

Retrogressive Regime Drift within a Theory of Emergent Order

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Abstract

This paper explores the robustness of systems of political economy from within an emergent perspective. Robustness is a quality of the nexus of relationships that emerge within a political economy, and particular attention is given to processes of regime drift that might generate retrogression within a political economy. The central claim advanced here is that robustness is facilitated through polycentric organizational arrangements that entail high degeneracy, while fragility and the emergence of decadence is facilitated in relatively hierarchical arrangements that possess low degeneracy.

JEL Codes: D02, D78, P16, P48, Z13

Keywords: robustness, polycentricity, degeneracy, emergence, fiscal sociology, ordnungstheorie

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The concern with robust political economy that animates this symposium entails a distinction between an object and its pertinent qualities. The object is the set of human relationships that comprise a system of political economy. The pertinent qualities associated with that object pertain to its durability, persistence, or robustness. This paper first examines the object, political economy, and then considers various meanings of the quality of interest, robustness. The remainder of the paper explores the relationship between different organizational arrangements for a system of political economy and its attendant robustness. In particular, robustness seems to be promoted by polycentric organizational arrangements that entail high degeneracy.

Alternative Organizational Maps of Political Economy

It is common in economic discourse to invoke the state as some outside agent that intervenes into an economy. Where the market is treated as a polycentric arrangement of economic relationships, the state is treated as an equilibrated, hierarchical entity that intervenes into the market. This treatment of the state as an outside agent of intervention is nearly universal, even though sharply varying claims are advanced about the qualities of that intervention. Where some claim that state intervention is necessary to correct market failure, others claim that it injects political failure into the system of political economy. Either way, this treatment of the state as an agent of intervention closes what would otherwise be an open model.

The alternative to this model of *disjunctive political economy* is a model of *conjunctive political economy* (Wagner 2006). Figure 1 presents a graphical portrayal of these two models of political economy. Panel A represents a disjunctive political economy; panel B represents a conjunctive political economy. In each panel, the circles denote market-based enterprises and the squares denote politically-based enterprises. In each panel there are eight market-based enterprises and four state-based enterprises, with the 2:1 ratio corresponding roughly to standard measures of attribution of GDP as between the market and the state.

In Panel A, the state enterprises are fully connected with one another, to indicate that those enterprises act as a single, equilibrated unit. The state is treated as a multi-branch organization that intervenes into the market order. In contrast, the enterprises within the market economy form an incompletely connected network, following Jason Potts' (2000) formulation for modeling continuing processes of evolutionary development. Within this formulation, economic development or transformation is represented by change in the connective structure of economic relationships. The arrow that runs from state to market denotes state intervention into the market economy through taxation and regulation. Within this formulation, market relationships are polycentric in character, while the state sits hierarchically on top of the market. The state acts on the market and not in it.

Panel B presents an alternative connective geometry of economic relationships for a conjunctive political economy. Panel B differs from Panel A in

two notable respects. One respect is that the circles and squares have commingled. The other is that the squares are no longer fully connected with one another. The state acts within the market rather than imposing on the market; the state represents an order and not an organization. The political economy in Panel B is polycentric, as illustrated by Tullock's (1965) treatment of bureaucratic free enterprise, extending Mises (1944). In the political economy described by Panel B, the state is not a single-minded organization that lords it over society, but rather is a subset of the connective relationships that emerge within a society. It is, of course, always possible to aggregate over the activities of the various squares depicted in Figure 2, and refer to this aggregate as indicating something called *state output*. But this would be little different from aggregating over the circles and calling the result *market output*. The sociology of Panel A implies a strong separation between rulers and ruled. The sociology of Panel B implies a setting where some members of a family might staff political positions while others staff commercial and industrial positions. A brother may occupy a political node while a sister occupies a commercial node. Any particular classroom, clubhouse, or pew will contain members who are or will be found in both categories of position, and who have continuing social relationships with one another.

To describe a political economy by its connective geometry leaves open the properties of those connections and the principles by which they form and change, as well as the implications of those principles for robustness. In the pure market portion of Panel A, connections are formed according to the principles of

private property and freedom of contract. This network of connections involves a high degree of degeneracy, which means that enterprises have wide latitude in replacing some connections with other connections in pursuing their plans (Tononi, Sporns, and Edelman 1999). A market economy is a collection of enterprise plans, with each plan entailing connections among a multitude of other enterprises. Degeneracy means that there is no particular node through which an enterprise's plan must run; if an enterprise finds one node blocked, there are other nodes that can serve the same function in the enterprise's plan.

In Panel A, the high degeneracy of the pure market arrangement of organizations is offset by the hierarchical presence of the unitary, equilibrated state. If all enterprise plans must run through the state and if the state acts as a single-minded agent, the resulting political economy displays zero degeneracy. Panel B describes a different organizational arrangement that entails greater degeneracy. Relationships among market-based enterprises are still crafted according to the principles of property and contract. It is different, though, for relationships between market-based and state-based enterprises, as well as among state-based enterprises. Relationships between state-based and market-based enterprises will be symbiotic, involving mutualism in some cases and parasitism in others, as sketched in Pantaleoni (1911) and elaborated in Wagner (1997b). A mutualistic relationship is illustrated by a manufacturer of farm machinery who sells unsold equipment to a political enterprise that in turn uses the machinery as development assistance. Both types of enterprise gain by their relationship. A parasitical relationship involves a host that loses to the parasite,

and with the relationship intermediated by a political enterprise. For instance, an established firm might support a political enterprise whose regulatory activities harm an incipient competitor.

The political economy described by Panel B must involve a good deal of both mutualism and parasitism. Political enterprises require the presence of market-based enterprises, and this ecology of enterprises generates itself through crafting both mutualistic and parasitic relationships. A network of political enterprises cannot operate on its own because the absence of alienable property that communal property entails prevents the emergence of the prices necessary to order economic relationships. The market economy is properly regarded as the host for political enterprises, and not the other way around, because economic calculation requires the market prices that can be generated only when property is alienable. A communal economy entails inalienable property, so cannot generate prices and engage directly in economic calculation. It can exist only when hosted by a market economy.¹ It must, after all, be a market-based enterprise that produces the rope to hang the entrepreneur behind an incipient enterprise, for a state-based enterprise is incapable of doing that without the calculational support made possible through alienable property.

In any event, robustness is a quality of the emergent nexus of relationships (for suggestive treatments, see Watts 1999 and Buchanan 2002). That nexus will be subject to continual change and development in a number of respects, the consequences of which remain to be probed. An important feature

¹ Roberts (1973) develops the related theme that the Soviet Union was never a planned, hierarchical economy, but rather was a very clumsily organized polycentric-economy.

of that nexus is the degree of degeneracy that is present within the network of political-economic relationships. In this respect, degeneracy is lowered with increases in the share of market-based connections that run through particular political enterprises. In terms of Panel B, zero degeneracy would result if all market-based enterprises were connected to one particular political enterprise (or if all political enterprises were connected to one another, thereby forming a fully connected graph among that subset of enterprises as sketched in Panel A).

Grappling with Robustness

To assert that robustness is a quality of a nexus of relationships leaves open the nature of that quality. Here, two notions of robustness shall be considered, one economic and one moral. This distinction between the economic and the moral, moreover, does not involve any claim that the two qualities are independent. It is simply that the economic quality is easier to work with, while the moral quality is more elusive though also perhaps more significant. In any event, robustness reflects a concern with systemic transformation through time. It thus involves the simultaneous presence of change and stability, where some attributes of a system change while others remain the same. But what is it that changes and what is it that remains the same? Knowledge and its embodiment in technology must change with the passing of time. So must the structured pattern of connections within a political economy, for changes in knowledge and technology will induce changes throughout the network of economic relationships within a society.

Robustness could be approached in terms of aggregate growth. This approach lends itself to relatively direct appraisal. For instance, South Korea and the Philippines were in roughly similar economic positions 50 years ago. Now, per capita output in South Korea is about four times that of the Philippines. South Korea would seem to have performed more robustly over the past 50 years than the Philippines. Historically, ancient Rome and classical China would perhaps be the two leading examples of declining robustness. In contemporary times, Argentina may provide the best example of faltering robustness. To be sure, vagueness necessarily lies behind this empirical approach. Robustness treated as a variable implies a distinction between potential performance and actual performance. A nexus growing at five percent that shifts to growing at two percent points to a decline in robustness only if the participants would prefer the former regime. While we generally think this is a plausible presumption, and while this presumption finds support in patterns of migration, it is still the case that potential is a matter of speculation and not observation.

The moral dimension of robustness is illustrated by that oft-repeated story from the close of the American Constitutional Convention of 1787, where when asked what kind of government the Constitution established, Benjamin Franklin answered “A republic, if you can keep it.” A republican government, for instance, could morph into a democratic kleptocracy without changing its rate of growth in measured aggregate output. Kleptocratic activities, as well as kleptocratically-induced defensive activities, are incorporated into GDP; moreover, there is no good reason to think that technical progress will differ as between kleptocratic

and non-kleptocratic activities. Hence, a portrayal in terms of aggregate growth might show no change in robustness; nonetheless, the systemic character of human relationships might have changed dramatically, as a regime characterized by equality, mutuality, and respect gave way to one characterized by domination, status, and acquiescence.

While Franklin alluded to this moral dimension of robustness, Alexis De Tocqueville approached it directly in his chapter on “What Sort of Despotism to Democratic Nations Have to Fear” in *Democracy in America*. There, Tocqueville described a form of democratic tyranny that

would be like the authority of a parent, if, like that authority, its object was to prepare men for manhood; but it seeks on the contrary to keep them in perpetual childhood: it . . . provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances. . . . The principle of equality has prepared men for these things: it has predisposed men to endure them, and oftentimes to look on them as benefits.

After having thus successively taken each member of the community in its powerful grasp, and fashioned them at will, the supreme power then extends its arm over the whole community. It covers the surface of society with a network of small complicated rules, minute and uniform, through which the most original minds

and the most energetic characters cannot penetrate. . . . The will of man is not shattered, but softened, bent, and guided: men are seldom forced by it to act, but they are constantly restrained from acting: such a power does not destroy, but it compresses, enervates, extinguishes, and stupefies a people, til each nation is reduced to be nothing better than a flock of timid and industrious animals, of which the government is the shepherd.

Such transformation is a form of conquest from within that arises through the operation of ordinary societal processes. Through some such sequence, a predominant culture characterized by courage and liberty may give way to one characterized by apathy and dependence. A regime might stay in place for, say, 200 years. During those two centuries, there might have taken place a transition from faith to bondage through processes of cultural and moral metamorphoses, and with this transition being accompanied by a morphing of a limited republic into a kleptocratic democracy. Such metamorphoses are typically long run phenomena, and there is not much economic theorizing relevant to the treatment of such phenomena.² Such systemic transformation occurs as well with various subsystems within a society; indeed, such transformation almost surely starts at the subsystem level and spreads. For instance, Aid to Families with Dependent Children (AFDC) was the primary American welfare program until its replacement in 1997. AFDC began as a program to aid widows with children. This system reflected the norm that children were raised within marriage, and with AFDC providing temporary support to those widows whose husbands died without

² Two recent treatments of such phenomena are Jacobs (2004) and Diamond (2005).

leaving them an alternative source of support. At the time of its replacement, AFDC had morphed into a program to aid unmarried teenagers with children, representing a process of cultural transformation inside of what appeared to be an invariant regime of political economy.

Our language and its concepts have little ability even to characterize such processes. A regime that persists for 200 years is presumed to be the same regime throughout that period, because our language and concepts don't give us much option. Democracy is commonly taken to mean any system of government where political offices are filled by periodic election. There is nothing particularly wrong with this minimalist approach to definition. Yet it is no more informative than describing a group of people as "playing ball." When faced with such a statement, we may be sure that those people are not playing with cards. But we learn no more than this from this minimalist description.

Similarly, to hear that a system of governance is democratic tells us only that people are invited periodically to vote, which thereby tells us that we are not governed by generals or by royal families. While we learn something when we hear that people are playing ball or are being governed democratically, we do not learn much. If we wanted to learn more about their play, we would need to learn more about the particular types of ball they were playing. This desire would lead us into an inquiry about how different rules governing play correspond to different particular ball games. It is the same for political economy. Robustness, in any case, concerns the persistence of the foundational principles of a governing

regime as well as such outward manifestations as observed economic performance.

Pencils, Growth, and the Centrality of Nexus

It is common to model growth in terms of an aggregate production function. It can't get any simpler than this: two inputs are combined to yield an output. It would be wholly consistent with the spirit of macro growth theorizing to represent output as pencils, or as pencil-equivalents through hedonic transformation. Once this analytical path is taken, however, it is impossible to go very far without thinking of Leonard Read and his justly famous essay, *I Pencil*. There, Read explains that no one has the ability even to describe the full nexus of relationships within which pencils are actually produced. In his essay, Read describes only a few of the most obvious relationships: he describes the sawing down of a cedar tree, along with the production of the saws and axes that were used to do this; he offers some remarks about the milling of logs into thin slats suitable for making the casings that will hold the lead; he likewise describes to some degree the making of the lead, which he also notes contains no lead. But even after several pages, Read notes that he has given but a quick and incomplete description of what is involved in making a pencil.

If we ponder this pencil economy, we encounter a predicament. We can't even describe how to make a pencil, so how can we explain how to make pencils more productively? The production of pencils emerges out of a nexus of human interaction that generates pencils as one of its myriad outputs. If we were to take

observations at various times or places, we might well observe growth of productivity in this pencil economy. That growth, however, is a product of the nexus of human relationships, and is not a result of someone's choice. Many choices are involved in bringing about the outcome that we would describe as increased productivity in this pencil economy. At one point in this nexus, someone might develop a blade that will stay sharp longer. Somewhere else, someone might discover a compound that reduces the brittleness of leads. Yet a third might create a new substance that makes erasers both more durable and less smudgy (and the creator of that substance, moreover, did not do so *de novo*, but rather relied largely upon his nexus of relationships to do this). No one of these actions by itself will improve productivity in the pencil economy, and rather would simply disorganize relationships within the nexus. But when all the actions come together, productivity increases in the pencil economy.

The centrality of nexus raises a problem for the reformer who with a few wise actions would revitalize or reconstitute a society. The problem is that there is no commanding height that affords a position for such an act of revitalization. What there are instead are different points of participation that in sufficient number might propel some revitalization, or retrogression for that matter. Within this emergent nexus, growth or retrogression is a quality of the nexus of relationships that its participants have crafted. This formulation shifts the burden onto what governs the quality of that nexus, and takes it away from direct

interventionist choices to change the nexus, for that cannot truly be done, as the US experience with prohibition demonstrates on a particularly gigantic scale.³

The ecology of enterprises represented by Panel B of Figure 1 constitutes an evolving, emergent order. That order is polycentric and not hierarchical. Two features of that order are of particular significance for the topic at hand. One is the structural pattern of connections, for the extent of degeneracy resides in this structural pattern. Degeneracy is a feature of polycentricity. The absence of degeneracy indicates monopoly, for it means that a successful plan must include participation at a particular node in the network of plans. Panel B denotes an arrangement where no node is present in all plans. Market-based enterprises may well have to include some political enterprises within their plans, but there is no political enterprise that must be included in the plans of every market-based enterprise. So long as there is competition among political enterprises, some degree of degeneracy exists within the map of enterprises illustrated by Panel B.

The other significant feature is the principle that governs the generation of connections within the nexus. Relationships among market-based enterprises are governed by the principles of property and contract, which provide a simple framework for the generation of complex commercial arrangements (Epstein 1995). But this simple framework does not govern relationships throughout the nexus. Different arrangements for governance come into play for relationships between politically-organized and market-based enterprises, as well as among

³ Obviously, Prohibition exerted aggregate effects; for instance, consumption declined by around 30 percent (Miron and Zwiebel (1991)). But this was hardly prohibition! Moreover, hard liquor replaced beer and wine, and violence increased as contractual remedies moved underground. These various consequences, however, emerged out of local interaction and were not imposed through some act of will.

politically-organized enterprises. Those principles involve both mutualism and parasitism, with the market economy acting in either case as the host that supports the network of political enterprises. On the one hand, political enterprises can compel performance from market-based enterprises in various ways. On the other hand, at least in democratically organized polities, political enterprises require support among a subset of market-based enterprises. Where political enterprises will be mutually supportive of some market-based enterprises, they will prey parasitically upon other market-based enterprises.

Nexus, Emergence, and Policy-Induced Regime Drift

The disjunctive political economy portrayed in Panel A gives the appearance of there being a singular point of policy injection into society from which a society can be transformed; the polity appears to be acting on the economy as a unit. In contrast, the conjunctive political economy portrayed by Panel B shows that state policy emerges at various nodes within the political economy. Some of those nodes may be larger and more densely connected than other nodes, and so may have greater impact on the political economy. Still, the impact of state policy on the overall nexus of relationships is a matter of emergent interaction and not direct choice (Wagner 1997a), as the American experience with Prohibition illustrates crisply. Policy emerges out of particular nodes, and its effect in transforming the network of relationships depends on the subsequent reactions and interactions that are set in motion. It is from small

beginnings that large things blossom, regardless of how beautiful or ugly the blossoms might be.

A political enterprise might announce a course of action, but the effect of this announcement on the political economy will depend on the various patterns of interaction set in motion. Once this emergent feature of so-called policy measures is recognized, it becomes possible to explore the relationship between institutionally-supported practice and the emergent quality of the nexus of economic interaction. The connections that comprise the nexus of economic interaction are crafted through various forms of activity, and the substantive content of those activities can plausibly influence the moral imaginations of participants (Schlicht 1998, Wagner forthcoming).

Dyadic relationships between market-based participants are framed by the legal principles of property and contract. Those principles, moreover, reflect a concomitant moral imagination: property reflects a moral injunction to avoid taking what is not yours; contract reflects a moral injunction to keep your commitments (or repair the damage if you don't). These moral principles, moreover, are reinforced continually through commercial transactions among market-based participants. Commercial practice is constituted differently within the mixed ecology of market-based and political enterprises (Ikeda 1997). Consider the situation of a small village populated by Prima, Segundo, and Terza. Prima and Segundo own low-lying land that sometimes floods, whereas Terza's land is higher and free from flooding. Acting within the principles of property and contract, Prima and Secundo could form a joint venture to build a

dike to reduce the threat of flooding. Instead, they use their legislative majority to declare the dike a public project, thereby forcing Terza to contribute to the project's support. Through this action, along with its repetition through myriad other policy measures, the meaning of property surely changes, as does the accompanying moral imagination. The taking of property (Epstein 1985) now becomes permissible with legislative support, and associated conceptions of normativity would surely change as well through practice.

The relative volume of market and political nodes in the transactional nexus within a society may have significant implications for moral belief within a society. An expansion in politically-generated nodes and connections might promote drift in the character of a regime, due to systematic differences in the types of moral instruction that are embedded in the institutions and practices of different regimes. Rectitude would seem to be a casualty of an expansion in the relative significance of political enterprises within a society. To the extent property shifts from the private to the communal domain, the injunction to avoid taking what is not yours becomes vacuous. With communal property there can be no taking but only temporary appropriations countenanced by the legislature; moreover, the legislature may be petitioned about anything and whatever determination it makes ends the matter for the moment. That any such change modifies rights in a large number of ways for many people is irrelevant, for the state is *ipso facto* the proper arena for such activities (Murphy and Nagel 2002). There is no right and wrong, as demarcated by the distinction between mine and thine. There are simply contending desires over how to use communal property.

For instance, zoning that prevents the development of undeveloped land is not a taking of property, even if it provides a playground for the residents of adjacent developed land, because it is simply one among many possible outcomes under communal property. Rather than buying the land to create a park, it is proper to petition the legislature to declare the land a park under the communal property. A proposal to steal is transformed into a proposal for social reform when it is placed before the legislature.

On what grounds can a person legitimately complain about his position in life, and to whom? When relationships are ordered through private property, people are presumed to be responsible for their own situations in life. People may make bad choices, in many ways and along many dimensions. Still, the responsibility, for good as well as for bad, rests with those who make the choices. Everyone occupies the position of residual claimant with respect to the uses of their talents and property. Someone else can be held accountable for one's bad fortune only if that person can be shown to have violated some right of the complainant. A failure to achieve some desired commercial outcome may be a signal to try harder or to try something different, but it calls for no redress from someone else, unless that other person can be shown to have violated some right of the complainant.

It is different when relationships are ordered through communal property (Wagner 1992). It now becomes possible to use the legislature as an arena for securing gains by imposing disabilities on other people. The security of property rights is governed not by principle but by the pragmatic operation of the market

for legislation. Dissatisfaction with one's situation can now be blamed on everyone else, anonymously, as with society in general, and not upon particular abridgers of rights. As such, legislation teaches that other people's property need not be respected in the search for personal gain, provided only that abridgements of those rights are channeled through the legislature, or through the regulatory agencies to which the legislature has delegated authority. The moral rectitude that predominates in the presence of private property weakens as the domain of communal property expands, as there is no principled limit to infringements upon the rights of others. Any infringement of rights is permissible, provided only that it is mediated through the legislature or one of its organizational delegates.

The moral imagination that accompanies private property and market ordering is one wherein people who are discontent with facets of their life will look first to themselves for betterment, unless they can point to some particular person who has violated a right of property. This is a pretty stern morality. Among other things, it says that if you are drinking coffee while driving, spill it and burn yourself, and in your distraction crash, it is you and not the vendor who is responsible for your condition. That morality surely weakens as property takes on communal attributes.

Consider, for instance, a few famous cases in the economic analysis of torts, where Landes and Posner (1987) argue that the Hand Formula can be seen at work to promote economic efficiency. Recall that this formula defines liability for an accident as arising when the cost of preventing the accident is less

than expected cost of the accident, where the latter is the product of the damage caused by the accident and its probability of occurrence. Consider two illustrations that have been widely used to illustrate the power of the Hand formula to convey the economic efficiency of tort law. In *Hendricks v. Peabody Coal*, a boy (age 16) was injured when he dove into a lake that had formed in an abandoned mine. The plaintiff argued that the injury could have been prevented had the coal company fenced the property, and the cost of fencing was low relative to the damage. The plaintiff won. In *Adams v. Bullock*, a boy (age 12) was walking across a bridge while swinging a wire. The wire struck the trolley wire below, and the boy was burned. The boy lost this case, with the Hand-like gloss on the case being that the cost of fencing overpasses would be too high relative to expected damage.

To be sure, no explicit remarks were made about costs of fencing in either case. Nor were notions advanced about probabilities. Someone who wanted to believe the Hand formula as a kind of metaphysical principle for separating court decisions between those that the plaintiff won and those that the defendant won could probably make reference to the Hand categories in doing so without fear of outright contradiction. But this isn't the only possible explanation. *Adams* was decided in 1919, some 50 years before *Hendricks*. Perhaps these cases illustrate that the moral sentiments were sterner in 1919. It's doubtful back then if someone would have received a favorable judgment for a coffee burn; or, alternatively, for being burned as a result of pouring cognac over a lit candle; or

thirdly, from being wounded by bursting metal after you stuck a wet, hot-air balloon into a clothes dryer.

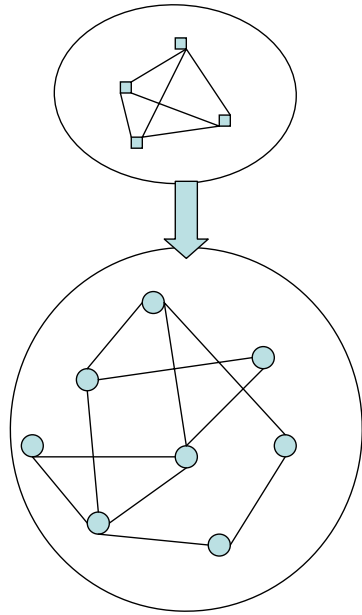
Perhaps there is a kind of paradox at work here. A stern morality may be conducive to progress, at least so long as it is of the market-generating type. Yet the progress that results undermines the requisite sternness, as the increasing wealth allows people to reward conduct that formerly would have been condemned. So long as the legal system is relatively clumsy and cumbersome, however, this may end up being but a relatively minor nuisance. Very few disputes go to courts, and this is perhaps a good thing in many respects. Perhaps rather than seeking to expand court capacity to reduce queues and bring more business into court, even more rationing by waiting might be better for economic progress. Schumpeter might even have been right about the eclipse of capitalism, except that he grossly overestimated the capacity of governmentally-related processes and institutions. Or perhaps he was right, only we don't recognize the evolutionary change, so that what started as a game of rugby has morphed sequentially into a game of American-style football, and without the transformation being much noted.

Peroration

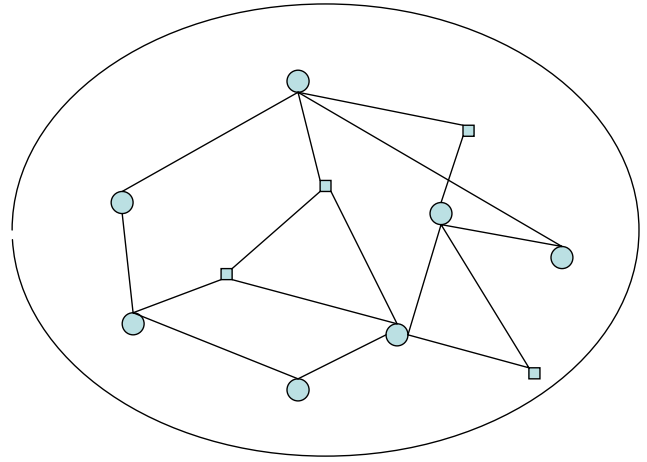
In their magisterial treatment of budgetary history, Webber and Wildavsky (1986) argue that budgetary processes are inherently contentious activities that are deeply reflective of continuing conflicts among people over how they are to live together in the same general territory. It is easy enough to imagine a model

that contains Guardians and Adventurers, and with variability in the relative significant of different outlooks manifesting themselves in society. Where the Adventurers would be comfortable with the societal framework provided by property and contract, the Guardians would not, for they would have substantive concerns that would trump the purely formal concerns of the Adventurers. Guardian-like sentiments could expand sufficiently to alter the moral imaginations within a society, so as to weaken the personal responsibility that is requisite for market-based ordering and flourishing. In this respect, it is notable the scholarship of ordnungstheorie has sought to articulate a constitutionalist approach to policy, whereby policy measures are conformable with the central operating properties of market processes. In this way, these theorists thought that the aforementioned regime-transforming process of emergent societal drift could be forestalled.⁴

⁴ The seminal articulation is Walter Eucken (1952). A recent collection of essays is Helmut Leipold and Ingo Pies (2000). English presentations of the central ideas of ordnungstheorie are presented in Manfred Streit (1992) and Viktor Vanberg (1988). A textbook treatment of these ideas is Kaspar and Streit (1998).



Panel A



Panel B

Figure 1: Alternative Organizational Maps of Political Economy

References

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