

middle-class support for state reforms to curtail railway barons' political peddling. So while the U.S. experience demonstrates that a strong state can develop out of political accountability, the specifics of the U.S. experience preclude any generic solution based on its example.

Fukuyama is at his best when his arguments lead to novel conclusions, like that war can play a positive role in facilitating the establishment of an effective state (think of Prussia). Similarly, Fukuyama shows how social actors tend to be driven by self-interest rather than the abstract pursuit of political order but whether this is favorable or harmful to political development depends on the circumstances. Newly empowered groups may press for salutary reforms, or they may be bought off by the status quo. They may also become reactionary when they judge their own interests to be threatened, as in the recent class-based conflict in Thailand between the "red shirts" and "yellow shirts."

In attempting to draw such strong links between causes and effects, the book can at times read as if Fukuyama believed countries' development to be path dependent or predetermined, but he emphasizes that human agency can sometimes be decisive. Tanzania and Indonesia's post-colonial leaders receive praise for their peaceful fostering of a sense of nationhood out of disparate groups, and Costa Rica's rulers are acknowledged for eschewing political extremes and laying the foundations for today's stability and relative prosperity. On the other hand, Fukuyama laments the political legacy of Argentina's leaders, whose country was free of many of its South American neighbours' disadvantages but squandered its opportunity to develop.

As the title suggests, the book ends on a pessimistic note, emphasizing that political order is not only hard in the making but hard to preserve. The United States receives particular attention for its seeming inability to address current challenges, including the growth of the state, its decline in quality of state services, the judicialization of administration, and the spread of interest group influence. Fukuyama asserts that the risk of political decay is especially high in the U.S. due to the confluence of partisanship and the hampering of state effectiveness through checks and balances. The upshot is that a state apparatus lacking sufficient autonomy from an

overly politicized legislature results in weak government—or, as Fukuyama succinctly puts it, "When polarization confronts America's Madisonian check-and-balance political system, the result is particularly devastating."

Thankfully, in spite of the above, *Political Order and Political Decay* is not an endorsement of big government. Fukuyama argues that both small and large states can be effective. Nor is he anti-democratic. He considers democracy a matter of human dignity and expresses doubt that the Chinese Communist Party's system can continue on its current trajectory indefinitely.

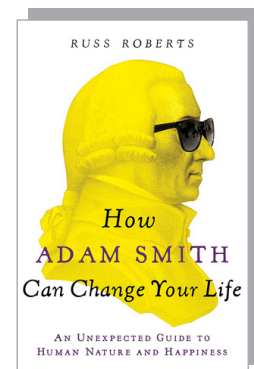
The book is surprisingly readable for one so broad in its scope, and readers come away considerably wiser as to why political order is so difficult to achieve and to maintain. It may not provide a precise playbook for a country seeking to chart its own path to political order, but for those of us fortunate enough to live in the developed world, perhaps it will inspire us to be a little more vigilant against political decay.



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How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness

By Russ Roberts
Portfolio Penguin, 2014
\$17.47, 272 pages
ISBN 9780241003190
Reviewed by Alex Russell



To handle yourself, use your head; to handle others, use your heart" is a piece of enduring wisdom from Eleanor Roosevelt that captures the thought of Adam Smith in his lesser-known work *The Theory of Moral Sentiments*. It is the task of Russ Roberts to present us with a

summary of these ideas in *How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness*, and he does it with zeal.

An economist from the Hoover Institute at Stanford University, Roberts makes an early admission that *The Theory of Moral Sentiments* (1759) was not a book he was initially familiar with, though Smith himself is said to have preferred it to *The Wealth of Nations*. A six-part series from Roberts' podcast EconTalk.org forced him to become well versed with the publication. The result is plain to see.

A self-help book it is not, although it will undoubtedly lead to self-improvement if its lessons are put into practice. Rather, it is a journey to discover the provenance of morality and to build foundations for a fulfilling and happy life.

The book covers a broad horizon of ideas: how to act around people we know compared to strangers; why most of us are disinclined to steal even when we know we wouldn't be caught; how to deal with glory and tragedy in our lives and the lives of others; the perils of chasing celebrity. Despite this breadth of topics, it is a book based in economics—Roberts' home turf. In his eyes, questions like how to get the most out of life, make good choices, understand opportunity costs, and use your time wisely are all suited to economic analysis.

In reading Roberts' book, we are reminded that its foundations lie in that of another. Direct quotes from *The Theory of Moral Sentiments* abound. Where Roberts excels is his ability to link those musty passages to the contemporary world, and it does no disservice to the prescience of Smith to give Roberts credit for this. Chapter by chapter, we are introduced to a theme which Smith considers pivotal to a successful and fulfilling life, and Roberts is able to furnish anecdotes from his personal and professional life to make Smith's point clearer to the modern reader.

We hear why Marilyn Monroe and Whitney Houston died unhappy, with their deaths making so many people sad; why we can hear news of a devastating earthquake in a faraway continent, yet quickly resume business as usual; and why Bernie Madoff wouldn't sleep as easy as Warren Buffett, even before his criminality caught up with him. We're told of the fisherman who enjoys a relaxed lifestyle in his sleepy fishing village, and the businessman who implores him to move to Los Angeles to create

a fishing empire so that he may retire to the same relaxed life he was already living, just richer.

We learn how today's need for gadgets is no stronger than it was in 1759—times may change, but human nature doesn't. In Smith's day, the latest iPhone was a tooth-pick. He commented on how the mode for the clothes was an ever increasing number of pockets in order that one could carry all of one's new gadgets. We are also reminded how the seduction of money is very strong but still no panacea to our problems: "A lot of ink has been spilled reminding us that the rat run is run by rats," writes Roberts, and "there's a little bit of rat in all of us." His advice? "Stay human and subdue the rat" (p. 83).

In homage to the economists that have gone before him, Roberts gives us the "Iron Law of You." You think about yourself a lot more than other people think about you. To be a good person, remember this, and constantly fight it. We have to step away from our perspective and try to see how other people see us. Throughout the book we are reminded of this and we see that the Iron Law of You underpins the market of society, howsoever it is manifested.

The overriding message bestowed to us is one of mindfulness. Be mindful of yourself, be mindful of your friends, and be mindful of strangers. After all, what is life but a series of interactions with other people? Ultimately, satisfaction is gained through these interactions and how we make ourselves and the others in our lives feel. You could be the most famous person in the world, but without mindfulness you could feel more alone than ever.

It comes down to what Smith claimed were our two strongest motivations: to be loved, and to be lovely. We cannot rid ourselves of the "impartial spectator" Smith feels governs our morality. With the help of Roberts' book, you can bring the motivations and aims of you and your spectator into better alignment, because "if you want to get better at this thing called life, you have to pay attention" (p. 35).



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