

Deirdre McCloskey, *The Bourgeois Virtues: Ethics for an Age of Commerce*, 634 pages, University of Chicago Press, July 2006, ISBN 0226556638. \$32.50

by Paul Oslington

Associate Professor of Economics, University of NSW / ADFA, Canberra, Australia

forthcoming in Faith and Economics

This magnificent and sprawling book by Deirdre McCloskey is the product of a long journey through Chicago economics, history, literary theory, gender change and Christian faith. Alongside her earlier distinguished contributions to quantitative economic history, and provocative work on the rhetoric of economics, *The Bourgeois Virtues* may end up being the project for which she is best remembered. I must record at the outset my admiration for Deirdre as a person of courage and generosity, whose life demonstrates many of the virtues she writes about.

With *The Bourgeois Virtues* (and three further volumes promised) Deirdre enters complex debates about capitalism and culture, especially their religious dimensions. At various places in the book she nods to predecessors such as Montesquieu, Adam Smith, and Max Weber and contemporary writers in the field Albert Hirschman, Michael Novak, Peter Berger, Max Stackhouse and Rod Stark.

The most striking thing about *The Bourgeois Virtues* is that it is written primarily for those who disagree with her – including those she calls the ‘clerisy’. This is no parade of well known facts and arguments to establish her credentials with the already committed (although such readers will profit from the book). Deirdre writes to change minds, and with passion and imagination. At no point in the book does she appeal to the interests of the clerisy – she addresses her readers as honest rational persons who she expects to be able to persuade.

How does one summarise the argument of such a book? Deirdre begins with a fifty page apology that previews the main argument of the book: that capitalism in its American form generates more wealth for everyone than any alternative system, that it does not need to be balanced by anything (especially government or the schemes of the clerisy – which tend to make things worse), and that capitalism can and usually is morally improving. This last point is the crucial, for she has no enthusiasm for a system that delivers material goods in exchange for our souls (and in this is in good company). Deirdre’s

method is historical and comparative and the range of evidence presented is impressive. As well as the evidence she describes the mechanisms whereby capitalism creates wealth and virtue: how capitalism teaches care, patience, courage, courtesy towards others, honesty etc. Similar arguments about capitalism teaching virtue have been made by others, but seldom as comprehensively and elegantly as here. And if readers are unpersuaded there is a further evolutionary mechanism that works even if capitalism has no cultural effects whatsoever. Assume that there are other virtue creating institutions such as the family, schools and churches, and that the virtuous on average do better in a properly functioning capitalist system. Capitalism will select for virtue, and even if capitalism itself created no virtue we would expect to observe societies with strong virtue creating institutions growing more wealthy and virtuous under capitalism than under an alternative system. As Deirdre points out this seem to be the case, whatever the mechanism. She is not blind to the faults of capitalism but pleads with the readers not to confuse human failings with the evaluation of alternative systems. The question is which system operates best in the imperfect world we live in, with the imperfect human beings we all are.

As well as this passionate and persuasive apology for capitalism Deidre has managed to fit several other books within the covers of *The Bourgeois Virtues*. There is a second book about economics. We know from her previous work that Deirdre detests the blackboard economics of utility maximization and Paretan welfare economics, favouring something theoretically baggier, and above all empirical. And she does not mean the pseudo empiricism of much contemporary econometrics. Her argument about a better economics is threaded through various parts of the book, especially chapters 38-42.

Thirdly, there is a book about ethics. Deirdre recommends virtue ethics, a tradition she sees a coming from Aristotle through Aquinas, and recovered in recent years by philosophers such as Elizabeth Anscombe, Philippa Foot, Iris Murdoch and Alasdair MacIntyre. Adam Smith is somewhat controversially placed in this tradition (against for instance MacIntyre in *Whose Justice, Which Rationality* who sees the Scots as a key stage in the banishment of Aristotelian virtue ethics from the Western tradition – MacIntyre sees Smith’s rhetorical positioning of his work against Aristotelianism but misses Smith’s own teleological virtue ethics). Deirdre’s ethical reflection is organised around the seven virtues: Faith, Hope and Love, with Courage, Temperance, Prudence and Justice which she movingly expounds in chapters 4-25. The defence of virtue ethics against utilitarian and Kantian alternatives occupies chapters 26-37.

And fourthly there is a book about the theology of markets. If the theologian is a consequentialist then Deirdre's first book about the wealth creating record of capitalism answers the theological question. But few theologians in my experience are consequentialists, instead worrying about self-interested motivations, and ultimately the souls of the participants in the capitalist economy. To these theologians she offers a broader (essentially Smithian) conception of self interest and reassurance to anxious bourgeois soul.

How successful is each of these books which make up *The Bourgeois Virtues*? In my view the main argument about capitalism creating both wealth and virtue is well made and extremely strong – her readers ought to change their minds! But will opponents of capitalism read it? My guess is that many will, and Deirdre's accessible style will engage readers from different backgrounds. But will they change their minds? On this I'm not sure. The clerisy line on capitalism has persisted because it serves their interests. Perhaps if a critical mass of the clerisy changes its mind then the material and esteem interests in criticising capitalism will collapse, and there are some precedents for clerisies rapidly coming around to capitalism (such as Britain in the early 19th century, and perhaps China at the end of the 20th).

My guess however is that the clerisy's big argument against capitalism in coming years (after trying out the inefficiency, inequality, cultural damage of capitalism) will be that it destroys the environment, or at least is unable to save it. There is little discussion of this issue in the book - perhaps it will be dealt with in the later volumes. It is in many ways it is a harder argument as the environmental threat seems serious, imminent and the obvious solutions (even the more market based ones) seem to require fairly heavy handed action by government.

In the other books on economics, ethics and theology Deirdre is sometimes brilliant but on the whole less successful. On ethics, I find her discussion of the virtues moving (although a little bit too elaborately systematised for my taste- e.g. the table on p304). My doubts are about the philosophical framework. Virtue in an Aristotelian framework is coherent as serving the good and leading to happiness, within a teleological system. But McCloskey, true to her economist roots (and perhaps her more recent reading of Rorty and others) is tenaciously agnostic about the content of the good her virtues serve, leaving the content of the good as a matter for individuals, albeit individuals shaped by loving family and culture. The problem is that agnosticism about the good weakens the normative force of the virtue ethics she urges – but then I suspect Deirdre sees normative force as something she can do without. But those of different philosophical tastes may want a more fleshed out Aristotelian

framework for her discussion of the virtues (others are engaged in this already including Arjo Klamer and Irene Van Staveren who she mentions, and Andrew Yuengert, Albino Barrera and an Australian colleague Keiran Sharpe who she does not, along with some Austrian followers of Menger and Von Mises). The relationship between the Aristotelian elements and Smithian elements is an interesting issue. In the end Deirdre's "libertarian Aristotelianism" is attractive but there is considerable room for further development.

Which brings us to theology – Edd Noell in commissioning the review particularly asked me to comment on the theological aspects. The weakest chapter in my view is ch42 "God's Deal". Her reading in theology is not nearly as broad as in other areas, nor as critical, leaving her vulnerable to buying clerisy tales about the Christian scriptures being opposed to capitalism. For a start look beyond the gospels at the wider scriptural witness – critics before her such as Frank Knight and Paul Heyne have fallen into this trap. The Pentateuch, the book of Proverbs, the Corinthian correspondence, and even the book of Revelation are better places to look for comment on social systems than the gospels. And even for gospels and epistles there is lively contemporary debate among biblical scholars about their social background and attitude to trade. Deirdre though would have to be careful digging deeper in biblical studies for support for the bourgeois perspective as these societies may have had markets but I don't think they could in any way be described as bourgeois. Deirdre's attempt at the end of chapter 42 to argue against the clerisy view by counting texts in the gospels and classifying them as recommending prudence, criticizing prudence, mixed or neutral just doesn't work. Is it the imagery, the message or what that is decisive in classifying the texts? The space would be better spent more closely considering some of the passages – and I would have liked to see the list of passages so readers could assess the classifications. There remains a great deal of creative work to be done on these issues in the scriptures and the church fathers.

The other theologically focused chapter 15 "Economic Theology" mostly summarises Robert Nelson's argument in *Reaching for Heaven on Earth* and *Economics as Theology*. I would have liked to hear more of Deidre's own reflections on "postmodern economic theology". She is clearly theologically astute, for instance the comments on sin and evil in chapter 24. Find your theological voice Deidre.

In conclusion, it is a magnificent book. Something with this scope will inevitably have weaknesses. But its virtues far outweigh these and I do hope the accessibility and power of its arguments will change many minds. And I look forward to reading the next volumes. Deidre's *The Bourgeois Virtues* is a rich gift to us all.

Paul Oslington

Associate Professor of Economics, University of New South Wales

Visiting Fellow, St Marks National Theological Centre and Australian Centre for Christianity and Culture, Canberra. Email: p.oslington@adfa.edu.au

(From September 2006-July 2007, President's Visiting Scholar, Princeton Theological Seminary and University. Email paul.oslington@ptsem.edu or poslingt@princeton.edu)