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Last Friday we had our semester-opening N2PE event – “The Market Giveth, the Market Taketh Away: Blessed Be the Name of the Market?” – the Glory Liu *Adam Smith’s America*, Jake Soll *Free Market*, Brad DeLong *Slouching Towards Utopia* event. We worried at the question of the persistence of market-utopia thought. It has, after all, been 98 years since John Maynard Keynes declared “The End of *Laissez-Faire*”:

Let us clear from the ground the metaphysical or general principles upon which, from time to time, *laissez-faire* has been founded. It is *not* true that individuals possess a prescriptive 'natural liberty' in their economic activities. There is *no* 'compact' conferring perpetual rights on those who Have or on those who Acquire. The world is *not* so governed from above that private and social interest always coincide. It is *not* so managed here below that in practice they coincide. It is *not* a correct deduction from the principles of economics that enlightened self-interest always operates in the public interest. Nor is it true that self-interest generally *is* enlightened; more often individuals acting separately to promote their own ends are too ignorant or too weak to attain even these. Experience does *not* show that individuals, when they make up a social unit, are always less clear-sighted than when they act separately.

And yet, and yet!

There is a huge amount going on here in this brief exchange from the event.

Roughly what people said:

**Konrad Posch:** Next up, we have David Singh Grewel of Berkeley Law!

**Glory M. Liu:** Oh, I hope David talks about the French Revolution!

**David Singh Grewel:** I hesitate to raise this. So hopefully we can keep it short, and if it doesn't resonate, just move on.

First thank you for your books. It's great to be in dialogue. I was wondering about whether you thought that beneath the various metaphors and the linguistic terms that Jake and Glory drew attention to, there is a presumed or implied social geometry that's underlying market thinking.

I think sometimes about the difference between triadic and dyadic social geometry. Triangular social geometry would always have a third party in an implicit or explicit process of judging the two parties. What I think classical political economy does is it shifts from the triadic social geometry that's commonplace in 17th-century social-contract theory to an essentially dyadic social geometry, which then secretes a theory of exchange and exchange-value. Then you are constantly pushed into questions about the value of a transaction.

You can say that that is buffered by morality. You can say that that is buffered by law. But you have a gravitational pull back to some idea of value, which is why there's the constant peregrinations of the theory of value from this time on.

I don't know what yâ€™ all think about that, or whether it is something else. But could there be a metaphor under the metaphors, which is what is doing the work and why it's so hard to dislodge this?

Thank you.

**Glory Liu:** Itâ€™ s a great question. Can I ask a clarification first: About the geometry. Could you just pinpointâ€™”sorry, my monkey brain is just not working very wellâ€™”what are the points on the triad and the dyad?

**David Singh Grewel:** Take the state-of-nature conceit that you find in Hobbes and Locke. In one of them, you've got three people, with the need for a sovereign Leviathan, a judge to sort out the fighting between person one and person two. In the other, you have two people who have got things to trade with each other. So you shift from a trilateral to a dyadic sociometry as the basis of society.

And if you make that move, then we keep offering the market. We can say what we do or don't like about it, but we are going to keep being drawn back to it. And we are going to keep assuming that there is something like exchange-value that just keeps getting secreted by humanity or society.

So the question is, how deep does this go?

**Brad DeLong:** Do we want to say that, while chimpanzees reinforce their social bonds by grooming each other because they can't pick parasites off of the fur on their backs by themselves, but because we are naked apes we find it easy to pick parasites off our back, and so we instead have evolved to solidify our social bonds via individual reciprocal-gift exchangeâ€™”in which you do not want to be the one always taking advantage of the other by receiving gifts, but you also don't want to be the sucker who's always giving things?

Do we want to say that this underpins human sociality and sociability at a very deep level, as Paul Seabright argues in his excellent *The Company of Strangers*?

Do we want to say that it's more recent than that? Do we want to say that it comes out of the Indo-Europeans boiling out of the steppe with their wagons, their bows, their domesticated horses, and the reciprocal guest-host relationship ethic between males at the core of their society?

Do we want to say that these illusions keep us from understanding what our society really is, except if you are Thomas Hobbes and are able to see deeper?

These are questions that are far far above my paygrade.

**Jake Soll:** Let me try and take a stab at this question, David. I'm going to answer by way of not really answering.

It depends on whether you think that Smith thinks that the social geometry of society itself is composed of a bunch of dyads. Or does Smith view society itself is a proto-Durkheimian thing, and with is a unit.

Our relations in society may be dyadic. They might be multilateral, . They certainly aren't governed in a top-down relation. Maybe society is an aggregation of dyadic relationships. Maybe societal expectationa are a thing that governs those dyads and we don't need this intervening judge.

That is why the the interpretation of the invisible hand is really powerful and really important. What Smith is saying is: This is how society works. He's not saying: This is how the market works. He's saying: There is diffuse epistemic power in what we know from our local interactions that holds everything together. It's an epistemic social theory, not a theory of price.

I think that that is closer to how Smith views the underlying geometry of society than is Friedman's version of the invisible hand.

Maybe that kind of answers your question?

**David Singh Grewel:** Thatâ€™ s super helpful, and you got it. Thanks.

Perhaps what is going on here will be clearer if you replace Jakeâ€™ s â€™epistemicâ€™ with â€™knowledgeâ€™...

My gloss: David is saying that [Locke and Lockeians](#) narrow the focus to two cooperative individuals, each with different possessions that are theirs by natural right, and different needs and desires that do not accord with their possessions. The only knowledge they need is thus shared between them, and that knowledge impels them to trade. And then you aggregate up all the dyads and you make all the trades and you wind up somewhere in the game-theoretic equilibrium core, at a Pareto-optimal allocation of production and consumption. You wind up with neoclassical economics. And as long as you focus on individuals with resources on the one hand and needs and desires on the other, you are going to pushed toward thinking like a neoclassical economist. You cannot really do anything else.

But, David says, [Hobbes and Hobbists](#) have a different, more realistic, viewâ€™”the view of [Michele Piccione and Ariel Rubinstein](#) that you can have an exchange equilibrium in which people make mutually beneficial trades, or you can have a law-of-the-jungle equilibrium in which the strong do what they wish and the weak get whatever is leftâ€™”suffer what they must. That's a third-party, judge, Leviathan, sovereign, is needed to regulate when interactions will be â€™exchangeâ€™ and when they will be â€™law-of-the-jungleâ€™, or else the whole thing collapses into anarchy and life for everyone becomes nasty, brutish, and short.

David is asking: Does our tendency to think in a Lockean way when reality is actually Hobbist doom us to be constantly pulled in the direction of thinking like a neoclassical economist, and so give us a faulty grasp and understanding of social reality? Is it the Lockean pursuit to explain society as reducible to an assembly of relationships in each of which two people with resources peacefully confront each other that leads to the persistence of â€™the market giveth, the market taketh away: blessed be the name of the marketâ€™?

[Friedrich Engels](#) would have said: of course! The shift from the feudal mode and relations of production around 1000 to the imperial-commercial gunpowder-empire mode and relations of production around 1700 convinced people in their daily life that they (if they were adult males of the right race) were (reasonably) self-sufficient individuals with resources interacting peacefully with other such, and that any overlay of â€™societyâ€™ on their interactionâ€™”whether feudal remnant or corrupt government-mandated monopoly or whatever elseâ€™”was a source of unfreedom. Engels, however, looked forward to the explosion of that mode of thought as we shifted from the imperial-commercial gunpowder-empire mode and relations of production around 1700 to steampower-society mode and relations of production around 1870â€™”that it would be completely obvious that production was *societal* in a deep sense and that we were all so interdependent that none of us could claim that he had made something by himself and thus had a strong right to control it.

And yet that social learning did not happen. When [Barack Obama in 2012 made that interdependency point](#), the right-wing ideological reaction was extraordinary in its energy and its idiocyâ€™!

I am saying: Yes, it does give us a false pictureâ€™”but the roots of our cognitive misperceptions here may be very, very deep indeed..

Jake is saying: We interact with each other as dyads, but the right way to understand Smith is that he does not think that those dyadic exchange interactions are everything. Rather, at bottom Smith thinks that our interactions give rise to our sympathies, morals, and expectationsâ€™”to â€™societyâ€™. And society exerts pressure on all of us to behaveâ€™”sympathy, benevolence, our desire to be respected in the eyes of others, our desire to be worthy of respect in our own eyes, and direct material interest all work together, as if impelled by an Invisible Hand, to keep us out of Hobbist dystopian anarchy even without all-mighty all-seeing sovereign leviathan.

Buy Glory M. Liuâ€™ s book [Adam Smithâ€™ s America](#) on the reception of Adam Smith in America!

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## Very Briefly Noted:

- **Erin Woo:** [Muskâ€™ s Twitter Intentionally Suspended Tweetbot, Third-Party Apps, Messages Show](#): â€™The suspension cut off the ability of people to use Twitter on outside appsâ€™!. The reason for the suspension couldnâ€™ t be learned. Speculation on [one blog](#) this week raised the possibility that Twitter might have turned off access to the apps deliberately because they donâ€™ t help drive ad revenueâ€™!
- **Summer Praetorius:** [The Great Forgetting](#): â€™It turns out, ice sheets are good shredders. Recent research<sup>3</sup> suggests that the Great Unconformity may be a result of Snowball Earthâ€™”when the planet descended into deep cold (about 700 million years ago), and glaciers covered most of the land. A billion years of history was ground down by ice and bulldozed into the seafloorâ€™!
- **Matt Zeitlin:** â€™[The Man Who Shot Liberty Valance](#) is so cool, they got John Ford, Jimmy Stewart, and John Wayne to essentially film a political theory and political sociology text...
- **Heather Cox Richardson:** [January 13, 2023 \(Friday\)](#): â€™Between 2012 and 2019 the rates of cervical cancer dropped an astonishing 65% among women in their early 20sâ€™! the first cohort to be eligible for vaccinations against the human papillomavirus (HPV)â€™! herd immunity, as rates have dropped among unvaccinated women as wellâ€™!
- **Liam Bright:** â€™[Interesting piece by @nescio13](#) on the relationship between Longermism and eugenics. It really doesn't seem like MacAskill is interested in eugenics, *but* that seems worryingly like a personal virtue rather than a principled commitment of the movementâ€™!

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## As:

**Dan Davies:** â€™â€™Transitoryâ€™ was always a bad word because it implies something measurable in months, when the real question was â€™is inflation entrenched so as to require a recession to bring it under controlâ€™. Looking pretty likely now that the answer was â€™it's notâ€™. Which in turn means that pandemic fiscal policy still look good and to the extent that the â€™team transitoryâ€™ battles were about this, it looks like they were right. Wind the clock back 18 months and tell people â€™you realise that continuing the small business support scheme may mean that crypto exchanges blow up and Elon Musk will regret buying Twitter?â€™â€™!

**John Gruber:** [If You Needed Any More Confirmation, Internal Slack Messages at Twitter Show that Cutting Off Third-Party Clients Was â€™Intentionalâ€™](#): â€™Twitter can of course do what it wants, and Musk owns Twitter so he can do what he wants. But pulling the plug on these clients and ghosting everyone on communications about it is so absurdly disrespectful. Zero respect for the users for those apps, zero respect for the developers behind themâ€™”â€™many of whom had been building on the Twitter platform for 10-15 years. Just a clown show. Meanwhile, using Twitterâ€™ s own apps or website, my @gruber account shows a total of 7 mentions since January 5. Using Twittrific for Macâ€™”â€™the plug for which has somehow not yet been pulledâ€™”â€™I count 239 mentions since January 5. Twitterâ€™ s own first-party service is falling apartâ€™!



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Noah Smith: Repost: Distributed service-sector productivity: In the early days of my blog, a lot of people were about whether there would be a technology-driven productivity boom in the 2020s. I explained how this happened with electricity, and I predicted that we might see something similar happen with the internet. In fact, almost two years after I wrote this post, there are some signs that this is beginning to happen. The Economist's Arjun Ramani recently wrote a very good article about how remote work is allowing businesses to increase their use of freelancing, outsourcing, and other sorts of collaboration exactly as I hoped they would. Here is a Twitter thread where Ramani describes the data that supports this conclusion. This makes me more hopeful that the Roaring 20s are already becoming a reality!

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