

5 Economics Books Everyone Should Read

When was the last time you read a book about economics? If your answer is “when I was in high school” or “I have never read a book on such a boring topic”, here are some suggestions in ascending order of difficulty that might help you get into economics.

1. *Economics in One Lesson* (Henry Hazlitt, 1946)

The fact that I recently dedicated [an article](#) to this masterpiece shows the special attachment I have to Henry Hazlitt and this work in particular. In *Economics in One Lesson*, the author debunks a series of widespread economic fallacies using a simple and accessible language. If you wish to learn more about some basic, though important, economic principles, this is your book. One piece of advice before starting to read it: get rid of your prejudices and preconceptions so that you can make the most of it.

2. *Free to Choose: A Personal Statement* (Rose Friedman and Milton Friedman, 1980)

Very few people know that this introduction to free market economics is based on the homonymous TV series broadcast in 1980, and not the other way around. As one of the best communicators in the history of free market ideas, Milton Friedman was aware that a TV show would be much more impactful than a book. And he was right. Yet the tremendous success that the TV series achieved pushed Rose and Milton to turn it into

a book. The printed version follows the same structure as the TV series: each chapter/episode deals with a public policy topic from a free market perspective.

3. Why Nations Fail: The Origins of Power, Prosperity, and Poverty (Daron Acemoglu & James Robinson, 2012)

The question that Acemoglu and Robinson analyze in this magnificent book is old and yet extremely relevant nowadays: what factors determine the prosperity of a country?

After examining multiple historical examples, the authors conclude that prosperity is closely linked to the development of *inclusive* political and economic institutions as opposed to *extractive* institutions. Whereas the former incentive innovation and economic growth (a legal framework that protects property rights, political pluralism, etc.), the latter only benefit the ruling class to the detriment of the rest of the population. On balance, *Why Nations Fail* is an essential book to understand the causes of poverty and underdevelopment in today's world.

4. Less than Zero: The Case for a Falling Price Level in a Growing Economy (George Selgin, 1997)

This brief work makes the case for deflation in a growing economy. Politicians, economists and central bankers have always warned us about the problems of deflation. This is the reason why most central banks nowadays aim at a 2 percent inflation target: the fears of deflation lead to central

bankers to even reject price stability in favor of a small increase in the price level every year. George Selgin distinguishes between bad deflation (resulting from aggregate demand shocks) and good deflation (declines in the price level due to productivity increases). Whereas the former should be avoided at all costs, the second is the natural consequence of economic growth: if productivity increases, production costs per unit go down, which, in a competitive market, should lead to a decline in prices. Although a bit technical, this book should be read by anyone interested in monetary economics. A classic.

5. The General Theory of Employment Interest and Money (John Maynard Keynes, 1936)

The General Theory is one of the most influential books in the history of economic science. Written during the *Great Depression*, Keynes' work represented a major turning point in the way economists and the public in general looked at the economy. Keynes made the case for government intervention in the form of deficit spending to make up for the decline in economic activity during recessions. Regardless of whether you agree or disagree with Keynesian economics, reading *The General Theory* is of the utmost importance if one aims to debunk some myths about Keynes' thought. For instance, Keynes is usually thought to have favored mathematical methods in economics. Yet he had some concerns about them:

"Too large a proportion of recent 'mathematical' economics are mere concoctions, as imprecise as the initial assumptions they rest on, which allow the author to lose sight of the complexities and interdependencies of the real world in a maze of pretentious and unhelpful symbols"

These words could have been perfectly uttered by F. A. Hayek himself, probably the most important of his intellectual opponents.

If you want to give economics a shot, I suggest you start with *Economics in One Lesson* or *Free to Choose*. If you enjoy them, then try reading the others. You won't regret it.

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