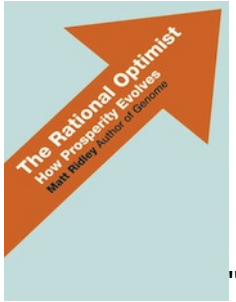
Published on *Adam Smith Institute* (http://www.adamsmith.org)

Review, part one: Matt Ridley's "The Rational Optimist" [1]

Written by **Dr Madsen Pirie** [2] | Thursday 18 November 2010



"The Rational Optimist [3]" is so densely packed with information and arguments that it will take at least two reviews to cover it, and maybe more. I use this first one to draw attention to one of his central themes: that self-sufficiency lines the road to poverty and ruin. Although self-sufficiency has been praised through the ages as representing some kind of simple and virtuous independence, what it actually embodies, argues Ridley (with a huge weight of historical evidence) is a lack of the exchange and specialization which bring about wealth creation and prosperity.

Furthermore, says Ridley in an echo of Richard Cobden, communities that exchange goods and services learn to co-operate peacefully with each other and to build up trust. It is in the self-sufficient, isolated societies that we find not only poverty, but suspicion and xenophobia. Humanity has made its greatest strides through co-operation. It is our propensity to exchange goods, even with strangers, that distinguishes us from the other animals. It has enabled humankind to lift itself from the subsistence economies that self-sufficiency represents. Because we exchange, specialization is possible, and each of us can draw on the skilled talents of many. The primitives who exchanged fish hooks for furs enabled the fisherman to be warm and the fur trapper to eat fish. They each enjoyed the work of both and were lifted out of self-sufficiency.

Ridley's message is highly relevant today. He tackles head-on the absurdity that we should try to buy food locally. Why not cars and washing machines? And why just within countries instead of within towns, villages or even streets? He exposes the nonsense of 'food miles' and shows that an inter-dependent world in which people buy and sell goods and services to each other is a world that uses resources more efficiently, as well as enriching those who do it.

Some people like to wallow under a steady drip of gloom, but Ridley is not one of them. Humanity is better fed, in better health, and faces better prospects, he points out, than it has ever done. He does not, in a Panglossian way, deny problems. But he thinks that, provided we continue to trade and exchange, there will be a continuing incentive to innovate and to invent, and human creativity is the surest route to solving problems.

blog comments powered by Disqus [5]

Source URL: http://www.adamsmith.org/blog/economics/review-part-one-matt-ridleys-the-rational-optimist

Links:
[1] http://www.adamsmith.org/blog/economics/review-part-one-matt-ridleys-the-rational-optimist

[2] http://www.adamsmith.org/taxonomy/term/5779
[3] http://www.amazon.co.uk/Rational-Optimist-How-Prosperity-Evolves/dp/0007267118
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com