

# Reading Notes: Dasgupta on Economics

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## Understanding Dasgupta's Take

In your lives so far you have certainly taken at least one course in economics—probably three or four. That probably means that you have been taught, as Betsey Stevenson and Justin Wolfers put it, to use “four core principles... The marginal principle: Ask ‘one more?’ instead of ‘how many?’ The cost-benefit principle: Compare the relevant costs and benefits. The opportunity cost principle.... The interdependence principle...” Betsey and Justin promise us that “these four core principles form a simple but powerful framework for making even the most mundane decisions...” and claim that their book will show “the unity and power of the economic approach”, and by “learning to apply these core ideas to any

new economic question they face... [students] will naturally come to ‘think like an economist’...”

But why would one want to think like an economist? What is thinking like an economist—rather than like a sociologist (looking for the webs of human connections and common belief), a political scientist (looking at power and at authority both given and taken), or a historian (looking at origins and development)? One wants to think like an economist because it is an especially useful way of thinking about the *economy*. What, then, is the *economy*? And why is “thinking like an economist”—marginal, interdependence, benefit-cost, and opportunity cost calculations—a good way of understanding it?

Partha Dasgupta provides the best short answer to those two linked questions, and in the process of doing so provides the best introduction to economics, that I have seen. His book is a game theorist's short introduction to economics. It focus on: individual goals, individual opportunities and constraints, individual incentives, strategies, exchange, trust, and equilibrium outcomes. It is, of course, greatly concerned with wealth and poverty—that is, after all, the point of the discipline of economics: it is an inquiry into nature and causes of the wealth of nations. You won't find in Dasgupta's book lots of practice figuring out how price and quantity change in response to demand shocks or calculating multipliers. What you will find is the logic and rationale for why figuring out how price and quantity change in response to demand shocks or calculating multipliers is a worthwhile thing to do.

It is worth getting into your frontal brain lobes what an economy is and what thinking like an economist is because of what we are going to do this semester. We are going to study the growth of the human economy. And we are going to do so by thinking like economists.

So I want you, before class begins, to read Partha Dasgupta's book: *Economics: A Very Short Introduction* <<https://delong.typepad.com/files/dasgupta-economics.pdf>>.

And I don't want you to just skim it. If you do, you will then forget it—and you will have wasted an hour and a half. The problem is that our brains are very good at forgetting irrelevant information. And our brains take information that we do not find ourselves using and reusing to be irrelevant—to be thrown out so that we can focus on information relevant to the continued life and reproductive success of the East African Plains Ape. The things that we remember are things that we think about over and over again in our inner monologue. So as you read this book I want you to do what I do. I am rarely just reading: I am generally also analyzing, compressing, synthesizing, and summarizing. I am taking notes—but very brief, synthesizing and summarizing notes. And I am generally asking myself questions—and then answering them.

So we are going to ask you questions—here below, and also at the first lecture and at your first section. Try to read with intent, and with an active mind:

## **My Reading Notes to the Beginning of Dasgupta, to Get You Started...**

### **Preface**

- An account of how economists reason
- Examples of how that reasoning can be applied to (some of) the most urgent problems Humanity faces today
- The lives of Becky—the daughter of a Chicago lawyer—and Desta—the daughter of an Ethiopian farmer couple

## Prologue

- Becky and Desta
  - Becky's household income \$150K/year as the daughter of a Chicago lawyer (and stay-at-home mom)
  - Desta the daughter of an Ethiopian corn-growing farmer couple with a household income of \$5K/year
  - Desta's household's income subject to much greater risks
- Economists look at things from the bottom up: resources, institutions, choices, histories, destinies
  - Economists use models and quantitative models

## Macroeconomic History

- Annual GDP per capita as a measuring rod:
  - GDP per capita in the world today: \$7K/year
  - GDP per capita in the year 1: \$500/year
  - GDP per capita in 1800: \$1500/year in western Europe; \$500/year in Africa; \$750/year global average
- Calculating growth rates: the rule of 72
- The world today:
  - 1B people with an average per capita income of \$20K/year at the top
  - 3.5B people in the middle
  - 2.5B people with an average per capita income of \$2.1K/year at the bottom
  - Agriculture 25% of GDP in poor countries, 5% of GDP in rich countries
- Causes of wealth and poverty:

- Proximate causes of the difference: (physical) capital, (human capital) education, gender equality, public health, technologies? markets? division of labor?
- Deeper causes: institutions (corruption), institutions (markets), institutions (incentives), the application of ideas (technological and organizational), natural resources vs. population growth
- Virtuous and vicious circles

## **Questions to Ask Yourself—and Answer!**

### **Preface**

- How different do you think the lives of Becky and Desta are?
- How would you go about explaining why the lives of Becky and Desta are different?
- How would an economist go about explaining why the lives of Becky and Desta are different?
- What are the costs and benefits of thinking like an economist?
- What kind of person would start an analysis by asking: "What are the costs and benefits of thinking like an economist?"

### **Prologue**

- Why does Becky's household live outside of Chicago and earn money by having the father work all day outside of the house doing transactions processing rather than, say, living 100 miles further west and growing corn in DeKalb County?
- How different would Becky's life be if her father (and mother) were corn-growing farmers in DeKalb County?
- Why did they choose to become suburban Chicago yuppies?

- Why does Desta's household live in rural Ethiopia and grow their own corn rather than, say, living in Addis Ababa and earn money by having the father work all day outside of the house doing transactions processing?
- How different would Desta's life be if her father were an Addis Ababa lawyer?
- Why did they choose to become rural Ethiopian subsistence farmers?

## Macroeconomic history

- In the long sweep of human history, is Becky very lucky, lucky, unlucky, or very unlucky?
- In the long sweep of human history, is Desta very lucky, lucky, unlucky, or very unlucky?
- How much richer is the world today than it was in the long centuries from 5000 BC to 1800?
- How much richer are the world's rich today than the world's poor today?
- What would count as an explanation of this divergence across space and time—that is, what kinds of things would count as "causes" and make you happy that you understood what was going on?
- How many useful "hierarchies of causation" can you imagine here?

Trust:

- About what fraction of our wealth is the result of—or, perhaps, is enabled by—our collective ability to engage in a very large distribution of labor (rather than requiring that each extended household be close to self-sufficient)?
- What are the possible ways of creating the "trust" needed for a small-scale—within the village or within the herding band, say—distribution of labor?

- What are the possible ways of creating the "trust" needed for a large-scale division of labor?
- What, in the world we see around us, turn out to be the most important ways of creating the "trust" needed to maintain a large-scale division of labor?

### **Communities:**

- Suppose that we have the norm (or the strategy) that a failure to share in any case leads to the end of the sharing relationship forever. How much of a large-scale social distribution of labor can be supported by tied engagements of this type?
- What are the advantages to having an economic network built out of "weak ties"?
- What are the difficulties in creating and maintaining an economic network built out of "weak ties"?

### **Markets:**

- How is having access to an ideal market the same as or different from having an economic network of ties (strong or weak) extending over the entire world?
- In what sense is what Dasgupta calls an "ideal market" ideal?
- Why did Friedrich von Hayek deserve his Nobel Prize?
- How can a central planner nevertheless add value for society, even though Friedrich von Hayek did deserve his Nobel Prize?
- Why should we worry about each of the four kinds of market failure that Dasgupta sees: distributional, free-riding, market power, and macroeconomic?

## **Science and Technology as Institutions:**

- Given that knowledge is non-rival—if I teach it to you, I don't have any less of it than I did before—what justification could there possibly be for charging people for access to knowledge and its uses?
- If people weren't allowed to charge others for access to knowledge and its uses, would there be any reason to think that society would be putting a properly-large share of our resources into creating and disseminating knowledge?
- Why can contests and the rule of priority be good ways to spur the creation and dissemination of knowledge?
- How well do contests and the rule of priority fit with a private-property market economy?

## **Households and Firms:**

- Where have all the women gone?
- Why do we think that Africa's population is likely to grow much faster than India's population over the next fifty years?
- How does Desta's household react to the fact that GEICO does not sell insurance policies in their neighborhood?
- How does Becky's family react to the fact that they can borrow from Umpqua Bank and invest in the Vanguard Funds—rather than having to deal with the local moneylender?
- Why does Becky's world have large-scale firms?
- Why does Becky's world have joint-stock limited-liability companies?
- Why does Becky's world have tradable financial assets?



## **Sustainable Development:**

- Why are we destroying our fisheries? Why are we rapidly using up our atmosphere's capacity to absorb carbon dioxide without substantial increases in temperature? Why is such a large chunk of our population potentially short of fresh water?
- Why have we been able to successfully capture and use 40% of the photosynthesis on earth without already severely disrupting our planet?
- How have we managed to become so much more numerous and rich since 1800 without rapidly-rising prices of pretty much all natural resources?

## **Social Welfare and Democratic Government:**

- What are T.H. Marshall's "three revolutions"?
- Why is each of them important?
- How does a government based on T.H. Marshall's "three revolutions" tend to promote a prosperous market economy?
- Does a prosperous market economy tend to promote T.H. Marshall's "Three Revolutions"—and if it does, does it promote them all?

## **Epilogue:**

- What distinction does Dasgupta draw between problems and challenges?
- Which—problems or challenges—is better suited for analysis with the tools of economics?
- What, after finishing this book, do you now think the most important tools of economics are?

## For Reference

### Prologue to *Economics: A Very Short Introduction*

Partha Dasgupta:

**Becky's world:** Becky, who is 10 years old, lives with her parents and an older brother Sam in a suburban town in America's Midwest. Becky's father works in a firm specializing in property law. Depending on the firm's profits, his annual income varies somewhat, but is rarely below 145,000 US dollars (\$145,000). Becky's parents met at college. For a few years her mother worked in publishing, but when Sam was born she decided to concentrate on raising a family. Now that both Becky and Sam attend school, she does voluntary work in local education. The family live in a two-storey house. It has four bedrooms, two bathrooms upstairs and a toilet downstairs, a large drawing-cum-dining room, a modern kitchen, and a family room in the basement. There is a plot of land at the rear—the backyard—which the family use for leisure activities.

Although their property is partially mortgaged, Becky's parents own stocks and bonds and have a saving account in the local branch of a national bank. Becky's father and his firm jointly contribute to his retirement pension. He also makes monthly payments into a scheme with the bank that will cover college education for Becky and Sam. The family's assets and their lives are insured. Becky's parents often remark that, because federal taxes are high, they have to be careful with money; and they are. Nevertheless, they own two cars; the children attend camp each summer; and the family take a vacation together once camp is over. Becky's parents also remark that her generation will be much more prosperous than theirs. Becky wants to save the environment and insists on biking to school. Her ambition is to become a doctor.

**Desta's world:** Desta, who is about 10 years old, lives with her parents and five siblings in a village in subtropical, southwest Ethiopia. The family live in a two-room, grass-roofed mud hut. Desta's father grows maize and teff (a staple cereal unique to Ethiopia) on half a hectare of land that the government has awarded him. Desta's older brother helps him to farm the

land and care for the household's livestock, which consist of a cow, a goat, and a few chickens. The small quantity of stuff produced is sold so as to raise cash income, but the maize is in large measure consumed by the household as a staple.

Desta's mother works a small plot next to their cottage, growing cabbage, onions, and enset (a year-round root crop that also serves as a staple). In order to supplement their household income, she brews a local drink made from maize. As she is also responsible for cooking, cleaning, and minding the infants, her work day usually lasts 14 hours. Despite the long hours, it wouldn't be possible for her to complete the tasks on her own. (As the ingredients are all raw, cooking alone takes 5 hours or more.) So Desta and her older sister help their mother with household chores and mind their younger siblings. Although a younger brother attends the local school, neither Desta nor her older sister has ever been enrolled there. Her parents can neither read nor write, but they are numerate.

Desta's home has no electricity or running water. Around where they live, sources of water, land for grazing cattle, and the woodlands are communal property. They are shared by people in Desta's village; but the villagers don't allow outsiders to make use of them. Each day Desta's mother and the girls fetch water, collect fuelwood, and pick berries and herbs from the local commons. Desta's mother frequently complains that the time and effort needed to collect their daily needs has increased over the years.

There is no financial institution nearby to offer either credit or insurance. As funerals are expensive occasions, Desta's father long ago joined a community insurance scheme (iddir) to which he contributes monthly. When Desta's father purchased the cow they now own, he used the entire cash he had accumulated and stored at home, but had to supplement that with funds borrowed from kinfolk, with a promise to repay the debt when he had the ability to do so. In turn, when they are in need, his kinfolk come to him for a loan, which he supplies if he is able to. Desta's father says that such patterns of reciprocity he and those close to him practise are part of their culture. He says also that his sons are his main assets, as they are the ones who will look after him and Desta's mother in their old age.

Economic statisticians estimate that, adjusting for differences in the cost of living between Ethiopia and the United States (US), Desta's family income is about \$5,500 per year, of which \$1,100 are attributable to the products they draw from the local commons. However, as rainfall varies from year to year, Desta's family income fluctuates widely. In bad years, the grain they store at home gets depleted well before the next harvest. Food is then so scarce that they all grow weaker, the younger children especially so. It is only after harvest that they regain their weight and strength. Periodic hunger and illnesses have meant that Desta and her siblings are somewhat stunted. Over the years Desta's parents have lost two children in their infancy, stricken by malaria in one case and diarrhoea in the other. There have also been several miscarriages.

Desta knows that she will be married (in all likelihood to a farmer, like her father) five years from now and will then live on her husband's land in a neighbouring village. She expects her life to be similar to that of her mother.

**The economist's agenda:** That the lives people are able to construct differ enormously across the globe is a commonplace. In our age of travel, it is even a common sight. That Becky and Desta face widely different futures is also something we have come to expect, perhaps also to accept. Nevertheless, it may not be out of turn to imagine that the girls are intrinsically very similar. They both enjoy playing, eating, and gossiping; they are close to their families; they turn to their mothers when in distress; they like pretty things to wear; and they both have the capacity to be disappointed, get annoyed, be happy.

Their parents are also alike. They are knowledgeable about the ways of their worlds. They also care about their families, finding ingenious ways to meet the recurring problem of producing income and allocating resources among family members—over time and allowing for unexpected contingencies. So, a promising route for exploring the underlying causes behind their vastly different conditions of life would be to begin by observing that the opportunities and obstacles the families face are very different, that in some sense Desta's family are far more restricted in what they are able to be and do than Becky's.

Economics in great measure tries to uncover the processes that influence how people's lives come to be what they are. The discipline also tries to identify ways to influence those very processes so as to improve the prospects of those who are hugely constrained in what they can be and do. The former activity involves finding explanations, while the latter tries to identify policy prescriptions. Economists also make forecasts of what the conditions of economic life are going to be; but if the predictions are to be taken seriously, they have to be built on an understanding of the processes that shape people's lives; which is why the attempt to explain takes precedence over forecasting.

The context in which explanations are sought or in which prescriptions are made could be a household, a village, a district, a country, or even the whole world—the extent to which people or places are aggregated merely reflects the details with which we choose to study the social world. Imagine that we wish to understand the basis on which food is shared among household members in a community. Household income would no doubt be expected to play a role; but we would need to look inside households if we are to discover whether food is allocated on the basis of age, gender, and status. If we find that it is, we should ask why they play a role and what policy prescriptions, if any, commend themselves. In contrast, suppose we want to know whether the world as a whole is wealthier today than it was 50 years ago. As the question is about global averages, we would be justified in ironing out differences within and among households.

Averaging is required over time as well. The purpose of the study and the cost of collecting information influence the choice of the unit of time over which the averaging is done. The population census in India, for example, is conducted every ten years. More frequent censuses would be more costly and wouldn't yield extra information of any great importance. In contrast, if we are to study changes in the volume of home sales across seasons, even annual statistics would miss the point of the inquiry. Monthly statistics on home sales are a favourite compromise between detail and the cost of obtaining detail.

Modern economics, by which I mean the style of economics taught and practised in today's leading universities, likes to start the enquiries from the ground up: from individuals, through the household, village, district, state,

country, to the whole world. In various degrees, the millions of individual decisions shape the eventualities people face; as both theory, common sense, and evidence tell us that there are enormous numbers of consequences of what we all do. Some of those consequences have been intended, but many are unintended. There is, however, a feedback, in that those consequences in turn go to shape what people subsequently can do and choose to do. When Becky's family drive their cars or use electricity, or when Desta's family create compost or burn wood for cooking, they add to global carbon emissions. Their contributions are no doubt negligible, but the millions of such tiny contributions sum to a sizeable amount, having consequences that people everywhere are likely to experience in different ways. It can be that the feedbacks are positive, so that the whole contribution is greater than the sum of the parts. Strikingly, unintended consequences can include emergent features, such as market prices, at which the demand for goods more or less equals their supply.

Earlier, I gave a description of Becky's and Desta's lives. Understanding their lives involves a lot more; it requires analysis, which usually calls for further description. To conduct an analysis, we need first of all to identify the material prospects the girls' households face—now and in the future, under uncertain contingencies. Second, we need to uncover the character of their choices and the pathways by which the choices made by millions of households like Becky's and Desta's go to produce the prospects they all face. Third, and relatedly, we need to uncover the pathways by which the families came to inherit their current circumstances.

These amount to a tall, even forbidding, order. Moreover, there is a thought that can haunt us: since everything probably affects everything else, how can we ever make sense of the social world? If we are weighed down by that worry, though, we won't ever make progress. Every discipline that I am familiar with draws caricatures of the world in order to make sense of it. The modern economist does this by building models, which are deliberately stripped down representations of the phenomena out there. When I say 'stripped down', I really mean stripped down. It isn't uncommon among us economists to focus on one or two causal factors, exclude everything else, hoping that this will enable us to understand how just those aspects of reality work and interact. The economist John Maynard Keynes described our subject thus: 'Economics is a science of thinking in terms of models

joined to the art of choosing models which are relevant to the contemporary world.'

As economists deal with quantifiable objects (calories consumed, hours worked, tonnes of steel produced, miles of cable laid, square kilometres of equatorial forests destroyed), the models are almost always mathematical constructs. They can be stated in words, but mathematics is an enormously efficient way to express the structure of a model; more interestingly, for discovering the implications of a model. Applied mathematicians and physicists have known this for a long time, but it was only in the second half of the 20th century that economists brazenly adopted that research tactic; as have related disciplines, such as ecology. The art of good modelling is to generate a lot of understanding from focusing on a very small number of causal factors. I say 'art', because there is no formula for creating a good model. The acid test of a model is whether it discriminates among alternative explanations of a phenomenon. Those that survive empirical tests are accepted—at least for a while—until further evidence comes along that casts doubt on them, in which case economists go back to their drawing board to create better (not necessarily bigger!) models. And so on.

The methodology I have sketched here, all too briefly, enables economists to make a type of prediction that doesn't involve forecasting the future, but instead to make predictions of what the data that haven't yet been collected from the contemporary world will reveal. This is risky business, but if a model is to illuminate, it had better do more than just offer explanations after the events.

Until recently, economists studied economic history in much the same way historians study social and political history. They tried to uncover reasons why events in a particular place unfolded in the way they did, by identifying what they believed to be the key drivers there. The stress was on the uniqueness of the events being studied. A classic research topic in that mould involved asking why the first industrial revolution occurred in the 18th century and why it took place in England. As you can see, the question was based on three presumptions: there was a first industrial revolution; it occurred in the 18th century; and it was based in England. All three premises have been questioned, of course, but there was an enormous

amount of work to be done even among those who had arrived at those premises from historical study. In the event, the literature built round those questions is one of the great achievements of economic history.

In recent years economists have added to that a statistical approach to the study of the past. The new approach stays close to economic theory, by laying emphasis on the generality of the processes that shape events. It adopts the view that a theory should uncover those features that are common among economic pathways in different places, at different times. Admittedly, no two economies are the same, but modern economists work on the commonality in the human experience, not so much on its differences. Say, you want to identify the contemporary features in Desta's and Becky's worlds that best explain why the standard of living in the former is so much lower than in the latter. A body of economic models tells you that those features are represented by the variables X, Y, and Z. You look up international statistics on X, Y, and Z from a sample of, perhaps, 149 countries. The figures differ from country to country, but you regard the variables themselves as the explanatory factors common to all the countries in the sample. In other words, you interpret the 149 countries as parallel economies; and you treat features that are unique to each country as idiosyncrasies of that country. Of course, you aren't quite at liberty to model those idiosyncrasies any way you like. Statistical theory—which in the present context is called econometrics—will set limits on the way you are able to model them.

On the basis of the data on the 149 countries in your sample, you can now test whether you should be confident that X, Y, and Z are the factors determining the standard of living. Suppose the tests inform you that you are entitled to be confident. Then further analysis with the data will also enable you to determine how much of the variation in the standard of living in the sample is explained by variations in X in the sample, by variations in Y, and by variations in Z. Those proportions will give you a sense of the relative importance of the factors that determine the standard of living. Suppose 80% of the variation in the standard of living in those 149 countries can be explained by the variation in X in the sample; the remaining 20% by variations in Y and Z. You wouldn't be unjustified to conclude, tentatively, that X is the prime explanatory variable.



There are enormous problems in applying statistics to economic data. For example, it may be that your economic models, taken together, suggest that there could be as many as, say, 67 factors determining the standard of living (not just X, Y, and Z). However, you have a sample of only 149 countries. Any statistician will now tell you that 149 is too small a number for the task of unravelling the role of 67 factors. And there are other problems besetting the econometrician. But before you abandon statistics and rush back to the narrative style of empirical discourse, ask yourself why anyone should believe one scholar's historical narrative over another's. You may even wonder whether the scholar's literary flair may have influenced your appreciation of her work. Someone now reassures you that even the author of a historical narrative has a model in mind. He tells you that the author's model influenced her choice of the evidence displayed in her work, that she chose as she did only after having sifted through a great deal of evidence. You ask in response how you are to judge whether her conceptual model is better than someone else's. Which brings us back to the problem of testing alternative models of social phenomena. In the next chapter we will discover that historical narratives continue to play an important role in modern economics, but they are put to work in conjunction with model-building and econometric tests.

There are implicit assumptions underlying econometric tests that are hard to evaluate (how the country-specific idiosyncrasies are modelled is only one of them). So, economic statistics are often at best translucent. It isn't uncommon for several competing models to co-exist, each having its own champion. Model-building, data availability, historical narratives, and advances in econometric techniques reinforce one other. As the economist Robert Solow expresses it, 'facts ask for explanations, and explanations ask for new facts'.

In this monograph, I first want to give you a feel for the way we economists go about uncovering the economic pathways that shape Becky's and Desta's lives. I shall do that by addressing the three sorts of questions that were identified earlier as our concern. I shall then explain why we need economic policies and how we should go about identifying good ones. We will certainly build models as we go along, but I shall mostly use words to describe them. I shall also refer to empirical findings, from anthropology, demography, ecology, geography, political science, sociology, and of course

economics itself. But the lens through which we will study the social world is that of economics. We will assume a point of view of the circumstances of living that gives prominence to the allocation of scarce resources— among contemporaries and across the generations. My idea is to take you on a tour to see how far we are able to reach an understanding of the social world around us and beyond...

## Why We Read Partha Dasgupta

A selection of four reviews from Amazon:

Declan Trott:

3 out of 5 stars: Partha Dasgupta... [in his] *Very Short Introduction*... has taken as his theme the original mystery of economics: the nature and causes of the wealth of nations.... Wealth depends on the division of labour, and the division of labour is limited by the extent of the market. But the extent of the market is not limited only by transport and taxes. It is limited also by trust: by the rules and expectations that allow cooperation for mutual gain between people who do not know each other. And these rules and expectations, particularly the expectations, are hard to build but easy to destroy.... People must believe that the long-run benefits from successful cooperation outweigh the short-term gains from cheating. And they must believe that other people think the same.... Such calculations... restrict the number of people any individual can trust.... The family is the ultimate example.... Yet... [that] limit[s] the division of labour.... Markets... overcome these problems by allowing much larger numbers of people to cooperate.... The *Very Short Introduction* series is advertised as being for 'anyone wanting a stimulating and accessible way into a new subject'. Stimulating, yes. Accessible? I am not so sure...

Me:

5 out of 5 stars: This is a game theorist's short introduction to economics. It focus on: individual goals, individual opportunities and constraints,

individual incentives, strategies, exchange, trust, and equilibrium outcomes. It is, of course, greatly concerned with wealth and poverty—that is, after all, the point of the discipline of economics: it is an inquiry into nature and causes of the wealth of nations. You won't find lots of practice figuring out how price and quantity change in response to demand shocks or calculating multipliers. What you will find is the logic and rationale for why figuring out how price and quantity change in response to demand shocks or calculating multipliers is a worthwhile thing to do...

manuelfisica:

5 out of 5 stars: Awesome book.. If you want a textbook, get something else.... The strengths of this book are: it avoids the trap of doing a developed-world only description, it really allows you to appreciate how economists think, it ties economic concepts to concepts from other disciplines. It can get technical sometimes for the least mathematical readership, but still a must read. Chapter 5 alone justifies buying the book (Science and technology as institutions)...

Stephen Bainbridge:

1 out of 5 stars: Very disappointing.... If you're looking for a VSI to Econ 101 and 102, skip this book. The treatment of microeconomic basics consists of exactly 14 pages. Macroeconomic theory gets a whopping 4 pages. The rest consists mainly of a political tract on wealth and poverty. It's the first VSI whose title amounts to a misrepresentation...

## Further Reading

Betsey Stevenson & Justin Wolfers (2019) *Principles of Economics*