

I. *The Market Myth* –Tomas Björkman's penetrating and far-sighted analyses of the market¹

During Christmas, one of the things I did was to amuse myself by reading [The Market Myth](#) (Fri Tanke, 2016). It was written by [Tomas Björkman](#), i.e., the man behind [Ekskäret Foundation](#) and a great deal of other things. And let me state straight away that it is an excellent and remarkably readable little book (166 pages).

But what is it about? The title actually says it all. Translated into Swedish, the title could be *Myter om marknaden* [*Myths About The Market*]. Personally, I am not very fond of the modern use of the word “myth”, but Tomas Björkman uses it in a sense that is synonymous with concepts such as fallacy, delusion and illusion.

At the same time, there is a point in talking about myths about the market, even if by “myths” one were primarily referring to some sort of tales of gods. Because in our modern times, the market has come to occupy a very powerful position in a modern pantheon where Mammon, as the supreme god, promises his believers happiness and fulfilment through eternal economic growth.

But Björkman does not make such sweeping analyses. Although he has been heavily engaged in business through the years, he has a science degree in physics. And, true to his education, the reasoning in his book is factual and rigorous.

In a way, one could say that Björkman's book is a brick made with very little straw. But some very fine straw. For my own part, I described this “straw” in the afterword to [Den vise VD:n](#) [*The Enlightened Executive*] through the assertion that, “When it comes to the economic system, the central issue is not that it works the way it does, but whether we want it to work the way it does. And if its consequences lead us to decide that it would be better if it worked in a different way than it currently does, the conclusion is that we should try to reconstruct it.”² The primary target of my critique is thus the “ubiquitous belief that the economic system must work the way it currently does. That is to say that it is essentially a system as unalterable as the laws of nature.”³ And then I add: “But the economic system is and remains a so-called social construct, i.e., people have constructed and invented the institutions which, put together, constitute the economic system. But because these social inventions are part of a long historical process, we perceive them as fixed – i.e., as something that has always been the way it is – and not as something that was constructed and therefore can be reconstructed.”⁴

In other words, Björkman's straw is the realisation that the market (to be clear, he speaks primarily about the market and not the economic system) does not work

¹ A Translation of *Nyhetsbrev 1-2017* (<http://www.edris-ide.se/nyhetsbrev/arkiv/nyhetsbrev-arkiv-12017/>). Translation: Christian Andersson (christian.andersson@linguro.com)

² Karl-Erik Edris, *Den vise VD:n*, (Edris Idé-Förlag, Trångsund, 2005), p. 346.

³ Ibid. p. 346.

⁴ Ibid. p. 346.

the way it does because it is some “natural” or fixed state, but because it is a social construct, and a constantly evolving social construct at that. Furthermore, according to Björkman our awareness of this fact is at best vague, but often close to non-existent. The natural consequence of which is that our feeling of powerlessness before the market assumes the kind of proportions it would if we were faced with a natural law such as gravitation. And our ability to conceive of possible improvements of the market's way of functioning is practically paralysed by such an attitude.

My favourite example of a fundamental flaw in the economic system is the way we calculate profit. But I am not thinking like a flustered accountant who believes himself to have found some serious bookkeeping mistakes; rather, I am thinking along the following lines: If one places oneself outside the economic system and views it as a feedback system, anyone understands that profit acts as positive feedback. Simply put, profit is the endorphins of the economic system, and the business behaviour that maximises profit stands out as that which is most desirable to repeat.

But in reality, man's profit-driven aggregate economic behaviour has consequences that are very troubling. Sure, prosperity is increasing for many people, but the environmental problems, the climate consequences and the growing wealth inequality, which is politically very difficult to address, do not make it easy to say that our way of calculating profit encourages the right kind of economic behaviour. Based on the state of things, even a moderately talented systems designer should be able to deduce that our way of calculating profit clearly obscures massive costs. That we are in fact depleting the earth's resources while at the same time we find ways of calculating that allow us to perceive it all as something that can rightly be described as profit.

And in my more detailed discussion of these issues in the afterword to *Den vise VD:n*, I come to the drastic conclusion that, “profit must be the result of economic behaviour worth repeating. And economic behaviour not worth repeating shall give rise to loss. If this does not work, the system loses contact with the economic reality in which we humans are immersed. And then we are no longer talking of mere economising, but of devastation.”⁵

Even though Björkman touches upon this type of overarching perspectives on the economy towards the end of his book, he does not start there. Instead, he takes the following seven markets myths as his starting point:

1. The invisible hand makes sure that the market is fair and maximises the common good in society.
2. The market takes care of long-term interests, and is doing so by taking everyone's interests into account.
3. The market creates diversity and freedom of choice.

⁵ Ibid. p. 346.

4. The agents in the market are rational decision makers maximising their individual “utility”.
5. The market tends towards equilibrium where supply and demand meet.
6. Private for-profit corporations will always be the best organisations for maximising efficiency and creating wealth, and their way of functioning can never be changed.
7. That the “free” market is a natural system.⁶

And then he takes on the extraordinarily interesting task of investigating three types of gaps or unexplored contradictions. The first gap is that between the market myths and the neoclassical market model, which is so prevalent in economic thinking. The second gap is that between the neoclassical model and the market that actually exists. And the third is the gap between the existing market and other possible markets.

But before he delves deeper into this task, he elucidates very well the assumptions upon which the neoclassical model is predicated. I will not bring them up here, but shall confine myself to quoting Björkman's penetrating observation that:

“The problem is not that the economist had to make a number of unrealistic assumptions; the problem is that most of us today are not aware of that they are just unrealistic assumptions necessary for the model to work. We start to believe that the assumptions are actually the way the market works, or at least ‘ought’ to work.”⁷

To be able to launch a forceful attack on the delusions about the market that make us highly susceptible to the belief that the market ought to function in accordance with the unrealistic assumptions made in order for the neoclassical model to be able to use advanced mathematics – and hence give a scientific impression – as well as the belief that we are rather powerless before a market all but bound by natural laws, Björkman supports his argumentation mainly on sociologists Peter Berger and Thomas Luckmann and philosopher John Searle.

In the 60s, Berger and Luckmann published a pioneering work entitled *The Social Construction of Reality*⁸, and using its theses Björkman clearly describes the process of how the incremental growth and evolution of the economic system and the market throughout the generations becomes entrenched in people's minds. A living historical process where all system-development decisions – which have been made under specific historical circumstances that have often been characterised by crises, and where the decisions therefore are developed as temporary ways of dealing with a specific problem – morph into a kind of “facts”, i.e., into what one perhaps might call “this-is-how-it-is-and-must-be conceptions”.

⁶ Tomas Björkman, *The Market Myth*, (Fri Tanke, 2016) p. 19.

⁷ Ibid. p. 53.

⁸ Peter Berger and Thomas Luckmann. *The Social Construction of Reality*, (Anchor Books, New York, 1967).

And when this has happened, the market appears to be “finished”. It has in other words become an institution which is not primarily problematised; instead, its foremost advocates busy themselves with ideological legitimisation, that is, justification of why things are and must be the way they are.

But Björkman does not stop there; he wants to burrow deeper into an even more detailed understanding of the market and how it might be possible to break apart the rigid and powerlessness-inducing understanding of the market. His first step is to compare the market to football. A comparison which, of course, is about the market being a rule-governed activity in the same way that football is a rule-governed game. And that is not all. Just as we cannot play football without rules, so we do not have a market without rules.

And there is yet another parallel between the rules of football and the rules of the market, in the sense that they were not handed to us by God on stone tablets at the dawn of time. Rather, they have been chosen by – and are every now and then changed by – humans who for one reason or another think that a change is warranted. And in this context, Björkman makes the essential remark that, “we sometimes get blinded by all the rhetoric about free markets and forget that what makes it ‘free’ is paradoxically a set of agreed boundaries, goals and legal frameworks.”⁹

Björkman also highlights several sets of rules which are central to the forming of the free market. And as examples he mentions:

- What can be known and traded. The human genome? Humans? Nuclear materials? Babies? Votes? Ideas? Patents? Or how about sex, firearms or narcotics?
- The terms under which they can be traded. Is there equal access to the Internet? Are there unions? Is there stakeholder representation? What about corporate monopolies? What is the length of patent protection?
- The conditions under which they can be traded. Can poisonous medical drugs be traded? Unsafe food? Are deceptive Ponzi schemes acceptable? Uninsured derivatives? Dangerous workplaces?
- The divisions between what is private and what is public. Police? Roads? Clean air and clean water? Healthcare? Good schools? Parks and playgrounds?
- How we pay for the institutions that underpin the market. Taxes? User fees? Individual pricing?¹⁰

And then Björkman makes the obvious remark: “These rules don’t exist in nature. They are human creations. Governments don’t just intervene in free markets, they

⁹ *The Market Myth*. p. 80.

¹⁰ *Ibid.* p. 80-81.

lay the foundation for them, just as the governing bodies of football or tennis do for their games. Free markets are not free of rules; the rules actually define them.”¹¹

And once this has been established, Björkman brings out John Searle and some of the insights from his book *Speech Acts*¹² – above all Searle’s notion that there are two types of rules: “regulative rules” and “constitutive rules”. The difference between these two rule categories is that those rules which have a regulating function regulate an already existing activity that is logically dependent on the rule, whereas a constitutive rule develops (and regulates) an activity that would not exist without the rule in question.

The rule of driving on the right side of the road is thus a regulating rule governing the activity of car-driving, for the simple reason that one could also drive on the left side of the road, or one could drive as one pleased if driving were rule free. But one cannot play chess without the rules that define the game of chess. Chess rules, therefore, are constitutive rules.

Björkman's main point in this context is, in other words, that a so-called free market cannot exist or emerge naturally, by itself, as it were. There is no such thing as a free market in the sense of being without human or government influence. A market does not just require a set of constitutive rules to emerge and function; it also requires a set of regulating rules.

Björkman describes his view of the market like this: “The point again is that the market is at its core a set of *constitutive rules*. And these rules shape the outcome of the market. All markets have internal regulatory systems that are necessary for us to be able to talk about a market at all. Then there are external regulations, *regulative rules* that govern what the market can and cannot do. Any market is a combination of internal rules, supplemented by external controls. Both the internal rules and external regulations are part of the socially constructed reality and are dependent on decisions made by society and by politicians.”¹³

The most important point in understanding the market as a set of constitutive and regulative rules, is that it also leads to the realisation that the idea that there exists an ideal free market to discover somewhere underneath the layers of intrusive political instruments in the form of legislation and constraints is an illusion. As Björkman points out, the abolishment of one regulative rule or another may indeed increase the effectiveness of the market. But without the existence of constitutive rules, the market would not exist at all. And what is more, the constitutive rules of the market decide “who will be the winners and losers in our

¹¹ Ibid. p. 81.

¹² John Searle, *Speech Acts*, (Cambridge University Press, Cambridge, 1969).

¹³ *The Market Myth*. p. 84.

world”¹⁴. In other words, it is the constitutive rules that decide what the consequences of the market activity will be.

Since Björkman probably realises that most of his argumentation up to this point has been rather abstract, and that the readers' enthusiasm for abstract argumentation can vary quite considerably, he goes on to touch briefly upon how the market, in its current state, has evolved historically. He wants to show how important constitutive market rules evolved under specific historical circumstances and as responses to various crises and dilemmas.

But I shall not dwell on these historical reflections, but shall confine myself to mentioning Björkman's conclusion from his little historical exposé:

“The history of commerce and money shows that the current shape of markets wasn't inevitable. In fact, the various elements that make a market possible actually have rather arbitrary histories, shaped by the places and times in which they originated and evolved. This process of arbitrary decisions on the fundamental conditions of the market – the constitutive rules – is still ongoing. The truth is that these ideas and rules continue, as you are reading this book, to be shaped by powerful interests.”¹⁵

Come this far in his argumentation, Björkman waxes bolder and perhaps even grand in his ambitions. For he considers himself to have expressed insights about the market which, if taken seriously, could represent a Copernican revolution in the field of economics. Naturally, he is not presumptuous enough to think that he is the only one waving the magical wand of paradigm shift. As usual, he adopts a historical perspective instead. But what he considers to be a realisation powerful enough to bring about a paradigm shift is the growing realisation that the market is not a system to which we are subject and to which we must adapt, but rather that the market is a man-made self-organising system choreographed by constitutive and regulative rules, a system which we humans can control and continuously re-create.

Meticulous readers may immediately react to the term “self-organising system” and wonder why it appears in this context. Is not self-organisation a term that arose in the natural sciences? Yes, this is indeed correct, and I am not very fond of the term. Within the natural sciences, a term such as self-organisation functions in roughly the same way as the notion of coincidence, that is, it is mainly a linguistic strategy for hiding the fact that there is no explanation for the phenomena observed and studied. And particularly in the case of the term coincidence, this is really about the attempt to create a strictly fact-based cosmology and worldview, which is an ideologically important mission in a secular era. And when it is necessary to hide the fact that we cannot “quite get all the way there”, as we say, we need a substitute for what Stephen Hawking calls the G word. In such cases,

¹⁴ Ibid. p. 87.

¹⁵ Ibid. p. 106.

notions such as coincidence, self-organisation and “creative emergence” are wonderful to resort to, because they have successfully been marketed not as metaphysical surrogates for God, but as some kind of ultimate, self-explanatory scientific realities.

But this is a separate issue, which only indirectly has anything to do with Björkman's attempt to contribute to a Copernican revolution in the field of economics. And his purpose for dragging the term self-organisation into his argumentation turns out to be his wish to contribute to the unification of economics and so-called complexity theory. This turns the notion of self-organisation into a more modern way of describing, and above all understanding, the working of the market that Adam Smith described with the term “the invisible hand”. And in my opinion, Björkman manages to do this remarkably well.

He describes his view of the working of the free, self-organising market in three bullet points:

- The market's complex self-organisation is dependent on its man-made *constitutive rules*.
- During this self-organisation the market both *produces* and also *distributes* different kinds of human wealth. The *constitutive rules* of the market affect both these processes.
- Production and distribution are related, but the *constitutive rules* can often be tailored to influence production and distribution separately.¹⁶

And then he clarifies his viewpoint in the following manner: “Different *constitutive rules* will result in different market outcomes both with respect to the amount of goods produced and their distribution. One would therefore want to construct the *constitutive rules* in a way that maximizes the efficiency in production and promotes a distribution of wealth that is considered fair.”

But when Björkman has come this far in his argumentation, perhaps the reference to fair distribution of wealth may lead some readers to think that, when it comes to it, he is really a pro-regulation leftist with a penchant for complicated reasoning and a scant understanding of the free market's importance to wealth creation. But the reader need only briefly consider the next sentence in Björkman's account to dispel any such belief. For he observes that, “Once the *constitutive rules* have been optimized there might still be need to impose *regulating rules*, but in this way the administration and efficiency loss that is always the effect of *regulating rules* can be kept at a minimum.”¹⁷

¹⁶ Ibid. p. 121.

¹⁷ Ibid. p. 122.

This means that Björkman's ideal is far from some socialist economy regulated in convoluted detail, but a free market constructed based on constitutive rules that are sensible enough to require a minimum of regulating rules.

This, however, does not mean that Björkman is an unsophisticated, market-crazed neoliberal, in case anyone thought so. Rather, his standpoint is that, “we have become confused about what makes a free market free, ignorant of the need for *constitutive rules*.”¹⁸ In practice, this means that we have – out of ideological zealotry, and with a feeble understanding of the limitations to the constitutive rules that are at the foundation of the current brand of “free market” – removed or weakened various regulative rules in the hope that this would give rise to undreamt-of positive consequences, when it in fact exposes the flaws of the constitutive market rules more and more clearly. Put more specifically, we are creating deeper and increasingly unmanageable economic, environmental and political problems for ourselves because of our inadequate understanding of how a free market actually works.

In his opinion, what is needed instead of feckless and unimaginative thinking about the blessing-generating qualities of the free market is a razor-sharp understanding of the connection between the constitutive market rules and the concrete outcome of the current market activity. In other words, it is important to understand how to create markets that have desirable consequences. An economic science worthy of the name should therefore devote itself to developing and deepening the knowledge about these issues. And it is this realisation that is at the heart of Björkman's ambition to contribute to a Copernican revolution in the field of economics.

When Björkman tries to describe this central realisation in a slightly less abstract way, he focuses on the role of politicians. They have the power to transfer the responsibility for various public functions to the market as well as to make decisions about both constitutive and regulative rules that make the market in question work well. Björkman illustrates this role with a metaphor. He considers Adam Smith's “invisible hand” to be the metaphor that best captures what Björkman himself has in mind when describing the market as a self-organising process defined by the frames formed by specific constitutive and regulative rules. What Björkman adds, however, is that he thinks the understanding of the market becomes clearer if one recognises that it consists of two invisible hands. One hand that manages production, and one that manages distribution of what is produced. Or, differently put: One hand bakes the cake, and the other divides it up.

Hardly surprisingly, Björkman underscores that it is very important that politicians not exercise their market decision-making responsibility based on unreflective stereotypes. Particularly when handing over completely new public functions to the market. In such cases, the politicians need to ask and answer

¹⁸ Ibid. p. 123.

specific questions in order for the self-organising power of the market to have a desirable outcome.

Björkman particularly highlights three questions:

1. **Will the market really be able to bake this particular cake?** Are we using the market in the right way? Is the task structured in such a way that a meaningful (efficient, just) self-organisation will occur in the economic system? Might this be a collective good or a merit good that the market per definition is unable to handle? Will the market work effectively in this case, or do we need to use a different tool?
2. **Will the cake look and taste good when it comes out of the oven?** What other human values – in addition to economic efficiency – do we want to achieve in this matter? How do we make sure these values emerge as a result? How can we formulate the task and construct the *constitutive rules* around this problem so that the result of the market's self-organisation is in line with the services or products we want it to provide?
3. **Given these rules, how will the market share the cake?** What will be the distribution effects of this decision? Who will be the winners and the losers? Can we design the *constitutive rules* otherwise to make the division of the cake more in line with what we would find reasonable and desirable?¹⁹

Björkman realises, of course, that being able to ask relevant questions does not automatically mean that it is easy to provide good answers. In fact, the economic science is not mature enough to give us the knowledge needed in the fine art of “market creation”. There are many reasons for this, but perhaps the main one is that it is easier to believe in stereotypes and fairy tales, or what Björkman calls market myths, than to uncover relevant knowledge by way of research. And it is precisely to try to bring about change in this regard that Björkman wrote his book.

Björkman's vision of an economic science on the other side of a Copernican revolution is thus an economic science that can offer useful guidance in the creation of markets that have far more desirable consequences than the currently highly problematic creation of glaring inequality, depletion of resources, environmental problems and imminent climate crises: a market, or an economic system, which in contrast to the current system does not in advance rule out long-term sustainable development.

To be sure, Björkman is not an ardent idealist. As I have already hinted at, he is well aware of the difficulties. Not least when it comes to bringing about fundamental change in the field of economic theory. Yet he considers himself to have reason to mention some promising schools within the economic science

¹⁹ Ibid. p. 124-125.

which are on the track of various essential aspects of a deepened understanding of the market. He also briefly describes which of the seven market myths each of the different schools is most effective in debunking. In this connection, he also expresses himself very clearly about what he considers to be a central problem in this context, namely the indisputable fact that the academic world is so divided into different subjects. And he describes the divided situation like this: “It is not easy in our academically fragmented world to integrate insights from the many different disciplines needed to support the Copernican revolution in economics. We need physics and systems theory to understand complex self-organising systems; philosophy, in particular ontology, to understand the fundamental difference between natural and social self-organising systems; sociology to understand how we constantly reproduce our socially constructed reality and how it is possible to change this reality. On top of this we need psychology to better understand real human behaviour.”²⁰ And then he observes with a sigh: “No wonder most academics prefer to stay within the boundaries defined by the old mathematical model”²¹, i.e., the neoclassical outlook, which is highly influenced by the seven market myths and which completely dominates economic policy.

But Björkman is not dismayed by such things; instead, he devotes an entire chapter – entitled “Possible Markets” – to reflect a bit on possible changes to above all the constitutive rules that shape a self-organising market which gives rise to unsustainable (or at least extremely problematic and unmanageable) long-term consequences.

At the beginning of this chapter, Björkman makes a list of different changes that he considers necessary for the market to function better. A list which looks as follows:

- Continue to create new ways of measuring results, a bottom line that extends beyond the purely financial. This will change the emphasis of business laws on protecting capital and investments and make their duties broader.
- Provide shareholders with wider responsibilities. We need to re-impose obligations on shareholders and broaden the obligations on board members and directors beyond shareholder interests.
- Limit companies’ status of personhood. Businesses still need to be individual legal entities, but to give them human rights and freedom when they have overwhelmingly more power than most people jeopardises democracy.
- Democratise decision-making in business. Perhaps forms of participatory democracy can be incorporated so that employees have efficient ways of making their voices heard in the overall development of the company. This could be supported and facilitated by new legal forms of corporations.

²⁰ Ibid. p. 119.

²¹ Ibid. p. 119.

- Promote a long-term view on business. Short-termism is a persistent problem for public limited liability companies. Perhaps if you commit to owning shares for ten years you ought to get ten times the voting rights.²²

At the same time, Björkman emphasises that the list could be made much longer. He also discourages his readers from criticising these simple examples, and instead encourages them to use them as a starting point or inspiration for their own better ideas “on how the market could be made to service us all – individually and collectively – rather than the other way around.”²³

In the remainder of the chapter, Björkman goes on to present different ideas for change in line with his list. And I shall not delve deeply into these ideas. However, they include changing the perspective on, or developing other forms of, ownership and proprietorship, including things which nowadays fall under the concept of copyright. He also discusses different ways of measuring economic success as well as different perspectives on money and taxation.

But Björkman realises, of course, that bringing about fundamental changes in how the market works is not done in a twinkling. The existence of purely intellectual difficulties of the kind already mentioned – i.e., academia being divided into different subjects and the general unwillingness to abandon the established and comfortable consensus around the validity of the neoclassical model – is one thing. But the perhaps most difficult problem are the counterforces generated by those who undeniably profit from the current system.

And on this matter, Björkman is refreshingly frank. He is not least upset by the hypocrisy among powerful players, particularly within the business sphere, who publicly carry on propaganda to make the political authorities refrain from meddling in the working of the free market through intrusive decisions, while at the same time spending vast resources behind the scenes – strictly speaking bordering on corruption – to persuade politicians to make decisions that favour the sectors and companies doing the lobbying.

So, from one corner of their mouth, they are singing the praises of the free market in the sense that they are supporting the illusion that there actually exists a free market that practically works like a natural phenomenon, while from the other hissing out arguments for altering the market rules so as to benefit their own interests. In this connection, Björkman also mentions a few American examples of the extent of lobbying. For instance, that in 2011 the thirty biggest companies spent more money on lobbying than they paid in taxes. Or that the banks spent 3.4 billion dollars between 1998 and 2008 on evading regulations of the financial instruments that triggered the global economic crisis in 2008.

²² Ibid. p. 129.

²³ Ibid. p. 129-130.

But despite these and further examples, Björkman is not opposed to lobbying. Instead, he turns the perspective around and emphasises that companies would not be spending so much money on lobbying if it did not work. The behaviour of the companies is in other words a form of recognition of the fact we humans have the power to create markets according our notions of what is desirable. We can simply consider the companies' own behaviour as a falsification of their own propaganda that there exists an idealised free market which virtually works like a natural phenomenon and therefore should be left to its own devices.

For Björkman, the interesting issue is therefore the power struggle over the values that should govern the construction of the market. He expresses it like this: “This brings us to the central political question. Who should decide the internal market rules, and their major purposes. If our democracy was working as it should be, presumably our elected representatives, public agencies and courts, would be making the rules roughly according to what most of us want the rules to be – that the objective should be the common good of society. The economy would be working for us; we wouldn’t be working for the economy. The trouble is, as we have seen, that the rules are being made mainly by those with power and resources to buy the politicians, public agencies and courts – and the lawyers who appear before them. This may not be corruption in the strict legal sense – people are acting as they do because they are muddled about the market and believe they are doing what is necessary for prosperity. But as income and wealth have concentrated at the top, so has political clout. And the most important power is determining the rules of the game.”²⁴

Then Björkman makes some political reflections which are completely in my taste. He reminds us that it is usually conservatives, i.e., right-wing politicians, who stand up for what they call the free market. But these politicians are in reality just as eager as progressives, i.e., left-wing politicians, to politically control the market. The only difference is that conservative politicians go about their market manipulation with economic growth as their guiding star, which in turn usually leads to a strong tendency for the created riches to gravitate towards the top of the wealth hierarchy. Additionally, conservative politicians are “smart enough to hide their interventions, implying that the structures that redistribute income upwards are just the natural working of the market.”²⁵ At the same time, left-wing politicians often help them achieve this by making accusations against the right-wing politicians to the effect that they are “market fundamentalists”. An opinion which “effectively implies that the way that conservatives structure the economy is somehow its natural state.”²⁶

And then comes his perspicacious conclusion that, “the confusion that this misguided war against market fundamentalism creates in designing policy is even more serious than the political damage. Progressives have no reason to look to

²⁴ Ibid. p. 145-146.

²⁵ Ibid. p. 146.

²⁶ Ibid. p. 146.

government to reverse market outcomes. Rather, like their conservative opponents, they should look for ways in which they can structure the market's *constitutive rules* so that free markets have better, more progressive, impacts on the world."²⁷ Which in plain language means that Björkman thinks that the appropriate political strategy is not to try to correct the market's outcome through different types of distribution policy, but rather to take on the task of changing the constitutive market rules so that the market simply creates the more equitable and sustainable world that many want and everyone needs.

Björkman goes on to take this reasoning one step further. He claims that the task of creating constitutive market rules that enable a long-term sustainable and reasonably equitable world characterised by freedom and democracy is a joint task for all conscientious politicians. Because "if we fail to develop the market to meet our global challenges, each more complicated than the last, *the market will soon degenerate in the same way as the planned economy degenerated into when the planners were overwhelmed by complexity*. The effects of this degeneration might not manifest themselves as shortages of supplies in our stores, rather the contrary. The effects will most probably show up as ecological and social collapse of the world as we know it."²⁸

For my own part, I touch upon the same problems in both *Den vise VD:n* and [Vart är världen på väg?](#)²⁹ [*Where is the World Heading?*] when I assert that planned economy is the only form of economy there is, in the sense that there are no rule-free economies. And that the advocates for the supposedly free market drew the wrong conclusion when both the planned economy and the Soviet Union collapsed. Back then, practically everyone believed that this was the proof of the market's obvious and natural superiority. But in reality, the triumph of the so-called free market could be attributed to the fact that its rules were somewhat more effective than those of the Soviet brand of planned economy. Or, as I put it in the afterword to *Den vise VD:n*, in which I reminded readers of "what I used to say or sometimes only think when I was filled to the brim with intense and, in my opinion, naive euphoria over the fallen Berlin Wall and the breakdown of the Soviet Union. Naturally, these events were in themselves cause for rejoicing, but it was and has remained my conviction that *Western liberal-democratic capitalism has as bright a future as totalitarian communism. But that it will take a little longer for this to become obvious*."³⁰

Which is why I share Björkman's view that we are approaching the point when the so-called free market economy has come to the end of the road. At the same time, conventional planned economy does not provide a way out of this situation. What is needed is a deeper understanding of how to design a market where freedom and creativity are preserved, while at the same being kept in check by wise constitutive rules that ensure that man's aggregate economic activity leads

²⁷ Ibid. p. 147.

²⁸ Ibid. p. 150.

²⁹ Karl-Erik Edris, *Vart är världen på väg?*, (Edris Idé-Förlag, Trångsund, 2015).

³⁰ *Den vise VD:n*, p. 351.

precisely to the long-term sustainable development I previously described as ruled out in advance if we continue on the trajectory produced by the working of the current form of market economy.

Come this far in his argumentation, Björkman shows that he also understands how incredibly powerful the notion of the blessings of the free market has become in the modern era. It has in fact become a myth in the sense of tale of gods. Hence, Björkman concludes without hesitation that, “in practice, the market serves the same purpose as God or Science once did: to provide us with an external ultimate authority.”³¹

Nor does he beat about the bush about the fact that, when it comes to creating a sense of purpose, the free market is an anaemic myth. He therefore says that, “as an ultimate authority the Market myth is very thin. As efficient as the market is for allocating private goods, it is that poor at providing a satisfying shield against our collective existential void. And many can now feel the cracks in this shield. This overarching societal myth must address the important common questions of efficiency, and must also address questions about other common human values like justice, equity and meaning.”³²

The outcome of Björkman's analyses is in fact what I consider to be the completely correct conclusion that if we are going to be able to leave behind the illusion of a free market that works like a natural phenomenon – an illusion comparable to a tale of gods – and assume responsibility for the construction of a market that enables a world that functions far better than our present one, which is suffering under social, cultural, political, financial and ecological crises and threats, then we need a better myth – one that gives us a perspective from which we can assess the functioning of the market and reconstruct it in accordance with this assessment. We simply need what Björkman calls a new meta-narrative.

But as soon as he has established this, he happily plunges into a big and deep pit of postmodernism by claiming that the need for a new meta-narrative confronts us with the challenge that, “we now have the correct post-modern insight that all such frames, all meta narratives, are also man-made social constructs.”³³ Which leads Björkman to draw the conclusion that this “forces us to focus on the process of self-consciously formulating a new meta-narrative.”³⁴

In my opinion, this conclusion leaves Björkman in a position akin to that of a cat chasing its own tail. It is unlikely that this whirling search for a meta-narrative, the need for which he so wisely recognises, will come to an end, because it will not emerge in the way he would like to think. And as the whirling accelerates, the longing for a new meta-narrative will be felt even more strongly. But I shall not

³¹ *The Market Myth*, p. 155-156.

³² *Ibid.* p. 156.

³³ *Ibid.* p. 156.

³⁴ *Ibid.* p. 156.

elaborate on the weaknesses in Björkman's perspective on these issues here. Instead, I would like to recommend those who are interested in my own perspective to read *Vart är världen på väg?*

At the same time, I would like to finish by stating that my overall impression is that Björkman has written an excellent book. Sure, one may think that he is a bit bombastic when he expressly claims to want to contribute to a Copernican revolution in the view of the market, and hence of the economic system. But as a matter of fact, I do not think he is off the mark. After all, he has come to the painful realisation that if we continue to spread and embrace the myth of the free market that unconsciously makes us relinquish our power over the market to people who are only after short-term profit, we will continue to incur all kinds of trouble of increasingly cataclysmic character. Björkman therefore urges all of us to have faith in our power to re-create the market and the economic system, so that the outcome will be such that we avoid an impending nightmare of ever-more unmanageable ecological, economic, social and political problems. And, besides, these appeals of his are supported by well-founded and perspicacious analyses.

I do not know what the lists of course literature look like in Sweden and elsewhere. But if they do not already include Björkman's excellent book, they should. And not only that – the book should also be part of an introductory course, so that students rid themselves of the illusion of the free market straight away, and instead begin to reflect on what the constitutive market rules should look like in order for the market to become a central aspect of man's joint construction of a reasonably well-managed world.