

BOOK REVIEW

TRUST IN A POLARIZED AGE

KEVIN VALLIER

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Kevin Vallier, who teaches philosophy at Bowling Green State University, is a leading advocate of “public reason liberalism,” and his latest book is a distinguished contribution to that school of thought. He has in his past work been substantially more favorable to the free market than most of his fellow public reason liberals, and that tendency continues in the book we have before us to examine. In what follows, I shall proceed in a somewhat unusual way, and Professor Vallier has good cause to complain against me, if so minded, for doing so. I shall first briefly explain his main project, which I have to say I do not accept; but after that, I shall concentrate on some points in the book of great merit, regardless of what one thinks of his variant of public reason.

Our author begins from a fact difficult to dispute. People in the United States do not trust their government, and partly in consequence do not trust one another, so much as they did in times long past. Vallier deplores this and aims in his proposals to remedy this situation, though he acknowledges that he cannot guarantee that what he suggests will accomplish this. He sets forward his main objective in this way:

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Social trust for the right reasons: a society enjoys social trust for the right reasons when its social trust is grounded in adequate evidence available to every member that others are socially trustworthy because each is normally prepared to comply with moral rules from her own intelligible reasons. This is the central normative notion in the book. I want to establish that liberal rights help to generate trust for the right reasons. (p. 50, emphasis in original)

To establish this, Vallier makes empirical claims about what promotes trust, and normative claims about what should elicit trust; and in his arguments for his claims, he displays mastery of the specialized literature of philosophy and empirical political science. His path to his goal is intricate and involves many twists and turns, but these I shall leave to the reader, for one principal reason. Following Rothbard, and his predecessors Oppenheimer and Nock, I believe that the state is a predatory body that we ought not to trust, but rather to view with the severest suspicion. Vallier is well aware of this objection, and he proposes to mollify those of us who hold it by allowing us to “opt out” of state-provided services, in ways similar to accommodation offered the Amish and other religious groups.

Enough of my beliefs; let us now proceed to a few of the many excellent points to be found in the book. Vallier handles in exemplary fashion an objection to viewing property rights as constraints on the state. The objection is that “private property rights have a strong conventional component; they are necessarily the creation of political institutions. Consequently, property rights cannot provide a prepolitical restraint on the state, since they are not prepolitical.” (p. 113) Vallier answers with a devastating question: “how can we have a right to free speech against the government if the government (as the objection implies) is required to define and protect that right? Or how can we have a right to bodily protection if the government is required to define and protect *that* right?” (p. 114, emphasis in original)

Not content with one decisive objection, Vallier strikes another fatal blow:

The second problem with the conventionalist challenge is that it depends on ignoring the critical distinctions between moral rules, legal rules, and constitutional rules. It is certainly true that we can only keep property rights in existence by means of socially constructed rules. But *taxpayer-funded, legislative* rules are not required—property rules are often stable moral and legal rules that are in equilibrium due to factors other than the actions of nation-states. (p. 115, emphasis in original)

Some conventionalists shift the argument to history: even if some property rights now exist independently of legislative rules, didn't the state have first to create markets? Vallier's answer departs from the sober seriousness characteristic of the book and is not without a tinge of sarcasm: "the historical claim is, as far as I can tell, false. And so it cannot play a central role in determining the scope of property rights." (p. 128)

Thomas Piketty has argued, with spurious statistics, that capitalism tends inevitably to inequality, and his many blunders have been ably exposed by George Reisman, Phil Magness, Robert Murphy, and others. Not to be outdone, Vallier raises an objection to Piketty of his own:

One of the controversies raised by Thomas Piketty's well-known work on income inequality is that much of the inequality he documents can be explained by the differing values of the real estate held by the very rich and that owned by everyone else. If so, then reforming zoning laws to prevent them from creating artificial shortages of real estate should be an excellent way to reduce inequalities of wealth. Limiting zoning laws can also boost economic growth: a recent study finds that in 220 metro areas, zoning constraints on land use "lowered aggregate US growth by more than 50 percent from 1964 to 2009." That's staggering. (p. 176)

Growth is for Vallier a key concept, and for him it severely limits permissible restrictions on property rights. He writes,

Few today would dispute that a competitive marketplace, where firms are free to experiment with new methods of production that are then subjected to the withering scrutiny of millions of consumers, is a kind of golden goose. And it is a golden goose we can kill; command economies nearly killed it. When we back off pure capitalism, then, we must be mindful not to strangle the productive process. Even small costs to the growth rate have dramatic effects over time because of compounding growth rates. Without growth, we will lose enormous social goods not merely for the rich but also for the middle classes and the least advantaged. (p. 131)

Vallier draws the consequences of this vital point for restrictions on property rights.

The desirability of growth will not only strengthen the public justification of private property rights, it provides sufficient reason to reject restrictions on property rights. If property rights restrictions hurt economic growth that is broad-based—growth that benefits everyone—then many members of the public will have sufficient reason to reject these restrictions.... Even Marx acknowledged that capitalism

is a fantastically productive economic system, despite the injustice and misery it can cause. So even socialists should recognize that capitalism has enormous productive potential.” (p. 132)

Our author introduces a vital concept that sharply limits the coercive regulations of the free market that he in theory allows. This is what he calls “policy epistemology”: because of the presumption in favor of the market, proposals for regulation must pass a high bar before they can even be considered. If experts disagree about the wisdom of a proposed regulation, we lack the required basis to upset market arrangements.

And one eminent expert very strongly disagreed. The Nobel laureate Ronald Coase

believes that some regulations might be beneficial, but in his attempt to summarize decades of research, he cannot recall a single instance where a regulation passed even the simplest cost-benefit test. Perhaps Coase is biased, but it would take a remarkable level of bias to lead him to claim falsely that he cannot recall *single case* of a regulation passing such tests.” (p.159, emphasis in original)

Vallier adds another point. “And remember the importance of securing economic growth. If some regulatory and public-goods programs undermine economic growth, that can serve as a defeater for those programs.” (p.162)

Kevin Vallier has written a book fully worthy of his eminent mentor Gerald Gaus, and readers willing to persist through this demanding book will learn a great deal. If I continue to prefer Rothbard to “public reason,” I trust that my old student will not hold this against me.