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1 – ECONOMICS

Freedomnomics: Why the Free Market Works and Other Half-Baked Theories Don't (Lott). A broad assessment of economics, society and politics through the prism of incentives and disincentives. Refutes many of the arguments found in *Freakonomics* (Levitt, Dubner). Uses evidence and data to make the case that free markets are overwhelmingly honest, moral, self-regulating and self-correcting. **Prosperity is produced by the pursuit of self-interest, not in spite of it.** The more that government intervenes in the economy – even with the best of intentions – the more harm it does.

Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity (Baumol, Litan, Schramm). The key to eradicating poverty, increasing standards of living, and fueling economic growth is capitalism. But there are four forms of capitalism,

and only good capitalism can foster widespread prosperity. State-guided capitalism (mercantilism) can actually retard growth. Oligarchic capitalism does not promote or care about growth. Big firm capitalism is good and necessary for mass production, but is susceptible to periods of slow growth. **Entrepreneurial capitalism is most conducive to radical innovation, the engine of economic growth.**

The authors analyze a number of economies – including those of India, China, Russia and Israel – and broadly prescribe how these countries can move toward the ultimate goal of having more entrepreneurial, prosperous economic systems. They also discuss what the United States must do to ensure its economy maintains its position of entrepreneurial leadership.

2 – GLOBALIZATION

The Improving State of the World: Why We're Living Longer, Healthier, More Comfortable Lives On a Cleaner Planet (Goklany). A guide, accompanied by an extensive range of charts, historical data and statistics, to how **economic development, technological change, and free trade** have combined to power a “cycle of progress” that in the last two centuries enabled unprecedented improvements in every objective measure of human well-being (including a cleaner environment). Refutes concerns of resource depletion.

Key points from the book include the striking decline of hunger/malnutrition, infant mortality, disability and illiteracy; dramatic increases in life

expectancy, sanitation, health and leisure; vast improvements in air and water quality.

The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It (Collier). Global poverty is falling rapidly for about 80% of the world. The real crisis lies in a group of about 50 failing states, mostly in Africa and containing the bottom billion of world population, whose problems defy traditional approaches to alleviating poverty. Reasons for failure include civil war, a dependence on the extraction and export of natural resources, and bad governance. In a world that is ever more socially integrated through information, business and migration, having a billion people at

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the bottom falling away economically is going to be unmanageable and frightening.

Standard solutions do not work. More aid would be helpful, but its effect would be minor relative

to the other policies the rich world needs to adopt in order to reverse the decline: preferential trade policies, new laws against corruption, new international charters to foster greater levels of investment, carefully calibrated military interventions.

3 – 20th CENTURY HISTORY

The Forgotten Man: A New History of the Great Depression (Shlaes). FDR and his Brain Trust are credited with saving democracy and capitalism by vastly enlarging the size and role of the federal government through the New Deal. **But this is a false memory: they were in fact left-wing ideologues whose policies made the Depression unnecessarily worse and longer.** The centerpiece of the New Deal, the National Recovery Administration (NRA), was perverse, retarding recovery. Investors were vilified and prosecuted; property and profits under threat of confiscation. Uncertainty caused markets and investment to freeze.

The most useful economic philosophy for understanding what went on is not Keynesianism but public choice theory, which explains how government crowds out the private sector, the only true source of economic growth. Roosevelt's "Forgotten Man" was supposed to be the worker at the bottom of the economic class pyramid, but his policies made the middle-class working tax payer – the bedrock of the economy and society – the real

"forgotten man." Before the 1930s, the adjective "liberal" denoted policies of individualism and individual rights; since Roosevelt, alas, it has primarily pertained to the politics of group interests.

The Age of Abundance: How Prosperity Transformed America's Politics and Culture (Lindsey). In the second half of the 20th century, mass prosperity fundamentally altered American political and cultural debates, including gender relations, race relations, labor-management relations, parent-child dynamics and organized religion. There was a shift away from arguments over wealth distribution to more cultural/spiritual concerns.

Improvements to everyday life, from electricity to clothing, have led to preoccupations with self-realization, equal rights, and relentless struggles between the political Left and Right. **In the 21st century a new, more libertarian consensus is forming that mixes the social freedom of the left with the economic freedom of the right.**

4 – ISLAM

Knowing the Enemy: Jihadist Ideology and the War on Terror (Habeck). Jihadis are a small minority within the Islamist movement that believes violence must be used in order to create the perfect Islamic state. The jihadis believe, first, that they're the only true Muslims in the world. Second, they believe that hostile unbelievers control the world and have only one purpose in life, the destruction of Islam. Thirdly, jihadis feel that war against the hostile

unbelievers is permitted, because they've been attacked and aggressed against for at least ninety years. Finally, jihadis want to create an Islamic state to carry on eternal war to the end of time.

Can modernity prevail in the Islamic world? Yes, a majority of Muslims are willing to peacefully co-exist. However, this is not because they consider any other religion as legitimate, only

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because they believe that Islam will spread peacefully and without conflict. **Eventually and inevitably, jihadism will collapse when seriously challenged, as it is a fantasy ideology based on a false reading of human nature, much like Nazism, fascism and communism.**

No God But God: The Origins, Evolution, and Future of Islam (Aslan). Why do they hate us? It's not about "us" at all. **Islamic terrorism is for the most part not a clash of civilizations but an internal conflict within the Muslim world – a centuries-old battle**

over the future of Islam between fundamentalists and reformers, or modernists. Before Sept. 11, the author was among those predicting quite confidently the end of movements toward traditionalism and fundamentalism, and that is still his prognosis. Despite the enormous impact that Wahabbi Islam has upon Muslims throughout the world, Aslan makes the case that there is still every indication that the tide of reform and modernism will wash away these small factions of traditionalism, militancy and extremism.

5 – SOCIETY

Our Culture, What's Left of It: The Mandarins and the Masses (Dalrymple). A collection of twenty-six essays by an English doctor practicing in the prisons and underclass hospitals of Britain (has also authored *Life at the Bottom: The Worldview that Makes the Underclass*). Laments the rise and the calamitous consequences of the modern welfare state, which, through the administration of social bureaucrats (the "mandarins"), has initiated **a cultural decline of pathological, catastrophic proportion.**

Who Really Cares: The Surprising Truth about Compassionate Conservatism (Brooks). The most common stereotypes in our modern American political discourse – that the political left is compassionate and charitable toward the less fortunate, but the political right is oblivious to

suffering – have it completely backwards. **Years and masses of research from all sources reveal that "conservatives" give far more money and time to charitable causes than "liberals"** (who favor higher taxes and government spending as forms of charity, which clearly they are not). Massive statistical evidence is provided. The real "charitable divide" is shown to be religious, not political. Conservatives are 30% more likely to give to charity than liberals, but the religious are 38% more likely to give than the non-religious.

Charity matters – not just to the giver and recipients, but to the nation as a whole. It is crucial to our prosperity, happiness, health, and our ability to govern ourselves as a free people.

6 – HEALTHCARE

The Cure: How Capitalism Can Save American Health Care (Gratzer). It's possible to reduce health expenses, insure millions more, and improve quality of care while not growing government or raising taxes. How? **By reforming health care along the lines of individual choice and competition.** Five recommended steps: Make health insurance more like other types of insurance; Foster competition to drive innovation and reduce

prices; Reform Medicaid, using welfare reform as the template; Revisit Medicare; Address prescription drug prices by pruning the size and scope of the FDA.

If American health care is to be substantively changed, there must also be a cultural change. People need to re-think the health care they want, and their role in obtaining it.

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Who Killed HealthCare?: America's \$2 Trillion Medical Problem – and the Consumer-Driven Cure (Herzlinger). Our current healthcare system, which is organized around payers and providers rather than the needs of its users, is dangerously eroding patient welfare and is pushing costs out of the reach of millions. How to fix it? **Put insurance money in the hands of patients, removing the middleman in the doctor-patient relationship, and giving employers cost relief.** How the system should work:

- Smaller, disease-focused medical facilities that provide complete care for patients
- A national system of medical records that provides privacy with confidential access by approved practitioners
- Mandatory performance evaluations of all hospitals and all other medical organizations
- Mandatory health insurance subsidies for those who cannot afford it

7 – TRANSPORTATION

Street Smart: Competition, Entrepreneurship, and the Future of Roads (Roth). **Effective road transportation is crucial to economic and social well-being.** Yet in cities worldwide, existing road systems suffer from government policies responsible for traffic congestion, unsafe conditions, high costs, political corruption, waste and pork, environmental degradation, and poor maintenance. Market-based alternatives for private road services include testing and licensing of vehicles and drivers; management of government-owned road facilities; franchising; and outright private ownership.

The main obstacle to private road services rests with political classes reluctant to give up their lucrative sources of power, wealth and influence through current government road monopolies.

The Road More Traveled: Why the Congestion Crisis Matters More Than You Think, and What We Can Do About It (Staley, Balaker). **Ten steps that nearly every city and state can take to reduce traffic significantly:**

1. Add Lanes to Congested Roads and Highways
2. Public-Private Partnerships and Toll Lanes
3. Traffic Signal Optimization
4. Creative Construction
5. Freeway Ramp Metering
6. One-Way Streets
7. Incident Management
8. Telecommuting
9. Parking Reform
10. Improve Key Intersections and Access Roads

8 – POLITICS

The Myth of the Rational Voter (Caplan). Economists and the public hold radically different beliefs about the economy. Compared to the experts, laymen are much more skeptical of markets, especially international and labor markets, and much more pessimistic about the past, present, and future of the economy. When laymen see business conspiracies, economists see supply-and-demand. When laymen see ruinous competition from foreigners, economists see the

wonder of comparative advantage. When laymen see dangerous downsizing, economists see wealth-enhancing reallocation of labor. When laymen see decline, economists see progress.

Because beliefs of average voters are false, they support policies that are less than optimal, and possibly just plain bad. **What's the remedy for voter irrationality? Above all, relying less on democracy and more on private choice and free markets.**