



Peter T. Leeson

The Invisible Hook: The Hidden Economics of Pirates. (Princeton, NJ: Princeton University Press, 2009, ISBN: 978-0691-134747-6, 288 pp., \$24.95)

In his book *The Invisible Hook: The Hidden Economics of Pirates*, Peter T. Leeson uses economics to describe the seemingly bizarre and contradictory behaviour of 17th and 18th century pirates. In the epilogue, Leeson describes pirates as sadistic pacifists, womanizing homosexuals, treasure-lusting socialists and madmen who outwitted the authorities (though apparently not in the end...). The task of making all of those behaviours appear rational seems daunting, but through the skilful implementation of economic reasoning, Leeson does exactly that.

Each chapter of Leeson's book discusses a different aspect of pirate behaviour and explains why it makes sense when you assume that pirate's primary motive for piracy is pure profit. While the book is heavily invested in economic concepts as explanations, at some points the book reads more like a history piece on pirates. The book is laced with history and information about pirates that the average person is not likely to know, which makes the book interesting on a historical level as well as economic. The interspersed historical parts help to pace the book and support Leeson's economic points.

An example of strange pirate behaviour that Leeson deciphers is the system of governance aboard pirate vessels. Pirate ships, shockingly, functioned as a strict democracy. The captain, on top of having little power beyond complete command during battle situations, was unanimously elected. Not only was he unanimously elected, but he could also be removed at any time by the crew. At first blush, people might find this very progressive and applaud pirates. Next, they would probably question why it took us so long. The truth of the matter, as Leeson explains it, is that it made perfect sense when you understand that they were after maximum profits. A key to maximum profits for pirates was to have full cooperation and effort from the crew at all times. Under a captain that some of the crew disliked, the crew would be unlikely to put forth their maximum effort. There would be temptation to slack, disobey orders, and cause trouble. Not only did the pirate crews have elected captains, but before the ships set sail, the crews devised a strict constitution. This made the rules clear and anyone who didn't like it didn't set sail, which made the constitution, like the leader, require unanimous approval. This reinforces Leeson's point that full cooperation from the crew allowed the ship to operate at maximum profit making potential.

One of the most interesting explanations given by Leeson that historians have had only cursory and unsatisfactory explanations for is the Jolly Roger, or black skull and crossbones flag. Historians were of the opinion that the flag was meant only to strike fear into the pirate's targets, but Leeson holds that there is more to it than fear. Leeson describes the Jolly Roger as an economic signal. When operating under the Jolly Roger, the pirate crew responded harshly to any and all resistance. By flying the Jolly Roger before taking intended targets and slaughtering entire crews for any resistance, the pirates established the Jolly Roger as a signal that they would not tolerate any defiance. Common perception, Leeson explains, is that pirates enjoyed fighting, killing



and murdering. Leeson does not deny that this is true for some pirates, but reveals a more rational (if such can ever be said of slaughter) motivation. Leeson details how having to battle targets into submission increased the risk of piracy, since a damaged ship could significantly set back a pirate crew's profits. Ships were expensive to repair, and no revenue can be generated while repairs are underway. By flying the Jolly Roger, showing absolutely no mercy to crews who resisted, and leaving crews that did not resist relatively unharmed, the pirates established a clear signal: resistance earned death while cooperation would see the crew unharmed.

Throughout the book, Leeson intermixes economic concepts with historical records of pirates and mixes in a little humour where he can. Leeson does not bring any formulas or mathematics into his analysis, instead relying entirely on more abstract economic concepts, which keeps the book light and accessible. Considering the age of the material, he does not have many numbers to work with anyway. Leeson presents detailed and convincing arguments for his analysis, challenging preconceptions the readers may have of pirates being mindlessly evil and heartless. Few people would know that pirates were among the first to accept black sailors as equal members of their community; that they questioned captive ship crews about their captain and if they said he abused his power, they often tortured and killed the captain; or that the pirate constitutions often specified rules on drinking and smoking at night to avoid disrupting the sleep of other pirates. Leeson successfully makes pirates appear "better" (at least saner) than they tend to in popular fiction while reminding his readers that all these progressive actions were taken for one reason: to maximize profits. An abusive captain, sleepy crewmembers and rebellious slaves could all cut into a pirate ships profits, so precautions were taken to avoid these situations.

If you are looking for a deep and thought-provoking book filled with intricate economic thought, this may not be quite the book you're looking for. While it lacks depth, the book is a cogent example of the explanatory power of economics and the range of topics that economics can be applied to. The book is very accessible and makes for a great light read.

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