



The Invisible Hook: The Hidden Economics of Pirates

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“Pirate society was energetic and testosterone filled similar to a college fraternity only with peg legs and fewer teeth” quips the author the BB&T Professor for the Study of Capitalism in the Department of Economics at George Mason University. In addition pirate society despite motion picture stereotypes was orderly democratic and humane when circumstances allowed. The books title is a play on words for the “invisible hand” theory of economics advanced by Adam Smith in 1776. This important economic model states that people will do what is in their best interest and by doing so they often do what is best for others. The author demonstrates that pirate life was an excellent example of the invisible hand (hook) in action.

This engaging account is fun to read and full of humor qualities not often associated with an explanation of economic theory. The author describes the final decade of the great age of piracy 1716-1726 when approximately two thousand pirates sailed the Caribbean Atlantic and Indian oceans. During this era pirate society was ordered on the “one pirate one vote” principle which allowed the entire crew to elect the captain and the quartermaster who was in charge of discipline. This was done so that pirates could concentrate on accruing wealth and did not have to be concerned with abusive officers who could be removed by vote. The “Custom of the Coast” code that governed pirate life included strict regulation of drinking and smoking which could destroy a ship scatter its accumulated wealth and kill the crew.

In addition pirates tried to avoid brawls with other crews because injured and dead pirates could not accumulate treasure. They did engage in “rational torture” which spread the message that crews would be spared if they surrendered their wealth but would be brutally killed if they didnt. This effectively the author claims spread the pirate brand name so that less effort was needed to steal riches. Indeed Edward Teach the notorious “Blackbeard” earned his fearsome reputation without ever killing anyone.

The book also includes an amusing course syllabus for “The Secret of Pirate Management” taught by Professor Blackbeard which nicely ties the principles of modern management to pirate life. This reviewer speculates that if more economic texts were written like this one there would be a glut of economics majors to compensate for the shortage of pirates roaming the Atlantic.

KARL HELICHER (April 13, 2009)

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