

The “Afterword” is more helpful in this regard, (in part because it brings the conversation back to the encyclical tradition). *Rethinking the Purpose of Business* concludes by suggesting that the flaws in both the shareholder and stakeholder models are such that there is a need for management theories to consider Catholic social teaching as a player at the table. This volume does not give a unified account of how Catholic social teaching provides a better model, so the conclusion drawn in the “Afterword” is quite modest. As someone who already accepts that the encyclical tradition provides central concepts that provide a better way to think about business and human life, I am sympathetic with the book’s conclusion. The editors concede that there has not been enough interaction between Catholic social thought and management theory, and that this volume is only a beginning. May the conversation continue.

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Justice and Its Surroundings

Anthony de Jasay

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Anthony de Jasay is one of the few, truly original minds in contemporary social science. He is well-known for combining analytical rigor with a realistic approach to social phenomena—a rare quality, given that the industry of political superstitions, which has no purpose but to dress the emperor, is still working at full capacity.

Jasay has been opposing such a tendency for some time. His acclaimed book, *The State* (1985), perhaps the finest treatise on the subject, has opened the eyes of more than a few readers to the true nature of *the* institution par excellence, in the realm of modern political philosophy.

Five years after *Against Politics* (1997), a collection of penetrating essays, Jasay is back with *Justice and Its Surroundings*. This book, as the title proclaims, is dedicated to justice and to the issues that typically surround it: freedom, sovereignty, distribution, choice, property, agreement, et cetera.

Jasay bravely asserts that “by promoting clear thought ... one would be doing a greater service to the good society than by promoting good principles” (vii). His goal is to resolve the tangle of definitions upon which some of the most common assumptions of political thought are based. If “a thing is what it is, and not something else,” then, he trenchantly reminds us, “wealth is wealth, and not freedom ... a freedom is a freedom, and not a right ... justice is justice, and not fairness or equality of some kind” (vii).

This quest for clarity and rigor leads Jasay to scrutinize and refute not just theories elaborated by people with whom he is in substantial disagreement (such as John Rawls, to mention but one) but also the often confused and unsatisfactory theoretical options endorsed by people with whom he is supposed to be in substantial agreement (such as F. A. Hayek). Although Jasay has already devoted a chapter of *Against Politics* to crit-

icizing some of the shortcomings of Hayek's mature political writings (his attempted synthesis of classical liberalism, as put forward in *The Constitution of Liberty and Law, Legislation, and Liberty*), here he deals in depth with the Hayekian approach toward redistribution.

Jasay focuses on Hayek's assessments of redistribution since he correctly points out that "the intellectual tolerance of redistribution, even in quarters where one would expect it to meet with severe condemnation" (for example, within the borders of those traditions of thought commonly labeled as "conservative" or "classical liberal"), "is a phenomenon worth closer analysis" (86). Hayek's political thought, notwithstanding his marvelous achievements as an economist, presents curious dichotomies, such as the one between coercive and non-coercive government actions (as though any policy carried out by government were not based upon a coercive transfer of wealth), which leads him to some bizarre statements. One of these is the well-known Hayekian assumption that taxation is not to be regarded as a coercive activity of government *per se*. Another one is the distinction he makes between two "concepts of security." One is "the assurance of a given minimum sustenance for all"; the other is "the assurance of a given standard of life." Basically, the latter is the kind of redistribution that Hayek rejects, while the former is what he accepts and praises.

This apparently small concession to the *Zeitgeist* is actually the first link of a chain, Jasay's view, at the end of which, Hayek endorses a system of compulsory insurance. He "seeks to separate compulsory insurance, and for that matter the provision of welfare in general, from redistribution, as if the first were logically conceivable—and practically possible—without the second" (89). Jasay's shrewd debunking of this naive presumption is an example of sound scholarship and rigorous thought: "Believing that compulsory social insurance is at least potentially non-redistributive ... is to miss essential features of it. It is a truism that in any insurance pool the premiums of some are 'redistributed' to pay the claims of others. Yet, there is a strong presumption that if the participants in the pool have freely agreed to pay the premium, they must have valued the insurance at least as high as its cost.... Both classes of insured—those who did and those who did not claim for losses—made a Pareto-improving bargain. 'Subjectively'—and how else can the matter be evaluated?—no redistribution from one to the other took place" (90).

In striking contrast, "compulsory insurance ... is inevitably redistributive" (90), as Jasay shows in a tight analysis of the nature of insurance (see 90–93). These are but a few of Jasay's accomplishments in the second part of the book (precisely devoted to redistribution), where his dissection of causes and effect of "social insurance" and redistributive policies merges with demolition of political superstitions such as the one that "capitalism was saved by government's asserting novel powers to regulate it" (108).

Part 1 of *Justice and Its Surroundings* (significantly entitled "The Needless State") is devoted instead to the problem of social order, generally speaking. The essays here reprinted largely build on the insights of Jasay's *Social Contract, Free Ride* (1987),

where he reformulated the problem of public goods and demonstrated that the state is neither necessary for the provision of public goods, nor could be the product of a “social contract”.

According to Jasay, “the theory of the State, with strong consent to its authority, continues to be reproduced on the basis of a prisoners’ dilemma whose social significance seems to shrink remarkably under an analytical stare” (43). But, he argues, public good problems are generally better understood as “hawk-and-dove” games, which have quite different payoff structures and incentives. “Unlike the prisoners’ dilemma, the payoff structure in such an interaction can have mutual non-contribution (failure to produce the public good at all) in worst place, while the “sucker” payoff (contributing and giving others a free ride) moves from worst to third best. As a result, two pure strategies, the ‘hawk’ and the ‘dove’, would both be equilibria. The hawks take the chance on a free ride, assuming that enough doves will come forth to produce the good, and doves contribute unilaterally rather than take the risk of the good failing to get produced” (49).

The outcome is that, in fact, many public goods can be provided voluntarily. Also extremely relevant are the conclusions concerning the inner contradictions of contractarian theories of the state that Jasay derives from his game-theoretical approach (see, in particular, 51–53).

Parts 3 and 4 of the book are devoted respectively to “Justice” and “Socialism” (the chapter on “Market Socialism,” 215–40, is a little jewel), while Part 5 collects three essays whose central topic is “Freedom.” Jasay distinguishes between two concepts of justice, both of which are necessary for a system of justice to work, but neither of which should invade the other. “The two realms are ruled by two regulating maxims, ‘*suum cuique*’ (to each, his own) and ‘to each, according to ...’ (that is, one reference variable). In the realm of ‘*suum cuique*’ the concept of justice leaves little space for judgments. Findings do nearly all the work. Where, on the other hand, ‘to each, according to ...’ is the master rule, there is an irreducible role left to judgment” (143).

Jasay explains that “what a person owns is fundamentally a question of what, within his set of feasible acts, he is at liberty to perform” (155–56). The *suum cuique* form of justice is divided between admissible and inadmissible acts (“the general ground for inadmissibility is the prevention, frustration, or obstruction (without sufficient reason) of another’s admissible act” (157); therefore, this stream of justice basically deals with *liberties*.

Here, particularly noteworthy is the bond Jasay creates between liberty and property. “If finding and appropriating what is unowned is a liberty,” he comments, “abstaining from consumption is a liberty, and voluntary exchange is a liberty, then property is a liberty. Under ‘*suum cuique*’ a person’s property is *his* if and because the acts that led to his possessing it were *his* liberties” (162). The legitimacy of property is so to be derived from the chain of legitimate acts that brings an individual to possess a thing.

Jasay's book is a treasure of enlightening insights that, to be examined in the depth they deserve, would require more than this brief review. However, his "last word" on the contemporary doctrines of justice must be quoted: "Justice is upheld as far as it can be if voluntariness is safeguarded. It is then *just acts* that make for justice. The conformity of a state of affairs to a social criterion ... is just that, conformity to the postulated criterion and nothing more. That the criterion is the embodiment of justice rests on no objective evidence, such as is provided by actual (as distinct from hypothetical) agreements to create or transfer rights" (137).

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