
Automating Interaction: Formal and Informal Knowledge in the Digital Network Economy is an admirably elegant and succinct interpretation of the value and valuation of information in the digital era, prefaced with a much-needed and fascinating comparison of classical and neoclassical political economy with the current crisis of information in the field of economics. Basing his argument on “four problems,” Myles Ruggles interprets the ongoing question of information/knowledge in the economic process; the failure of neoclassical economists to understand and integrate social institutions into their narrow, positivist description of markets; the difficulty imposed by the uncertainty of competing and changing qualities of “automated interaction” on rational actors in society, institutions, and markets; and the eternal failure of Paretian economics, which continues to impose an outmoded, orthodox, and ineffectual supposed “scientific” method, to interpret the social construction of the irregularities of life in the communication economy.

After laying out his four problems, Ruggles points out how the economic thought of the classical world (held by philosophers such as Aristotle as well as some relatively recent thinkers), which represented the economic state as enabling a life of virtue and civic responsibility, came to be seen as incompatible with modern society and was gradually abandoned by neoclassical economists. Fundamental to abandoning the civic responsibility model was the work of Adam Smith, who, as Ruggles articulates so well, saw society as a commodity-driven commercial economy of individuals guided by an “invisible hand” in the pursuit of maximizing self-interest. Ultimately, Ruggles places Smithian economics, followed by Ricardo’s (and others’) “perfect information” of prices and Pareto’s dominant “static equilibrium,” side by side with contemporary digital information transfer and a global economy to lead to the book’s central argument for co-operation and the promotion of social capital over trust in exchange-value capitalist markets.

Throughout Automating Interaction Ruggles deftly adopts and critiques positivist economic vocabulary to cite the heightened uncertainty, bounded rationality, and opportunism of the digital world and to question the efficacy of decision-making when, due to the factor of constantly changing information technology, we (or more importantly the “firm”) cannot possibly acquire enough “correct” information to realize the ideal of the Pareto equilibrium. One of Ruggles’ main arguments revolves around access to information and the lag between a firm’s preparation of a product in the information age, the creation of the product (or “paperwork,” as he calls it), and access to a consumer’s information through marketing—which is especially ironic, he points out, in the time of the ubiquitous Internet.

In the final chapter Ruggles clearly states that, unlike Pareto’s unique equilibrium model, there are in fact multiple equilibria in political economy, exposed by critical social theory—in language, social co-ordination, and many other (tacit or obvious) social norms and activities that public-choice theory or, more broadly, neo-liberal economics intentionally cannot take into account. Citing the political-economic position of Herbert Schiller and Dallas Smythe, Ruggles observes that the dominant positivist economic model is inadequate in understanding social interaction, especially in the light of information and communication technologies (ICTs) and the possibility of improving human socio-economic relations through their use.

In the end Ruggles strives to reconcile deterministic positivist economic theory with a
series of “reflexive and emancipatory” (p. 171) ways of understanding the information economy. He does so very well, without malice but with a genuinely quizzical interest. What he does best here is critique the stumbling-block of information-as-commodity and put forward reasonable alternatives to stale analytical methods that have not and cannot recognize the “relational networks,” as he calls them, which we develop as we embrace the use-value of information. In his preface to the book, Robert Babe points to the value of Ruggles’ work in contributing to an “alignment between ecology and economics” (p. xii). That is, it will aid in furthering the idea that everything, as part of the information and social network, relies on everything else—something that Babe says is impossible in the individualist neoclassical commodity valuation of information.

Any actual criticism of Automating Interaction I want to put forth derives not from Myles Ruggles’ own thoughts or fine writing but rather from the production of the book itself. As an editor I am often asked by publishers what they can do to improve their paper publications, especially in the light of competing information and communication technologies. Books, like ICTs, should be information objects used for information retrieval, as much as for information transfer. This book has a dreadful index, which is particularly ironic given that one of the subject headings assigned to it on the Cataloguing in Publication page is “knowledge management.”

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