

## REVIEWS

**On Kindness. Adam Phillips and Barbara Taylor. Farrar, Straus and Giroux, 2009. 144 pages. \$15.00 US (hardcover). \$9.36 (paper). ISBN-13: 978-0-374-22650-3**

*Reviewed by Claire Morgan*

I do not understand the point of this book. I understand the stated point—to try to understand what kindness is and why we should care about it—but I’m not convinced that this is what it is really about. After having spent a couple of hours reading the book and thinking about it, I don’t believe I am any the wiser about what kindness is and why it’s important. Rather, I have the impression that Phillips and Taylor approach their subject with a reasonably strong worldview—a kind of social and psychological communitarianism—that they want to promote. They seem to be attempting to (re)interpret this worldview in a fairly forced (and not very instructive way), to jump on the trendy happiness studies bandwagon, claim a crisis, and trot out some old tropes about compassion, social cohesion, and our innate inter-dependency. Phillips and Taylor seem to hope that earnest, well-meaning, thoughtful readers of the general public who want to know more about kindness won’t even notice their approach. Their occasional references to stalwarts like the Stoics and Hume seem primarily camouflage for the real stars of the drama, Rousseau and Freud.

The authors declare a “kindness crisis” in society and in our psyches, but a cursory consideration of that subject would not call Rousseau or Freud to mind. Kindness is not a subject that interested either of them particularly. (Pity or *pitié* is not the same as kindness, nor is it guaranteed that one will follow from the other.) After reading *On Kindness* I’m not convinced that the authors are much interested in questions of kindness either. In short, the book is a kind of bait and switch—want to talk about kindness? How about social connection and cohesion instead? But you’ll need to read all the way to the end to get this, and your time would be much better spent reading Aristotle or Martha Nussbaum on Aristotle’s *Ethics* and *Rhetoric*.

*On Kindness* is a slim volume that reads like two lectures—one on the history of thought, the other a kind of meander through psychoanalysis. It is peppered with quotations from various great thinkers throughout. Accordingly, one expects wisdom to pour forth, to present if not new ideas, a new approach to old ideas, or

at least a judicious popular summary reminding us what the best and the brightest have had to say on the subject. Sadly, one is quickly disappointed. For there is nothing new in this book or particularly interesting. What there is, is a fairly standard critique of modern egotistical (materialist?) life from the perspective of 1970s style communitarianism/feminism and classic Freudian psychology. We are told that in spite of the pleasures individuals glean from practicing kind acts toward others:

...today many people find these pleasures literally incredible or at least highly suspect. An image of the self has been created that is utterly lacking in natural generosity. Most people appear to believe that deep down they (and other people) are mad, bad, and dangerous to know; that as a species—apparently unlike other species of animal—we are deeply and fundamentally antagonistic to each other, that our motives are utterly self-seeking, and that our sympathies are forms of self-protection (4).

This book explains how and why this unnatural antagonism comes about. It shows how, to the contrary, the life lived in this instinctive sympathetic identification with the vulnerabilities and attractions of others is the life we are more inclined to live and indeed is one we are often living without letting ourselves know that this is what we are doing. In a positive version of false consciousness, people are secretly leading kind lives all the time but without a language in which to express this or cultural support for it. Living according to our sympathies, we imagine, will weaken or overwhelm us; kindness is the saboteur of the successful life. We need to know how we have come to believe that the best lives we can lead seem to involve sacrificing the best things about ourselves; and how we have come to believe that there are pleasures greater than kindness. Kindness—not sexuality, not violence, not money—has become our forbidden pleasure. What is it about our times, the authors seem to ask, that makes kindness seem so dangerous?

According to Phillips and Taylor our very natures that incline towards kindness—interpreted as a type of imaginary fellow feeling (but also nastiness)—has been forced out of us by the free market system. The market turns us into selfish individualists who sneer at kindness because it compromises our fierce independence and makes us vulnerable towards others. (Of course no mention is made of the fact that the market generates the prosperity—the means by which many are able to act effectively on their kindness through philanthropy, but I

suppose I am expecting too much.) Although Martin Seligman's work on happiness and positive psychology is mentioned at the beginning, we do not get the impression that the authors have more than a passing familiarity with it, or other modes of thinking that might genuinely contribute to an understanding of current thinking about kindness and its relationship to the good life. There is no mention, for instance, of behavioral economics, experimental economics, or virtue ethics. Instead, there is a potted history of thought, from the ancients, Christianity and the Enlightenment, culminating in our current selfish malaise.

In fact, one major problem with this book is that the arguments are about 40-50 years out of date. The argument in the first half resembles C.B. MacPherson's *The Political Theory of Possessive Individualism*, published in 1970! Since then thinkers have considered the feminist critique that faults patriarchy for selfishness and suggests an ethic of care instead. And, of course, we have also been through the communitarian critique of liberalism with Michael Sandel and others. No thoughtful person today believes that man can exist like Robinson Crusoe. We all acknowledge that "People need other people, not just for companionship or support in hard times but to fulfill their humanity" (17).

I can't tell you what the argument of the second half of the book is since I could not discover one or make sense of what is there. There is something about our innate compassion for others causing us to feel vulnerable and scared, but beyond that I cannot discern what is going on. For instance, a long segment on Rousseau is embellished with the following psychoanalytical flourish:

The pitying imagination replaces the narcissistic cocoon of infancy with an other-oriented self, born through desire and fantasy. The 'expansive heart' finds itself 'everywhere outside of itself,' in other people whose vulnerability humanity makes its own. Subjectivity becomes populated as infantile self-love evolves into a social 'sensitivity' that no mere instinct, much less a lifestyle option, but a condition of development into full personhood (34).

I may not be able to make sense of Adam Phillips's take on kindness, but I do know that Freudian therapy had its heyday around the middle of the twentieth century and as far as I am aware, not very many outside Manhattan take psychoanalysis seriously these days, nor have they for quite some time. (See Jonathan Engel's *American Therapy, The Rise of Psychoanalysis in the United States* for an excellent account of this decline.)

So much for the theory. Even if one is not convinced by the philosophical and

psychological accounts offered by Phillips and Taylor, what about the empirical evidence? Is it true that people today lack compassion and generosity towards their fellowman? No doubt there will always be a need for more virtue, not less. However, even a casual glance across society would seem to suggest that in fact, contrary to the claims here, we do not routinely behave as if we were “all Hobbesians, convinced that self-interest is our ruling principle.” Look at the size of the charitable and philanthropic sector in the United States. We all know of cases of enormous acts of kindness and heroism during various disasters such as Hurricane Katrina and 9/11. Since Tocqueville wrote *Democracy in America* we have known and frequently practiced a self-interest rightly understood. Indeed, contrary to Robert Putnam’s claims about Americans “bowling alone,” we still witness many, many spontaneous acts of kindness in civil society. Indeed, this may be why the book strikes one as being so wrong—for it is written by a pair of British intellectuals who point to the establishment and growth of the welfare state—not civil society—as the institutionalization of kindness—a profound mistake that is all too typical of a certain sort of academic who has never really experienced it. (See James Bartholomew’s *The Welfare State We’re In* for a sobering corrective, or anything by Anthony Daniels.) The book ends with a plea for more conversations about kindness. Let’s hope they can be informed by better ideas than those expounded in this book.

**CLAIRE MORGAN** is Director of the Social Change Project, Mercatus Center, George Mason University.



**The Burden of Bad Ideas: How Modern Intellectuals Misshape our Society.** By Heather Mac Donald. Chicago, IL: Ivan R. Dee, 2000. 256 pages. \$17.01 US (hardcover). ISBN 1-56663-337-0

*Reviewed by Heather Wood Ion*

This book is a polemic. It is witty, provocative, and brave enough to address some of the fundamental problems we face. No thoughtful person would argue with the author that there are major problems in our criminal justice system, our social services, public education, and public health and in the ways we address these issues.

With great clarity Heather Mac Donald cries foul over the implementation of

bad ideas which she blames repeatedly on “institutions that have been perverted by today’s elite intellectual orthodoxy.” Her first chapter takes issue with scientific philanthropy and its agenda of social change and urges a return to the moral judgments of Carnegie. She is deeply passionate about the cant around racism, feminism and identity politics. Her examples are both funny and deeply disturbing: is there in fact a course in biology that considers feminine ways of analyzing cellular metabolism? She labels as “coercive philanthropy” a climate which she says forces arts institutions to conform to an ideology of multicultural self-esteem. She also criticizes the idea of collaboration in grant-making, and attacks the imposition of partnerships on efforts and services that not only are ignorant of each other, but share few if any methods of communication. However, as she urges us “to praise virtue and blame vice” in our philanthropic lives, she does not address the fundamental question as to who decides who is deserving and who is undeserving? Having condemned the teaching profession, the social service sector workers, and their professional training, Mac Donald does not say what’s next: what happens in her own ideal world.

She does repeatedly, in most essays, call for greater personal responsibility and rational choice. This is admirable except when absurd, such as her condemnation of the pregnant thirteen-year old that did not, in Mac Donald’s view, make a rational moral choice or seek self-reliance. Where is the comparable group of thirteen-year olds? The extremes of contrast between the worlds of homelessness, illiteracy and drug addiction with the world of moral judgments, self-reliance and conscious choice Mac Donald advocates are commanding of our attention. The balance between advocacy and social service is difficult at best. If Mac Donald’s illustrations are even in part accurate, each of us must rethink our efforts to contribute to bettering our society.

However, polemic is aggressive, hostile opinion. This is not scholarship, and it is not objective reporting. Mac Donald’s extremes often cause the reader to question the legitimacy of her views. For instance in her discussion of homelessness she says “no one is going hungry on the streets” and suggests that the “homeless may prefer the streets.” The latest USDA report <sup>1</sup>, however, shows that at least 14.6% of Americans live with food insecurity. In her discussion of public health Mac Donald equates teenage pregnancy and the rise in illegitimacy to the availability of social services. The assumption of such simple correlations that Mac Donald makes in this as in other areas are simply not verifiable, and are sometimes refutable, by deeper examination. Reliable analysis by The Guttmacher

Institute, for example, questions why the teen birthrate in the U.S. is the highest in the industrialized world even though our medical and social services provide the least amount of care and safety.

When she takes on teacher training, Mac Donald is particularly witty and particularly incensed. She opposes student-centered learning, progressive theories of education, diversity training toward “social and economic justice” and the cult of “relevance.” She is scornful of journaling, the use of videos in the classroom and “facilitation” instead of teaching. She advocates content expertise, discipline, structure, coherent curricula, and an educational system which uses grades and competition. Most of the failures of public education she blames upon teacher training to an ideology she labels liberal. She does not examine teacher burnout, recruitment or incentives. We are left with a deeply hopeless picture which ignores the administrative and financial burdens of our public schools even though we may agree with some of what Mac Donald sees as necessary.

The focus of many of these essays is New York City, and at times that makes Mac Donald’s views insular, as well as dated. Often in the book the real enemy perceived by Mac Donald is not the specific subject but the political correctness surrounding the subject. Nevertheless, she is eager to condemn with labels of her own: social change is bad, all academics are liberal, disadvantaged people lack character, women blame others for their behavior, etc. (In defense of her view, we do live in a society in which domestic violence is defined in some states as a pre-existing condition disqualifying the woman from health insurance.) As with most polemic, the argument may be exciting, but the truth may be distorted to serve the ends of the particular opinion.

The book is disturbing, challenging and in the end, sad. It is sad to see an advocate of morality, self-reliance and knowledge reject the Enlightenment values of exploration, experimentation and verification. Concluding one chapter is this paragraph:

The city ought to restore the distinction between the deserving and undeserving poor. For the poor who do deserve and can benefit from help, especially children, the state and city should consider the use of boarding school-like institutions outside the city. But those who behave the most irresponsibly should no longer have the greatest claim on city revenues. And for the most part, the city should get out of the business of social uplift, which three decades’ experience has proved is beyond the capacity of municipal government to accomplish (172).

This advocates totalitarian interventions and at the same time abandons civility. Mac Donald views the age of the great industrialists Carnegie and Ford as

a golden one because the values promoted were those that brought about success—self-discipline, education and a powerful work ethic. Mac Donald’s aggressive scorn for attempts to encourage human flourishing or achieve social justice convey a cynicism not, thankfully, shared by Carnegie and Ford.

<sup>1</sup> USDA Economic Research Service, “Food Security in the U.S.,” November 16, 2009.  
<http://www.ers.usda.gov/Briefing/FoodSecurity/>.

**HEATHER WOOD ION** *is a cultural anthropologist, the founder of the nonprofit Epidemic of Health, and a contributing editor to Conversations on Philanthropy.*



**Here Comes Everybody: The Power of Organizing Without Organizations.**  
 By Clay Shirky. New York: The Penguin Press, 2008. 336 pages. \$17.13 US  
 (hardcover) ISBN-10 1594201536

*Reviewed by Max Borders*

In his seminal 1937 work *The Nature of the Firm*, Ronald Coase poses an important question: why do folks organize into firms? Why isn’t there a totally “free” market in labor? Or more prosaically, why do organizations take on scales that result in relatively costly, hierarchical forms of order? Coase’s answer is “transaction costs.” The firm reduces the costs that would be incurred to continually coordinate actions among scattered people with disparate skill sets—all of whom would have to contract with one another and hammer out details of said contracts and then get themselves together somehow to divide labor and accomplish something profitable. So, up to a certain point, firms (or organizations) arranged like hierarchies have been less costly to organize because it is usually cheaper for some people to give orders and some to take them (the former pay the latter for the privilege). But that is changing—and fast.

Enter technology. Social media are lowering the costs of organizing for profit or philanthropy. Firms are still around, but these industrial forms certainly don’t look the same as they did in 1937. Some people are starting to organize for certain things without organizations—from political activism to charitable giving. Clay Shirky does a good job describing the phenomenon in his book *Here Comes Everybody*. The book is an example-rich account of social transformation in progress. Shirky hits squarely upon the implications of these media: “Groups like

ex-Jehovah's Witnesses and the Pro-Ana [anorexic] girls no longer need social support to gather; they all operate under the Coasean floor, where lowered transaction costs have made gathering together so simple that anyone can do it" (Shirky 2008, 207).

We are already so accustomed to the minutiae of social media—whether sharing a video on Facebook or emailing a blog post—that most of us fail to take the 30,000-foot view. That's largely what Shirky offers with *Here Comes Everybody*. Though he swoops down from conceptual heights to provide interesting examples, such as Meetup.com vampire groups and an epic search for a stolen Manhattan cellphone, the examples crystallize his abstract points. To Shirky, the implications of these media lag their mass utilitarian uptake, which has your teen Tweeting and grandma Facebooking without realizing the enormous social transformation of which they are a part.

What does all this mean for philanthropy? Decentralization due to social technology fundamentally alters the means of pursuing social change through giving. How? By lowering costs in three primary areas: a) acquiring information (about social change initiative), b) coordinating action, and c) funding initiatives. Often, we give based on an organization's reputation and perhaps some anecdotal evidence of the good they do. What if we had greater access to information about specific projects and the results of organizational activity? We'd be much smarter givers. Also, what if it was easier just to get people to get together and to get them active—say, as community volunteers? Organizations or determined individuals would have greater access to human capital. Finally, what if it was simpler and more convenient to give even a small amount—\$20, \$5, even \$1—all of which could add up for some worthy group (as long as said group has an army of givers)? These three factors alone will continue to transform the philanthropic sector in ways we cannot entirely predict.

Of course, the most important potential of distributed philanthropy—to rekindle meaningful civility and social responsibility—could be unleashed if the state got out of the social change business. Right now, that doesn't seem likely. As we suggested above, popular understanding about the power of distributed philanthropy has not caught up with popular application of the technology. Consider, for example, that a lot of online giving and organization is wasted on the titanic tug-o-war of electoral politics—*i.e.* who gets to run the show. Political tribalism drives our thinking, which results in a kind of dead-weight philanthropic activism that strengthens and reinforces the status quo. According to the Center



for Responsive Politics, the 2008 presidential race cost an estimated \$2.4 billion, about double that of 2004. The entire election cycle cost \$5.3 billion.<sup>1</sup> What if every dime of that was allocated by people to making social change?

Consider also what everyone is fighting for control over: entitlement spending alone accounts for about ten percent of US GDP.<sup>2</sup> One-tenth of our economy is going to bureaucratic means of “helping” people in various ways, from healthcare to welfare. What if just a quarter of those resources went to distributed philanthropy; that is to a new, high-performance market of social values with its attendant experimentation and feedback loops? Social entrepreneurship could not only be a powerful new sector, but it could unleash some of the value currently being pressed down by the monoliths of state bureaucracy. Social problems could be solved via the wisdom of crowds, rather than the whims of legislators. We might disagree about the extent to which there is room for both public entitlements and private charity, but perhaps we can agree that there is considerable crowding out of charity by the public sector. And government simply doesn’t do “distributed” in, well, much of anything.

Nonetheless, despite the fact that government consumes most of what could reasonably go to distributed philanthropy, giving is alive and well. In 2008, people gave in excess of \$307 million,<sup>3</sup> despite a major recession. That is a staggering amount. It may seem modest next to recent stimulus bills, bank bailouts and industry nationalizations we were all compelled to pay for, but Americans are still generous by any measure. If this level of giving continues—and these resources become positively transformed by technology—we are likely to see unprecedented social change occur as transaction costs for information sharing, coordination and funding continue to fall. Indeed, even if people give less in the future, we can do much more with much less due to the kinds of efficiencies distributed philanthropy enables. We can look forward to Tocqueville’s America on steroids, Coase’s firm becoming less hierarchical, and Smith’s invisible hand extending to help like never before.

<sup>1</sup> OpenSecrets.org, “U.S. Election Will Cost \$5.3 Billion, Center for Responsive Politics Predicts,” October 22, 2008. <http://www.opensecrets.org/news/2008/10/us-election-will-cost-53-billi.html>.

<sup>2</sup> Congressional Budget Office, “A 125-Year Picture of the Federal Government’s Share of the Economy, 1950 to 2075,” June 4, 2002. <http://www.cbo.gov/doc.cfm?index=3521&type=0>.

<sup>3</sup> Paula Wasley, “Charitable Donations Fell by Nearly 6% in 2008, the Sharpest Drop in 53 Years,” *The Chronicle of Philanthropy*, June 10, 2009. <http://philanthropy.com/article/Charitable-Donations-Fell-by/63106/>.

**MAX BORDERS** is a thinker and writer who currently blogs at [www.freetochoose.net](http://www.freetochoose.net).

**A 'Shared Market Economy': A Classical Liberal Rethinks the Market System. By Dwight Murphey. <http://www.dwightmurphey-collectedwritings.info/SME-TofC.htm>**

*Reviewed by Gus diZerega*

Dwight Murphey's *A 'Shared Market Economy': A Classical Liberal Rethinks the Market System* is one of the most important contemporary efforts to re-think the nature of classical liberal social thought. We are fortunate that he has published it as an open source online book, <http://www.dwightmurphey-collectedwritings.info/SME-TofC.htm>. A life-long classical liberal, from his student days when he studied under Ludwig von Mises, throughout his career teaching business law until his retirement in 2003 and since, Murphey has published a number of books on these themes. Recently he has pondered the strengths and weaknesses of the classical liberal paradigm for understanding society during a time when it seems powerfully rebutted by the events of the past decade or so.

Murphey is captivated by two transformative waves that are working their way through our society: the entry of China and India into the world market economy and their impact on wages, and the not quite so far advanced but growing automation of labor that is also transforming production processes world wide. These developments are radically reshaping the political and economic climates of all societies.

The first has exerted enormous downwards pressure on wages in the developed world even as it has markedly improved living standards in newly industrializing societies. Earlier entrants into the world economy had been relatively small societies. At any point they competed directly with only a small and relatively unskilled part of the labor market in the developed world. Not so today. The result of accelerating wage competition is that across the board labor is getting a progressively smaller share of the wealth created, and capital owners are getting more. This shift is transforming the internal character of Western liberal societies in ways Murphey finds deeply worrisome.

The second wave, further out yet but promising to be even larger, is already having a significant impact. The automation of production will keep wages from rebounding even after the rest of the world has fully entered the new global economy. With robots able to perform ever more jobs and technology getting

cheaper over time, the better labor is paid, the more quickly it will be replaced. Murphey makes a strong case that new job opportunities that open up as a result of this process will not pay so well as those jobs eliminated. Wealth will flow even more strongly to capital owners.

Far from being the “win/win” system that free market economists have long and correctly argued capitalism has been, this new economic order will guarantee low wages with massive unemployment or underemployment. The fortunate few, owners of capital, will benefit immensely through no talent of their own, other than perhaps the ability to benefit from connections with one another and with government. We already have a term for this development: “crony capitalism.”

Murphey argues we are already seeing the economic, social, and political impact of this shift. Banks are “too big to fail,” the middle class is shrinking as a percentage of the population, the share of total wealth owned by a small elite is increasing, and CEO incomes are skyrocketing remarkably independently of any demonstrated skill at good management. Connections matter more than competence.

As I read his book I found chapter 14, “A Critique of Important Market Concepts,” to be pivotal. There he discusses issues of corporate governance; Henry George’s critique of rent and how it applies to capital today, the changing realities behind equality of contract, and a rethinking of the German economist Friedrich List’s critique of universal free trade. All these issues are complex, but Murphey has done a good job showing they need to be rethought today, and the stakes are high if this is not done.

Contemporary classical liberals are also important in helping Murphey make his case. Particularly important are F. A. Hayek, Samuel Brittan and Wilhelm Roepke. In addition he brings in the work of contemporary moderate left liberals, such as William Greider and Amory Lovins, demonstrating the advantages of breaking free from traditional ideological categories.

Murphey ultimately argues for what he calls a “shared market economy” where income from capital investment is spread throughout society rather than confined to the extremely wealthy. He argues this goal could be achieved piecemeal, without expropriation, taxes, or significant disruption to the economy.

Murphey proposes a new public agency that would not be part of the government in any usual sense, but rather a public trust fund able to purchase index mutual funds. Most capital today is not the creation of anyone living, but the social heritage of a society. As such it should benefit all of society. The trust

would enable this outcome. The financing for this agency would come from its being able to take the place of the Federal Reserve for introducing new money into the economy. Such newly introduced money would go to buying shares rather than enriching banks. Murphey argues:

This could put the same amount of new money into the business system as before, providing capital to business in general and having the same effect on the price level. The money would simply enter the system at a different place. The result would be that the enterprises forming the economy would receive their billions of extra dollars, while at the same time the independent agency would come into ownership of billions of dollars a year of index mutual fund shares—all without a penny being taken from anyone through taxation or otherwise.

As a result, all Americans would receive equal income from the national economy as a whole, forging the ultimate “ownership society.” Lest anyone think a guaranteed income is some super left-wing idea, both Hayek and Milton Friedman have made such proposals, but with the money coming from taxes rather than the economy as a whole.

While this idea constitutes the core of Murphey’s proposal, he also discusses a number of other issues, all with an eye on traditional classical liberal and conservative perspectives. These include ways to deal with the cultural shifts taking place, the need to reduce the size of the largest organizations in the economy, especially financial ones, and how to balance the advantages of a world-wide market with the imperatives of maintaining local well-being.

One of the strengths of the book is its critique of the economists’ argument that the “unfettered” market automatically optimizes resource allocation. Another strength is the empirical evidence he brings to bear in discussing the rise of oligarchy in American society. He argues that a kind of trust fund for the population as a whole is far more equitable, just, and politically viable, than a world of the unbelievably wealthy lording it over a vast population haunted by unemployment, their wages kept low for those fortunate enough to find jobs. I would like to have seen more development of this issue, but he makes a strong moral and practical case that it is worth taking very seriously.

While embracing elements of the Left’s critique of capitalism, he emphasizes that his is a market-based response to those criticisms. As he puts it, “a ‘shared market economy’ isn’t identical to their proposals, but contains echoes from social democracy, classical liberalism and cultural conservatism.”

As I read his book I was struck with the convergent evolution of some from the classical liberal “Right” with some from the Progressive “Left” in an interest in institutions that make use of market processes as critical to their success, but based on the model of trusts rather than either traditional business or traditional government. Peter Barnes’ *Capitalism 2.0* is another example of this convergent thinking.

I am not well enough informed to be able to give an expert’s reading of the strengths and weaknesses of a national trust for all citizens, although I am certainly favorably disposed towards it. But I am expert enough on the more social and political issues Murphey discusses to agree with him that it is only through creative rethinking of long ossified ideological boundaries by both “Left” and “Right” that offers hope for free societies as they enter into the 21<sup>st</sup> century. In these times of ideological rethinking and confusion, Murphey has written a fascinating reframing of our ideological maps. I think it is one that holds great promise for contributing to a better world in the future and more reason for hope as we work for it. I hope it generates considerable discussion in the years ahead.

**GUS DIZEREGA** holds a Ph.D. in political science from the University of California at Berkeley. DiZerega is founding editor of Studies in Emergent Order (<http://studiesinemergentorder.org>) and is a contributing editor to Conversations on Philanthropy.



**The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia.** By James C. Scott. New Haven, CT: Yale University Press, 2010. 464 pages. \$25.00 US (paper).

*Reviewed by Christopher Coyne*

How do ordinary people deal with a predatory state? Finding an answer to this question is at the center of James Scott’s insightful *The Art of Not Being Governed*. Scott’s analysis focuses on the various groups residing in the hills of Zomia—a mountainous region in Southeast Asia comprised of parts of Burma, Cambodia, China, India, Laos, Vietnam, and Thailand. His focus on Zomia is driven by the fact that the region is the largest remaining area that has not been integrated into a nation state. Indeed, for over two thousand years, the people living in the highlands of Zomia have lived outside the reach of the lowland

government. The standard view of these “hill people” is that they are remnants of the pre-state period and represent a primitive form of living. In contrast, those that have moved into the lowlands and become part of the state system have progressed and become civilized. Although Scott is focused on Zomia, it should be noted that governments and those involved in international development efforts tend to hold a similar view towards those living outside the reach of the state in other settings as well. Indeed, this view underpins the efforts to ‘fix’ the various institutions (economic, legal, political, and social) in societies around the world in the hope of bringing modernity to people who are viewed as primitive.

The novel contribution of Scott’s book is to turn this standard view on its head. In contrast to the view that the people of Zomia are primitive leftovers of the pre-state period, Scott argues that those living in the highlands consciously choose to live outside the reach of the state. Given the possibility of being subject to predatory behaviors by states—including conscription, slavery, excessive taxes, forced labor, and war—people make the deliberate choice to move into the hills as an act of state avoidance.

The book, which consists of nine chapters, explores why the people of Zomia choose to avoid the state and how they go about accomplishing this end. After introducing the reader to Zomia, Scott maps the state space in Southeast Asia, noting that the reach of the state is constrained by geography. Indeed, a central theme throughout the book is that geography is a strategic resource that can be used by ordinary people to avoid the grabbing hand of the state. In the case of Southeast Asia, migration to the mountains not only creates space in the form of distance, but also friction in the form of terrain between the hill people and the state. Scott also details the important role of irrigated rice as an effective means of consolidating political power in the lowlands of Southeast Asia prior to the twentieth century. The underlying logic is that a sustainable state requires concentrated manpower, which in turn requires flat expanses of land that can be used over long periods of time to grow sedentary agriculture.

Several chapters discuss how the mountains of Zomia provide a safe haven for people wishing to avoid state activities in the lowlands. In addition to exploring the various motives for people to move to the hills in the first place, Scott also considers the activities they engage in after migrating. For example, he discusses how hill people developed “escape agriculture” to continue to avoid the state after migration. In contrast to the stationary agriculture in the lowlands (e.g., rice patties), escape agriculture is characterized by its ability to adapt to mountain

terrain, its tendency to grow fast and with little direct attention, and its ease of harvesting. Scott also addresses issues of literacy. While it is true that some of those who migrated to the hills are illiterate, Scott also explores the hypothesis that forgoing written records was yet another strategic means of avoiding the state.

Scott also provides a reconsideration of ethnogenesis and argues that standard attempts to identify certain traits (e.g., language) as defining characteristics of groups or identities are not tractable in the context of Zomia. Instead, social relations in the hills of Southeast Asia are better understood as continually evolving. It is not that groups and identities are absent in the hills; instead, there are no clear demarcations or boundaries that are readily observable by outsiders over long periods of time. Because of this, characteristics and traits are fluid and ever changing. This has obvious implications for state-making, which relies on incorporating people into a group defined by specific characteristics including clear hierarchies and identities. This is difficult to do when people cannot be easily catalogued or categorized.

In providing an alternative to the common view that those living outside the state are uncivilized, Scott's analysis makes the important point that the nation state is not synonymous with order. In contrast, there are numerous instances of predatory states—both within and beyond Southeast Asia—being harbingers of disorder and chaos. Moreover, Scott shows that the variety of relations and structures in the highlands are characterized by widespread order, albeit a different type of order than that which might emerge under a nation state.

An interesting connection can be made here to F.A. Hayek's (1988) contrast between tribal and extended orders. The extended order emerges when individuals embrace cooperation and the resulting division of labor. In regards to Scott's book, an interesting question is whether Hayek's extended order requires some notion of the nation state, or whether the extended order can emerge from order within, and across, smaller groups. The relevant question then becomes understanding which mechanisms facilitate or prevent such order from emerging.

This question leads to, what is in my opinion, the greatest weakness of the book. While Scott indicates that order emerges in the absence of the nation state, his analysis has little to say about the specific mechanisms that facilitate this order. More insight regarding the mechanisms facilitating interaction, cooperation, philanthropy, the emergence and evolution of property, and dispute resolution would have provided the reader with a more complete picture of how those in the highlands interact in the absence of the state. Peter Boettke (2005) has made the argument that the study of

anarchy can be understood as a “progressive research program,” and a growing body of research explores the relevant mechanisms as well as their scope and scale in a variety of settings (see Powell and Stringham 2009 for a review of the literature). Scott’s study could have benefited from similar considerations.

Scott concludes by indicating his belief that the hill people’s strategies for state avoidance are quickly coming to an end. He believes that continued technological improvements will increase the reach of the state, making avoidance more difficult. One could make an alternative prediction that stateless people will continue to sustain as entities separate from the state for a significant period of time. For one, Scott’s prediction overlooks the potential of those acting outside the state to also act entrepreneurially to find new means of state avoidance. Further, given the dysfunction of many weak and failed states, it is unclear if they have the capability to adopt or utilize technologies to effectively bring outsiders under the rule of the state system.

*The Art of Not Being Governed* is an important book precisely because it shatters the common view that those living outside the nation state are primitive and uncivilized. In stark contrast, Scott shows that outsiders can choose to remove themselves from the confines of the predatory state. This insight has implications not only for understanding the highlands of Southeast Asia, but also for how we think about other stateless societies. The efforts to ‘fix’ weak and failed states are ultimately grounded in the idea that civilization and progress require the nation state, and that outsiders (foreign governments, IGOs, NGOs, etc.) can build an effective state through a variety of interventions (e.g., foreign aid, military occupation, technical assistance, etc.). Scott’s arguments indicate that some indigenous people may not want to be part of the state apparatus and that it must be recognized that they may have made a conscious choice to be outside the state system.

Related to this point, there is an interesting connection between the thesis of *The Art of Not Being Governed* and Scott’s previous book, *Seeing Like a State* (1999). In his earlier book, Scott explored how a variety of state-led social engineering efforts failed because of a lack of practical knowledge. Interventions aimed at aiding what are perceived as primitive societies are examples of social engineering writ large. When the arguments from these two books are combined, they provide critical insights into why so many efforts to aid people around the world have had the opposite effect. The state not only knows very little about how to fix perceived problems, but also has a limited understanding of the preferences



and desires of those it seeks to help. When combined, these two arguments should lead to skepticism regarding the ability of government to effectively improve the human condition through planning and intervention. For readers of this journal, the relevant question is whether philanthropy can do better.

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**CHRISTOPHER COYNE** is the F.A. Harper Professor of Economics at the Mercatus Center at George Mason University. He is also the North American Editor of *The Review of Austrian Economics*.



**The Science of Liberty: Democracy, Reason and the Laws of Nature.**  
By Timothy Ferris. New York: HarperCollins. 2010. 384 pages. \$26.99 US  
(hardcover). ISBN 978-0-06-078150-7

*Reviewed by Jack Sommer*

Modern philanthropy has been deeply shaped by the scientific worldview; thus a book that helps us understand better the relationship of science to political order should be of significant interest to philanthropists. There is much to commend in Timothy Ferris's new book, not the least of which is his enthusiastic engagement with a subject of immense scope and complexity. Moreover, he brings a refreshing understanding of intellectual history that is stoutly informed by classical liberal thought and the history of science and technology. Ferris writes with the smooth confidence of a seasoned professional. The result is a selective tour across the past four hundred years of the co-

development of liberal democratic institutions and the tangled nexus of science and technology. This entire traverse is peppered with generally engaging if sometimes distracting ‘side bars’ on the personal lives and peccadilloes of the great and powerful. I say “distracting” not because they fail to amuse (they do) but because I find them to be digressions from the aims of the book that left me feeling that I was rambling about rather than being guided by an accurate compass.

The purport of this book is clear enough: science sparked the democratic revolution. Ferris eloquently asserts that while previous authors have ascribed the simultaneous rise of science and liberal democracy to be a matter of coincidence he finds science to be “the innovative ingredient—the crystal dropped in the supersaturated liquid, suddenly solidifying it—without which the democratic revolution would not have occurred” (2). He continues by pointing out that science produced technology which, in turn, enhanced prosperity and security. The freedom induced by these conditions and protected by liberal democracies, he argues, are essential to scientific inquiry. This raises the obvious question of circularity, but I think we can assume that he views scientific discovery analogous to a mutation that establishes the base for a chain of liberating thoughts and institutions. His claim that democracy itself is an experiment is not sufficient to vault his thesis to a ‘science of liberty.’

The title of the book aside, Ferris does step gently into a long-standing scholarly discussion of the interaction between science, technology, freedom, and authority. Ferris acknowledges some of his predecessors but does not recognize others. In the first group he identifies the contribution of Nathan Rosenberg and L.E. Birdzell, Jr. (*How the West Grew Rich*, 1986) who state that multiple causation makes it impossible to single out *the* source of Western development. They point to the existence of socio-political conditions that favored autonomy, experimentation and diversity as the linchpin of economic, technological, and scientific advance (158-159). The second group, whose work could have informed Ferris, includes Robert McC. Adams (*Paths of Fire*, 1996), David S. Landes (*The Wealth and Poverty of Nations*, 1999), and Joel Mokyr (*The Lever of Riches*, 1990), who emphasize the pre-conditions that allowed tinkerers to develop technologies that invited subsequent scientific speculation. Mokyr writes: “[Thus,] scientists may have been more important to technological change than science itself. All the same, their role was not decisive. The number of truly important technological breakthroughs that the world owes to men renowned for their scientific contributions is not large” (73-74).

Personally, I prefer the technology-first view, in which technology acts as an

emergent force that ushers in incremental change, over the stunning power of a singular scientific breakthrough, but I am equally convinced, along with Ferris, that a liberal order provided the best opportunity to sustain either. “Liberalism,” as Ferris writes, “stands out among political philosophies in its readiness to embrace change. Liberals do not pretend to know what the future will bring, and so are skeptical about planning. They stress the importance of individual creativity, noting that humans are profoundly ignorant and so must be free to keep learning” (25-26). He credits this insight to Friedrich Hayek, whom he cites liberally in this work.

*The Science of Liberty* is organized around the claim that science flourishes only in liberal democratic environments. This claim rests on five assertions about science. It is: inherently anti-authoritarian; self-correcting; dependent on all available intellectual sources; powerful; and a social activity. To demonstrate the claim of the liberal democracy/science connection and the efficacy of the five assertions Ferris deploys the journalist’s signature framework of who, when, what, where, and why unobtrusively throughout the book.

The first four chapters lay the foundation of his argument, and he demonstrates an impressive knowledge of the contribution of Italian thinkers to the Renaissance and British and Continental minds to the Enlightenment advances in science and technology. These are followed by chapters comparing the role and acceptance of scientific thought in the developing liberal democracy of the United States and in the illiberal conditions of revolutionary France. Drawing on the observations of Alexis de Tocqueville, Ferris notes that “[T]he contrast between the American experiment, which limited government power, and the French, which did not...impressed itself upon many observers of the debacle—although not to a sufficient degree to prevent all future abuses” (125).

Ferris is at his best in a discussion on ‘progress,’ a term he believes has been maligned in modern society. Progress is defined as creating more options for more people over time, and he insists that it must be compared to the past rather than to some imagined utopian future. To substantiate his argument for the efficacy of science and liberalism he contrasts Africa south of the Sahara with its persistent poverty and neither science nor democracy, with East Asia where science and democracy are on the increase and poverty has plummeted.

Chapters on totalitarian anti-science and academic anti-science are excellent, if oversupplied with lengthy digressions on topics such as rocketry or the insidiousness of Paul Feyerabend’s views of science. Discussion of the nonsense of Nazi ‘science’ and the absurdities of science under Soviet control dispel the myth that

“totalitarianism was more efficient than liberal democracy.” The crackpot agricultural science of Lysenko was laughable on its face to other Soviet scientists, many of whom were executed because they dared to smirk. The Lysenko episode revealed a statistical practice in agriculture that has been repeated in our day with respect to meteorological stations: “underperforming” units were removed from the database to skew results toward predetermined ends. Under Lysenkoism “[T]he State Statistical Bureau, which might otherwise have reported that millions were dying of hunger, was disbanded and replaced with ‘good news reporting stations’” (226).

Much of the discussion of academic anti-science is devoted to the dismissal of post-modernism of the ilk of Heidegger, de Man, Derrida, Foucault, and particularly Feyerabend. Ferris’s point is that post-modernism’s adventure with science was based on a plan to make science abandon its privileged status as the arbiter of reality. He writes: “This sounds nice, but in practice usually means wielding the power of the state to restrict scientific research. Hence it was not surprising that the ‘democratization’ [leveling] of science gained favor among authoritarian political thinkers of many stripes....” This aim highlights Ferris’s comment that “Scientists have a story of discovery to tell, dogmatists a story of obedience to authority” (262).

The final chapter takes its theme from the previous sentence. As humans move from dogma toward discovery they find themselves inhabiting a common world, thus raising “the prospect that as the influence of science grows people may overcome old prejudices and parochialisms and treat one another more liberally” (261). It is in this concluding chapter that Ferris stumbles, perhaps over his own caution not to search for an imagined future. He explores the illiberal nature of radical Islam and the influence it has on Muslim nations in the Middle East and elsewhere, noting that “[a] liberal-scientific diagnosis of what has gone wrong in the Middle East is that the problem arises from a paucity of science and liberalism” (275). As in the rest of his book Ferris uses data to support his observation: Muslim nations produce less than one-quarter scientists per capita than the average of all other nations, and only a quarter of the world’s Muslim-majority states are electoral democracies.

There are, of course, many scientists who are Muslim and who carry out research in venues around the world. In recent times these individuals are being induced to return to newly created science centers in definitively illiberal countries, such as Saudi Arabia. This fact may pose an interesting test for Ferris’s hypothesis that science will lead to liberalism.

Finally, two points of negative criticism must be made, the first technical and the second on a lapse of scholarship. Concerning the first, I found the use of page

notes in place of text citations annoying. This was done, I suppose, to foster smoother and swifter reading of a book that seeks to synthesize many ideas and themes from a variety of sources rather than to develop a tightly argued and potentially more turgid analysis by full reference to the scholarly literature. That said many of the page notes are interesting stories in their own right, so I urge their reading rather than skipping them on purpose or by accident.

The second negative criticism is of Ferris's treatment of the issue of global warming. The page notes described above reveal a very thin set of references to the climate change literature, and these, such as the work of Nichols Stern on the costs of climate change, are seriously disputed. Without stating so explicitly Ferris adopts "the precautionary principle" which states that it is better to take actions in the present to prevent future possible catastrophes, even if these may not occur, than to risk that they will. The cost of these current actions may be high but they would be much higher if the threat is discovered to be real. He writes: "[T]o dismiss the IPCC's (Intergovernmental Panel on Climate Change) conclusions as merely probabilistic is like playing Russian roulette with a ten-shot revolver containing nine live rounds" (287).

The climate change discussion is so weak in contrast with the rest of *The Science of Liberty* that one can almost sense the zealotry of an editor seeking to add some "dash" to the text. In any case, the author has missed the opportunity to discuss the nature of dogma *endogenous* to the scientific community, a discussion that could have drawn on examples from the early twentieth-century issue of continental drift as well as the early twenty-first-century issue of global warming. Both are potent examples of the rule of orthodoxies and the ends to which they will go to suppress scientific evidence: the Lysenko case is a stark but not isolated instance. No liberal democracy here. Although I can agree emphatically with Ferris's observation that "[G]lobal warming will require ongoing scientific investigation, quantitative analysis, and open, liberal discussion and debate on a worldwide scale" (281), I have serious doubts that he understands how difficult it will be to bring together those whose views he finds persuasive with those who have adduced serious scientific arguments to the contrary. Philanthropy may feel more challenged to ameliorate than to investigate; however, as this book informs us, it is crucial to understand the tension between freedom and authority within science as well as from without. This may be, in fact, an ongoing challenge for philanthropy itself in the coming years.

**JACK SOMMER** is Knight Distinguished Professor of Public Policy Emeritus at the University of North Carolina, Charlotte and Chairman and President of the Political Economy Research Institute. Previously he taught at Dartmouth College and the University of Texas at Dallas. His past public service includes science policy analysis at NSF and Senior Advisor for Science and Technology at the U.S. Department of Housing and Urban Development. His special expertise is in science policy, and he is a contributing editor to *Conversations on Philanthropy*.



**The Cultural and Political Economy of Recovery: Social learning in a post-disaster environment.** By Emily Chamlee-Wright. New York: Routledge Advances in Herodox Economics, 2010. 224 pages. \$101.40 US (hardcover). ISBN10: 0-415-77804-2 ISBN13: 978-0-415-77804-6

*Reviewed by Thomas K. Park*

Hurricane Katrina has the special distinction of both having caused stupendous physical, social and financial damage and of having initially had one of the most incompetent natural disaster responses in US history. Importantly, unlike the recent BP oil spill, the general expectation was that Uncle Sam should shoulder the burden of the response. This makes *The Cultural and Political Economy of Recovery* by an advocate of the Austrian economic tradition (epitomized by the work of Mises and Hayek) particularly significant: obviously big government will not be claimed to be the main answer in the Katrina case and yet, empirically speaking, any reader will hope to be dissuaded of this in a way that disentangles extreme government incompetence in this case from the theoretically possible response that a competent government might have provided. In short, Emily Chamlee-Wright has taken on the case to provide an alternative to big government in disaster relief but has both an empirical and a theoretical task to complete.

Neoclassical economics is often caricatured as involving the conceit that the market can solve all problems through its focus on efficiency, but its macro-economics branch has always been based on the notion that what the market cannot resolve due to knowledge imperfections or its preoccupation with efficiency, e.g. issues of inequality, can and should be addressed by government policies. Given imperfect knowledge, the Austrian school puts its confidence in the human capacity to discover what is needed despite imperfect market information,

yet, due to an abiding distrust in government's economic role, it has little faith in the government providing adequate compensations for market deficiencies. Instead, the Austrian approach suggests empirical research into non-priced phenomena helps all economic actors find their voice.

In the Austrian perspective, markets have the virtue of providing signals that convey information from a broader set of individuals than those in any network, but such price information is itself insufficient for rational decision-making and must be combined with an analysis of social capital (often glossed as knowledge and norms related to non-priced phenomena) before it is possible to understand local decisions. The "extended order" includes both priced and non-priced phenomena, and rational behavior involves evaluation of both. Market prices convey information and, though they are imperfect in the real world, i.e. do not coincide with their theoretical Pareto-optimum levels, prices are seen as ideally emerging from a deliberate process of discovery and action by economic agents rather than governments. They can be viewed as signals that convey information about classic producer supply and consumer demand or as signals that also reflect advertising influence or the less biased influence of education along with various constraints derived from wealth distribution and market power. Chamlee-Wright's implementation, cultural economics, views social capital in a fairly anthropological sense, as both networks and knowledge as well as cultural schemas (conscious and unconscious) comprising models and norms that structure perception (107).

This fascinating book has three parts: (1) theoretical frame and methodology (two chapters), (2) deploying socially embedded resources in a post-disaster context (four chapters), and (3) political economy and social learning in non-priced environments (three chapters). The second and third sections are based on a mixture of surveys and in-depth interviews that amply support the general claims that the recovery effort was severely flawed and that much of it hampered the emergence of self-ordering social capital that could have hastened recovery.

In the interest of brevity, I will focus on Chamlee-Wright's key conclusions and most interesting insights. Throughout, the book provides abundant illustration of the importance of evaluating social capital within civil society and of the felicity of the Austrian idea of studying the "extended order" rather than just the market. The defining conclusion of the book, in reference to the Katrina disaster response, might be said to be the following:

Given that in general public policy is not designed to tap the potential of civil society, but instead often unintentionally undermines it, this expansion of government's presence is likely to inhibit bottom-up efforts (176).

Chamlee-Wright's rich theoretical and empirical analysis of the aftermath of Katrina in New Orleans makes a strong case for such conclusions but with the Austrians' fear of the "fell hand of government," just as with Adam Smith's famously helpful "hidden hand" of the market, the assumptions and qualifications (in each the famous "often" seems critical) are as important as the conclusions. Chamlee-Wright's claim is that the re-forming of local community associations/networks around key nodes provides the greatest incentive for refugees to return and rebuild. Meanwhile, the greater the imposition of government authority (e.g. permitting rules and, more generally, bureaucracy aimed at alleviating future government blame through studies and the imposition of standards and delays), the greater the failure of rebuilding efforts.

This empirical finding fits so nicely with the theoretical presuppositions of Austrian economics that any reader will wonder if the facts have been chosen to fit the theory. City planning is, after all, an art that rarely helps to be rushed even if the result is damage to social capital. No doubt the damage could have been radically reduced with less incompetent leadership, yet the general theoretical implications are less clear. I am not persuaded either way, but a single case in which government incompetence was so extraordinary cannot really be thought to confirm the more general hypothesis that disaster recovery should put most of its emphasis on quickly facilitating the local rebuilding of social capital and rely as little as possible on direct government intervention—however appealing the idea is to many social scientists. At its best, this conclusion seems to imply that as social capital of a particularly valued kind characterized New Orleans, any discouragement that delays its reconstruction will fundamentally change the city's post-disaster character for the worse. Those who have visited Bourbon Street recently will know that it is a travesty of its pre-disaster self, and no doubt this is true of many other areas as well but it is unclear how short-term this is and, even though a short-term analysis is important, in a decade our evaluation may be different.

One of the best, of many excellent, chapters in the book is the seventh, "The deleterious effects of signal noise in post-disaster recovery." This chapter is replete with examples of bureaucratic delays (a signal itself to the citizens to delay any decision), mixed signals, strong signals that only government authorities can take any decisions, inevitable price distortions, and a plethora of non-signals by those who used to inhabit neighborhoods. These are attributed to the widespread



geographic location of refugees and the outright prevention of key neighborhood nodes from returning—thus preventing or delaying signals that would encourage people to return. This and the passage of time, which forced decisions on families, meant that signals in the priced and non-priced areas presented as confused a picture as it is possible to imagine and were anything but conducive to the rebuilding of New Orleans. With confused signals in non-priced areas, the social learning essential to rebuilding New Orleans was seriously hampered. It would be difficult not to lay the blame for this on one or more levels of government bureaucracy.

The neoclassical and the Austrian approach to economic analysis are not the only options. My own preferred economic theory is the almost Heraclitan view of Nell (1998). Nell suggests that the primary role of the market is to stimulate competition and thereby promote transformational growth (as opposed to conveying the socially optimal or even approximately optimal value of things). In this view, government, society and the market (as largely shaped by corporate behavior) interact to produce emergent and transformed economic systems (yesterday's or tomorrow's capitalism is not today's). Policy instruments and emergent systems complement each other. Social knowledge can then be conceived broadly as including knowledge of structural inequality, policy effects on prices (e.g. mortgages, securities, financial sector pay packages, etc.) and historical trends (e.g. in the GINI coefficient). This knowledge can reverberate on government policy, influence even corporate economic agents, shape the actions of local associations creating social capital, and guide the goals of philanthropic organizations.

The main flaw in a traditional market-focused analysis (Austrian or neoclassical), that weights the choices of the rich more heavily than those of the poor and exhibits a tendency to imagine prices are givens, or worse optimal, can obviously be addressed in many ways. The Austrian approach seems felicitous, imaginative and constructive in its direction of equal attention toward civil society, but its aversion to government action (the inverse of the neoclassical macro-economic valuation of it) seems to bring with it a similar blindspot about corporate-government misbehavior. Even as government incompetence is much in evidence, the role of corporate greed (e.g. Haliburton) in seeking government contracts to clean up the Katrina disaster and corporate failure to hire locals is not mentioned. Corporate rent seeking is readily accommodated within the Austrian perspective. While there is only one set of signals to go on in a given case, there are usually many sources of signal distortion, and in corporate America some of that distortion can be laid at the door of corporations—including those who now do so much to

help elect politicians who will do their bidding. At no point does Chamlee-Wright raise the issue of corporate influence on government activity or explicitly recognize the American reality that corporations write much of the “regulation” on the Hill.

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**THOMAS K. PARK** received a Masters in Economics and a Ph.D. in Anthropology and History from the University of Wisconsin-Madison (1983) and teaches in the School of Anthropology at the University of Arizona. His environmental and urban research has been funded by NSF. A current project is an historical study of credit in the Fertile Crescent and the Mediterranean.



**Christianity in Action: The International History of the Salvation Army.** By Henry Gariepy (Foreword by General Shaw Clifton). Grand Rapids, MI: Eerdmans Publishing Company, 2009. 308 pages. \$25.00 US (hardcover).

*Reviewed by Martin Morse Wooster*

Most people know that the Salvation Army is a highly effective poverty-fighting nonprofit. A few people have seen George Bernard Shaw’s *Major Barbara* and realize that the Army is also an evangelical church. But in its 145-year history, the Salvation Army has developed many quirks and traditions that need to be understood if we are to know why it’s so successful at its charitable activities.

Henry Gariepy’s *Christianity in Action* is a highly informative guide to the Salvation Army’s history and purpose. Colonel Gariepy, who has written nearly 30 books of theology, has worked for the Salvation Army for his entire life, and currently teaches courses on Salvation Army history and the Bible at the Army’s Officers Training College.

His book has problems. It’s not very well organized and is very lightly sourced. He should have provided references for some of the unusual claims, such as that British tavern owners in the late nineteenth century deliberately kept piles of rotten eggs on hand so that patrons could throw them at crusading Salvationists.

Nonetheless, *Christianity in Action* should be required reading for anyone interested in the history of the Salvation Army. Col. Garipey's account, with a preface by the current head of the Army, Gen. Shaw Clifton, and endorsements from three former Salvation Army commanders, is an authorized account. His book shows how Salvationists see themselves.

Like most long-lived organizations, the Salvation Army carries on its traditions as long as possible. The Army not only encouraged its local parishes to form brass bands for evangelistic activities, but from 1889 until 1972 it also operated a factory to produce musical instruments. Female officers wore prim Victorian bonnets as part of their uniform until the early 1980s. Until about ten years ago, Salvation Army officers could only marry other officers, and had to obtain permission from London before they could tie the knot.

Much of what Col. Garipey writes about has been little known by outsiders. For example, three major nonprofits in the U.S. can trace their roots to the Salvation Army. Two of these American nonprofits are rooted in nineteenth-century schisms. The first came in 1884, when Thomas Moore, who was in charge of the Salvation Army's activities in the U.S., asked permission to have the Army's property controlled in the U.S. instead of London. When permission was refused, Moore made all of the Salvation Army property in the U.S. his personal property, and declared himself "General of America's Salvation Army" (134). The Salvation Army successfully sued in U.S. courts, and "America's Salvation Army" was forced to change its name to the American Rescue Workers. Moore's schism took away nearly all the Salvation Army property in the U.S. as well as 83 of the 100 Salvation Army officers.

Salvation Army co-founder William Booth came to the U.S. in 1886 and successfully led an effort to rebuild the Salvation Army's American division. In 1889 control of the Army's American operations was assumed by one of Booth's many children, Ballington Booth. But Ballington Booth chafed at what he saw as his father's "despotism," (135) and in 1896 he and his wife Maud Booth launched the Army's second schism. A meeting at New York City's Cooper Union to launch the schism fizzled when Ballington Booth's sister, Evangeline, stormed the stage and passionately persuaded most of the Salvationists not to secede. Those who stayed with Ballington and Maud Booth formed the Volunteers of America, which still continues as a secular counterpart to the Salvation Army.

The third nonprofit created from the Salvation Army came about as a result of World War I. When America entered the war in 1917, Evangeline Booth, still

national commander of the Salvation Army in the U.S., volunteered the Army's services in support. The U.S. commander, Gen. John J. Pershing, had personally received Salvation Army assistance after a fire destroyed his San Francisco home, so he eagerly agreed. Over 250 "Sallies," all women, went to France. Their first major effort came in August 1917 in Moutiers, where American troops were exhausted after 36 days of rain. The Salvationists decided to make hot doughnuts, using a wine bottle to roll out the dough and frying the doughnuts in a helmet. The hot doughnuts proved wildly popular. The Salvation Army women not only fried doughnuts but also "mothered the troops by the thousands, doing every useful, kindly act that came to hand. They darned socks, sewed on buttons, and wrote letters home" (142). When World War II started, the Salvation Army realized that it needed help. So along with five other nonprofits—the YMCA, YWCA, Jewish Welfare Board, Catholic Community Service, and Traveler's Aid Society—the Salvation Army transferred its military support activities to a new nonprofit, the United Services Organization or USO.

Garipey extensively discusses the Salvation Army's current activities. He shows that the Army is an international organization, not just a British or Anglo-American one. While most of the Army's leaders have been British or American, two Swedes and a Finn have headed the Army over the years. While most of the donations to the Army come from the U.S. and Britain, over 40 percent of the officers live in Africa. According to Col. Garipey, the Army's hospital in Chikankata, Zambia, "provides over 30 percent of the health services" (156) for that country, and includes a high school and schools to train nurses and biomedical technicians. Salvation Army's African and Asian activities include farming, adoption agencies, and old age homes. The Army has also been involved in nearly every conflict in the past hundred years. At one point in the 1980s, it was feeding 100,000 Afghan refugees in Pakistan. (In 1991, however, the Pakistani government severely curtailed Salvation Army activities in that country.) The Army sent tens of thousands of volunteers after the 2004 Asian tsunami and provided five million meals and four million articles of clothing after Hurricane Katrina.

Anyone interested in the Salvation Army's history and mission will learn a great deal from *Christianity in Action*.

**MARTIN MORSE WOOSTER** is a senior fellow at the Capital Research Center and a contributing editor to *Philanthropy*. He explores the ideas of William Booth in *By Their Bootstraps* (Manhattan Institute).

**Soft Despotism, Democracy's Drift: Montesquieu, Rousseau, Tocqueville, and the Modern Prospect.** By Paul A. Rahe. New Haven: Yale University Press, 2010. 374 pages. \$30.05 US (hardcover). \$25.00 (paper). ISBN 978-0-300-14492-5

*Reviewed by S.T. Karnick*

The current national debate over the role of government has critical implications for philanthropy, as the answer will determine whether the melioration of social ills will be pursued primarily through voluntary associations and actions or by the state through the political process. As the debate over the health-care reform bill demonstrated, government programs to bring about equality among the citizenry cannot work if people can opt out, and thus any potential challenge to government's hegemony must be forcefully rejected. That, of course, shrinks the space for all forms of voluntary action.

This is a central theme of Paul A. Rahe's new book, *Soft Despotism, Democracy's Drift*, as Rahe examines three French Enlightenment thinkers' struggles with the problem democracy seems inevitably to pose: the pursuit of the good through government destroys mediating institutions and confines free endeavor into an ever-smaller space. This has grave consequences for society, Rahe notes in discussing the French writer Alexis de Tocqueville. Where voluntary associations are abundant, Rahe quotes Tocqueville as observing, "sentiments and ideas renew themselves, the heart expands and the human mind (*esprit*) develops for no other reason than because of the reciprocal action of men upon one another" (209). Thus, confirmed Toqueville, for people "to remain or become civilized, it is necessary that among them the art of association develop and perfect itself in the same measure in which equality of conditions grows" (209).

Rahe, a professor at Hillsdale College, begins his book with an extensive account and analysis of Montesquieu's *Spirit of Laws*, a foundational book of modern political thought. Montesquieu posits that the animating principle behind democratic republics is virtue. However, Rahe notes, the Enlightenment thinker understood a need for moderation even in government's pursuit of virtue. He quotes Montesquieu as observing, "Even virtue has a need for limits" (15).

Montesquieu avoided making a prescriptive politics explicit, Rahe notes, but that is exactly what his follower Jean-Jacques Rousseau set out to provide. In so doing, Rahe argues, Rousseau planted the seeds of much subsequent mayhem:

[H]e fomented the revolutionary and the nationalistic impulses and the democratic envy that he so frequently professed to abhor; and by insisting that men are naturally good and that all of the wickedness they display and all of the misery they suffer can be traced to the political institutions under which they live, he fostered within what was in origin a secular impulse an almost messianic hope, and he inspired in many a reader a profound longing to establish new institutions capable of transforming the human condition and of reworking thereby the very nature of man (139).

Thus Rousseau's thinking led—in France most spectacularly but also in other European nations and eventually the Americas—to a catastrophe against which Montesquieu had explicitly warned: the abolition of intermediary bodies between the sovereign and the citizen.

This was a special concern of Alexis de Tocqueville, the third thinker whom Rahe takes up at length. In *Democracy in America* Tocqueville reported finding “little . . . in the way of a guarantee against tyranny” in the United States in the 1830s (171). Rahe notes Tocqueville's concern that majority rule corrupts the polity:

Tocqueville seriously doubted whether there could be any effective checks on the influence that the majority in a strictly egalitarian polity exercises over the human mind. As he knew all too well, majority rule is based on the utterly preposterous assumption that with numbers come “enlightenment and wisdom.” He saw as well that this doctrine, “the theory of equality applied to intelligence,” . . . confers on public opinion a species of “moral imperium” (171-172).

In democracies there is only one final authority: public opinion, “and in this species of servitude Tocqueville discerns nothing salutary at all,” Rahe observes (176). The sovereign power, Tocqueville wrote, “renders the employment of free will less useful and more rare (every day); it confines the action of the will within a smaller space, and bit by bit it steals from each citizen the use of that which is his own” (188). Ultimately, he concluded, “it reduces every nation to nothing but a herd of timid and industrious animals, of which the government is the shepherd” (188). This is the “soft despotism that would degrade men without tormenting them,” in Tocqueville's vivid and oft-repeated words (186). It is, Rahe writes, “democracy's drift” (193).

The genius of America's founders was in establishing what proved to be the most powerful check on the naturally expanding power of government: the premise of individual rights given by the divine Creator. This made the individual into a special being who is ultimately sovereign over him- or herself. That put a fairly

definite limit on what government could rightly do, and the Founders designed the nation's Constitution accordingly. The separation of powers was part of it, but even more important, in Tocqueville's view, was the principle of federalism, or subsidiarity—the placement of the vast majority of decision-making authority with the states and individuals, not the central government. Rahe writes, “In practice, this meant that on the local level Americans were more or less autonomous. They were not alone and defenseless in the face of a mass society; they lived in small communities. With the state government, they had limited contact; with the national government, they had almost none” (196). That left space for a proliferation of voluntary institutions, which Tocqueville praised effusively.

Tracing democracy's drift a century later, Rahe argues that as Christianity declined in the United States progressives such as Herbert Croly, Walter Lippmann, John Dewey, and their associates “aimed at the foundation of a new political regime, distinct from and, in certain critical respects, opposed to the one that had gradually taken shape in the period stretching from 1776 to 1789, which Lincoln later strove mightily to defend” (245). Progressive-era U.S. presidents Theodore Roosevelt and Woodrow Wilson ignored the principles of the Founders and set about centralizing the government and redesigning it along lines they considered more rational and modern. The welfare state rose and was steadily consolidated in the decades since, continually eroding the ground on which voluntary institutions had stood.

Today, Rahe writes, “we live . . . with an untidy compromise” between the progressive and constitutionalist points of view (257). Although the states exist, and we still have school boards, local governments, and the like,

they take their orders from a national government that offers them vast sums in funding in return for strict compliance with its every whim. . . . [W]ith every passing year the burden of regulation becomes more intolerable and the number of mandates with increasing rapidity grows. . . . With every passing year, in every sphere of life, uniformity becomes more pervasive, and individual Americans have less and less control over the decisions that shape their lives (257-258).

That applies to voluntary institutions as well—crowded out by expansion of government. Rahe calls for a reversal of the growth of government, and he recommends that reforms of the national government be based on three principles: government should “do no harm,” subsidiarity, and individual rights. This would lead naturally to a central role for voluntary action in the melioration of perceived social problems. Rahe concludes:

We can be what once we were, or we can settle for a gradual, gentle descent into servitude. It is high time that we reclaim what is, after all, our legacy as Americans, for the genuine self-government that we once enjoyed in plenitude is a possession wholly consonant with our dignity as human beings and with our rights as women and men (280).

Echoing Tocqueville, Rahe argues that government's displacement of voluntary institutions undermines "the morals and intelligence" of both the people and the business world, and that such a people ultimately become unfit to govern themselves. However, he and the French writer both note that the natural human desire for control over one's destiny makes individuals prefer to "take responsibility for one's own well-being and that of one's family and local community" and motivates people to resist "the soft despotism that is democracy's drift" (279). Such resistance may itself become a form of philanthropy.

**S.T. KARNICK** is director of research for *The Heartland Institute* ([www.heartland.org](http://www.heartland.org)) and editor of *The American Culture* ([culture.stkarnick.com](http://culture.stkarnick.com)).



**Life Inc.: How the World Became a Corporation and How to Take It Back.** By Douglas Rushkoff. New York: Random House, 2009. 304 pages. \$26.00 US (hardcover).

*Reviewed by T. Clark Durant*

Douglas Rushkoff begins *Life Inc.* by recounting the story of how he was mugged at gunpoint on Christmas Eve in his Park Slope, Brooklyn neighborhood. Later that night, after posting news of the crime on the Park Slope Parent's list, he is shocked to find that both of the first two people who respond choose—not to sympathize—but to *chastise* him for mentioning the street where the crime took place, a mention they fear will hurt their property values. Their lack of sympathy jolts Rushkoff into reflection upon man's inhumanity to man, *especially*, he suspects, when money, markets, or corporations are involved. In large part, the remaining 250 pages of the book are a variation on this theme.

Rushkoff comes off as a passionate, inquisitive and principled humanist; he is bold enough to venture to and fro across disciplinary boundaries (among them,



history, economics, psychology, political science, sociology) in pursuit of an apt diagnosis of what ails him and, he conjectures, you and me, too. This is to be applauded. He would be great fun to engage in conversation over a barbecue (on which more below).

Unfortunately, the breadth of the book comes at the price of coherence and depth. In particular, the book omits or gets wrong key parts of the story about money, markets and corporations, and as a result—it is no surprise—it gets wrong the nature of opportunities for reform.

I will do my best to summarize the book, and then I will present my primary dissatisfactions with it.

After relating the story about the mugging, Rushkoff asserts that there is a core problem with modern society and it is that “instead of collaborating with each other to ensure the best prospects for us all, we pursue short-term advantages” (xvi). This is because we are selfish. But, Rushkoff claims, we are only selfish because we have internalized some very bad, very old corporate jujitsu. We are the unwitting victims of the biases programmed into state-enforced monopoly charters four hundred years ago, and into state-enforced currency monopolies seven hundred years ago (his estimates, not mine).

Because of this bad programming, he asserts, we derive vulgar pleasures from branded consumer goods and reality TV; we believe the lies told to us by marketers, PR guys, Big Energy, Big Agra, Big Pharma; we patronize national or multi-national chains when we should buy local; we fall for get-rich-quick schemes and positive-thinking snake-oil; and we buy into individualist mythology, free market ideology, and Social Darwinism.

Unfortunately, according to Rushkoff, what ails us cannot be remedied with the standard cocktail of electoral and constitutional politics, better rules and regulations, market competition, nonprofit enterprise, philanthropy, consciousness-raising journalism, and Internet-enabled self-organization. The obvious modes of improvement are inadequate or even counter-productive. He proposes we try using local currencies and babysitting clubs, coaching Little League, tending rooftop gardens, and relishing long conversations at neighborhood barbecues. *Viva la revolución!*

These are good things, but not the stuff promised in the title (“...and How to Take It Back”). How are we to understand this?

*Theory 1: Rushkoff is a guarded optimist.* Rushkoff is sincere; he believes there is a way to take it back, but he is wary of grand, centralized plans that over-promise and under-deliver. He says:

Small is the new big, and the surest path to global change in a highly networked world is to make an extremely local impact that works so well it spreads. This may amount to a new form of activism, but it is one without slogans, heroes, or glory. The efforts, and the rewards, are scaled to human beings (233).

This seems right to me, but if this works, then shouldn't we think better of the combination of economic, political, social and technological changes that made our world highly networked in the first place? I do not believe Rushkoff is in fact a guarded optimist, but I do believe he *should* be. More on this to come.

*Theory 2: Rushkoff is a closeted pessimist.* Rushkoff is insincere; he does not believe there is a way "to take it back." Perhaps he is compelled by corporatist competition to be insincere. Some corporate suit at Random House, Inc. rejected the shorter and less solution-oriented title, "How the World Became a Corporation," so Rushkoff added "...and How to Take It Back," as well as the last ten pages of the book. *Voila*, the book flies off the shelves and into the hopeful hands of patsies everywhere. The only "remedy" Rushkoff sees is to return to the Dark Ages, which, he argues, have been badly defamed. In his account, eleventh-century Europe is in fact a golden age, which "offered an enviable quality of life for ordinary people...[t]hey ate well, they had plenty of leisure time, and they enjoyed close social bonds" (166-7). Unfortunately, there is no way to get from here to there. Or no way short of the apocalypse. But pressing the apocalypse button would work:

For many, the apocalypse is less a looming fear than a secret wish. Like Y2K enthusiasts, who predicted that planes would fall from the sky when computers attempted to register four-digit years, we're almost giddy at the thought of our dehumanizing infrastructure crumbling under its own weight. One well-targeted electromagnetic pulse and our debts are erased along with our credit scores. No more Blackberries. What a relief! We can all go back to the simple life. There's only one catch: all of a sudden, essential skills from which we've been so long disconnected—how to grow food, how to find water, how to build a shelter—will be at a premium. For better or for worse, real people would be called upon to create real value (232).

Is the present so bad and the post-apocalypse so likely to be good? Heck no! If this is Rushkoff's fantasy, mine is to douse him with a bucket of cold water! Wake up, my man!

This passage is emblematic of my dissatisfactions with the rest of the book. Rushkoff ignores much of the good about what he does not like (“modernity”) and much of the bad about what he does like (“the quasi-medieval post-apocalypse”). This makes the case for a “well-targeted electromagnetic pulse” seem attractive, when in fact it is not. Rushkoff does not grok the fact that the average person in 1800 had roughly the same real income ( $\sim$  \$3 per day) as their ancestors had in 100,000 BCE, and that the average person in a developed country today has a real income that is *at least* sixteen times that large ( $\sim$  \$48 per day). Indeed, since 1980, more than 500 million people in China have gone from \$3 per day to a middle-class existence.<sup>1</sup> This massive and unprecedented increase in the size of the pie has doubled life expectancies, and increased the non-material quality of every year we live. We are safer from violence and disease. More of us have had access to the education that sets us free from our own ignorance and prejudices, and to the mobility that sets us free from that of stifling local norms. This has enabled greater gender and racial equality. More people than ever before have the opportunity to focus on self-actualization rather than mere survival.

Rushkoff does not give commercial enterprise its due, especially in the case where the barriers to entry are low. He gets the story right when it comes to how monopoly charters created lucrative alliances between incumbent political and commercial elites. He gets it right that this led Adam Smith and others to articulate ideas about economic liberty. Usually, this history would cover the story of how the ability to form a corporation went from becoming the privilege of a few to a right of all, and how this unleashed competition in a way that tended to generate better goods at lower prices, generating the sixteen-fold increase in real income mentioned above. But not here.

Instead, Rushkoff switches over to the story of how corporations came to be considered legal persons in the United States and in the process dehumanized real people:

The elevation of corporations to personhood was accompanied by a slow, corresponding devolution of human beings to something less than personhood. Corporations were bigger than people, lived longer, had more money and more influence. The biases programmed into them four centuries earlier, however—to thwart local activity, prevent competition, and disconnect people from their resources and competencies—remained the same, regardless of circumstances (14).

Where to begin? First, if a bias is the same *regardless of circumstance*, like the self-important desire to advance one's own purposes and enlarge one's own capabilities, might it be because the way it is hard-coded in the human heart makes it fairly robust to the soft-code of social context? There is no doubt that we are also hard-coded to love family and friends, to project ourselves into one another's shoes, to identify potential allies and enemies, to seek to raise our own status and that of our allies, to internalize context-specific rules of behavior, and to feel angry when they are violated. The art of modern political economy is to identify the social-legal contexts that allow these tendencies to be harnessed for mutually productive rather than mutually destructive ends. As an example, the same status-seeking manifested in conspicuous consumption could drive more destructive behavior (e.g., the bludgeoning of out-group members in a deadly ethnic riot) or more constructive behavior (e.g., the desire to "build a better mousetrap," or create a better school, better song, or better novel for that matter). Vanity and self-importance can lead human beings to rape, murder and pillage, or to truck, barter and trade. The details of the social-legal context set the path of least resistance, and therefore matter a great deal. The first step on the road to improving that social-legal context is acknowledging that our behavioral constraints are not the product of a four-hundred-year-old corporate cabal.

This brings up the second problem with the passage above. What exactly are the "biases programmed into" corporations? At no point does Rushkoff explain what about the historical program is purportedly driving present problems, and how different changes to the code would make things better or worse. In fact, despite the existence of a voluminous literature on structure and scope of business firms, Rushkoff does not identify alternatives to a standard limited liability joint-stock company. Perhaps sole proprietorships or partnerships would better suit his organizational fancy? The question of alternative organizational forms is never considered.

Third, why did people want their enterprises to have the legal status of persons? Rushkoff does not say, but the insinuation is that immortal and insidious corporations wanted—like vampires—to suck the human essence out of humans. The non-vampire theory is that people wanted assurance that the state would not capriciously revoke or rewrite charters at the urging of the politically powerful (see, for example, *Dartmouth College v. Woodward*), but this theory is not featured in *Life, Inc.*

Ultimately, the book does not seem to be about money, markets and corporations, but about things Rushkoff doesn't like about modernity. There is plenty there to fill 304 pages. He doesn't like fiat currency, or currencies that hold

their value for that matter. He doesn't like it when rich people move out of the city (chasing status), or when they move back in (causing gentrification). He doesn't like monopolies, but he doesn't like competition either. He doesn't like the cult of positive thinking, nor does he like cold, instrumental reason. He doesn't like double entry bookkeeping, or the triple bottom line.

For Rushkoff, criticism comes more naturally than appreciation. If things are so bad, one would think the alternatives would be obvious. But they are not obvious. As Sam Rayburn is supposed to have said: "Any jackass can kick down a barn, but it takes a good carpenter to build one." Rushkoff does more kicking than carpentry. He does not offer alternatives, at least not in the space between the babysitting clubs and barbecues, on the one hand, and, on the other, the world-ending electromagnetic pulse. So we are left mostly with his grievances. As John Milton wrote in the first paragraph of *Areopagitica*, his "Speech for the Liberty of Unlicensed Printing":

For this is not the liberty which we can hope, that no grievance ever should arise in the Commonwealth—that let no man in this world expect; but when complaints are freely heard, deeply considered and speedily reformed, then is the utmost bound of civil liberty attained that wise men look for.

It is Douglas Rushkoff's great fortune that, as a result of the dramatic increase in the number of literate and connected human beings, he will have his ideas freely heard and deeply considered by more people in his lifetime than Lao-Tzu, Plato, Cicero, Dante, Francis Bacon, or John Milton did in theirs. The great advantage of societies that have spent generations already on the road to becoming free, fair and wealthy is that we are afforded the desire and opportunity to discuss the many paths to improving the rules of the game, and thereby the welfare of our families, communities, and fellow human beings. And that is why I, like many an entrepreneur, philanthropist or would-be reformer, remain a guarded optimist.

<sup>1</sup> Angus Maddison, *The World Economy* (Paris: Organization for Economic Cooperation and Development, 2006).

**T. CLARK DURANT** is an adjunct professor in the Economics Department at New York University.