

An Introduction to Social Science

Or, “Books I Like”

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Students have occasionally asked me for suggestions for further reading. The somewhat unfortunate truth is that the best way to prepare for most economics courses is to do as many previous exam questions as you can and improve your problem-solving skills. If you want that sort of further reading, this document will be of little interest. This document aims to serve those grand intellectual pursuits that are sometimes under-provided by undergraduate curricula.

I should mention that the oldest book on this list was first published in 1944. I have intentionally restricted this list to contemporary writers. This is not to downplay the importance of J.S. Mill or Thomas Hobbes but to avoid a pseudo-chronology of political philosophy.

Not to be tautological, but social science is the scientific study of society. Society is complex—far too complex to be fully understood—so in terms of science the best we can hope for it to understand small segments and try to piece them together. To ensure precision, academic work typically takes a narrow focus. Consequently the study of political systems is a distinct subject to the study of economic systems which in turn is distinct from psychology. This is why Econ 101 tests your skills on very specific topics. The readings below typically take a broader perspective, and thus won't be much help for Econ 101. (With years of experience, however, I have concluded that a little bit of tangential thinking goes a long way in Econ 101. Students, sadly, are primed towards rote-learning. They focus too much on the specifics of particularly difficult exam questions rather than grappling with the general principle. This is a problem; aside from missing the point altogether, particularly difficult exam questions rarely get repeated on exams. All this is a roundabout way of saying that approaching economics with a curious mind is a good thing. Please do not *learn* economics, but *understand* economics.)

The first book on this list (Gladwell, 2000) has become quite influential and got me systematically thinking about analyzing the effects of policy. Malcolm Gladwell is a journalist, and journalists are not social scientists, but the book provides a very nice introduction into breaking down social phenomena. The book argues that concerted efforts to achieve some policy (e.g. reducing crime in NYC in the 1990s) must reach

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a critical value, a “tipping point”, before they have any impact. After exceeding the tipping point they transition into a positive loop and become very effective. It’s been quite a few years since I’ve read it but it’s still the one book that I would recommend to teenagers who express an interest in social science.

In contrast to Gladwell, Steven Levitt is a social scientist. Levitt is a professor of economics in the University of Chicago. By his own admission, he’s not very good at “real” economics. He has instead focused on the novel use of data to answer real world questions, e.g. what lowered crime in NYC in the 1990s. His work is very, very clever. He once met Stephen Dubner, a journalist with the New York Times. Levitt and Dubner (2005)’s *Freakonomics* is a great book translating Steven Levitt’s academic work into plain English, and gives a good sense of the tricky business of tracing out truly causal relationships.

One critique of Steven Levitt-style economics is that it loses the bigger picture. For a much broader view on the development of society, Diamond (1997) is brilliant at drawing together biology, archaeology, and economics to try and explain the world. For an economic history point of view on why the Industrial Revolution happened in England in the 1700s, and its consequences, the best reference is Clark (2007).

Social science is closely related to politics and no introduction like this would be complete without acknowledging that there are contrasting philosophies about how society should be run, or even whether society exists in any meaningful sense. Hayek (1944) should be your first port of call on this front. Hayek provides the keystone arguments for libertarianism and individual freedom, arguing that freedom is both a fundamental right and that government intervention is doomed to fail. Hayek had an enormous influence on Margaret Thatcher and ‘The Road to Serfdom’ introduced Ron Paul to libertarianism. Though you should bear in mind that Hayek was writing during World War II and perhaps contemplating more malignant forms of government influence than we see today, he argues very well: expect a lingering sympathy for the Tea Party after you read it. On a similar note, Friedman (1962) makes the (now largely accepted) argument that economic freedom is a key component of political freedom. You should at least browse through both by the time you finish your undergraduate studies.

After some exposure to Hayek and Friedman, I suggest Sen (1999). Sen argues for a much more radical notion of freedom based on capabilities, and specifically the ability to participate within society without shame. Sen asks, for example, how democratic is a society if some voters cannot afford to travel to their polling booth? This is closer to the French Revolution notion of *liberté*. Expect a lingering sympathy for socialism afterwards.

In explaining his reasons for funding Ireland’s first professorship in economics, Archbishop of Dublin Richard Whately claimed that “next to sound religion, sound Political Economy was the most essential to the well-being of society.” Benjamin Friedman (2005) would no doubt find a supporter in Whately. This book is the best rejoinder to anti-capitalists that I have read and is the one book I force-fed my theologian brother. Friedman (not to be confused with Milton Friedman, cited above) spends a chapter defining moral progress in the Enlightenment tradition: non-discrimination, democracy, fairness, etc. He then shows in meticulous detail that societies are much more likely to

introduce morally progressive reforms in times of economic growth, and that people are more likely to be overtly racist, homophobic or discriminatory during recessions. This argument adds an entirely new dimension when considering economic policy.

Surowiecki (2005) was one of my favourite books when I was an undergrad. If you've ever wondered about large groups' decision-making ability, this is a very good book to read. Network theory is a branch of mathematics studying interconnected objects (think airports, websites linking to each other, or supply chains) that has recently been incorporated into economics. Surowiecki draws on results from network theory (and some laws of large numbers) to argue that decentralised networks (and specifically democracy and capitalism) are incredibly efficient mechanisms for decision-making.

Speaking of decision-making, what about individuals? Much of libertarian thought implicitly relies on the ability of individuals to know their preferences and to act in accordance with them. This is not as modest an assumption as it may sound. The human brain evolved for hundreds of thousands of years in a near-subsistence environment but has only existed in a post-Industrial Revolution world for a couple of centuries. Kahneman, Slovic and Tversky (1982) shows that we persistently demonstrate irrational biases in decision-making. I still remember finding this in a library as an undergrad and being enthralled. Though a psychologist, Kahneman won the Nobel Prize for Economics for the research in this book and it serves as a great introduction to behavioural economics. Consider also Akerlof and Kranton (2010) who suggest that much of human action can be considered as an expression of identity and discuss the implications of this for decision-making.

Recent economic policy has tried to incorporate insights from behavioural economics. Thaler and Sunstein (2008) tries to fuse libertarianism with behavioural economics primarily by setting 'good' default options and allowing people to opt-out of these. This 'libertarian paternalism' is considered the dominant microeconomic philosophy of both Barack Obama's and David Cameron's administrations. Indeed, Cass Sunstein was appointed to the Office of Information and Regulatory Affairs by President Obama.

Finally, I encourage all of you to consider the importance of data to social science. For an easy introduction to the use of statistics and econometrics to answer important questions, you could do much worse than Ayres (2007). This is an easy read. It's the type of book you would give your grandmother to teach her what economists can do. For a much more critical view of statistical techniques used, and to consider the importance of randomness in the world, see Taleb (2007). Taleb's notion of a black swan—the revelation of something that has always existed but had previously been thought impossible—raises questions about the wisdom of using historical data to predict the future. Taleb writes like a tabloid journalist and provides entertainment, so taking what he says with a pinch of salt will help you identify his grain of truth.

Happy reading.

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