

Some Recommended Reading

[JTC: These two books are not intended to supplant the large and excellent sources available for study of libertarian, free-market political economy. Rather — through no known intention of the authors — their themes appear especially relevant to the “extra-national” project that Bedrock is attempting to accomplish. Both are strong defenses of the concept of private governance. (The books' descriptions, below, are taken directly from their promotional material.)]

Bruce L. Benson, *The Enterprise of Law: Justice Without the State* (1990; 2nd Edition, 2011)

In the minds of many, the provision of justice and security has long been linked to the state. To ask whether non-state institutions could deliver those services on their own, without the aid of coercive taxation and a monopoly franchise, runs the risk of being branded as naive anarchism or dangerous radicalism. Defenders of the state’s monopoly on lawmaking and law enforcement typically assume that any alternative arrangement would favor the rich at the expense of the poor—or would lead to the collapse of social order and ignite a war. Questioning how well these beliefs hold up to scrutiny, this book offers a powerful rebuttal of the received view of the relationship between law and government. The book argues not only that the state is unnecessary for the establishment and enforcement of law, but also that non-state institutions would fight crime, resolve disputes, and render justice more effectively than the state, based on their stronger incentives.

Edward Peter Stringham, *Private Governance: Creating Order in Economic and Social Life* (2015)

From the first stock markets of Amsterdam, London, and New York to the billions of electronic commerce transactions today, privately produced and enforced economic regulations are more common, more effective, and more promising than commonly considered.

In *Private Governance*, prominent economist Edward Stringham presents case studies of the various forms of private enforcement, self-governance, or self-regulation among private groups or individuals that fill a void that government enforcement cannot. Through analytical narratives the book provides a close examination of the world's first stock markets, key elements of which were unenforceable by law; private communities that show how public goods can be bundled with land and provided more effectively; and the millions of credit-card transactions that occur daily and are regulated by private governance. *Private Governance* ultimately argues that while potential problems of private governance, such as fraud, are pervasive, so are the solutions it presents, and that much of what is orderly in the economy can be attributed to private groups and individuals. With meticulous research, Stringham demonstrates that private governance is a far more common source of order than most people realize, and that private parties have incentives to devise different mechanisms for eliminating unwanted behavior.

Private Governance documents numerous examples of private order throughout history to illustrate how private governance is more resilient to internal and external pressure than is commonly believed. Stringham discusses why private governance has economic and social advantages over relying on government regulations and laws, and explores the different mechanisms that enable private governance, including sorting, reputation, assurance, and other bonding mechanisms. Challenging and rigorously-written, *Private Governance* will make a compelling read for those with an interest in economics, political philosophy, and the history of current Wall Street regulations.

