

Review of Deirdre N. McCloskey's *Bourgeois dignity: why economics can't explain the modern world*. Chicago (IL): University of Chicago Press, 2010, 592 pp.

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It is as necessary for people to read this magnificent book as it is difficult to define the “people” who ought to read it. That is because McCloskey—who holds appointments in economics, history, communications, and English, with durable interests to match—has a number of distinct audiences in mind. To sort them out, it is best to see this book in context, as the second installment in a projected multi-volume project.

The acclaimed first volume, *The bourgeois virtues* (2006), had been aimed primarily at a general and humanist audience. Against a consensus hostility to capitalism among educated people that dates to the Romantic era, McCloskey had made the arresting argument that the traditional cardinal and ordinal virtues of medieval Roman Catholicism flourish more under a capitalist economy than under its predecessors and alternatives, and are actually essential to understanding capitalism's true significance. Although a part of her purpose had been to suggest to her economist colleagues the need to redefine the subject matter of their discipline—in the direction of a “humanomics”, as she would call it—the lion's share of the book had aimed to appropriate the language of the humanities as a way of challenging most humanists' dismissive assumptions about market economies. In particular, her decision to range widely through theological, moral-philosophical, and even literary territory was a strategy for bringing the sheer shock of paradox to that part of the clerisy that has done most to ridicule and savage the modern economic project. “Forgetting [Adam] Smith in a commercial society has orphaned the virtues”, she concluded. “It is the ethical tragedy of the modern West” (*Bourgeois virtues*, 507). Her bracing fifty-page introduction, which she had called an “apologia” for capitalism, is written accessibly enough to go over very well with undergraduate students.

Bourgeois dignity turns the lens in a different direction. It starts with a couple of premises left over from *The bourgeois virtues*, especially that most people before 1800 lived little above subsistence—three dollars a day, as she puts it—and that the main challenge for historians is to explain the Great Fact of modern times: the sudden and unheard-of explosion of personal well-being from the industrial revolution to the present. The subtitle, “why economics can’t explain the modern world”, may sound like a willful paradox to those unfamiliar with the first volume, but it is consistent with the boldly revisionist agenda evoked there. The book itself aims to poke holes, raise questions, expose contradictions, and generally diminish the viability of a variety of mostly technical economic theories; all to the end of making room for the author’s own broader explanation for the rise of the West (and, increasingly, the Rest).

That explanation, in a nutshell, is that the historically unprecedented dignity and liberty assigned to ordinary middling people encouraged a generalized habit of imitative innovation that eventually led to the breakthroughs we associate with the Great Fact. The economic historian most similar in orientation to McCloskey here is probably Joel Mokyr, whose books, including *The enlightened economy: an economic history of Britain, 1700-1850* (2010), place a similar emphasis upon ideas (or at least knowledge) and innovation.

The counterintuitive sweep of McCloskey’s argument makes this work an ideal bookend to Steven Pinker’s equally jolting *The better angels of our nature: why violence has declined* (2011). Both document a generic improvement in the moral lives of our species over recent centuries. Where Pinker, however, places great emphasis on the rise of the sovereign leviathan state as a source of “pacification”, McCloskey follows many of her fellow economists in making the industrial revolution an essential reference point for her analysis, thereby emphasizing just how recently the grinding routines of material scarcity held sway over every aspect of human lives worldwide.

One of the charms, and frustrations, of this volume is that the author spends most of her 450 pages refuting what her economic-history colleagues have claimed on the subject, while asking their patience as she completes volumes three and four (and five and six?), in which she promises to present her own positive explanation in detail. It is a measure of her extraordinary persuasive gifts that she is mostly

successful in pulling off this bravura exercise in delayed intellectual gratification.

The reader of *Bourgeois dignity* may find it useful to think of the work as being divided roughly into five parts—though the author, who calls the book an “essay, not a monograph” (p. 38), gives us merely 46 undifferentiated chapters. Part one would run through the first six chapters; it restates the central premise of the whole multi-volume project: that economic growth took off with the industrial revolution and has not yet been satisfactorily explained. Part two (chapters 7 to 9) makes two somewhat more philosophical claims: first, that what expanded after 1800 was not “happiness” per se, and cannot be measured (or debunked) by recent “happiness” research; and second, that because the poor have been the principal beneficiaries of the rise of capitalism, the industrial revolution and its aftermath pass the “veil of uncertainty” test we associate with the constitutional schemes of James Buchanan, Gordon Tullock, and John Rawls back in the 1960s and early 1970s. Part three (chapters 10 to 13) is a brief interlude on the role of Britain and British economists in the industrial revolution, the main point being that the Great Fact is a global phenomenon that happened to begin in Britain and then Europe, but that has been easily imitated by others. The long part four (chapters 14 to 40) debunks one by one the various theories that economic historians have developed to explain the Great Fact. Finally, part five (chapters 41 to 46) restates the manifesto, even offering for the benefit of her economist colleagues a formalization of the author’s theory that ideas and rhetoric were decisive.

In part four, the most essential part of the book, McCloskey systematically minimizes many of the standard theories of the Great Fact, including the role of thrift, frugality, and capital accumulation (chapters 14 to 19); transportation (chapter 20); natural resources, especially coal (chapters 21 and 22); trade (chapters 23 to 25, and 28); slavery, imperialism and exploitation in general (chapters 26, 27, 29); English genetic superiority (chapters 30 to 32); institutions such as property rights and political pluralism (chapters 33 to 37); and even the role of science (chapter 38).

On every page along the way, McCloskey sprinkles her essayistic performance with dollops of bracing sense, insight, and provocation. And although these twenty-seven chapters are part of an ongoing dialogue with her economic-history colleagues, they can often be read with great profit by other academics, and usually by the general reader.

Whether she is delightfully debunking the role of formal education—treated with something like religious reverence in much contemporary public discourse—in generating the Great Fact (p. 164), or teasing Max Weber for missing the humor in Ben Franklin’s supposedly Protestant ethic (p. 147), McCloskey brings a sustained conversational engagement that is all too rare in academic writing, especially economics. Perhaps more important, she makes available to a wider audience some of the intriguing findings of recent specialists. An inventor in our times can apparently expect to earn an average of roughly 2.2% of the gains from an invention; a three-minute long-distance phone call that cost ninety hours of ordinary labor in 1915 costs a minute and a half today—to take a couple of factoids among many (pp. 348, 54).

It would be easy to quibble with some of the choices made in this capacious central part of the book. Is a refutation of a couple of sections of Gregory Clark’s *A farewell to alms* (2007) really worth three chapters (chapters 30 to 32)? Is it worth more than the one- or two-page (pp. 374-376) treatment allotted to David Landes’s (1998) theory that European cultural traits going back to the thirteenth century explain the modern world? Is it really true, as McCloskey asserts, that Steven Pinker is a eugenics theorist? No, it’s not (if I may borrow the author’s own trenchantly chatty style). But these are minor complaints: as an accessible and wide-ranging introduction to the recent literature on one of the most important questions modern history can address, these chapters would be hard to beat.

There are, on the other hand, somewhat more serious problems raised by the book. The multi-volume project as a whole will need to convince readers of the author’s argument not only that innovation created the modern world, an argument Mokyr and others have also supported, but that the key determinant of that innovation was a change in values and rhetoric. The author offers only occasional hints about how she might go about making such a case, but they are enough to raise questions about her general approach.

For one thing, in *Bourgeois virtues* McCloskey framed her project with an elaborate apologia for the seven medieval Christian virtues, anchored by faith, hope, and charity. In this second volume, she attempts to expand that framework, arguing (not implausibly) that faith is a backward-looking virtue of personal dignity, and hope a more forward-looking virtue actuated by liberty (pp. 10-11). The Age of

Innovation (a phrase she uses instead of the “age of capitalism” she had used in volume one; see p. 76) is fueled by the virtues of hope and courage. But on the other hand, McCloskey is quick to acknowledge that capitalism has been taking long and rapid strides in parts of the world (India and China, for example) where the seven medieval Christian virtues have little purchase on the local rhetorical environment. This latter phase of modern development seems as conducive to an institutional or political as to a rhetorical explanation; if praise for the role of the bourgeois virtues is necessary, does it matter whether that praise is initiated by people or governments? (See pp. 2, 15, and 274.)

Another potential problem is that rhetorical or moral change is not the only factor McCloskey cites in order to explain the Great Fact. There is also what one might call national emulation. She traces her story of modernization back not to 1800 but to the Dutch revolt of 1568 against Spain. Her historical account seems to be that “the success of commercial Holland stuck in the craw of English people, the way the recent success of innovative Hong Kong and Taiwan stuck in the craw of mainland Chinese people, and inspired them to imitate”, and India imitated China after 1991 (p. 29). Her summary: “The chain-like causation of successive Bourgeois Revaluations is similar to the causation of nationalism in reaction to conquering nationalisms, English to French, or English to Indian”. She acknowledges that this process can be called “either material or ideal”. It is unclear whether on her account it is or can be triggered by government initiative. The process itself, though, would seem to involve a strong element of national dignity, a factor that McCloskey elsewhere minimizes. “People can innovate for the honor of Britain. Some few probably did”, she says rather dismissively (p. 339).

And how would McCloskey explain the fact that the centuries-long hostility of the Western clerisy has not been accompanied by a notable long-term defection from market policies by states or peoples? Her intriguing but as yet undeveloped answer is that “free public opinion outside the elite had meanwhile become favorable to innovation, and more and more it ran the political show, to the disgust of conservatives and progressives” (p. 439).

Despite these tensions in her schema, McCloskey is consistently persuasive that the persistent intellectual animosity toward capitalism since the nineteenth century has been out of all proportion to its (very real) shortcomings as a social system. Unlike authors such as

Alan Kahan (*Mind vs. money*, 2010), however, she is not primarily interested in explaining this animosity but in taming it through sweet reason. Indeed, one of the most attractive features of the book, and its predecessor, is the author's tirelessly fair-minded engagement with those she knows are likely not only to disagree with her conclusions, but often to do so with far less fair-minded engagement in their turn.

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