

Capitalism and Comparative Economics

Bridwell Institute Advanced Reading Group Syllabus

Attendance is required. Your attendance and active participation are required. We will have 10 on-campus meetings. Three of the ten on campus meetings will meet an extra hour, until 9pm, to allow for watching the three episodes of the docuseries *Commanding Heights*. The ten normal meetings plus the three movie sessions add to a total thirteen combined meetings over the course of ten nights during the semester. Students will be expected to attend at least twelve of the thirteen meetings in order to fulfill their obligation for the program. Additional absences can be made up for by attending other Bridwell Institute events. For instance, you can miss one normal reading group or leave without attending the movie session, but if you miss anymore than this, you must make up for it by attending other events. **This will be enforced.** Note that our schedule does not match up precisely with those of the other reading groups.

Meeting Times. Our on-campus meetings will be held on **Thursday** from 6pm-8pm, except on 1/27/22, 2/17/22, and 3/10/22, when we will meet from 6pm-9pm.

Dinner. After each session, we will bring in food to continue our conversation informally. You should expect this to last until about 8pm. This is considered an integral part of the program and you are expected to participate.

Stipend. Upon successful completion of the program, you will receive a \$1,000 stipend about a month after the program ends. (Thanks to the McLane Company, Inc. and the Armentrout Foundation for their generous support for this program.) There is much paperwork involved in order to process the payment. Taxes will not be withheld, but the payment will be reported to the IRS and you may be liable for paying taxes on that income. Please see Liz Chow (Crow 278) to make sure all the required paperwork is in order (chow@smu.edu, 214-768-2493). You can't get paid otherwise.

General Advice

Read Ahead. There are about 50+ pages of material assigned each week, and the material is not always easy. Please budget enough time in your schedule to do the readings ahead of time.

Come Prepared. You should have 3 or 4 specific questions or comments prepared in advance for each session – hopefully related directly to the texts. Your active participation is expected and planning ahead is the best way to make sure you are contributing to the group discussion.

Be Critical. Don't agree unthinkingly with the readings or each other. Reasonable people disagree, so be reasonable.

Be Humble. The writers we read did not know everything and neither do you. Be willing to listen to the writers and each other, and be willing to say, "I don't know".

Books

Cowen, Tyler. 2002. *Creative Destruction: How Globalization is Changing the World's Cultures*. Princeton: Princeton University Press, p. 102-152.

De Soto, Hernando. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books.

Milton Friedman. 1962. *Capitalism and Freedom*. Chicago: University of Chicago Press.

Lawrence H. White. 2012. *The Clash of Economic Ideas: The Great Policy Debates and Experiments of the Last Hundred Years*. Cambridge: Cambridge University Press.

1/27/22 Regulation | **MEETING UNTIL 9PM TO WATCH FIRST EPISODE OF COMMANDING HEIGHTS**

Dick Carpenter II, Lisa Knepper, Kyle Sweetland, and Jennifer McDonald. 2017. *License to Work: A National Study of Burdens from Occupational Licensing*. Second Edition. Arlington: Institute for Justice, p. 6-41, https://ij.org/wp-content/themes/ijorg/images/ltw2/License_to_Work_2nd_Edition.pdf

Simeon Djankov, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. 2002. "The Regulation of Entry." *Quarterly Journal of Economics* 117, no. 1: 1-37.

Mario Rizzo and Glenn Whitman. 2020. *Escaping Paternalism: Rationality, Behavioral Economics, and Public Policy*. Cambridge: Cambridge University Press, p. 1-24.

2/3/22 Freedom to Trade Internationally

White ch. 14, p. 360-381.

Cowen ch. 5-6, p. 102-152.

REQUIRED Econtalk episode: <https://www.econtalk.org/david-autor-on-trade-china-and-u-s-labor-markets/>

2/4/22 OPTIONAL EVENT: Yeonmi Park on North Korea and Freedom

2/10/22 Sound Money

White 2012, ch. 12, p. 306-331.

Friedman 1962, ch. 3, p. 46-67.

REQUIRED Econtalk episode: <https://www.econtalk.org/sumner-on-money-business-cycles-and-monetary-policy/>

2/17/22 Property Rights and the Quality of the Legal System | MEETING UNTIL 9PM TO WATCH SECOND EPISODE OF COMMANDING HEIGHTS

De Soto 2000, p. 153-206.

White 2012, ch. 2, p. 33-67.

Short video on *Little Pink House*: <https://www.youtube.com/watch?v=9yRHmAfiMSs>

2/24/22 The Size of Government

White 2012, ch. 13 & 15, p. 332-359; 382-412.

Friedman 1962, ch. 11 and 12, p. 212-235.

Theodore Burczak. 2013. "A Hayekian Case for a Basic Income." In *Basic Income and the Free Market*, Guinevere Liberty Nell, ed. New York: Palgrave Macmillan, p. 49-62.

Johan Norberg. 2020. "Sweden's Lessons for America." *Cato Institute Policy Report* 42, no. 1, <https://www.cato.org/sites/cato.org/files/2020-02/cpr-v42n1-1.pdf>

3/3/22 Further Thoughts on Economic Freedom

Michael Walker. 1991. "Setting the Scene: A Discussion of *Freedom, Democracy and Economic Welfare: Proceedings of an International Symposium*." In *Economic Freedom: Toward a Theory of Measurement*, Walter Block, ed. Vancouver: Fraser Institute, p. 1-21,
<https://www.fraserinstitute.org/sites/default/files/EconomicFreedomTheoryofMeasurement.pdf>

James Gwartney. 2009. "Institutions, Economic Freedom, and Cross-Country Differences in Performance." *Southern Economic Journal* 75, no. 4: 937-956.

Ryan H. Murphy. 2015. "What Do Recent Trends in *Economic Freedom of the World* Really Tell Us?" *Economic Affairs* 35, no. 1: 135-150.

Ryan H. Murphy. 2019. "Boomer Socialism versus Millennial Neoliberalism." *Orange County Register*,
<https://www.ocregister.com/2019/05/13/boomer-socialism-versus-millennial-neoliberalism/>

3/4/22 OPTIONAL EVENT: Reading Group Summit with Robert Lawson on *Socialism Sucks*

3/10/22 State Capacity | MEETING UNTIL 9PM TO WATCH THIRD EPISODE OF COMMANDING HEIGHTS

Francis Fukuyama. 2014. *Political Order and Political Decay: From the Industrialization to the Globalization of Democracy*. New York: Farrar, Straus and Giroux, p. 52-80.

James C. Scott. 1998. *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. New Haven: Yale University Press, p. 1-8; 87-102.

Fareed Zakaria. 2003. *The Future of Freedom: Illiberal Democracy at Home and Abroad*. New York: Norton, p. 59-87.

Jennifer Murtazashvili and Ilia Murtazashvili. 2020. "Wealth-Destroying States." *Public Choice* 182: 353-371.

3/17/22 NO MEETING – SPRING BREAK

3/24/22 Democracy

Amartya Sen. 1999. *Development as Freedom*. New York: Random House, p. 146-159.

Michael C. Munger and Kevin M. Munger. 2015. *Choosing in Groups: Analytical Politics Revisited*. Cambridge: Cambridge University Press, p. 3-12; 42-56.

Garett Jones. 2021. *10% Less Democracy: Why You Should Trust Elites a Little More and the Masses a Little Less*. Stanford: Stanford University Press, p. 9-26; 41-62

Ryan H. Murphy. 2021. "Review of *10% Less Democracy*." *The Independent Review* 26, no. 2
<https://www.independent.org/publications/tir/article.asp?id=1652>

Ryan H. Murphy. 2018. "Imperfect Democracy and Economic Freedom." *Journal of Public Finance and Public Choice* 33, no. 2: 197-224. [SKIM]

3/31/22 Legal Origins

Rafael La Ports, Florencio Lopez-de-Silanes, and Andrei Shleifer. 2008. "The Economic Consequences of Legal Origins." *Journal of Economic Literature* 46, no. 2: 285-332.

F.A. Hayek. 1982 [2013]. *Law, Legislation, and Liberty*. Chicago: University of Chicago Press, p. 69-89.

William Shughart. 2018. "Gordon Tullock's Critique of the Common Law." *The Independent Review* 23, no. 2: 209-226.

REQUIRED Econtalk episode: <https://www.econtalk.org/nicholas-vincent-on-the-magna-carta/>

4/7/21 NO READING GROUP

4/14/21 In Summary

Tyler Cowen. 2020. "State Capacity Libertarianism." *Marginal Revolution*,
<https://marginalrevolution.com/marginalrevolution/2020/01/what-libertarianism-has-become-and-will-become-state-capacity-libertarianism.html>

Ryan H. Murphy and Colin O'Reilly. 2020. "Assessing State Capacity Libertarianism." *Cato Journal* 40, no. 3: 735-767.

Sam Bowman. 2016. "I'm a Neoliberal. Maybe You Are Too." *Medium*, <https://s8mb.medium.com/im-a-neoliberal-maybe-you-are-too-b809a2a588d6>

Robert A. Lawson, Ryan H. Murphy, and Benjamin Powell. 2020. "The Determinants of Economic Freedom: A Survey." *Contemporary Economic Policy* 38, no. 4: 622-642.