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*Rationalizing Capitalist Democracy: The Cold War Origins of
Rational Choice Liberalism.* S. M. Amadae.

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program. The authors show that the provision of social services by faith based organizations is not a simple or non-controversial matter. They conclude that there is scope for enlarging the involvement of religious organizations in social welfare, but believe that issues of access to resources, the independence of religious bodies, differences in culture, realities of race and other issues need to be more thoroughly debated. This thoughtful book is a useful addition to the growing literature on the subject and should be widely consulted.

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S. M. Amadae, *Rationalizing Capitalist Democracy: The Cold War Origins of Rational Choice Liberalism*. Chicago: University of Chicago Press, 2003. \$19.00 papercover.

Conventional social policy scholarship has been compelled to address the rapid expansion of market-based social welfare over the last two decades and a good deal has now been published on the subject. Generally, the social policy literature has been highly critical of the marketization of social provision, and the market is usually characterized as being inimical to human welfare. The concept of social justice has often been used in social welfare writing to support the critique of market based welfare. Reflecting the legacy of social democratic thinking in the field, many social policy scholars have argued that social justice is best served through statutory welfare provision. But, as the author of this extremely interesting book reveals, principles of freedom, fairness and equality of opportunity have also been woven into a neoliberal conception of justice that supports arguments for a market-based welfare system. Critics of welfare marketization have paid little if any attention to these arguments. This book provides an excellent summary of the views of neoliberal scholars who support a market-based welfare system and should be widely consulted by anyone working in the field of social policy today.

Although the term 'neoliberalism' is generally preferred in social policy circles, Amadae uses the term 'rational choice liberalism', and relates this school of thought not only to the promotion of market capitalism but to the advocacy of liberal democracy and wider individualist values. He pays particular attention to the

geopolitical context in which rational choice liberalism emerged in the middle decades of the 20th century. Although rational choice liberalism is firmly rooted in the classical theories of Adam Smith, the 19th-century marginalists and proponents of *laissez-faire*, it was in the immediate post-Second World War decades that rational choice theory was shaped by scholars such as Arrow, Buchanan, Tullock and Riker. They drew inspiration from the classical theorists as well as the contemporary writings of Shumpeter, Hayek and Popper among others. Many of the formative proponents of rational choice articulated their ideas at the height of the Cold War in the 1950s and 1960s, and several were closely associated with the Rand Corporation.

Amadae's account begins with the Rand Corporation and its contribution to public policy formulation through the development of sophisticated decision-making technologies. Several leading rational choice thinkers drew on the resources of the Corporation, and formulated mathematically based model of decision making which, they claimed, were devoid of ideology and based entirely on scientific principles. It is in this context that rational choice theory formulated a set of principles which directly addressed questions of equity and distributive fairness. Arrow's impossibility theorem, Buchanan's work on public choice and even Sen's later writings on development and freedom are rooted in a conception of social justice based on carefully argued principles and articulated in mathematical terminology.

This is an engaging and important book that should be widely read. It draws on an extraordinary knowledge of the literature and brings to prominence important social theorists whose work is seldom cited by mainstream social policy writers. Although not written specifically for a social policy audience, it has direct relevance to the field and will be an important resource for those seeking to understand contemporary rational choice liberalism. It is a work of thorough scholarship that will challenge social policy critics of market-based welfare to more rigorously address the arguments of rational choice theorists and come to grips with the very complex issues they raise.

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