Book Reviews


The Voluntary City, edited by David T. Beito, Peter Gordon, and Alexander Tabarrok is a collection of 15 articles that explore historical and contemporary examples of private and voluntary delivery of public services. Most calls for improving communities rely on “bringing the state back in,” rather than exploring how market forces can contribute to a healthy, livable community. Contributors to The Voluntary City present evidence for a civil society built and maintained by private and voluntary initiative and cooperation, not by state institutions. As many contributors to this book point out, private and voluntary initiatives have, at various times and places in the past, provided the physical infrastructure, community services, and institutional frameworks that make communities more viable.

Dispelling the assumption that markets cannot provide adequate urban infrastructure, the first section of the book focuses on the role played by private market-oriented arrangements in urban planning and the construction of urban infrastructure, especially in the United States and the United Kingdom. Stephen Davies (Chapter 2) argues that, in the absence of public urban planning, real estate market practices and restrictive contractual agreements were highly effective in regulating urban growth in the United Kingdom between 1740 and 1850. David Beito (Chapter 3) examines how developers created the private self-governing enclaves of St. Louis, complete with private streets, sewers, electricity, and even private governance structures. Robert C. Arne (Chapter 5) provides examples of “entrepreneurial city planning,” as shown by the workings of Chicago’s Central Manufacturing District, with its well-functioning docks, transportation services, electricity, and many business services.

The second section of the book examines the options for providing law and social services through private and voluntary initiatives. Bruce Benson (Chapter 6)
looks at the role of the Law Merchant, a voluntary legal system that governed trade among international merchants during the tenth and eleventh centuries. Stephen Davies (Chapter 7) shows how, in the nineteenth century, local communities and private prosecution associations provided criminal justice. David Beito (Chapter 8) discusses the role that fraternal, mutual-aid societies played in providing millions of Americans with health and life insurance before the rise of the welfare state. James Tooley (Chapter 10) examines private education in the United States and the United Kingdom during the nineteenth century, showing that private schools provided an almost universally available system of high quality education prior to state involvement.

Contributors to the third section of the book examine contemporary examples of private communities such as condominiums, mobile home parks, and subdivisions governed by homeowners’ associations. Fred Foldvary (Chapter 11) presents the theory and history of proprietary communities, and explains how they deliver the public goods and services that many assumed only governments could provide. Donald Boudreaux and Randall Holcombe (Chapter 12) argue that, in many respects, the structures of governance that arise in the market (e.g., condominium associations and corporations) outperform those of conventional cities and towns, which never deviate from the rule of one-person–one-vote. Robert Nelson (Chapter 13) explains how older established neighborhoods can gain the advantages of proprietary communities.

The contributors to this book locate nonprofit organizations in the market (or private) sector. According to Beito, Gordon, and Tabrrok, “if the term market is broadened to include nonprofit firms and voluntary but not-for-profit organizations, the scope of [market] failure may be diminished” (p. 2). None of the essays, however, really undertakes the historical comparisons between privately and publicly provided services that are necessary to show that broadening the market to include nonprofits would reduce market failure. But, the most glaring omission in this volume is the lack of an in-depth examination of the voluntary sector. During the last few decades, the voluntary sector has received renewed attention as a means to deliver public goods and services that the welfare state could no longer provide. Most scholars see the nonprofit sector as an entity located between the state and the market, providing a counterbalance to both. The absence of an analysis of the historical context of the voluntary sector makes it difficult for readers to draw conclusions about the capacity of contemporary nonprofit and voluntary organizations to provide public goods and services effectively.

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