



**FREE MARKET
INSTITUTE**

TEXAS TECH
Research & Innovation

McLane Teammates Reading Program

Markets and Economic Development: Does Capitalism Help the Poor?

Participants explore why some institutions (possessing differing degrees of capitalism) are more conducive to certain types of organizational solutions to the problems of poverty. Key questions include:

- What is the role of institutions in the perpetuation and potential elimination of absolute poverty?
- How can we evaluate the morality of capitalism?
- What are some contextual challenges of entrepreneurship and how do they relate to global economic development?

Reading Schedule

Session 1 – What is Poverty?

- Chambers, Robert. (1983). “Integrated Rural Poverty.” In *Rural development: Putting the Last First*. London, UK: Routledge. 103-139.
- Coudouel, Aline, Jesko S. Hentschel, and Quentin T. Wodon. (2002). “Poverty Measurement and Analysis.” In *A Sourcebook for Poverty Reduction Strategies, Vol. 1*. Washington, DC: The World Bank Group. 29-74.
- Dalrymple, Theodore. (2001). “What is Poverty?” In *Life at the Bottom: The Worldview that Makes the Underclass*. Chicago, IL: Ivan R. Dee. 134-43.
- ——— (2001). “Lost in the Ghetto.” 155-66.
- Rosling, Hans. (2010). “Hans Rosling’s 200 Countries, 200 Years, 4 Minutes – The Joy of Stats – BBC Four.” London, UK: BBC. Accessed at <https://www.youtube.com/watch?v=jbkSRLYSojo>.

Session 2 – Development

- Ayittey, George B. N. (2005). “Why Africa is Poor.” In *Africa Unchained: The Blueprint for Africa's Future*. New York, NY: Palgrave Macmillan. 1-32.
- ——— (2005). “The Postcolonial Elite Development Model.” 57-92.
- Chang, Ha-Joon. (2002). “Introduction: How Did the Rich Countries Really Become Rich?” In *Kicking Away the Ladder: Development Strategy in Historical Perspective*. London, UK: Anthem Press. 1-12.
- ——— (2002). “Policies for Economic Development: Industrial, Trade and Technology Policies in Historical Perspective.” 13-68.



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Session 3 – Theories of Poverty: Geography

- Diamond, Jared. (1997). “Yali’s Question: The Regionally Differing Causes of History.” In *Guns, Germs, and Steel: The Fates of Human Societies*. New York, NY: W.W. Norton & Company, Inc. 13-31.
- ——— (1997). “Farmer Power: The Roots of Guns, Germs, and Steel.” 81-88.
- ——— (1997). “History’s Haves and Have-Nots: Geographic Differences in the Onset of Food Production.” 89-99.
- ——— (1997). “To Farm or Not to Farm: Causes of the Spread of Food Production.” 100-108.
- ——— (1997). “Lethal Gift of Livestock: The Evolution of Germs.” 187-205.
- ——— (1997). “Necessity’s Mother: The Evolution of Technology.” 229-253.

Session 4 – Theories of Poverty: Culture

- Ayittey, George. B. N. (2005). “The Cultural Betrayal.” In *Africa Unchained: The Blueprint for Africa's Future*. New York, NY: Palgrave Macmillan. 93-130.
- Ludwig, Jens and Susan Mayer. (2006). “‘Culture’ and the Intergenerational Transmission of Poverty: The Prevention Paradox.” *The Future of Children*, Vol. 16, No. 2, Opportunity in America. (Autumn 2006). 175-196.
- Small, Mario L., David J. Harding, and Michele Lamont. (2010). “Reconsidering Culture and Poverty.” *The Annals of the American Academy of Political and Social Science*, Vol. 629, No. 1. 6-27.

Session 5 – Theories of Poverty: Institutions

- Ayittey, George. B. N. (2005). “How to Develop Africa.” In *Africa Unchained: The Blueprint for Africa's Future*. New York, NY: Palgrave Macmillan. 307-336.
- ——— (2005). “The Indigenous Economic System.” 337-364.
- ——— (2005). “The Atinga Development Model.” 365-400.
- Chang, Ha-Joon. (2002). “Institutions and Economic Development: ‘Good Governance’ in Historical Perspective.” In *Kicking Away the Ladder: Development Strategy in Historical Perspective*. London, UK: Anthem Press. 69-124.



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Session 6 – Property Rights

- De Soto, Hernando. (2000). “The Five Mysteries of Capital.” In *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York, NY: Basic Books. 1-14.
- ——— (2000). “The Mystery of Legal Failure.” 153-206.
- Easterly, William. (2014). “Introduction.” In *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*. New York, NY: Basic Books. 3-16.
- ——— (2014). “Two Nobel Laureates and the Debate They Never Had.” 17-46.

Session 7 – The Rule of Law

- Haggard, Stephan, Andrew MacIntyre, and Lydia Tiede. (2008). “The Rule of Law and Economic Development.” *Annual Review of Political Science*, Vol. 11. 205-234.
- Easterly, William. (2014). “Institutions: We Oppress Them If We Can.” In *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*. New York, NY: Basic Books. 155-174.
- Leoni, Bruno. (1972). “Introduction.” In *Freedom and the Law*. Los Angeles, CA: Nash Publishing. 3-25.

Session 8 – Entrepreneurship and Incentives to Innovate

- Easterly, William. (2014). “Markets: The Association of Problem-Solvers.” In *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor*. New York, NY: Basic Books. 239-274.
- ——— (2014). “Technology: How to Succeed Without Knowing How.” 275-306.
- Sullivan, Timothy. (2014). “What Economists Don’t Get about Uber’s Surge Pricing.” *Harvard Business Review*. Published on December 17, 2014. Available at <https://hbr.org/2014/12/what-economists-dont-get-about-ubers-surge-pricing>.
- Tracinski, Robert. (2015). “The Uber Reaction: Regulation Creates Its Own Destruction.” *The Federalist*. Published on September 16, 2015. Available at <http://thefederalist.com/2015/09/16/the-uber-reaction-regulation-creates-its-own-destruction>.



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Session 9 – Trade

- Landsburg, Steven E. (2011). “What Cayley Knows.” In *Fair Play: What Your Child Can Teach You About Economics, Values, and the Meaning of Life*. New York, NY: Simon and Schuster. 12-23.
- Rivoli, Pietra. (2014). *The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade*, 2nd Edition. Hoboken, NJ: John Wiley & Sons.

Session 10 – Growth Versus Sustainability

- Baumol, William J., Robert E. Litan, and Carl J. Schramm. (2007). “Why Economic Growth Matters.” In *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. New Haven, CT: Yale University Press. 15-34.
- Trainer, Ted. (2011). “The Radical Implications of a Zero Growth Economy. *Real-World Economics Review*, No. 57. 71-82.