capita gross domestic product growing at an “incredibly stable rate of about 1.9% per year for 170 years.” Deriding economists’ “tradition of ignoring what they are unable to explain,” Fabbri devotes a third of his book to proposing psychological, sociological, and physical/time constraints that create a “*speed cap for assimilating new forms of consumption*.” As technology-driven productivity growth outpaces consumptive capacity and eliminates workers, society invents new, unproductive jobs for them in the imaginary economy. In the second section, the author discusses how this phenomenon operates at micro and macro levels and can stimulate or harm economic development. The final section explores how the imaginary economy produces inefficiencies and irrational thinking. Fabbri displays broad economic fluency, quoting diverse sources, including Thomas Malthus, Adam Smith, Friedrich Hayek, and Paul Samuelson. He identifies the Swiss historian Simonde de Sismondi as advocating moderate economic growth 120 years before John Maynard Keynes formulated his monetary theories. Curiously, the author never mentions Allan Fisher, Colin Clark, or Jean Fourastié, pioneers of three-sector theory—economic development’s progression from raw materials to manufacturing to services. Fabbri, a gifted storyteller, advances his arguments primarily through parables. The text, translated from the Italian by the author and Nixon, reads easily. Fabbri blends logic and humor to inform and entertain. Alas, his anecdotal approach and narrative brio can carry his new conception only so far. His disdain for mathematical economics (one essay is titled “On the futile use of mathematics in economic theories”) precludes testing or proving his concept, much less developing it for predictive purposes.

The author uses bold strokes to sketch a contrarian view that lay readers will easily grasp, but economists are unlikely to embrace his ideas without more quantitative evidence.

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