

The Science Behind How Real Economies Really Work

Our book so far has reviewed how economics, as a science, and economies, both historically and today, can be understood much better through an appreciation of the role that energy plays. We also examined how the discipline of economics has viewed economies historically, and developed our perspective on the extreme limitations of the approach used by economists. We then developed the basic science needed to understand economics, a kind of training that is missing from the education of most economists. Now in this section, we apply the concepts of science developed earlier to understand some new and important ways in how real economies have operated and are likely to operate in the future. We focus on the biophysical concepts of peak oil, energy return on investment (EROI), and the role of models, both conceptual and mathematical.

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