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Have Economists Gone Mad?

Public lecture by

Paul Ormerod

Monday 22nd June 2009 at 5.30PM
Lecture theatre M405, James Weir Building,
75 Montrose Street, Glasgow G1 1XJ

There has been tremendous turmoil in the world economy. The most obvious example of this is in financial markets. But overall output is also now falling sharply, in countries like Japan and Germany faster than at any time since the 1930s.

It seems obvious that these economies are not in a state of equilibrium, where everything flows smoothly. We are a long, long way away from any sort of equilibrium. And in the build up to the crash, we were out of sync in the other directions, with huge asset price bubbles, and unsustainable build ups of debt.

What does mainstream economics have to say about all this? The answer, contrary to what most people might very well say when prompted is not “nothing”. It is even worse. The intellectual concepts which underpin modern macroeconomics became increasingly influential in central banks around the world in the run up to the crash, and bear a heavy responsibility for it.

In accessible terms, Paul Ormerod describes what has been going on in macroeconomics, and why it deserves the description “mad”.

Paul Ormerod is the author of *Death of Economics* (1994), *Butterfly Economics* (1998) and *Why Most Things Fail* (2005), which was named a US Business Book of the Year for 2006 by Business Week magazine. Paul is also Director of Volterra Consulting, a London based economics consultancy (www.paulormerod.com).

Venue: the lecture will take place at 5.30PM on Monday 22nd June 2009 in Lecture theatre M405, James Weir Building, 75 Montrose street, Glasgow G1 1XJ. A wine reception will follow at the Institute for Advanced Studies, Level 1, James Weir Building.

Participation: attendance is free and open to all but registration is compulsory as places are limited. If you would like to attend please email: participate@instituteforadvancedstudies.org.uk.