

Two Reviews of Anthony de Jasay's *The State*

The State, reviewed by Robert E. Goodin in *Political Studies*, Volume 33, Issue 4, 1985, p. 697.

Suppose The State were a unitary, rational actor with interests of its own. What exactly they are de Jasay does not say. But whatever else, The State thus conceived would want to maximize its discretionary powers. From this, de Jasay infers a tendency toward totalitarianism, with The State trying to shake off the constraints of democratic accountability that presently stand in the way of its completely arbitrary action. The end in view, as de Jasay describes it, is a plantation society composed of a paternalistic State and subservient citizen-slaves.

The outrageousness is intentional. De Jasay seems always to be grasping for a paradox just beyond his reach. The scholarship, too, is patchy. The summaries of the work of others, and the uses to which they are put in de Jasay's own argument, always are slightly off-key. Making the unexamined assumption that The State is a unitary actor – when virtually all the literature within de Jasay's own preferred political-economic mode of analysis starts from the opposite assumption (Lindblom, Allison, Downs, Tullock, Niskanen, Breton, *et al.*) – is professionally unforgiveable.

The most charitable interpretation, perhaps, is that de Jasay is setting up a French-style intellectual parlour game. A repugnant conclusion is supported by an argument with enough loose ends for any intelligent plumber (or 'educated general reader', p. vii) to be able to find a way to unravel it. But it is wet Sunday stuff, at best. There is nothing in it for the serious scholar.

The State, reviewed by James M. Buchanan in *Public Choice*, Volume 51, Issue 2, 1986, pp. 241-243.

From Redistributive Churning To The Plantation State

Consider a selected mélange of names variously familiar to public choice political economists: Machiavelli, Hobbes, Tocqueville, Marx, Pareto, Puviani, Schumpeter, Downs, Tullock, Riker, Nozick, Niskanen, Stigler, Auster and Silver, Brennan, Becker, Bartlett, Tollison. Discard any soft spots in analysis-discussion; retain only the flint-bard predictive elements. In the process, you will get a general idea of *The State*. By listing familiar names here, I do not imply that this book is erected upon such foundations. Quite the contrary, since the author's listing of references and acquaintance with modern sources seems almost random in places. But Anthony de Jasay is, for me, a real discovery in that he constructs a comprehensive dynamic theory of the state independently of ongoing dialogues in the academies.

Born a Hungarian and educated in economics at Oxford in midcentury, Jasay for some years made his living as a banker in Paris. He has apparently used early retirement in a French village to write *The State*. Independence of the academic establishment serves him well; he is beholden to no dominant orthodoxy; he is unsullied by the prejudices of peers; he is beyond the fashion modeling of the professional journals.

This book is not to be dismissed as quasi-polemical, quasi-journalistic criticism of the modern state. Far from it. This book is solid, foundational analysis, grounded in an understanding of economic theory, informed by political philosophy, and a deep sense of

history. As such, it is not work that can be honestly ignored by the relevant academic specialists, despite the disturbing message that the analysis conveys. (As an aside, I should note that the devastating critique of the absurdities of modern welfare economics is, on its own, worth attention).

Jasay commences with a deliberately contrived model in which "the state" is personified as a monolithic decision-making, acting unit. He fully recognizes that this model is an abstracted one, and is not descriptive of the interactive complexity that modern governments exhibit. The basic model does, however, enable Jasay to identify his central theme early, the theme that it is monumental folly to ignore the state's own interest in any analysis worthy of consideration. Once the state's own interest (or the interests of those who act as agents) is so much as recognized, the Hobbesian post-contract dilemma arises. How can the state, acknowledged to have its own interests, and empowered with-authority to act, be prevented from acting as its interests dictate?

Is a minimal or protective state possible? Such a severely limited polity, which Jasay labels the "capitalist state", must involve some definition of the state's interest outside and beyond its own activities. Failing this, the state must move beyond protective limits, and, as it does so, it necessarily becomes adversary to the society's members. The adversary state, which may possibly provide public goods, but must also extract payment coercively, cannot be modeled as complex political exchange among persons, and the whole contractarian intellectual exercise is tragic confusion.

The adversary state may exert its authority by repression or consent. Its natural dynamic is to substitute consent for repression, and it can accomplish this by initiating redistributive transfers, in money or kind, to potential support groups. However, to the extent that a

tradition of required consent is established, competitive bidding for such consent emerges, and those who act as the state face the threat of new entrants. The familiar electoral competition of democracy arises, with rivals for state power offering alternative, but highly similar, bundles (to separate and/or overlapping groups) designed to secure the minimally required consent. The process tends toward an equilibrium in which those who hold political authority, the state as such, secure no net rents. There is no political profit, yet the purchase of consent is necessary for survival. The analogy is with the zero-profit position of firms in the fully competitive industry equilibrium. In this democratic equilibrium, the state engages in implementing redistributive transfers among potential consent suppliers, a process that amounts to churning.

The state will, of course, have a continuing interest in breaking out of this no-rent equilibrium, and it can do so only by moving back toward repression and away from consent. As it does so, the state must also eliminate the effective exit option available to persons in the minimal state setting. The adversary state, caught up in the no-rent equilibrium of consent purchase, shifts toward state capitalism. In the latter's own dynamic development process, the tendency is toward increased controls over the economic activities of persons, a process that culminates in the plantation state, in which, literally, persons become slaves of the all-embracing collectivity.

So much for a summary of Jasay's account, at least of my own interpretation. It is not an analysis that offers much hope. Nonetheless, there are simply too many features here of the descriptive reality we observe to allow Jasay's book to fall "stillborn from the press." Somehow, those of us who retain a residual faith in some positive potential for organization must meet the challenge posed by

this book. We must, in some form or fashion, incorporate the descriptive features of the state, as depicted, into a coherent and nonromantic normative account of constructive reform.

For starters, we can criticize Jasay's own romanticizing over his state of nature benchmark. Although he does not explicitly analyze such a setting, the whole structure of his discussion presupposes that life in the social-equilibrium of anarchy would be tolerably livable, rather than nasty, brutish, and short. Implicitly, Jasay seems to accept the analysis of the anarcho-capitalists, like Rothbard, without critical recognition of its ultimate limits. Without this state-of-nature as a fall-back alternative, Jasay's whole exercise would be forced into a comparison of "best worsts," and one that would, necessarily, involve a somewhat more positive perspective on politics. If we start with Hobbes, we may not like what the state can do to us, and may well do to us, but we may escape the folly of imagining that, with no state, all would be better.

The State reflects Jasay's own perspective on history and on the politics that history allows him to observe. This perspective is essentially that of central Europe prior to World War II. It is profoundly pessimistic, and it seems to express a longing for a civil order which, even as an ideal, most Americans would reject. Schumpeter's *Capitalism, Socialism, and Democracy* is this book's closest parallel. The perspective does not, and apparently is unable to, envisage politics as an exchange process, no matter how imperfect, and to conceptualize organized collective activity as emergent from the mutually advantageous cooperative behavior of many persons. The whole contractarian-constitutional experience that the history of the United States represents, along with the foundational ideas of the Founders, escapes the vision of the European. Jasay is by no means unique in this respect.

	<p>Can the contractarian-constitutionalist conceptualization of politics be retained in our times, or is it genuinely romantic folly to hold onto an image that has vanished? It is in our consideration of this question that <i>The State</i> can prove of immense value. If we are to be honest in our evaluation, the observed outreaches of modern politics seem to fit Jasay's model of the churning adversary state, a state that has also been variously described by Tullock, Stigler, Peltzman, Becker, Tollison, and many other public choice theorists. Must state capitalism follow? Or is it possible to rekindle the constitutional wisdom of the Founders? It must be acknowledged that, ultimately, "the state" itself most be placed in bounds of our own choosing. To Jasay this is the stuff of dreams; to some of us, it is the challenge that makes the whole intellectual enterprise worth the candle.</p>
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Postscript

If, as Mr. Goodin claims, it is wrong to theorize about the State as if it were a "unitary actor," it may be equally wrong to theorize about a group, a bureau, a coalition, a society etc. In particular, economics would have to abandon the theory of the firm, one of its cornerstones, since the firm, too, may be a set of several decision-makers, some of them being motivated by rival aims. Mr. Goodin refrains from saying whether this and other "unitary actor" theories are equally subject to his criticism.