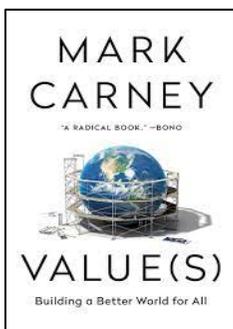


## BOOK REVIEW



Carney M.:  
***Value(s): Building a Better World for All***

May 2021.  
ISBN: 978-1541768703

Sri Lanka Journal of  
Economic Research  
Volume 9(2) March 2022  
SLJER 09.02.B: pp. 131-136  
Sri Lanka Forum of  
University Economists  
DOI: <http://doi.org/10.4038/sljerv9i2.166>



***A M I Gunarathna***

*Department of Economics and Statistics, Sabaragamuwa University of Sri Lanka.*

Email: [indika331@ssl.sab.ac.lk](mailto:indika331@ssl.sab.ac.lk), Tel: +94 71 440 0841

 <https://orcid.org/0000-0001-9973-7931>



This book discusses the relationship between value and values, using the author's experience in the private sector and public decision making, how they negotiate each other, and how livelihoods, identities, and prospects are determined as an outcome. And how they can turn grappa back into wine if they recognise these dynamics. The book is split into three sections. Part I investigates assorted ideas of value and their origins in political philosophy, as well as, newly and specifically, economic theory and financial practice. It explains the possible disconnects between market valuations and societal values through a variety of valuation problems deviating from art to the environment. Values and value are related, but they are not the same thing. Values, in the broadest sense, are moral principles or standards of conduct; they are assessments of what is important in life. Integrity, justice, kindness, excellence, sustainability, passion, and rationality are some examples. And also, Part I demonstrates that nothing is absolute when everything is relative. Part II of the book investigates the twenty-first century's three most critical crises: Credit, Covid, and Climate. It investigates the fundamental causes of each situation and describes policy remedies. The book contends that these events were triggered by a common crisis of values and that our response might begin to reorganise the link between values and value, laying the groundwork for the methods discussed in Part III for individuals, companies, investors, and countries.

### THE RISE OF THE MARKET SOCIETY

The importance, worth, or utility of anything is defined as the regard with which it is held. Values and value judgments are the same thing. And therein lays the uncertain block. The value of anything, an act, or a person is increasingly being related to its monetary value, which is determined by the market.

The logic of buying and selling no longer applies simply to physical objects but is gradually governing other aspects of life, from healthcare allocation to education, public safety, and environmental preservation.

Chapter 2 looks at how economic theories of value evolved from being objective, with value connected to sources of production and how they are produced, to being subjective, with worth being in the eye of the beholder and determined by preferences. It is now frequently considered that there is no underlying, inherent, or fundamental value that is not represented in the price. Value is determined by the market, and it is shown by the confluence of supply and demand. It's becoming more customary to associate that worth with societal values.

Chapters 3 and 4 discuss how money is used to measure value and what gives money its value to draw out the relationship between value and values. The official backing of money by gold in the past contrasts with the contemporary informal backing of money by institutions such as central banks. It demonstrates how the value of fiat money is based on fundamental values of trust, transparency, and honesty.

Chapter 5 delves into crucial themes concerning the future of money, such as whether cryptocurrencies could be used to address public distrust of central governments and how social media trust scores could be used to 'monetise' social capital.

Chapter 6 illustrates how the shrinking of our values to market fundamentalism is contributing to capitalism's rising exclusivity and the emergence of populism, as well as how this is contributing to the growing exclusivity of capitalism and the increase of populism. It claims, in particular, that, like all ideologies, capitalism loses its sense of moderation when conviction in the market's power crosses into the realm of faith. Such radicalism dominated economic concepts and developed a pattern of social behaviour in the decades leading up to the financial crisis. In other words, we've progressed from a market economy to a market society, which is undermining our fundamental social compact of relative equality of results, equal opportunity, and fairness across generations.

### **THREE CRISES OF VALUE(S)**

Chapter 7 demonstrates that market fundamentalism played a direct role in the global credit crisis through light-touch regulation, the idea that bubbles cannot be spotted, and false optimism in a new era. Authorities and market players were duped by finance's three lies, believing that 'this time is different,' 'markets are always correct,' and 'markets are moral. Bad behaviour went unpunished, multiplied, and eventually became the standard because too few market participants felt responsible for the system. In such a setting, the distinction between means and ends is all too easily unclear. The pull of the herd overwhelms the individual's integrity, and value becomes abstract and relative. The inequitable distribution of risk and reward that results exacerbate disparities and corrodes the social fabric on which finance is based.

In Chapter 8, the author discusses his experience heading the G20's efforts to make the financial system safer, simpler, and more equitable. It contends that for financial reforms to rebuild social capital, they must strike a balance between free-market capitalism, which highlights the primacy of the individual at the expense of the system, and social capital, which necessitates a sense of responsibility for the system from individuals. To put it another way, a strong feeling of self must be complemented by a strong sense of community.

Chapter 9 investigates the sources and dynamics of Covid-19, which has resulted in wonderful health and economic disasters in our lifetimes. Because of our deep worldwide interconnectedness, this global epidemic has spread with startling speed and virulence, but its severity has been enlarged by our failure to fully prepare despite several warnings. For far too long, we have underestimated resilience and have had to bear the brunt of the consequences. Deep recessions and huge job losses have followed from the economic shock, which now threatens to worsen inequality gaps in the years ahead.

Despite these tragedies, Chapter 10 shows that this crisis has the potential to reverse the connexion between value and values. When pressed, cultures have prioritized health first, then attempted to address the economic implications. We operated in Rawlsian and communitarian ways, not utilitarian or libertarian ways. Cost-benefit evaluations based on the value of statistical lives have been thankfully overruled, as economic dynamism and efficiency have been joined by ideals of solidarity, fairness, responsibility, and compassion. The key to rebuilding better will be to base our reaction on objectives drawn from these values, rather than an economic judgment of where the net gain lies. This is entirely feasible; our limited historical experience with such epochal events indicates that, following such events, society's expectations focus not just on the rate of expansion, but also its direction and quality. It's realistic to foresee public demands for changes in the quality and coverage of social support and medical care in the aftermath of the health crisis, as well as more attention to minimizing tail risks and greater reliance on scientific experts' advice.

Chapter 11 describes the 'tragedy of the horizon,' in which the disastrous effects of climate change will be felt well beyond the usual perspectives of most businesses, investors, politicians, and central bankers. To put it another way, once the physical effects of climate change become a defining issue for a critical mass of decision-makers, it may be too late to prevent catastrophic consequences. The tragedy of the horizon, like the financial crisis, is a crisis of valuation and values. There is no accounting for the costs of destroying the rainforest in terms of climate and biodiversity. Changes in climate regulations, new technology, and rising physical dangers are all causing reassessments of practically every financial asset, according to Chapter 11. Firms that connect their business models with the transition to a net-zero carbon economy will be rewarded handsomely, while those that do not adapt will be forced to close their doors. We need creativity on all fronts to address the climate challenge.

Chapter 12 discusses how the financial system might be retooled to make markets a part of the solution to climate change. We can ensure that climate change is included in every financial decision by needful complete climate disclosure, a shift in bank climate risk management, and the mainstreaming of sustainable investing. This new sustainable finance can assist achieve net-zero by combining private innovation and forceful government action.

The significance of this goal cannot be overstated: the work is enormous, the gap of opportunity is narrowing, and the stakes are enormous. The way our economy thinks about value has been a roadblock. Rather than looking for a trade-off between what society values and optimizing present financial values as priced in the market, both the climate and Covid crises highlight the value of society developing a consensus on common goals and then letting market dynamics determine how to achieve them.

Part III of the book builds on the reactions to the three crises to identify common patterns and devise action plans for leaders, businesses, investors, and governments. In the aftermath of the failure of the rules-based international order, it finishes with a new platform-based strategy to administer the global commons. Recognize the relevance of values and beliefs in economic life to restore an inclusive social contract.

## **RECLAIMING OUR VALUES**

Although the author discusses how to recognise and strengthen critical social foundations for the common good. The characteristics and behaviours required for leaders to catalyse change, help their colleagues realise their potential, and urge their organisations to achieve their missions are examined in Chapter 13 on leadership. Leaders must engage, explain, and emote to encourage confidence and faith in their objectives. Leaders must earn their validity through time, and to maximise the influence of their organisation, they must stay committed to its mission - a mission based on the goals of clients, colleagues, and the community. Great leadership isn't simply effective; it's also moral, instilling worth and virtue in those who follow it.

The focus of Chapter 14 is on how purposeful businesses produce value. It examines evidence of a connection between purpose and long-term value development - dynamism - from the perspectives of both businesses and societies. Following that, the chapter discusses numerous techniques for purposeful corporations that will benefit all stakeholders. True corporate purpose motivates stakeholders to engage, including employees (by being a responsible and responsive employer), suppliers and customers (by fostering honest, fair, and long-term supply chain connections), and communities (as good corporate citizens that make full contributions to society).

Corporate purpose fosters community at the local, national, and international levels and recognizes the critical need for long-term sustainability. Purposeful businesses may be impactful, dynamic, and successful by combining broader interests under a similar goal.

The next chapter, Chapter 15, explains how investors can both support and profit from these projects. Developing and integrating thorough and transparent methodologies to assess stakeholder value creation by enterprises will be a vital component of rebalancing value and values. The chapter explains how to quantify both sustainable and financial value as well as the dynamic link between the two and the tactics investors can use to maximise both. Sustainable investing is becoming an increasingly important instrument for aligning market ideals with societal objectives. It enhances the measuring of what society values from workplace diversity to the Sustainable Development Goals (SDGs). It is being used to help organizations create shareholder value in a variety of ways, including by assisting them in attracting and retaining top talent, increasing their resilience, improving efficiency, aligning better with stakeholders, and maintaining a social license.

When social needs – such as climate change – are tackled with a profitable business model, the answers to many of the most deeply rooted problems we face become scalable and self-sustaining. The many policy strands discussed in the book are brought together in the final chapter to develop a framework for countries to build value for all. This is built on traditional foundations of strong institutions, and investments in physical and human capital. Given the far-reaching changes wrought by new technologies from artificial intelligence to bioengineering, there must be a heavy emphasis on mandatory workforce training, universal skills development, the balancing of rights of all stakeholders, incentives to promote an enterprise society, and free trade for small and medium-sized enterprises.

## **CONCLUSION**

A country's strategy must improve existing markets while also creating new ones. However, markets alone will not address our most difficult challenges. To establish our goals and objectives – to set our values – we need political processes. In a sort of mission-oriented capitalism, markets can then be marshalled to assist in the discovery and implementation of solutions. However, as we will see, the market cannot be the answer to every dilemma, given that the marketization of society has caused some of their difficulties. Although the country plays an important economic function, it is much more than a collection of markets or a trade negotiator.

Collective principles such as equality of opportunity, liberty, fairness, solidarity, and sustainability are embodied by the state. To capture the benefits of the Fourth Industrial Revolution (4IR), we must develop consensus around national goals such as an equitable transition to a net-zero economy, eradicating Covid-19, and universal skills training. And we must endeavour to attain those goals in ways that benefit the entire community. A more in-depth understanding of national values may lead to more focused and productive international engagement. It is feasible to create more inclusive, resilient, and sustainable globalisation by using a values-based approach.

Multilateralism can still be effective even if we are unable to agree on enforceable global laws to address the difficulties we confront. The chapter demonstrates how we may build on the lessons learned from the international community's response to the financial crisis to develop a cooperative internationalism that is more consistent with the complexities of today's problems and people's expectations for both sovereignty and outcomes.

This book's overall premise is that we can't take the market system for granted because it produces so much abundance and so many solutions. Markets are necessary for progress and the solution to our most pressing problems, but they do not exist in isolation. Markets are social constructs whose effectiveness is dictated in part by governmental rules and in part by societal values. They will corrode those values if left neglected. To make markets work, we must focus on rebuilding social capital. Individuals and businesses must recover their sense of solidarity and responsibility for the system to do so. According to the author's personal and professional experience, both in the private and governmental sectors, aligns with Pope Francis' narrative. The market's worth is increasingly defining societal values. Author says, "We are living out Wilde's dictum at huge cost to our society, future generations, and the environment". This book argues that, if they understand these dynamics, they can change grappa into wine and channel market value back into the service of human standards. Therefore, it can be recommended that this book should be read by academics, business people, policymakers and anyone interested in value and the values and creating a better world for all.