



John Locke Global Essay Prize 2025 Prompts Breakdown
Economics Category - Recommended Readings



Economics Q1

What kinds of behaviour are engendered by the hope of profit? Is such behaviour better or worse, on balance, than the behaviour we should expect if all enterprises were owned by charities or governments?

Recommended Readings

Historical Sources

1. John Locke, "Second Treatise of Government" (1689)
 - Discusses how property rights arise through labor and how the pursuit of property (profit) leads to industry and productivity
 - Argues that private property creates incentives for development and efficient use of resources
 - Presents the idea that governments exist primarily to protect property rights
2. John Locke, "Some Considerations of the Consequences of the Lowering of Interest" (1691)
 - Examines how profit motives in financial markets affect economic behavior
 - Analyzes the relationship between interest rates, investment, and economic activity
 - Provides insights into Locke's understanding of commercial incentives



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3. Adam Smith, "The Wealth of Nations" (1776)

- Introduces the concept of the "invisible hand" where self-interest (profit seeking) leads to social benefits
- Examines how profit motives drive specialization and efficiency
- Offers a foundational perspective on market economies and their behavioral implications

4. Max Weber, "The Protestant Ethic and the Spirit of Capitalism" (1905)

- Connects profit-seeking behavior to religious and cultural values
- Examines how profit motives became morally sanctioned in Western societies
- Offers a sociological perspective on the cultural foundations of capitalist behavior

Contemporary Sources

1. Joseph Stiglitz, "The Price of Inequality" (2012)

- Analyzes how profit-maximizing behavior in modern economies can exacerbate inequality
- Examines market failures and the limitations of profit-driven systems
- Presents evidence on how profit motives can distort economic outcomes

2. Elinor Ostrom, "Governing the Commons" (1990)

- Studies how communities manage shared resources without pure profit motives
- Presents alternative models to both government control and profit-driven private enterprise



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- Provides empirical evidence of successful non-profit-driven resource management
3. Daniel Kahneman, "Thinking, Fast and Slow" (2011)
- Explores the psychological biases that affect economic decision-making
 - Challenges purely rational models of profit-seeking behavior
 - Offers insights into how profit incentives interact with human psychology
4. Mariana Mazzucato, "The Entrepreneurial State" (2013)
- Examines the role of government investment in driving innovation
 - Challenges the narrative that profit-seeking private enterprise is solely responsible for progress
 - Provides case studies of successful government-led initiatives
5. Thomas Piketty, "Capital in the Twenty-First Century" (2013)
- Analyzes the long-term distribution of wealth under capitalism
 - Examines how profit-seeking behavior affects wealth concentration
 - Offers historical data on the outcomes of profit-driven systems
6. Raghuram Rajan, "The Third Pillar" (2019)
- Explores the balance between markets, government, and communities
 - Examines the limitations of both profit-driven and state-controlled systems
 - Proposes a more nuanced view of economic organization



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7. Daron Acemoglu and James Robinson, "Why Nations Fail" (2012)
 - Analyzes the institutional foundations of economic success
 - Compares extractive and inclusive economic institutions
 - Provides historical evidence on different economic systems and their outcomes
 8. Deirdre McCloskey, "Bourgeois Dignity" (2010)
 - Argues that cultural attitudes toward profit-seeking and commerce drove the Industrial Revolution
 - Challenges materialist explanations for economic development
 - Presents a defense of the ethical dimensions of profit-seeking behavior
 9. Amartya Sen, "Development as Freedom" (1999)
 - Broadens the definition of development beyond profit metrics
 - Examines how different economic systems affect human capabilities
 - Provides a framework for evaluating economic systems beyond efficiency
 10. Branko Milanovic, "Global Inequality" (2016)
 - Studies inequality trends under different economic systems
 - Compares outcomes in market economies and state-controlled systems
 - Offers empirical data to evaluate profit-driven versus state-driven approaches