

Book Reviews

Hayek's Modern Family.

Steven Horwitz. 2015. New York: Palgrave Macmillan. ISBN 978-1-137-44822-4. \$120.00

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“As the family goes, so goes the nation and so goes the whole world in which we live.” —John Paul II, November 30, 1986

Christians should require little convincing that family is important. In addition to biblical commandments and directions related to living in proper relationship within our families, Christian tradition makes frequent use of familial imagery, as believers are children of God and thus brothers and sisters to one another. Christian economists, furthermore, will be familiar with the advantages and disadvantages that can be transmitted across generations within families, and with the critical nature of a person's early childhood—largely experienced within the family—for adult outcomes and, therefore, community well-being. An improved understanding of the family—its evolution, apparent progress, and current challenges—is, therefore, a worthy objective. Steven Horwitz's *Hayek's Modern Family* provides a rich treatment of these and many other dimensions of family as an institution, applying a well-stocked economist's toolbox including basic economic reasoning, public choice theory, a Hayekian understanding of cultural evolution, and economic history. The following review will summarize some of the key themes of each of the four parts of the text, and highlight a few touchpoints for Christian readers.

Part I describes the basic intellectual framework of classical liberalism that Horwitz applies throughout the text. It finds a firm grounding in Hayek's theory of cultural evolution, or what Horwitz calls “Hayekian social theory,” though Hayek himself considers “social” a “weasel word” (p. 13). Horwitz distinguishes between organization and spontaneous order, correctly explaining that “for Hayek, tasks of limited complexity where the people involved agree upon the goal are the appropriate domain of intentional organization,” while the market and civilization benefit from spontaneously emerging “morals,” or rules of conduct (p. 33). It is this dichotomy, the “two sorts of worlds” that Horwitz frequently references, that distinguishes the proper functions of family from that of the market and extended order (p. 22).

Horwitz notes that the extended order is comprised of numerous smaller organizations including the family, and that, therefore, families contribute to the functioning of the extended order and the extended order influences the family (p. 34). While causally connected in any number of ways, families and extended orders should not necessarily function similarly. Horwitz states that “just because sharing with your sibling is the right thing to do within the context of a family does not necessarily mean one can apply that logic to the question of how the social world writ large should be organized” (p. 47). While this is consistent with Hayek’s writing and his observations on local knowledge, this does present a puzzle for Christian economists who are concerned with consequences of action but who also are called to view those around us as neighbors.

Hayek’s observation that knowledge is *essentially* local or—as Horwitz emphasizes—“dispersed, contextual, and often tacit” gives purpose to institutions (p. 22). Families as “social institutions” coordinate expectations, solve problems, constrain those who (voluntarily) associate with the group, and communicate information by the rules of the organization (pp. 24–26). Horwitz argues that family as an institution has served these purposes throughout history but that these general roles will likely see continual change in the practical function and form of families as they solve new problems with newly available means (p. 29).

In Part II, Horwitz recounts the evolution of family form and function, taking a reader through the “family in a world of poverty,” industrialization, Victorian sentiments and values, and finally to modern times. He argues that the changes to the family over the last “several centuries” have been on-net beneficial and are owed to “the emergence of the market economy, capitalism, wage labor, and industrialization” (p. 51).

For most of human history, families faced a very real struggle for survival. Horwitz provides many examples of choices, especially related to care for children, that would appear irresponsible or even abusive by modern standards. More than once he states that in that time “...Prudence took precedence over Love” (p. 66). Christians recognize love as a theological virtue. But Christian economists might think pitting prudence against love a false dichotomy, especially if, as Aquinas said, “love is to will the good of another.” *Hayek’s Modern Family* does well to not skirt the topic of love, but where it is used in a romantic or purely emotional sense, Christian readers may be left looking for a more self-sacrificial and action-oriented—perhaps even prudent—understanding of love.

Furthermore, standard neoclassical economics might offer a different interpretation of the changes in families' choices over time; perhaps the changes reveal not a lesser appreciation of prudence (or rational choice) nor changing emotions (or preferences), but rather monumental changes in the economic environment and the set of available options (or budget constraints).

Hayek's Modern Family devotes three chapters to a detailed recounting of the evolution of the family, which is one reason Christian economists might be interested in this book; it is a helpful primer and launching point into other texts that can help us consider whether the historical record allows a notion of a "traditional family" in light of the significant changes in the institution over time. Some of the changes Horwitz ascribes to the spread of capitalism include changing equality of spouses, increased privacy of the nuclear family, treasuring children for more than their productive potential, and the "love match" marriage. And while Horwitz presents much in these changes as beneficial, he considers "well-founded" the concern that an emphasis on personal happiness could be detrimental to the institution of marriage, especially considering the role of credible commitments to a civilization characterized by order without design (p. 112).

In addition to the new model of the love-match marriage, technologies including the contraceptive pill separated sex from reproduction and, consequently, heterosexual unions from marriage. If heterosexual marriage is about a love match and becomes sex-centered (as opposed to procreation-centered), then on these counts there is little institutional difference between male-female marriage and homosexual-headed families (p. 128). Consequently, Horwitz claims, same-sex "marriage" was not as much a revolution as a logical implication of what marriage had become in the heterosexual context (p. 130).

Part III focuses on two aspects of family in the 21st century: parenting and divorce. With respect to parenting, Horwitz surveys some of the literature on "hyper-parenting," "snowplowing," and "Tiger parenting." If parents overschedule, dictate to, smooth over for, or control their children, Horwitz is concerned this will have consequences for a liberal order. Whereas classical liberals hold freedom and personal responsibility in high regard and as a necessary component of a well-functioning extended order, Horwitz worries that "a nation of bailed out children" will expect government to play an analogous role in their adult lives (p. 192).

In explaining marriage and divorce, Horwitz adapts Austrian capital theory to household investments in differentiated human capital. He allows that individuals can make investments in market-oriented and household-oriented human capital (MHC and HHC, respectively), both of which can have generally-applicable skills or skills specific to a given job or a given marriage. In this model, divorce is the result of an assessment of benefits and costs, and accumulated MHC and HHC are factors in choosing divorce or persistence. Additionally, expectations about the probability of divorce affect decisions by household members about what skills, MHC or HHC and general or specific, to invest in. This framework is useful, for example, in explaining the consequences of no-fault divorce laws which make it more difficult for couples to credibly commit to a marriage and, therefore, incentivize different human capital investments (p. 150).

Horwitz indicates concern throughout the book about whether the institution of the family is serving functions that aid society. Among other things, families provide physical, emotional, and developmental care for children, but are also critical in “transmitting the explicit rules of the modern world” and socialization for the liberal order (p. 174, p. 181). Though respectful of marriage, his argument related to divorce is unsentimental. While Horwitz is cognizant of the costs borne by children in divorced households, he reminds the reader that adult happiness matters, too, and cautions against the nirvana fallacy (p. 151). In other words, the relevant counterfactual to the often-difficult consequences of divorce, he asserts, is not a perfectly functional family but an intact family enduring other difficulties (p. 177).

The final section of *Hayek’s Modern Family* addresses policy and especially the role of the state in parental rights and the right to marry. Whereas children are neither the property of their parents nor fully-functioning adults, Horwitz recommends stewardship as a framework for defining parents’ rights and responsibilities to their children. Christian economists might find it interesting how the author avoids assigning ultimate ownership of children. In the absence of a Creator, Horwitz suggests “parents choose to entrust themselves” as stewards of their children (p. 225). So instead of a calling to care for children providing a natural right to parents, Horwitz argues that incentives and information are the correct foundation for requiring a “high burden of proof” should anyone, including the State, wish to usurp the rights of a parent. To be brief, par-

ents have access to the best information and possess incentives that are most closely aligned with their child's well-being.

Horwitz presents the final topic of the book, the future of legal marriage and particularly same-sex marriage, as an opportunity for classical liberals to gain ground in the popular assessment (p. 243). He presents a nuanced discussion that notes both the classical liberal principle of equality under the law but also the “freedom to worship” (p. 250). Specifically, Horwitz suggests that legal marriage can be extended to any pair of consenting adults, but need not affect religious ceremony or people of faith. While proponents of religious liberty, not just freedom of worship, might appreciate from the book a more full-throated defense of the breadth of religious expression and faithful living, Horwitz allows that the market can and will decide which firms (e.g., wedding photographers and bakers) will survive, as allocation by seller's preference is unprofitable in competitive markets (p. 250). Ultimately, Horwitz argues that there is little reason to suspect that same-sex marriage will harm a third-party, including the children within same-sex households and the institution of marriage itself (p. 248, p. 251).

All in all, *Hayek's Modern Family* pursues an ambitious scope for its analysis related to the family. Horwitz succeeds in applying an internally consistent classical liberal viewpoint to a subject where it has found little application previously, that is, non-market institutions, generally, and the family, in particular. How does Horwitz do relative to another of his stated goals—to write in a way such that classical liberalism remains “as broad as possible in who and what positions fit under that umbrella” (p. 4)? While there is much of value in this text for economists of all stripes—classical liberal or otherwise, people of faith or no faith—some classical liberal Christians might feel underrepresented in the nuance of the text. For example, that a greater variety of observed family forms is desirable, which the text implies, is not an obvious conclusion for Christians (p. 51). Where the book presents the personal freedom to choose as an end in and of itself, rather than merely a necessary condition for living according to conscience and serving others effectively, Christians will likely be disappointed. While *Hayek's Modern Family* reflects a sincere concern for human flourishing, it neglects one possible classical liberal viewpoint: that of a Christian who values freedom for families so that they might choose to glorify God and serve to build His kingdom. ■