VAROUFAKIS, Yanis, 2015, *Economía sin corbata. Conversaciones con mi hija*, Barcelona, Editorial Planeta. 191 pp.

The first edition of this book was published in Greek in 2013, before the author was appointed Minister of Finance and put in charge of his country's debt negotiations until June 2015. The academic and the politician in Varoufakis are coherent and consistent: just as he did when leading the negotiations with the European Union and international financial institutions, in this book, he demonstrates theoretical and applied knowledge, as well as an understanding of history and clarity in communicating his ideas. This work promotes reflection and transformation and is written in a manner that is accessible to the public at large. Using an alternative (nonstandard) vision of economic analysis, Varoufakis analyzes the origin of some of the problems that affect many economies.

This is not a strictly academic book since it does not have the structure, the formalities, and the bibliographic references of such a publication. For example, only K. Marx and J.J. Rousseau are mentioned explicitly; however, hidden behind many of the paragraphs are allusions to a variety of different classic economists: J.M. Keynes, M. Kalecki, and other post-Keynesians, Marxists, and neoclassical thinkers. Despite this, the book may become additional reading material for both introductory and advanced courses in economics and for economists and students in other disciplines. It is worth pointing out that (though with less depth and breadth) it follows in the line of a book that is now unfortunately forgotten by economics courses: *An Introduction to Modern Economics* by Joan Robinson and John Eatwell (1976).

Varoufakis' book is divided into eight chapters, an introduction, and a final section in the form of an epilogue. To a large degree, it follows the structure of books written by classical economists that start with the analysis of productive structures and the distribution of income and then go on to analyze the problematics of value and prices; the importance of debt, profit, and wealth; confidence, crisis and the state; the role of machines and, in particular, that of technology; an analysis of the particularities of work and money markets; and, finally, environmental problems in modern societies and the possibilities of crises in financial markets.

While standard economic texts begin their analysis with the factors that explain consumer behavior and demand and go on to discuss supply and the equilibrium of markets, here we are reminded that the focal point is in the sphere of production, which was initially agricultural 12,000 years ago. Furthermore, improvements in the ways that land was used generated an agricultural surplus that over time led to the development of writing, debt, currency, states, armies, clergy, bureaucracy, and technology. While surpluses led to all these developments, they also gave rise to inequality and the concentration of wealth and income in a few hands and territories.

The second chapter discusses the issues of value and prices. For the author, the triumph of exchange values over experiential values transformed the world since it brought an end to feudalism and its scourges and brought to the forefront ideas of freedom, the abolition of slavery, and the possibility that technology would produce sufficient goods for everyone. Market societies emerged when work, the means of production (capital), and land were commercialized, acquiring exchange value. Nevertheless, the industrial revolution that resulted from this process generated more wealth but also increased inequalities.

In the third chapter, "Debt, profit, wealth," the author takes us into the realm of macroeconomics. Here, he colloquially presents the principle of effective demand with respect to Say's law, in which supply generates its own demand. If there is no spending, there is no demand or production. Moreover, he takes a step forward by returning to Kalecki, when he points out that in order to obtain profits, there has to be more expenditure through increased consumption and investment. In post-Keynesian academic language, businesspeople earn more when they spend more; but how can one spend more than one initially receives? Receiving money in exchange for commitments for future payments - the origin of debt - fueled the industrial revolution, which created a great deal of wealth but also a great deal of unhappiness (p. 60).

The chapter on confidence, crisis, and the state analyzes the process of indebtedness but from the point of view of the bankers who cross the line of time and take the value of the future (still not created), transferring it to the present and lending it to the businessperson (p. 64). They can also create credit without necessarily possessing the deposits required to do so. Furthermore, the author also reminds us that excessive confidence can prompt bankers to overextend themselves in interest rates and in the volume of credits, which creates bubbles that later lead to crash and crisis (H. Mynsky). This chapter ends by reminding us that the generation of wealth is the result of a collective effort by businesspeople, workers, and the state to make this possible. The latter, the state, is a friend of the bankers and will end up saving them and enabling their negligence (moral risk).

Chapter five, entitled "Bewitched Machines," starts by highlighting the tendency to invest evermore capital and technologies (K. Marx), which leads to an intense process of capitalization but also makes us accessories of machines (p. 89). Still, this process of the substitution of the workforce by machines, which might be the dream of any employer, would result in the destruction of the market society since it would push down the value of manufactured products and lower profits (p. 96). The possibility of a financial crisis, summarized in the previous chapter, is augmented here by factors relating to the fall in the rate of profit, overproduction or under-consumption, and problems of effective demand in Keynesian parlance. It is obvious that for any rigorous academic, all these explanations would be superficial and incomplete.

Chapter six goes into more depth on the particularities of the labor market and money. It is noted that the final result of greater or lower levels of labor market contraction depend on whether optimism or pessimism prevails. A reduction in workers' wages will not increase employment since the pessimism of businesspeople will probably predominate because of the lack of buying power. On the other hand, if pessimism dominates, a fall in interest rates will not lead to higher levels of investment and employment.

Chapter eight describes the effects of deflation, which increases the negative impact of interest rates by compounding the impossibility of payments and crises. The example of the role of money in a prison (pp. 153-160) is interesting but not very useful for introducing the subject of deflation. Chapter seven, "Idiot Viruses?" deals with how humans affect their environment. Market society is the worst enemy of the planet earth due to the predominance of private interest over the public good (p. 132). Various alternatives are discussed, rejecting privatization, to deal with these problems.

The epilogue provides a good ending to the book: the author invites his daughter (in reality, the readers) to choose – in an analogy to the first film of the *Matrix* trilogy (1999) – between taking a blue pill or a red pill. With the blue pill, one would live "in the deceptive lie of what is said in economic manuals, by serious economic analysts, the European Commission, the advertisers of success" (p. 187). The red "offers you the mentality and vision of this book, and a difficult and dangerous life that awaits you" (p. 187). The economy, the author points out, is more similar to astrology and theology than to astronomy. One has to be careful about the capacity of economists to construct ideological inventions that appear so scientific that they are able to efficiently conceal the truth about the functioning and secrets of market societies. "The theories of economists weave a *Matrix* that makes it impossible for you to see the truth of society that determines you"* (p. 191).

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* Translations in this paragraph are by *Apuntes*.

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