GIFT BOOKS FOR ECON LOVERS

UNDERSTANDING ECONOMISTS AND JOINING THEIR CONVERSATIONS

Typical of “life” at the University of Chicago, at the end of academic quarters, students will approach me with: “I love economics, what else can I read?” Or, “What book would you recommend for my parents? With the holidays as well as cold, dark days approaching, here are some suggestions for airplane reading, curling up in front of a fire, or gift-giving.

Ignoring textbooks, which in the early years meant either Paul Samuelson’s or Campbell McConnell’s simply entitled Economics and “7 Steps to Jump-Starting Your Career” business books, which are dreadful as a genre, the “popular economics” field is just about 50 years old. A chunk of the public cut its teeth on John Kenneth Galbraith’s The Affluent Society (1957). Then along came Milton Friedman’s Capitalism and Freedom (1962) and, with wife Rose, Free to Choose (1980). But that was about it for economics flair or fare in the 20th century.

While some economists have attempted to put their toes into mass-market waters, the 21st century floodgates seemed to open five years ago with the surprising bestseller Freakonomics by economist (and University of Chicago colleague) Steven Levitt and journalist Stephen Dubner. “Volume II,” or SuperFreakonomics, debuted in 2010. But what others are “out there” and a worthwhile expenditure of a few dollars or hours?

The Economic Crisis
To learn more about the 2007-2010 economic crises, three recommendations: In Fed We Trust by David Wessel; Crisis Economics by Nouriel Roubini and Stephen Mihm; and Fault Lines by Raghuram Rajan. And Justin Fox’s The Myths of the Rational Market injects psychological factors (aka behavioral finance) into failures in our financial markets.

For somewhat playful romps through those same mine fields, you can complete your “Market Madness” tournament brackets in a game I developed last year: http://www.vanderbilt.edu/AEA/Annual_Meeting/market_madness_2010.html. Even more entertaining is the five-minute YouTube Hayek v. Keynes rap video: http://www.youtube.com/watch?v=d0nERTFo-Sk.

Globalization
With regard to globalization, international trade and economic growth, here are the best of a good bunch (and also support for the old adage if you laid all economists end to end they’d never reach a conclusion): Raghuram Rajan and Luigi Zingales, Saving Capitalism from the Capitalists; Gregory Clark, A Farewell to Alms; Jagdish Bhagwati, In Defense of Globalization; David Warsh, Knowledge and the Wealth of Nations; Jeffrey Sachs, The End of Poverty; William Easierly, The White Man’s Burden; Joseph Stiglitz, Making Globalization Work; and Benjamin Friedman, The Moral Consequences of Economic Growth.

Behavioral Economics
The intersection of economics and psychology — “behavioral economics” — is currently a hot field. Contributions worth reading: Predicatably Irrational and The Upside of Irrationality by Dan Ariely and Nudge by Richard Thaler and Cass Sunstein. In that same vein, Michael Shermer’s The Mind of the Market offers a taste of neuroeconomics, the latest research frontier.

Economists Just Want to Have Fun
In the wake of Freakonomics (financial) successes, wannabes cleaned out their file cabinets and produced some enjoyable and insightful (or inciteful) volumes: Robert Franks’ The Economic Naturalist; Steven Landburg’s The Armchair Economist and More Sex is Safer Sex; Diane Coyle’s Sex, Drugs and Economics; The Undercover Economist and The Logic of Life by Tim Harford; Tyler Cowen’s Discover Your Inner Economist; and Parentomics by Joshua Gans.

Extending this playful side, economists have also ventured into the realm of fiction. No mistaking them for Agatha Christie; nevertheless, these aren’t bad: the ‘Marshall Jevons’ volumes, Murder at the Margin, The Fatal Equilibrium and A Deadly Indifference; three by Russell Roberts, The Choice, The Invisible Heart, and The Price of Everything; and two by Michael Walden and M.E. Whitman Walden, Micro Mayhem and Micro Mischief.

Odds and Ends
A miscellaneous, catch-all section would have to include: Naked Economics by Charles Wheelan; John Siegfried’s Better Living through Economics; Michael Watts’ The Literary Book of Economics; Robert Nelson’s Economics as Religion; Burton Malkiel’s A Random Walk Down Wall Street; Avinash Dixit and Barry Nalebuff’s Thinking Strategically, The Hesitant Hand by Steven Medema; and Partha Dasgupta’s Economics, A Very Short Introduction.


Of course, one should never forget where economics began: Adam Smith’s The Wealth of Nations. And remember: test on Thursday!