To be clear, the statements are true. Unethical behavior has a cost. However, this line of reasoning risks motivating ethical behavior by the desirable business consequences they produce or undesirable consequences they avoid rather than by the character of God.

However, the book does not rest its case on utilitarian sentiments as the means to animate ethical action. Hill's appeal to holiness, justice, and love is uniformly applied throughout the book, substantiating his theocentric approach to business ethics as sufficiently different from those that merely consider duties and consequences.

In his conclusion, Hill (rightly) recognizes that we are flawed human beings, and accordingly, the wind blows in the direction of moral error. Moral excellence is not easy. Thus, he ends by reminding readers that Christian ethics inescapably draws on God's grace. Specifically, the gap between our intentions and performance, optimistically, reminds us of our dependence upon God, drawing us closer to his love.

Such a vision, in addition to the book's broad consideration of today's ethical landscape in an increasingly complex marketplace, speaks to the book's inherently Christian tone as well as its relevance. This elevates *Just Business* as a worthy read for the faith community and its careful discerning of what it means for Christian values to orient commercial activity.

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Termites of the State: Why Complexity Leads to Inequality
Vito Tanzi
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Termites of the State is an expansive book that begins with Tanzi's framing the economic history of the United States in the twentieth century and then guides the reader through how the role of the state has changed. The altered role of the state and the market yield complexity and the growth of "termites" that destroy productive institutions and generate excessive inequality with some profound social consequences. Tanzi divides the book into three main parts: changes in the role of the state in the twentieth century, complexity and the rise of termites, and equity and inequality.

Part 1 of the book provides a thorough and detailed review of the unfolding of the battle of ideas and its influence on United States economic policy. Tanzi is qualified to tell this story as he has decades of experience in both domestic and international economic policy-making institutions, from the International Monetary Fund to the United States Congress. He also spent time at Harvard University with intellectual and academic leaders who had great influence on policy. The start of the book is quite important in understanding how ideas influence and change policy (for good and bad), yet Tanzi reveals his bias. His assumptions about the workings of markets and the capabilities of governments are clear. He understands the importance of markets as institutions that are effective at allocating scarce resources. However, he suggests that by the 1990s both in academia and policy there was a full swing to a "more pro-market and more anti-government" paradigm (85). He says this is the influence of "market fundamentalism," in which he lumps conservatives and libertarians, and that "market fundamentalism" has been the source of many problems.

Tanzi continues in part 2 with the claim that the ethic of "market fundamentalism" and a minimum role for the state led to excessive government withdrawal. This withdrawal, combined with the increased complexity of global markets, led to the rise of termites. For Tanzi complexity is the enemy because it creates a multitude of opportunities for corruption, decreased transparency, decreased effectiveness, and opportunism. This complexity spurs termites to come out of the woodwork and seek their own gains and corrupt both the state and the market. He refers to "crony capitalism" (112) and "casino capitalism" (84) in which investors make bets, often bad ones, and do not suffer the costs of those bad bets because the state bails out the investors when they fail. In many ways he is correct in his diagnosis of the modern problems of state and market interaction and the resulting opportunism. He is also correct in his diagnosis that this creates winners and losers, which exacerbates income inequality and more importantly inequality of opportunity. The assumptions that he makes, however, are debatable and the theory from which he begins is not explicit.

Human beings are the common denominator of all human and social interaction. These human beings are fallen and fallible. To understand the modern problems of the entanglement of state and market this theory of human action is a necessary starting point. Tanzi does not explicitly detail this theory and as such often does not correctly source the problems he diagnoses. In all human exchange, whether market, church, nonprofit, or government, we are dealing with human beings whose behavior is shaped by the incentives they face. Tanzi at points sarcastically dismisses the market and challenges those who believe the market is sacred and perfect. The market is not perfect; it is made of fallen human beings. So is government. So, while Tanzi is correct about some of the termites he sees coming out of the morphing of state and market institutions, he generally desires benevolent, transparent, and knowledgeable people in state institutions to solve such problems. Tanzi cites the work of Mises and Hayek many times yet seems to miss their most important contribution. Markets are not perfect, but they provide incentives that correct and induce self-interested people to serve their fellow human beings. As such, markets do not require benevolent oversight, because such oversight is not humanly possible. Tanzi misses this theoretical contribution and thus prescribes solutions to our modern problems that are impossible because they require a benevolence, foresight, and knowledge that no set of institutions can provide.

Tanzi rightly points out that casino capitalism is dangerous; he rightly points out that expansive bureaucracies are inefficient and do not face the prudent and wealth-spreading incentives. He is correct that cronyism is a real problem. The social consequences of this are vast, the most egregious being the rise in vast income and wealth inequality that erodes community and equal opportunity. What is lacking in his description of the problem is a theory that would help explain why these incentives have changed and how society can improve those incentives. Tanzi sees complexity as the problem, but markets are emergent and complex orders. That is their nature. Complexity of profit and loss is not the problem; the entanglement of state and market institutions that creates skewed incentives and bureaucratic complexity is the problem. This is the platform for the termites. A grounding in theoretical analysis that details profit and loss and incentives and how they operate and when they are compromised, if explicit, would lead Tanzi to offer alternative solutions, perhaps. At points the reader is almost led to believe that going back to a world of local, agricultural exchange would solve the problems of complexity and thus wipe out the termites. Tanzi neither explicitly suggests this nor recommends it, but he does suggest that good and efficient government can dispel the problems. Tanzi even goes so far as to suggest that a skeptical view of government is itself a termite (314)!

In part 3 Tanzi details both the consequences of inequality and potential correctives. He is correct to highlight the social destruction of unearned riches that generate egregious income inequality. He rightly asserts that inequality *per se* is not an issue, if the income is earned. He does, however, seem to regard most modern income gains in the United States as a result of either state subsidies or state infrastructure that supported the development of companies, and accordingly he suggests that the question is not whether the state has a right to some of those gains but what the state's portion of the gains should be (326). Tanzi does not call for outright income equality but he does call for a change in state rules to mitigate luck and chance, which he asserts would stop the growing divide between the rich and poor. Tanzi correctly highlights the pernicious nature of envy. It harms our souls and no good comes from it. He talks about conspicuous and psychological consumption that creates the belief that class warfare is in full motion as the rich dangle their consumption and wealth in front of the poor, many of whom will never obtain such consumption possibilities. Envy is pernicious, but it is neither the product of modernity nor the result of market-generated wealth. It is part of the human condition. The best solution, rather than focusing on a more benevolent distribution of income, would be to address questions of why some seem to be permanently excluded from wealth-generating opportunities.

In his final analysis, Tanzi asks that we harken back to Keynes, who Tanzi asserts wanted the state sector and the market sector to function better. What is needed is a clear theory that would lead us to that better functioning market and a public sector not rife with exploitative and opportunistic incentives. Fallen and fallible human beings need appropriate incentives to overcome their own self-interest and serve others. Market economies have demonstrated a profound ability to perform in this regard; the secret will be taming the termites and understanding how to disentangle the state and the market. Tanzi's book gives us food for thought about how to proceed.

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