

seeming a bit more trendy in focus. Protestantism, lacking an authority institution, however, allows such flexibility. As a Protestant contribution, this work tends toward the *ad hoc*—certainly not including the layers of commentary that the Catholic tradition has. Notwithstanding, as a suggestive prologue, we can only welcome more detailed and organized expositions of Protestant ethics. It might take centuries for a Protestant curia to rival the corpus of Catholic social teaching, but there are certainly ample voices, as this work illustrates, to begin such project.

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The Next American Economy: Nation, State, and Markets

Samuel Gregg

New York: Encounter Books, 2022 (335 pages)

The Next American Economy, announces Samuel Gregg, is written for the economic policy nonspecialist and focuses on “political economy,” rather than politics or economics independently. Gregg’s political economy “lens of analysis” consists of three components: first, the application of new social science connecting economic subjects—such as wealth and poverty—to non-economic subjects, such as law, government, and culture; second, the integration of normative moral and political philosophy with Adam Smith’s economic way of thinking, that is, analytic tools applied to empirically verifiable information; and third, the integration of moral, political, and economic inquiry.

Gregg has debated people across the political spectrum who have argued that America’s “free market” economy—characterized by entrepreneurship, free exchange, domestic competition, global free trade, strong property rights, robust rule of law enforcement, and a constitutional order that defines and limits government’s economic responsibilities—is not effectively working. As a solution, his opponents often argue for more economic regulation and government intervention. In response, the public’s choice, says Gregg, is between two forms of general economic systems.

The first system is “state capitalism,” which Gregg characterizes an economy in which the government, often with the aid of experts and technocrats (and sometimes in partnership with different interest groups), engages in extensive, top-down economic interventions. This system does not extinguish private property and free exchange, but aims to use state action to shape economic activities to realize specific economic and political objectives, such as achieving greater economic security for specific groups. Gregg concludes that state capitalism is inclined towards *protectionism*, has an affinity for *industrial policy*, and advances expansive *stakeholder models* of business. Gregg explains that protectionist policies, for example, tariffs,

historically fail for lower income Americans, who pay a proportionally larger burden; and for small businesses, who have higher production costs for resource inputs. Protectionism also injures the American manufacturing sector, an outcome largely driven by technological innovation, productivity increases, and a shift toward high-skilled, high-end manufacturing. The stakeholder model now in vogue, says Gregg, supports a “corporatist” view of the American economy, first, by providing established companies with political and legal mechanisms to advance their interests over and against consumers, taxpayers, and new entrepreneurs, and second, by enabling the proliferation of widespread cronyism.

The second system, the aforementioned “free market” economy, promotes the construction of a modern commercial republic. This ideal, says Gregg, embodies the idea of a self-governing sovereign state in which the governed are regularly consulted; in which the use of state powers is limited by strong commitments to constitutionalism, the rule of law, and private property rights; and whose citizens consciously embrace the specific habits and disciplines needed to sustain such a republic. Moreover, says Gregg, it supports a market regulated economy driven by entrepreneurship through consumer preferences expressed through open and free competition and global trade. Further, Gregg argues that this economy is underpinned by normative commitments, including freedom and justice involving limited arbitrary power, and the spread of dynamic commerce crucial (but not alone sufficient) to advance important civic virtues.

Gregg further characterizes this system as an economy driven by bottom-up creative private entrepreneurship, growing within the context of market competition, and fearlessly viewing the world, asking for no favors and expecting none. He notes that entrepreneurship is a major avenue of upward economic mobility (especially among those citizens who are Latin, Asian, or Black), that it drives innovation in important sectors of the US economy, and creates new employment opportunities. Gregg argues that public regulation, often having nothing to do with the common good and everything to do with businesses wanting to avoid competition, must be replaced with a kind of consumer sovereignty that reduces and limits of regulation’s proliferation. Moreover, Gregg argues that free trade maximizes the benefits of American business pursuing comparative advantage beyond the domestic market, providing greater access to foreign markets to sell products and increase profits. Simultaneously, he says, open trade increases competitive pressures upon the American economy, amplifying the benefits of enhanced competition for American consumers and businesses, and incentivizing increased labor productivity.

Gregg presents a compelling synthesis of classical political philosophy, American economic and political history, and modern empirical economic analysis in an easily comprehensible narrative. He also offers a persuasive argument for his modern commercial republic. But there remain unresolved and significant challenges before this system can be fully embraced by the public. Entrepreneurship confronts a federal (not

to mention state and local government) regulatory leviathan of unelected bureaucrats creating barriers to growth and opportunity. Realistically, who is legislatively willing to effectively rein in this executive branch challenge? While industrial policy has its inherent—if not fatal—flaws in implementation, why not consider a national innovation strategy that focuses on efficiently coordinating a federal policy apparatus, not one focused on choosing specific “winners-and-losers,” but establishing a regulatory environment conducive to increasing and maintaining competition among American industries and sectors? Finally, where America’s manufacturing comparative advantage might be readily apparent in a global trade environment solidly built upon widely embraced international agreements, but not in the present deteriorating rules-based, international economic order. How does America parse domestic economic deficiencies in manufacturing—as it involves production of PPEs, pharmaceuticals, and semiconductor chips—from deficiencies in national security? While Gregg states that he is not focused on specific policy prescriptions, these existential issues remain a significant challenge for his system of choice—the American free market system.

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Smithian Morals

Daniel B. Klein

Vancouver, BC: CL Press, 2023 (248 pages)

Smithian Morals is a collection of essays by Daniel Klein. Many of these essays were already published in various outlets, and they represent years of careful inquiry about topics ranging broadly from “Propriety in Adam Smith” and “Adam Smith and Self-Deceit” to “The Liberal Christening,” “The Rule of Law,” and “You Are a Soul.” You can download the book as a pdf free of charge at https://clpress.net/site/assets/files/1091/smithian_morals_11.pdf, or purchase the book online at <https://clpress.net/books/smithian-morals>. As one of Klein’s former students, I have had considerable interaction with his ideas over the years and think highly of him and his scholarship. Before exploring a few of the topics laid out in *Smithian Morals*, the reader should know some of Klein’s major commitments. He is an ardent defender of markets, but more than that, of liberty. But even beyond liberty, Klein advocates for classical liberalism and just sentiments—that is, that there are proper and improper, right and wrong ways to feel about the world around us and the behavior of our fellow men and women.

Klein’s broader project, of which this book is a part, includes reclaiming the word *liberal* from the collectivists who co-opted the word in the late nineteenth and early twentieth centuries. Klein despises the “governmentalization” of social affairs, not