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# Entangled Inequalities: Even More Complex than We are Led to Believe?

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## INTRODUCTION

There has been much talk in recent years about not only income inequality but other forms of inequalities as well. The most often cited explanations of the (re)emergence of populism in almost every country are variations on the theme that an increasing number of people resent what they perceive as a widening gap between the “elites,” whatever this term is supposed to mean, and the mythical “people”. Depending on whether the current populist rhetoric originates on the left or the right of the political spectrum, the dreaded “elites” stand for the wealthy (the “1%”) or for the cosmopolitan urbanites (the “anywheres” as opposed to the “somewheres”). As Mikayla Novak (2018, p. 15) notes, some classical liberals consider inequalities to be a normal state of affairs and, therefore, not a problem that needs to be addressed. But—and I would argue quite rightly so—Novak claims that classical liberals ought not to turn away from on-going debates, and indeed they have something important to say. Should such debates get out of hand, thereby fueling illiberal populism, the socio-political conditions for the fulfilment of the classical liberal ideal would be considerably undermined. Novak’s intuition in that regard is quite apt: the voices of classical liberal need to be heard. The introduction to her book leaves the impression that her primary motivation is to prevent egalitarians from dominating the debate. However, the rest of the book is much more concerned with the articulation of a sensible classical liberal position on the issue of inequalities than with refuting the views of egalitarians. Her goal consists in sorting through “liberty-consistent” and “liberty-inconsistent” inequalities. (Novak 2018, p. 16). I find this to be a refreshing move. However, I want to suggest that her being silent on what the likes of John Rawls or Ronald Dworkin, or Amartya Sen, among other prominent voices, have contributed so far prevents her from confronting the question of whether liberty-consistent inequalities could potentially be unfair

or welfare-reducing, which would make them problematic. More generally, I want to raise the question of which values lie at the core of the classical liberal doctrine. Evidently, liberty ranks very high and trumps most other considerations but even if it does, it still is the case that liberty must often be made to work with other criteria. Fairness is arguably the most significant of such norms.

Novak’s discussion of inequalities is grounded in her deft use of Richard E. Wagner’s (2016) concept of “entangled political economy”. This lens brings in focus the complex causes and effects of inequalities. Government failures and other instances of political pathologies play a central role in her analysis of how inequalities emerge and perdure, but the entangled political economy perspective allows her to underline the extent to which inequalities are rooted in practices that span the conventional divide between the political and the business spheres. This is a profound insight. However, I wish to take this concept of entanglement a little further by also taking into account the extant literature on “policy networks” in disciplines other than economics. While the entangled political economy is an incisive perspective for revealing the depth and reach of rent-seeking strategies by multiple actors in a variety of networks, the policy network literature highlights other implications of the development of such networks over the last two or three decades. Not all these aspects are quite as liberty-inconsistent as the rent-seeking tendencies that Wagner is so concerned about.

The next section is an attempt to elucidate Novak’s normative premises by comparing them with the somewhat more explicit norms and theoretical assumptions underlying the works of Mark Pennington (2012) and John Tomasi (2012). All three authors explore overlapping themes from a clearly classical liberal perspective. They complement each other but also bring up interesting tensions. The third section examines how the concept of entangled political economy can be meshed with the literature on policy networks.

The concluding section attempts to tie these points together by arguing that complexity is both a justification for and a challenge to the classical liberal vision.

## A PLURALIST PERSPECTIVE ON INEQUALITIES

Liberal egalitarians have largely dominated the debates about inequalities. This can be attributed, of course, to the immense influence of John Rawls ([1971] 1999, 2001) but many other prominent philosophers (e.g., Dworkin 2000) and economists (e.g., Sen 1992, 1999; Stiglitz 2013; Piketty 2014) have played their part. Classical liberals have not been completely absent: Mark Pennington (2012) has claimed that market-based solution to inequality would be more efficient and “robust” than those favoured by social democrats (i.e., less likely to fail because of the limitations of the human mind), and John Tomasi (2012) has forcefully argued that Rawls’ idea of “justice as fairness” can best be achieved by putting in place the institutions of a “market democracy” that stand at a considerable distance from Rawls’ “property-owning democracy”. Novak’s (2018) contribution consists of making the case that the reason why classical liberals must care about inequalities is that often, albeit not always, inequalities pose a threat to freedom itself. She traces the origins of inequalities in rent-seeking behaviours, especially with respect to taxation, regulatory policies, and discriminatory practices which are often legitimized by the state.

Although it is something of an oversimplification, I would like to suggest that the works of the three authors I wish to compare can be examined along two axes. One such axis is a contrast between consequentialist and deontological moral commitments; the other dimension contrasts libertarianism in a strict sense with more pragmatic or pluralist views. Pennington is located closer to the consequentialist end of the first spectrum: his “robust political economy” is an efficient one—that is its principal merit. But as an ardent defender of classical liberal values, he is also committed to individual liberties for their own sake. Tomasi follows in Rawls’ footsteps by moving closer to the deontological opposite end; neither Tomasi, nor Rawls for that matter, avoid making concessions to consequentialism but their main goal is not to build a more efficient economy—it is rather to move toward a fairer society. As can be expected from an economist, Novak leans toward consequentialism. She devotes a great deal of attention the dysfunctional and welfare-reducing consequences of rent-seeking practices. However, she also demonstrates a more deontological orientation by unequivocally making liberty her ultimate eval-

uative criterion, and by offering a firm defence of the value of tolerance. In this way, she avoids being too dogmatically committed to a particular ethical theory but, in common with Pennington and many classical liberals and/or libertarians, she seems to skip over some unavoidable dilemmas. To put it blankly, most economists intent on defending economic freedoms want to have their cake and eat it too. They are attracted to such freedoms because of their liberal belief in essential human rights but they also conveniently assume that freedom is never costly. I hasten to add that, in the long run, it would be true that the sort of reforms of the taxation laws and regulatory regimes that Novak advocates would be welfare-enhancing. It is not obvious that they would be in the short run. Not everyone would be advantaged by the elimination of regulation and subsidies, of the sort, for example, that sustain small family farms, keep renewable energy start-ups afloat, etc. This criticism is even more germane in the case of the far more radical reforms proposed by Pennington and (in an admittedly more nuanced manner) by Tomasi which, evidently in Pennington’s case, would amount to the complete dismantling of the welfare state and even more firmly entrench than is the case at present the free movement of goods, capital and people. That there would eventually be efficiency gains to be reaped is a reasonable assumption. But the number of “losers” could be very damaging to political stability. In fact, we are witnessing this development at this time: the rise of right-wing and left-wing populist parties and movements all across the liberal democracies of North America and Europe is a matter of great concern to classical as well as progressive liberals. There are many reasons for this development and not all commentators agree on which ones are the most significant, but it is generally thought that discontent has been growing among males without a college degree and living outside of the major metropolitan areas. While the anti-establishment rhetoric of the leaders of these movement often denounces the excesses of the administrative state in the form of high taxes and regulations that, for instance, are purportedly enacted to fight climate change, and would, therefore, lead one to believe that the trimming down of the state would satisfy their aspirations, the situation is far more complex. It is not uncommon to observe a push for lower taxes and support for higher spending (e.g., on the health system, pharmaceutical drugs, etc.). Moreover, it is sadly obvious that whatever steps were taken to promote the idea of the free movement of people are being increasingly resisted. In other words, it is rapid socio-economic, technological and cultural changes and the transition to a more open and competitive world

that is being resented—exactly the sort of changes that our authors feel comfortable with. As for inequalities, it is depressing to note that the sort of discriminatory practices and even legislative rules, mostly directed at “immigrants,” regardless of their actual status, that Novak rightfully condemns are of late finding renewed support in many if not in fact all countries. For a long time, classical liberals have wisely criticized progressive liberals and social democrats that the proverbial road to hell is paved with good intentions, but the same could be said of the idealist reforms the three works advocate (albeit less evidently so in Novak’s case). I would certainly not describe the trend toward the somewhat mythical “globalization” that populists denounce as being the outcome of policies that meet with the complete approval classical liberal or libertarian theorists or policy analysts. All the same, that association is commonly made by critics of the dominant economic trends throughout much of the world. As Wagner and Novak insist, what goes on in “market economies” looks more like an “entangled” political economy than truly free and open markets. But if even the less than complete demise of the Keynesian administrative state together with opportunistic positioning by a variety of business and political elites who are more prone to talk about free markets than willing to accept the consequences of their actual functioning has provoked such a debacle, it may not be time to push for an immediate dismantling of these entanglements. The design of needed reforms—something of a paradox for Hayekians—needs to be very carefully thought out in order to ensure that they rest on democratically convincing justifications. Inspired in that respect by Rawls, Tomasi pays a great deal of attention to the need for political deliberation and *justification*, although his conviction that public opinion would rally to his classical liberal utopia is questionable in the deleterious political climate prevailing today. Nevertheless, his intuition that fairness is key here is correct. Fairness is deeply ingrained in the human psyche. There is by now a vast literature at the crossroads of evolutionary psychology, behavioural economics and philosophy (Kahneman et al. 1986; Fehr and Schmidt 1999; Bowles and Gintis 2002; Dieckmann 2004; Binmore 2005; Fleurbaey 2008; Kauffman 2014). Any political economy project that neglects this existential reality is bound to be unconvincing and any attempt at implementing it would be unsuccessful.

Novak’s insistence that liberty is the touchstone may not pass mustard in that respect. I suggest that defending liberty cannot be done abstractly. Fairness is a criterion that must be integrated into any strategy aimed at promoting

liberty; removing the sources of liberty-incompatible inequalities must also be shown to be a way of making social relations more just. This requires a willingness to act pragmatically, by which I do not mean an absence of principle, but a commitment to testing one’s preferences against what is consistent with the practical experience of moral subjects.

I now come to the second axis which extends from a strict libertarian distrust of *any* state action rooted in a suspicion that liberty is never compatible with such interventions, and a pragmatic acceptance of trade-offs and of a plurality of norms, goals and ways of meeting people’s expectations about “the good life”. Classical liberals cannot be found at any of the extreme poles: they are not anarcho-capitalists, on the one hand, but neither are they wishy-washy opportunists since they could not compromise on prioritizing liberty (including economic liberty). There is some space, however, between these two polar opposites within which I would argue different varieties of classical liberalism can be located. Pennington comes much closer to the libertarian end than the other two authors. He displays an eagerness to discuss the advantages of doing away with practically all the social functions of the modern state and to turn to private firms or civil society organizations to deliver services in the fields of education, health, environmental protection, etc. Novak and Tomasi are somewhat more pragmatic, in two ways: they do not entirely rule out a role for government, and they consider a plurality of norms, including not only liberty but also “dignity” (in Novak’s case) or fairness and democratic justification (in Tomasi’s case). Novak’s (2018, p. 196) concept of “polycentricity” (but see also Tomasi 2012, p. 92) is closer to Hayek than to Pennington: Hayek was not opposed to government’s role in many areas, as long as government agencies were not allowed to have a monopoly and, therefore, as long as a healthy competition could be maintained. Note that a pragmatic liberal could also promote the delivery of public goods by civil society organizations and yet also argue in favour of a monitoring or regulatory role by the state. Robert Taylor (2018), for example, argues that when benefactor-recipient relationships become too skewed in favour of the benefactor, putting the recipient in a position of degrading dependence (e.g., “the spiritual blackmail of using charity as a means of pressuring the poor in particular religious faiths,” p. 445), the enforcement of regulatory measures aimed at making the “charity market” more competitive and transparent would be appropriate.

Perhaps even some liberty-consistent inequalities need to be seriously examined—that would be true if they are unfair. I agree with Novak that classical liberals ought only to

be concerned with unacceptable inequalities, and that there are many instances in the economic realm where inequalities are not objectionable—classical liberalism does not entail egalitarianism. The *pursuit* of happiness and the freedom to use one’s property to that effect inevitably results in justifiable inequalities.<sup>1</sup> Some people prefer wealth to esteem and may become richer, albeit not necessarily more respected; other people chose esteem over wealth and may be content with more ascetic living conditions (see Brennan and Pettit 2004). Such inequalities merely reflect the exercise of the freedom to chose one’s preferred path in life. The definition of happiness varies, of course, from individual to individual. While many people will seek wealth and might well be rather self-centered, others might be more philanthropic and altruistic. But even well-meaning philanthropic entrepreneurs do create inequalities. For example, making a large donation to a prestigious research-intensive university will benefit everyone in some measure (e.g., by contributing to technological advancement), but by further enhancing the prestige of this institution, it will confer a “rent” on students who graduate from it, and comparatively lower the value of degrees issued by less research-intensive colleges. All the same, as I proposed above, some liberty-compatible inequalities are arguably unjustifiable because they are unfair, and may, therefore, need to be rectified. Note that I say “may” because the trade-off between freedom and fair dealing is not one for which there is an obvious formula. But we should never ignore the importance of luck—or lack thereof—in human achievements. Individuals who act responsibly and attempt to use their talents as best as they can may actually be so lacking in resources that they are very likely to fail to raise above poverty. Access to education, health, nutritious food, and so on, is generally not strictly correlated to efforts, intelligence, moral rectitude or any other criterion one may think of as being relevant to the exercise of someone’s capacity for freely making appropriated choices in competitive markets. Admittedly, poorly conceived regulations, often the result of rent-seeking, if not even more malevolent motivations on the part of public officials, can be the cause of such inequalities; in which case, they would indeed fall in the “liberty-inconsistent” category and such state interventions should be eliminated. But there are many examples of unfairness that are not so obviously due to state interventions. Indeed, state intervention might be necessary to alleviate the problem. An example would be the extremely high cost of tuition in most American universities and colleges which, combined with the widely disparate opportunities for receiving a good sec-

ondary education, grossly advantages the children of affluent families, especially in the United States. Another would be, more controversially, the effects of Artificial Intelligence on the job market (today’s generation of non-college educated young people cannot expect to find the sort of stable and reasonably well-paying jobs that earlier generations had access to). But lack of luck can also strike specific individuals more randomly, as is the case with rare diseases, natural calamities, and so on. The insurance market does not always meet the needs of such unlucky individuals or families, and civil society organizations may also not always be up to the task. Again, Novak’s “polycentric” approach is germane here: limited government does not mean complete renunciation from public involvement.

Novak took a decisive step in the direction I recommend. Her concept of “dignified equals” (pp. 217-248) implies a plurality of norms. After all dignity is a multi-layered concept. But the only value that Novak explicitly associates with the realization of this ideal is toleration (pp. 237-242). There is no doubt that toleration is a quintessential liberal principle and that it is a corollary of liberty: my freedom means that you must tolerate the choices I make. But I would suggest that dignity also implies reciprocal fairness: even if I may be entitled to certain societal resources, I deprive others of their dignity not only, of course, if I deprive them of their fair share of said resources but even if I am indifferent to the conditions that may render them unable to access said resources. Dignity means not having to beg or be placed in a demeaning situation; conversely, it implies an obligation of fair treatment on the part of those who have the freedom to use their talents to remedy injustices. At the very least, public action could play a decisive role in making such injustices transparent. Once better informed, individuals and groups can be motivated by their “enlightened self-interest” to follow the advice of Smith’s “impartial spectator”; Smithian sympathy can be expressed in a variety of ways which do not necessarily rely on the use of coercive force to enact specific measures. But surely it implies a willingness to engage in discussions about how unfair inequalities can be addressed and, in the end, the solution may sometimes require prudent use of state powers rather than simply eliminating bad regulations (although there may indeed be room for such reforms). Homelessness in large metropolitan area is such an example—the point is definitely not that direct public intervention is the *only* way to deal with the problem, but charities alone can only do so much on their own. (I hasten to add that some causes of homeless

are indeed traceable to bad policies, such building restrictions, zoning by-laws, and so on).

But the problem of fairness is not just a moral one. It is very real and political. Homeless people represent a moral failure, but they are powerless politically. Rural communities, underemployed males, traditionalists, religious groups and, generally speaking, the supporter of populist movements perceive themselves as having been treated unfairly by the “elites” are flexing their political muscles. The means they advocate for addressing their issues are often illiberal. Eliminating liberty-inconsistent regulations is not high on their agenda and may even, in some instances, be perceived as aggravating their predicament or benefitting urban minorities or some other social category they resent. What I am trying to say is that inequalities pose a dangerous political problem when they are ignored for too long. As both Rawls and Tomasi correctly sensed, the principles used for allocating societal resources must be justifiable in a democratic society. Fairness is the touchstone. Classical liberals will want to ensure that making social relations fairer is not done at the expense of liberty. But evaluating inequalities only through the prism of liberty without keeping an eye on how people affected by the proposed reforms perceive these measures through the prism of fairness is politically naïve. Novak’s “polycentric” approach leaves room for more politically astute arrangements than she explicitly lays out. For example, charitable organizations may be delegated a number of tasks presently carried out by state agencies in ways that may be liberty-inconsistent but, as previously mentioned, there may still be a need for accountability mechanisms and/or financial assistance (e.g., vouchers, or even a guaranteed basic income) which only the state could provide. The need to enforce rules that preserve fairness and provide for transparency or even, as would indeed be desirable, opportunities for *all* participants to express their views and be heard, remains very salient. Viewed in that light, the “entangled political economy” is not objectionable *per se*, even if it admittedly can have perverse effects.

## IN DEFENCE OF NETWORKS

Reading Richard Wagner’s *Politics as a Peculiar Business*, upon which much of Novak’s analysis rests, has been a rather disconcerting experience for me. On the one hand, Wagner’s use of the metaphors of entanglement and of ubiquitous networks brings to line the *actual* complexity of state-markets relations. Hayekians are, of course, well aware of the conceptual association between spontaneous

orders, such as markets, and complexity. But it is refreshing to encounter an analysis of societal complexity that does not oversimplify the contrast between “pure” markets and a distant, poorly informed interventionist state prone to make mistakes. The two spheres are, for better or for worse, “entangled”. Novak and Wagner deploy public choice theory to make the case that entanglement results in inefficiencies and liberty-inconsistent inequalities. This being said, I wish to build a somewhat more nuanced interpretation. Complexity is, after all, never reducible to a single causal linkage.

On the other hand, as a political scientist, I am puzzled by Novak and Wagner’s complete neglect of the vast literature on policy networks in the policy studies literature (for a good overview, see Keast et al 2014). Outside of economics, this concept would be hard to ignore since it “can be regarded as being one of the major analytical concepts in the field of public policy partly competing [with], partly complementing other [commonly used] approaches” (Raab and Kennis 2007, p. 187). The metaphor of intellectual and cultural silos comes to mind immediately: economists do not read the policy studies literature, and policy scholars rarely use public choice, which leads them to welcome the development and extension of policy networks a little too enthusiastically from my standpoint. (The latter point is not meant to imply, however, that policy scholars do not have their own reservations about, and criticisms of, networks, “clusters,” and other such concepts which are have given rise to, as mentioned, a continually expanding literature.) All socio-political relations and institutional settings can provide incentives for rent-seeking; the more intricately woven are the channels of communication are in a network, and the more interdependent the agents become over time as they collaborate on various projects, the more likely it is that the informal rules can be tweaked in ways that provide undue advantages to some at the expense of the greater good of society. The more closed or the less transparent a network is, the more like it is work in ways that benefit a relatively small group of industry representatives or other narrow interests whose dealings with governments officials are facilitated by the very existence of the network(s) to which they belong. Networks, however, come in many different shapes and function in ways that can actually be counter-intuitive or that contradicts the hypothesis that they are nothing but mechanisms for rent-seeking.

Policy networks may be little more than a variation on the theme of triadic relationships between business, government and the public; Wagner (2016, p. 75) sees these triads

as being typical of “political catalactics,” whereas market catalactics is typically dyadic. But Wagner and Novak are rather vague on what takes place in these triadic relations, and how they originate. It seems incontrovertible that these triadic relations have a long history in American politics, for reasons that have to do with the unique characteristics of the American political system. Governmental actors include members of Congress who can often pursue their own priorities because of relatively weak party discipline and because of their constitutionally protected autonomy vis-à-vis the executive branch; they also include many more or less independent regulatory agencies over the daily operations of which Congress or the Administration have little control. This gives lobbies, organized groups and occasionally even dedicated individual citizens many points of entry into the political system and creates opportunities for the circulation of information between all the parties. Described in such terms, the American system is highly democratic and efficient. Of course, it is only one side of the coin. The other side, which Wagner and Novak are mostly if not exclusively concerned with, is far less positive. Political triadic relationships generally create winners and losers: in many instances, the public experiences a loss as a result of mutually beneficial arrangements between industry and regulators or legislators (e.g., agricultural subsidies or quotas in exchange for votes); in arguably rarer cases, industry suffers from regulatory measures advocated by activists and “public interest groups”.

But one can draw a contrast between the American system and parliamentary systems, especially Westminster-style democracies. In the latter, opportunities for access to the decision-making centres are typically—or at least have been until relatively recently—far more restricted. Because of a strictly enforced party discipline, which leaves Members of Parliament little power over government affairs and legislative priorities, power is concentrate into the hands of the Prime Minister and his or her immediate advisors. Not only does this creates serious obstacles for members of the public (albeit not necessarily for a few well organized and well financed groups) who may be seeking to change the course of public policy, but this also limits the amount of information to which policy-makers have access (even though in more recent years advanced polling techniques, monitoring social media, etc., has provided rather effective remedies to his problem). Indeed, it is precisely this requirement for improving the two-way flow of communication between the interested publics and government officials that explains the formation of policy networks in many Eu-

ropean and Westminster-style democracies. Officials gain valuable inputs and feedback about their policies but also are able to propagate news about their accomplishments; organized interests as well as more ad hoc coalitions, local governments, aboriginal nations, and other groups, which in a more or less distant past were rarely or never consulted, gain a chance to be heard and even in some cases to be involved in the delivery of services. This form of “horizontal governance” in which government actors are supposedly interacting in a more collaborative than coercive manner with a variety of entrepreneurs and “stakeholders” has to some extent reduced economic and political inequalities.<sup>2</sup> It would be naïve, of course, to pretend that rent-seeking never occurs in this sort of network.<sup>3</sup> But it is also unwarranted to assume that an entangled political economy always results in a less equal or fair treatment of citizens or consumers. The very complexity of its organization makes it difficult to predict exactly how decisions will be made and whether more or less equitable outcomes will emerge. Indeed, as Ken Binmore (2005) has argued, amending the implicit social contract that has taken shape in the very long period during which liberal democracies have evolved requires an astute understanding of strategic thinking and of the multiple games that are played simultaneously by myriads of participants in competitive markets, civil society and politics.

There is, however, a downside to all this complexity. Even though many newly formed networks—some of them purely “virtual” while others are more institutionalized—provide opportunities for hitherto powerless groups and interests (ethnic minorities, environmentalists, etc.) to bring their concerns to the table, as it were, there still are unrepresented individuals and communities. These are people who do not identify with either the “elites” nor with the newly empowered groups that have benefitted from new forms of consultation or human rights protection. In fact, they tend to resent the attention given to groups whose values they find to be too distant from the conventional mainstream. The outcome of this feeling of exclusion—the inequality which they perceive to work to their disadvantage—is the fuel that powers the rising populist movements and parties in almost every corner of the world today, from the United States to Brazil, from Britain to Italy, France or Poland, to mention only a few salient examples. Even though, again, the entangled political economy of today encompasses many more interests and voices than the cozy relationships that have always existed between big business and the politicians who are happy to side with moneyed interests (but

one could also mention the cozy relationship that has for long time prevailed between trade unions and progressive parties), and even though, as I explained, new voices are being heard and have become influential, these networks tend to operate in the large metropolitan cosmopolitan centres. Rural communities are rarely included. Now that technological change undermines the economy of these communities in a more profound way than ever before, new inequalities are becoming more evident, even if they often are over-hyped by demagogues. The solution that populist leaders are proposing are a mixture of disentanglement and re-entanglement. Neither of these projects seems particularly conducive to replacing liberty-inconsistent inequalities with liberty-consistent ones. The disentanglement project consists in a reaffirmation of national sovereignty and a disengagement from international organizations, a renunciation of global trade treaties, and a withdrawal from globalized production networks, with a parallel refocusing on domestic markets and bilateral agreements with a small set of preferably culturally compatible and trustworthy trading partners. Leftist populists might even contemplate more autarkic scenarios, although the tragic outcome of such policies for Venezuela should dissuade more moderate leaders from going down that road. The re-entanglement project, as it were, is fuzzier but appears to be a longing for an age when small communities were successfully self-governing and were able to build and sustain a considerable amount of “social capital”. This is perhaps an echo of the civic republican tradition that used to be central to the American experience (Maynor 2003) but seems to have been eroded in recent decades. A more sophisticated of this utopian vision has been proposed by Patrick Deneen (2018) who, however, remains disappointingly vague about the boundaries and organizing principles of the “communities” around which his alternative to cosmopolitan liberalism is meant to be structured. While classical liberals may welcome such a project which evokes Alexis de Tocqueville’s praise of township local democracy in New England, and while classical liberals are indeed justified in opposing political or administrative centralization, not to mention the “high liberal” intolerance toward traditionalist ways of life, I would suggest that this project is potentially quite harmful. It is just as likely to exacerbate liberty-inconsistent inequalities as it is to eliminate them. Contemporary advanced liberal democracies are very different from the United States of the 1840s which, in any event was far from being a bastion of virtuous civic republicanism from the stand point of the African-Americans in states where slavery was prevalent. Although I do not in-

tend to tar sophisticated defenders of a radical decentralization projects by accusing them of being complicit with the racist undertones of contemporary right-wing populism, it is clear that the longing for a time when smaller communities were more vibrant is also an expression of fear and distrust of the multicultural character of large urban centres. It is difficult to imagine how ethnic and cultural minorities which have strived in big cities where inter-cultural dialogue has made significant progress, would fit in this project. Cities are also centres of innovation, in large measure because they are in fact globalized and exchanging ideas as well as goods and service with the rest of the world; the revitalization of local communities, albeit desirable, could be welfare-reducing if it is carried out too aggressively.

So, what is the answer to this challenge? I do not pretend to possess such an answer! But I would suggest that some ingenious approach to entanglement is a good start. The goal here is to find ways of making room in functioning networks for those who, rightly, feel excluded. The key here is to do so in ways that can be publicly justified as being fair. This does not at all imply adding new layers of bureaucracy and much care should be taken to avoid creating new opportunities for rent-seeking, but there could be more virtuous forms of entanglement in which the concerns of alienated groups could be heard. Some aspects of his approach could include:

- making higher education more accessible to the working poor and middle-income families;
- creating new avenues for enabling well-performing civil society organizations (e.g., climate change activists) as well as the leaders of the new knowledge economy to be better informed about the effects of their strategies on “ordinary folks,” and adopt more balanced approaches that would be more attuned to the aspirations and needs of marginalized rural communities and smaller urban centres;
- and, more controversially, institutionalizing a guaranteed basic income by simultaneously doing away with many of the intrusive welfare programs.

Finding ways for the “winners” of globalization and technological progress to compensate the “losers,” without burdening the state with responsibilities it probably cannot entirely fulfil, is definitely the challenge for the next decade. Paradoxically, the former are excessively “entangled,” while the latter are insufficiently so.

## CONCLUSION

Novak has made a welcome and original contribution to contemporary political economy by advancing a new set of criteria for making sense of inequalities and by offering some insightful proposals for alleviating injustices resulting from these inequalities. My comments have focused on two themes: the need to pay closer attention to the fairness of any reform intended to promote liberty; and the reasons why an entangled political economy is not always detrimental to liberty, so that in some instances the solution to inequalities may entail finding more innovative and fairer patterns of entanglement rather than thinking that entanglement, albeit impossible to completely eliminate, ought as a rule to be minimized. I have not tried to present a radically different perspective, and I should note that occasionally Novak herself recognizes that there are several facets to the complex issues she raises. To ensure that such issues are not resolved *a priori* either by politicians and bureaucrats (as is Novak's fear) but also, I would add, by overzealous libertarians, it is indeed advisable to start from the premise that:

All options for deregulation should be investigated to enable people to craft their own reputations for performance-oriented competition in the service of others. If regulation cannot be relaxed, then it is incumbent upon government to justly compensate people and groups for the expropriation that regulatory policies generate (Novak 2018, p. 209).

In the end, constitutional or informal rules are never immutably perfect. Amending them as we go along must be done in ways that provide the best opportunities for deliberations, ensuring that everyone can trust the fairness of the outcomes. This is best done through a bottom-up process that begins in local communities and neighbourhoods and should be allowed to unfold over some considerable amount of time. In this way only can the transition away from liberty-incompatible patterns to more liberty-compatible ones be enacted in ways that are not dictated by either vested interests or ideologues in a hurry. But it is a challenging game (or more properly speaking, set of games) as Binmore (2005) reminds us.

## NOTES

- 1 Raymon Boudon (2004) has argued that one of the reasons why so many intellectuals tend to adopt egalitarian views is that they believe that their intelligence and educational achievements entitle them to as much money and power as entrepreneurs who typically earn more than them, and yet so obviously lack intellectual sophistication! In other words, it is resentment, not moral indignation that motivates intellectuals. Boudon might have overstated his case for rhetorical reasons but I believe "he is on to something," as the saying goes.
- 2 For a balanced assessment of this type of argument, and an analysis of the methodological differences between the American and European literatures, see Klijn (2008).
- 3 On the risk of fostering rent-seeking behaviours in so-called public-private partnerships, see Scribner (2011).

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