

“The very best book on how special interest groups subvert the quality of public policy.” —Tyler Cowen

Critics of government corruption tend to focus on the special interest groups and lobbyists who manage to rig politics in their favor. But in *Inside Job: How Government Insiders Subvert the Public Interest*, Mark Zupan reminds readers that there are two sides to this equation of government corruption: not just those seeking favors, but those doling them out, as well. Government insiders, from elected officials to agency bureaucrats and public employees, stand to profit from government in almost innumerable ways. They can gain financial benefits, visibility, and status; political power; and revolving-door positions in industry. Yet all too often, their role in politics remains a “black box”—which Zupan seeks to open.

Zupan worked on this book as a visiting fellow at the Cato Institute in 2014, in between his jobs as dean of the University of Rochester’s Simon Business School and president of Alfred University. The book is copublished by Cato and Cambridge University Press.

Zupan sets up an economic model of politics—a supply-and-demand chart, where government insiders, the “sellers” of political favors, make up the supply side, and businesses, labor unions, consumer activists, and others seeking those

favors make up the demand side. He then examines the effect that supply-side politics, the motivations of government insiders, have had in both modern and historical examples—from how nepotism and public official job protection ruined the Ottoman empire, to how pharaohs and their court officials destroyed the once-powerful New Kingdom of Egypt with wasteful and self-serving monument building and military campaigns. And, of course, how those same motivations and tendencies are endangering modern governments today.

Zupan also stresses that, contrary to popular opinion, it’s not only autocracies that suffer from government insider corruption. Most children learn in school that democracies produce, as Abraham Lincoln envisioned, “government of the people, by the people, for the people.” But democratic elections are not enough, in and of themselves, to ensure that the government actually functions “for” the people.

“While difficult to restrain, capture of the political process is not inevitable,” Zupan concludes. But in order to prevent government insiders from subverting the public interest, we must first understand who they are, what their actions involve, how their influence grows, why they are difficult to restrain, and when and where they have resulted in the downfall of nations. Zupan’s book provides a concise and powerful guide to the history of government insiders, so that we may not be doomed to repeat it. ■

PURCHASE *INSIDE JOB* AT BOOKSTORES NATIONWIDE AND ONLINE RETAILERS.



MARK ZUPAN

Cato News Notes

CLAYTON YEUTTER, RIP

Ambassador Clayton Yeutter, President Ronald Reagan’s U.S. Trade Representative (USTR) from 1985 to 1989 and President George H. W. Bush’s Secretary of Agriculture from 1989 to 1991, passed away on March 4 at the age of 86. As both



USTR and Secretary of Agriculture, Yeutter worked to take American policies in a more free market and free trade direction. Among other accomplishments, he presided over the implementation of America’s first-ever bilateral free trade agreement with Israel, and organized the U.S.-Canada Free Trade Agreement, which would eventually become the North American Free Trade Agreement in 1994.

In later years, Yeutter served as a valued adviser to Cato’s Herbert A. Stiefel Center for Trade Policy Studies. “Over the years, Clayton was always generous with his time. He read everything we published in the Cato trade center, frequently offering kind words of endorsement or gentle points of dissent,” wrote Cato’s Dan Ikenson. “Even as he was enduring wrenching and sometimes debilitating treatment for cancer, Ambassador Yeutter graciously participated in numerous trade policy events at Cato, speaking with his signature booming voice, offering encouragement to continue the fight for free trade, and holding court with his throngs of admirers in the policy world and in the media.”

SCHOLAR DONATES RARE LIBRARY

Cato senior fellow Alan Reynolds has donated a personal collection of rare primary source documents, including original correspondence from F. A. Hayek, Milton Friedman, William F. Buckley, and other conservative and libertarian intellectual giants, to Sam Houston State University. Students, under the supervision of historian Brian Domitrovic, are currently sifting through his collection and creating an index for their public display. And in no time, as Domitrovic recently wrote in *Forbes*, “you can come to Huntsville, Texas to find one of the key collections, along with those in the Hoover Institution in California, on the movement that gave us the Ronald Reagan revolution in economics.”