

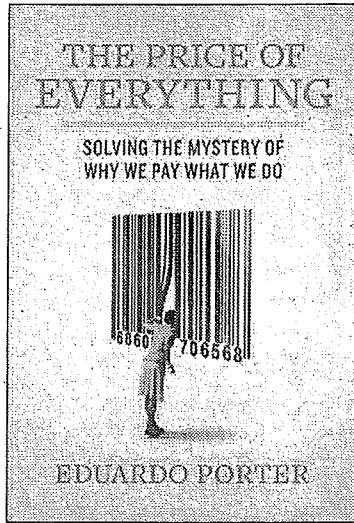
'The Price of Everything' is surprisingly optimistic

Every choice we make is shaped by the prices of the options laid out before us – what we assess to be their relative costs – measured up against their benefits.”

So begins “The Price of Everything: Solving the Mystery of Why We Pay What We Do,” the new book by Eduardo Porter. In this refreshing and surprisingly optimistic opus to current and future generations, the author sets out on a quest to explain why we attach value to various goods and services – specifically, value that often extends well beyond their intrinsic worth from a utilitarian perspective. He largely succeeds in reaching his destination by drawing from a variety of disciplines, including economics, psychology, sociology and political science.

Porter seems to have the appropriate credentials for writing this kind of book, as he is intimately familiar with the subject matter. His multidimensional career as a journalist has been wide-ranging, which allows him to speak with confidence and authority when describing global conditions and circumstances. He has been to most of the places he references in the book. Currently, he serves as a member of The New York Times’ editorial board and also writes for The Wall Street Journal.”

“The Price of Everything” is



“The Price of Everything: Solving the Mystery of Why We Pay What We Do,” by Eduardo Porter. New York: Penguin Books, 2011, 296 pages, \$27.95.

extensively researched, as evidenced by the 33 pages of notes found at the conclusion of the eleven chapters – including an introduction and epilogue – that make up the main text. The author makes a compelling case that one of the biggest challenges we will face in the coming decades relates to how we can establish and maintain a reasonably stable global pricing system that will permit a sustainable quality of life for a majority of the world’s citizens.

Porter makes it clear that this will be easier said than done.

“The Price of Everything” flows effortlessly from a discussion of how the agricultural revolution in West Bengal, India, altered the occupational landscape for women in that country to the repercussions of the German automaker Daimler AG’s efforts to bribe government officials in (at least) 22 countries. The author weaves a powerful narrative that demonstrates how everything is increasingly interrelated, as well as how seemingly insignificant events in remote parts of the world can and often do influence the value of products and services provided just about everywhere.

In a chapter provocatively titled “The Price of Women,” Porter engages the reader in a detailed history and discussion of how social contracts invariably influence the pricing structure of most industries. He notes that throughout history, most societies have valued, and made provisions for, the resources necessary to raise the next generation. “The Babylonian code of Hammurabi demanded that a man who left the mother of his children restore her dowry and provide her sufficient income to ensure their sustenance,” Porter observes. “Studies across the developing world have found that women make more productive decisions than men about the allocation of household resources. In particular, they invest considerably more in their children’s welfare.”

In another equally intriguing chapter, “The Price of Happiness,” he relates how humanity’s pursuit of contentment has affected the value placed on various commodities. Porter shows how the pursuit of intangibles such as joy, peace of mind and equanimity tend to directly influence the price we are willing to pay for products and services that we perceive as being able to provide those much sought-after yet perpetually elusive characteristics. When it comes to the value many of us ascribe to the things we desire, perception indeed becomes reality.

“Losing something reduces our happiness more than winning the same thing increases it,” Porter explains. “Still, it remains generally true that we pursue what we think makes us happy.” At the same time, he argues that people are often conflicted or just plain confused about precisely what it is that will bring us to the much-desired state of “happiness.”

The author is adamant about one key point: Things cannot continue on the present trajectory indefinitely without dire consequences. Quoting Martin Wolf, a columnist with the Financial Times, he asserts that “limits to economic growth could topple civilization.” Porter argues that in order to ensure our survival, we need to fundamentally change our thinking about markets. “Democracy and peace work in a world of increasing prosperity,” he notes. “If there are limits to growth, Wolf warned, ‘The political underpinning of our world falls apart.’ It would seem foolhardy for us to trust that our luck will hold out forever.”

As support for this somewhat radical thesis, he cites the now well-known reversal of former Federal Reserve Chairman Alan Greenspan with respect to the pre-eminence of free markets. “As a follower of the libertarian, antigovernment thinker Ayn Rand, he was considered the high priest of unfettered markets,” Porter writes. “But when he was dragged before the House of Representatives’ government oversight committee on October 23, 2008, Mr. Greenspan shocked the world by admitting that he had been wrong. Indeed, even Greenspan learned just how badly prices can fail and send our decisions and our lives astray.”

In many respects, “The Price of Everything” is a cautionary tale about being careful what we wish for and what we aspire to become as a species – and the price we are willing to pay to make it happen.

— Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.

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