Western capitalism is in crisis. For decades investment has been falling, living standards have stagnated or declined, and inequality has risen dramatically. Economic policy has neither reformed the financial system nor restored stable growth. Climate change meanwhile poses increasing risks to future prosperity.

In this book some of the world’s leading economists propose new ways of thinking about capitalism. In clear and compelling prose, each chapter shows how today’s deep economic problems reflect the inadequacies of orthodox economic theory and the failure of policies informed by it. The chapters examine a range of contemporary economic issues, including fiscal and monetary policy, financial markets and business behaviour, inequality and privatisation, and innovation and environmental change. The authors set out alternative economic approaches which better explain how capitalism works, why it often doesn’t, and how it can be made more innovative, inclusive and sustainable. Outlining a series of far-reaching policy reforms, Rethinking Capitalism offers a powerful challenge to mainstream economic debate, and new ideas to transform it.

With the rise of populist protest movements across the west, and the hard realities of stagnating real wages and entrenched inequality, it is plain that modern capitalism is not working. A new theoretical and policy roadmap is urgently needed. Rethinking Capitalism is an invaluable contribution to the challenging tasks ahead.

WILL HUTTON Principal of Hertford College, University of Oxford, and author of The State We’re In

A fine collection by leading progressives on what went wrong - low growth, flagging investment and innovation, too few jobs and too much carbon - and what might be done. May it close the door on the failed “mainstream” and open another, toward a fully-integrated, uncompromising, radical view of economics and economic policy.

JAMES K. GALBRAITH Lloyd M. Bentsen, Jr Professor in Government and Business Relations, University of Texas at Austin, and author of The End of Normal: The Great Crisis and the Future of Growth

"The economies of developed countries face profound problems, including congested and polluted cities, deep inequalities, and sluggish growth. And the next twenty years will have to see severe cuts in greenhouse gas emissions if we are to have any serious chance of avoiding dangerous climate change. Economic policy must change radically and quickly if we are to tackle these deep and inter-related problems. That means, in turn, a deeper understanding of the workings of our capitalist system. This book is a very valuable and thoughtful contribution to these crucial tasks."

LORD NICHOLAS STERN Patel Professor of Economics and Government at the London School of Economics, and author of The Economics of Climate Change: The Stern Review

MICHAIL JACOBS is Visiting Professor in the School of Public Policy and Department of Political Science at University College London

MARIANA MAZZUCATO is RM Phillips Professor in the Economics of Innovation at SPRU, University of Sussex

"Thought provoking and fresh - this book challenges how we think about economics.”
GILLIAN TETT, Financial Times