***Communications 594*** *(#32443)*,

*The Economy and Language*

Crosslisted with English (English 596, #20220), History, Economics, and with Communications at UIUC, graduate seminar 3-4 credit hours, meeting 5:00-7:30, Mondays: 2BSB 1169. We might for later sessions decamp to my home, 720 S Dearborn St, Unit 206, where I will feed you bread and soup each week.

Economics of most descriptions treats language as irrelevant: Marxist economics focuses on silent social classes, Samuelsonian economics on silent individual maximizers.  Yet one quarter of national income is earned in "sweet talk," that is, persuasion by managers, supervisors, teachers.  Something is wrong.

The seminar explores how an economics that took language seriously would look. I am writing a historical book, *Bourgeois Rhetoric: Interest and Language in the Age of Innovation,* some early pieces of which will come under scrutiny.  We will also read and evaluate the rare theorists of the nexus of language and the economy.  Advanced standing as a graduate student in any one of the fields involved (communications, history, English, economics, and related fields) is required.  Do not worry if you have had no economics, or no literary theory, or no linguistics. The class will be a cross-disciplinary attempt to answer the question of how our speech matters for how the economy behaves.

We're trying to discover how precisely the talking ability of humans alters, if it does, the way the economy works, and how therefore we should think differently than economists of whatever stripe about the working of the economy. We will not studying the other direction of influence, how the economy influences communication. The course is about the economy as language, not about media empires and the like. It's not false modesty when I say "trying to discover." I've thought about the issues some, but am not entirely clear now what The Answer is. Together we'll find it, if it's there. It's not a course "communicating" to your brains in the Conduit Metaphor (see below) a settled body of Information (see below). It’s more like a laboratory group puzzling over results on the frontier.

We'll mix in an irregular pattern weeks mainly on language and weeks mainly on economics. That way the two will interact in our minds better. The "language" part of the reading list introduces you to certain classics, which every advanced student of communication should read and which will help in thinking about language and the economy. The alternating, "economy" part will be often non-technical, but not necessarily easy-to-read, pieces of real economics touching on language. Don’t let the technical matter worry you too much: read between the equations.

This is a graduate class, so we’re not going to have course packets or limited reading. You should *vigorously explore* each of the areas in the library and google and amazon. The suggestions I make are in the nature of minimums: *you’ll want to go much further*, and get a clear idea of what the issues are in each area. You want by the end of the class to have some sense of mastery, so that you could for example give an undergraduate class on the subject. And you’ll have a start on a chapter in you dissertation, and a publishable paper.

The *first* half of each class meeting I'll talk about the week's reading-subject by way of exposition. Come with puzzlements and questions and challenges. In the *second* half of each class we'll discuss your reaction papers to the *previous* week's reading (that is, *after* you have had the benefit of digesting my sage thoughts, and our discussion). *Every week's reading requires a short, 1-2 page reaction paper by you.* So the pattern is ab cB dC eD etc., where B, C, D, etc. are your reaction papers discussed in class. The first reaction paper is therefore due in the second class the third week on account of MLK Day), since I'll start talking in an expository way (no substitute for reading the papers for yourself!) about the first reading in the *first* class.

When we get into the course, you will propose a long research paper. *That’s mainly what you should be spending your time on, working on the paper.* If possible it will overlap with your current interests and will contribute to any longer projects (e.g. an MA or PhD thesis) you are contemplating. Do the “course” reading mainly as a stimulus to your own thought and as education preparatory to scholarship of your own, standing on the shoulders of giants.

The normal ways of getting in touch with me are (1.) talking to me at the classroom before or after class, which can be extended to a longer meeting or (2.) e-mail to [deirdre2@uic.edu](mailto:deirdre2@uic.edu). Abnormally, in *dire* emergencies, home phone 312-435-1479, allowing for the likely waking hours of an elderly, very uncool woman.

Week 1: Introductions; and The Problem of Language in Economics; getting started on price theory and language.

**Martin Luther King Day, week 2: no class**

Week 3: Getting Smart About Economics in a Hurry

* McCloskey, Deirdre. 1995. “The Economics of Choice: Neoclassical Supply and Demand,” in Thomas Rawski, ed., *Economics and the Historian* (Berkeley and Los Angeles: University of California Press): 122-158, available at deirdremccloskey.org
* Then get into McCloskey, *The Applied Theory of Price* (1985), pdf entire available at deirdremccloskey.org. Read seriously in it, to see in more detail than the previous item how economists think.

Week 4: Why Language Matters in the Economy

* Klamer, Arjo, and Deirdre, McCloskey. 1995. "One Quarter of GDP is Persuasion," *The American Economic Review* 85(2, May): 191-195. Available at my website as usual
* McCloskey, Deirdre. “How Buy, Sell, Manage with Words,” available on deirdremccloskey.org
* Bart J. Wilson. 2008. “Language Games of Reciprocity.” *Journal of Economic Behavior and Organization* 68: 365-377, on Blackboard site

Week 5: Getting Rid of Your Prejudices Against and Historical Misunderstandings of “Capitalism.”

Read in my two latest books on the matter,

* *The Bourgeois Virtues: Ethics for an Age of Commerce* (2006) and
* *Bourgeois Dignity: Why Economic Can’t Explain the Modern World* (2010), both in paperback, cheap

**→***Start thinking seriously about your Long Paper. Consult with me if you want.*

Week 6: The Max-U, Prudence-Only Economists’ Theories of Language in the Economy

* Stigler, George. 1961. “The Economics of Information,” *Journal of Political Economy*, 69(3), pp. [213-225](http://bpp.wharton.upenn.edu/waldfogj/987/readings/stigler.pdf).
* Akerlof, George A. 1970. “The Market for ‘Lemons’: Quality Uncertainty and the Market Mechanism.” *Quarterly Journal of Economics* 84: 488-500.
* Schelling, Thomas C. 1960. *The Strategy of Conflict*, pp. 119-150.

Week 7: Getting Smart About Language in a Hurry

* Deutscher, Guy. 2010. *Through the Language Glass: Why the World Looks Different in Other Languages*. New York: Holt, paperback.
* Lakoff, George, and Mark Johnson. 1980. Pp. 1-40 in *Metaphors We Live By.* Chicago: University of Chicago Press.

Week 8: The Origin of Language

* Bickerton, Derek. 2009. *Adam’s Tongue: How Humans Made Language; How Language Made Humans*. New York: Jill and Wange (paperback)
* Chris Knight, 2006, “Language Co-Evolved with the Rule of Law,” long version at his website, <http://www.chrisknight.co.uk/wp-content/uploads/2008/01/knight-springer-online-fulltext.pdf>
* Chris Knight, “Ritual/speech Coevolution: A Solution to the Problem of Deception,: same place (his web site)

Week 9: The Connection with Trade

* Erik Kimbrough, Vernon L. Smith, and Bart J. Wilson, 2006. “Historical Property Rights, Sociality, and the Emergence of Impersonal Exchange in Long-distance Trade” (Blackboard site)
* Ridley, Matt. 2010. *The Rational Optimist: How Prosperity Evolves.* A popular but very intelligent book (paper)

Week 10: Economic Experiments in Language:

All available on the Blackboard site:

* Kimbrough, Smith, Wilson Bart on “Exchange, theft, and the social formation of property”, *Journal of Economic Behavior and Organization* 74 (2010): 206-229.
* Xiao and Hauser. “Emotion expression in human punishment behavior.” PNAS \_ May 17, 2005 \_ vol. 102 \_ no. 20

Week 11: Game theory as non-language, and its experimental failure

* Elinor Ostrom, Roy Gardner, and James Walker. 1994. "Communication in the Commons," Chp. 7, pp. 145-169 in *Rules, Games, and Common-Pool Resources.*  Ann Arbor: University of Michigan Press.
* Mehta, Judith. 1993. "Meaning in the Context of Bargaining Games---Narratives in Opposition." Chp. 5, pp. 85-99 in Willie Henderson, Tony Dudley-Evans, and Roger Backhouse, eds., *Economics and Language*. London: Routledge.
* Hoffman, Elizabeth, Kevin A, McCabe, Vernon L. Smith. 1998. “Behavioral Foundations of Reciprocity: Experimental Economics and Evolutionary Psychology.” *Economic Inquiry* 36: 335-352.

Week 12: The deeper, non-Samuelsonian theory of language in economics. . . or not?

Come to class really grasping the point! It’s the crux. Or is it?

* Hayek, Friedrich. 1945. "The Use of Knowledge in Society." *American Economic Review* 35 (Sept): 519-530. Look into Hayek’s book, *The Sensory Order* (1952).
* Kirzner, Israel M. 1979. "Knowing about Knowledge: A Subjectivist View of the Role of Information." Chp. 9, pp. 137-153 in Kirzner, *Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship*. Chicago: University

Week 12: The Mind-Brain Gap and Semantics

* W. Kaufmann's "Goethe and the Discovery of the Mind." In *Goethe, Kant, and Hegel: Discovering the Mind*, Vol. 1, W. Kaufmann, Transaction Publishers, 1991.
* T. Deacon's "Absence" and "(W)holes.*"* 2011. *Incomplete Nature: How Mind Emerged from Matter*, Chs. 0 and 1, New York: W.W. Norton & Company.
* Fodor, Jerry. 1998. "The Trouble with Psychological Darwinism" (review of Howthe Mind Works by Steven Pinker and Evolution in Mind by Henry Plotkin). London Review of Books Vol 20, No 2,reprinted at http:// humanities. uchicago.edu/ faculty/ goldsmith/ CogSciCourse/Fodor.htm and at http:// www.homestead. com/ flowstate/ files/ fodor.html

Week 13: Searle and Critics on Language and Institutions

* Searle, John. 2007. *Intentional Acts and Institutional Facts* (essay collection)
* Searle, John. 2010. *Making the Social World: The Structure of Human Civilization*.
* Rakoczy, Hannes, and Michael Tomasello. 2007. “The Ontogeny of Social Ontology.” In Savas L. Tsohatzidis, ed. *Intentional Acts and Institutional Facts: Essays on John Searle’s Social Ontology*/ Dordrecht: Springer, at Springer’s usual extortionate price ($169!!), so find somewhere else (a Libraray subscription to some series containing the article? You can probably get it on Google Books) and tell the group where.

The last two weeks will be devoted to intensive discussion of your papers in draft.