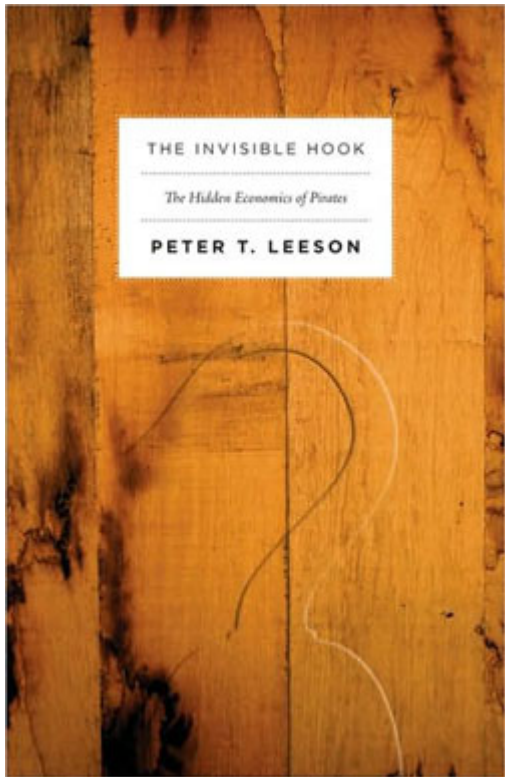
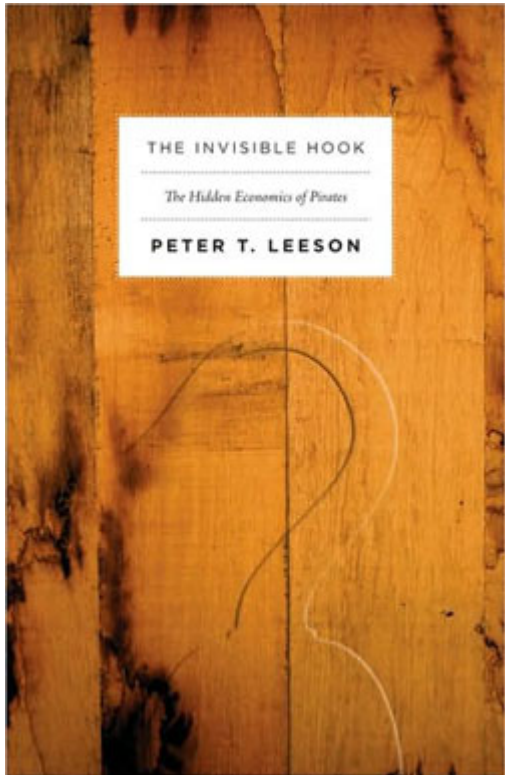


# Capitalists of the Caribbean



When people in the twenty-first century hear the word “pirate” many immediately conjure up images of motley, unruly, ferocious, yet happy-go-lucky, ne’er-do-wells cruising the Spanish Main in search of trouble and adventure. Author Peter T. Leeson looks beyond the rum swilling, keelhauling, and hell raising to show readers a criminal underworld shaped by economic self-interest. The author operates on the principle that economics, rather than history, can bring us closer to the “truth” about pirates and piracy. In this book, covering piracy in the Caribbean from 1670 to 1730, the author argues that pirates were “highly rational” (5) individuals who used cooperation, democratic government, torture, and intimidation in their pursuit of economic gain. An economist by training, Leeson attempts to find order and meaning in the actions of individuals with a wide reputation for lawlessness and impulsiveness. The book contains chapters dealing with “pirate democracy,” pirate codes, the meaning behind the use of the Jolly Roger, the rationale of torture, the conscription and recruitment of pirate crews, and pirate tolerance. Although Leeson perhaps leans too heavily upon the notion of economic self-interest as a way to explain pirate actions, *The Invisible Hook* raises good questions about a topic worthy of further historical investigation.



Peter T. Leeson, *The Invisible Hook: The Hidden Economics of Pirates*. New Jersey: Princeton University Press, 2009. 296 pp., cloth, \$24.95.

Leeson cleverly tweaks Adam Smith's economic theories in order to demonstrate that piracy was indeed a business, albeit an illegitimate one. Smith argued that humans are rational creatures, intent on doing what is best for themselves; self-interest is the engine driving the capitalist machine. Pirates, the author argues, were rational creatures, intent on serving their self-interest. However, Leeson sees pirate economics directed by an "Invisible Hook," rather than an "Invisible Hand." The Invisible Hook guided the ways in which criminal self-interest worked, while the Invisible Hand guided the course of legitimate market transactions. Unlike legitimate businesspeople, pirates sold nothing, and their version of self-interest contributed nothing useful to society. Regardless, Leeson's pirates are thoroughgoing entrepreneurs, just a bit rougher and swarthier than those who conducted their business from the counting houses of London and Port Royal.

In order to function smoothly and maximize profits, pirate ships needed some semblance of political organization. The author argues that pirate crews did have a rough form of government, characterized by checks and balances and the separation of powers. He goes so far as to imply that "pirate democracy" was superior to that of classical Greece or New England—at least on board a pirate ship everyone could vote. He even writes that, "To look at it, one could easily believe America's Founding Fathers used the pirates' system of democratic checks and balances in framing the United States government" (34). Pirates needed effective leadership in order to function efficiently; but the pirate captain could not be a dictator. In effect, a pirate captain was really only "first among equals." His lodging, provisions, and pay were roughly similar to

that of an ordinary crewmember. Furthermore, the captain could not afford to punish arbitrarily. Unfair or excessive punishment could result in his removal from command, either by vote or by mutiny.

In addition to placing effective checks on the power of the captain, pirate government also provided harmony amongst the crewmembers. Harmony was essential to the business of piracy; pirates who got along with one another stood a better chance of success in their ventures. The author writes that, "Contrary to popular wisdom, pirate life was orderly and honest" (45). In order to maintain order and ensure honesty, pirates drew up "Codes," which outlined shipboard rules and regulations, and provided incentives to maximize individual effort. Each crew drew up its own constitution and ratified it by unanimous consent. Among other things, the Pirate Codes mandated an equal distribution of plunder, prohibited theft, laid out punishments for code breakers including keelhauling and marooning, gave extra incentives for effective job performance, and provided a form of worker's compensation for "on-the-job injuries." By eliminating the specter of economic inequality and rewarding good work, the Codes helped create an environment that was better organized and more harmonious than that of the Royal Navy or merchant marine.

Because they were rational, self-interested people intent on maximizing their profits, pirates had little interest in provoking armed confrontation. Rather, Leeson points out, they used intimidation and their bloody reputation to minimize conflict. Piracy was difficult enough without fighting an armed merchantman. The business required not only technical skills such as navigation and gunnery, but also cunning and subterfuge. Pirates used trickery and intimidation in order to avoid conflict. Fighting could mean the loss of crewmembers, damage to the pirate ship, and, perhaps most importantly, damage to the prize. Pirate torture, the author writes, was both heinous and completely rational. Pirates tortured prisoners in order to reveal the location of loot, to punish law enforcement officials for killing or arresting other pirates, and to punish abusive merchant marine captains. By torturing a few people in gruesomely imaginative ways, pirate crews "institutionalized their reputation for ferocity and insanity" (111). Stories of pirate barbarism spread far and wide. By flying the skull-and-bones, pirates identified themselves unmistakably, and woe to the captain and crew that tried to outrun or outfight them. Torture and intimidation, judiciously applied, allowed pirate crews to minimize losses and maximize their profits.

In addition to being cunning and politically savvy, the author writes that pirates were also good employers and quite tolerant folk. Rather than relying on conscription to fill out their crews, pirates often had to choose from a large pool of applicants. Many sailors, Leeson argues, wanted to join pirate crews in order to secure better pay and escape the wretched conditions aboard merchant or naval vessels. Although not always above impressing seamen, pirates generally accepted only skilled sailors into their crews. Furthermore, while not all pirates had enlightened views on race and race-relations, some blacks sailed the Caribbean with all the rights and privileges that pirate

“citizenship” provided.

Historians may find Leeson’s economic interpretation too deterministic, his prose too chatty, and his research shoddy. The author does not attempt to hide his view that only the use of economics can truly explain why pirates acted the way they did. He writes, “The power of economics isn’t just that it can be applied so widely. It’s that only with economics can we make sense of a great deal of otherwise unintelligible individual behavior. Without economics, pirates, for example, are a veritable ball of contradictions” (194). Leeson starts with a preexisting interpretation of human behavior and works back into the sources to find support for his thesis; rather than letting the sources guide him to a conclusion, he reads the sources with the conclusion already in mind. Some readers may find the author’s writing style exasperatingly informal and colloquial. At various points, he compares pirate ships to frat houses and condominium associations. Many historians may find Leeson’s research spotty. He relies heavily on only a few published sources. Finally, tracking down sources and documentation in this work is frustrating—there are no numeric notes within the text, nor is there a bibliography or recommended reading list.

Economic models and stylistic quibbles aside, the author offers a fine reevaluation of a group of people too often caricatured in popular culture and overlooked by the academic community. Pirates, Leeson demonstrates, are worthy of study. Although they might not have been as completely rational as the author claims—after all, human beings are contradictory and paradoxical creatures—they were certainly not as irrational as legend would have us believe. Leeson also does an excellent job explaining in non-technical language the economic concepts that inform his interpretation. *The Invisible Hook* is a fresh, clever, and thought-provoking approach to an old topic that should prompt further scholarly research in the future.