

Morals and Markets

Morals and Markets

An Evolutionary Account of the Modern World

Daniel Friedman

palgrave
macmillan



MORALS AND MARKETS

Copyright © Daniel Friedman, 2008.

Softcover reprint of the hardcover 1st edition 2008 978-0-230-60097-3

All rights reserved.

First published in 2008 by PALGRAVE MACMILLAN® in the US—a division of St. Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Where this book is distributed in the UK, Europe and the rest of the world, this is by Palgrave Macmillan, a division of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN 978-1-349-37051-1 ISBN 978-0-230-61498-7 (eBook)

DOI 10.1057/9780230614987

Library of Congress Cataloging-in-Publication Data

Friedman, Daniel, 1947–

Morals and markets : an evolutionary account of the modern world / by Daniel Friedman.

p. cm.

Includes bibliographical references and index.

1. Economics—Moral and ethical aspects. 2. Free enterprise—Moral and ethical aspects. 3. Capitalism—Moral and ethical aspects. 4. Business ethics. I. Title.

HB72.F75 2008

174'.4—dc22

2008004018

A catalogue record of the book is available from the British Library.

Design by Scribe Inc.

First edition: September 2008

10 9 8 7 6 5 4 3 2 1

Contents

Prologue	1
1 The Savanna Code: What Good Are Morals?	9
2 Bazaar and Empire: How Did We Become Civilized and Why Did We Start Shopping?	25
3 The Great Transformation: Why Is the Modern World So Rich?	43
4 Utopias of Cooperation: Romantics, Communists, and Other Anti-moderns	59
5 Russia's Transition to Kleptocracy: When Markets Need Morals	73
6 Japan's Bubbles and Zombies: When Morals Choke Markets	83
7 Towers of Trust: The Rise (and Occasional Crash) of Financial Markets	93
8 From Hudson's Bay to eBay: Why Do Some People Like Going to Work?	107
9 Markets for Crime and Markets for Punishment	125
10 Mullahs' Revenge: Gangs, Cults, and Anti-terrorists	143
11 Cooling the Earth: Environmental Markets and Morals	157
12 Future Morals and Markets: Can This Marriage Be Saved?	169
Appendix: Technical Details	183
Notes	199
Bibliography	231
Index	245