## Reply to Eric Jones' Review of the Bourgeois Era Trilogy

forthcoming Economic Affairs May 2017

## April 2017

## Deirdre Nansen McCloskey<sup>1</sup>

Eric Jones is one of a handful of leading economic historians of his generation. By origin an English agricultural historian—I believe I first met Eric at the Museum of English Rural Life at the University of Reading back in the early 1970s when I was a young student of open fields and enclosure—he made himself into the pioneer of the by-now crowded field of world economic history, producing a series of brilliant books from *The European Miracle* (1981) to *Locating the Industrial Revolution* (2010) and beyond. I count him as a friend, and have always learned from him, and especially two points of method: get the comparisons right; and get the details right. Bring in China for comparison when relevant; get straight the tiniest relevant detail of court proceedings in England. Those two are Eric's *métier*—whoops, Foreign-Word Alert: "specialty."

In Eric's review here of the trilogy the Bourgeois Era, *The Bourgeois Virtues: Ethics for an Age off Commerce* (2006) and *Bourgeois Dignity: Why Economics Can't Explain the Modern World* (2010). and *Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World* (2016), he agrees with my findings, comprehensively. The agreement is significant. One of the great economic historians of his time says that I am correct in arguing that an astonishing number of technological and some few institutional ideas made the modern world, and that the alternative and mainly materialist explanations (coal, savings, trade, banking, exploitation, empire, enclosures, the common law) did not. Eric and I now believe that, because of the gradual triumph of what Adam Smith's called "the liberal plan of equality, liberty, and justice," for the first time in history since hunter-gathering the ordinary people of Holland and then England and then Scotland and what became the United States had considerable opportunities to have a go. According to me, and now according to Eric, in the increasingly liberal economy of northwestern Europe, and afterwards in many other liberal economies of the world, the people seized the opportunities. After 1800 their exchange-tested betterments exploded. And the Great Enrichment came, transforming the lives of the poorest among us.

Yet the irritated, even contemptuous, tone in many of Eric's passages, especially at the beginning and the end of his piece—such as his complaint that I use foreign phrases as much as he does—does obscure the massive agreement in substance. He writes of the second volume of the trilogy, for example, "Previous explanations are spurned [by McCloskey] and many an intellectual position dismantled with contumely, verbal dexterity and a display of learning without parallel in my lifetime's reading about the subject." Well, thanks. But "spurned" and "contumely" are not the words to use for an attempt such as mine at serious scientific engagement. I don't "spurn" Douglass North's legal explanations, or treat Gregory Clark's genetic explanations with "contumely." I show, in both cases over many chapters of verbal and

<sup>&</sup>lt;sup>1</sup> Emerita Professor of Economics, History, English, and Communication, University of Illinois at Chicago. deirdre2@uic.edu. website deirdremccloskey.org.

numerical evidence in the second and third volumes of the trilogy, why they are scientifically mistaken.

Surely that is the task of historical science — not to "spurn" the historians one disagrees with, as though merely sneering and moving on (which was the late, great David Landes' *modus operandi*, as for example in Landes 1998, p. 172), but offering economic argument and historical evidence, raising serious scientific challenges in ways that might in our collective search for truth be replied to, if replies are available. That way we get somewhere. Eric in his vexation does not seem to want to get anywhere, at any rate not with me. He notes—though he seems irritated by the fact—that I have over my career changed my mind. "McCloskey has changed her mind about methodology and causation, dramatically." (And about a few other things, too.) Yet when I get new facts I change my mind. What—I ask Eric in the spirit of Keynes—do you do?

It is puzzling. A great historical scholar disapproves of engaging with other economic historians, and views detailed engagement on scientific issues as somehow offensive. One wonders what theory of discourse underlies the disapproval. It is I think an alarmingly common theory, one which prefers deference to engagement, hierarchy to a republic of learning. The Eminent Historian is to announce her position *ex cathedra* (I mean "from the chair"), and if she teaches at Harvard or Oxford or Science Po the rest of us are to bow or curtsey and accept her position with the respect due a natural aristocrat. She does not need to do anything so vulgar as to *argue*, or offer *evidence*, because to do so would be to concede that alternative positions might be possible. She does not need to listen. David Landes, again, was a good example. Sneering at the peasants suffices, and Eric, standing cap in hand, seems to approve.

Again and again Eric praises the three books for their style and their conclusions, but then feels he must veer off into misled, sneering, and sometimes silly criticism. For instance, he writes that "1688 (or 1689) has been seized on as the origin of economic growth and hence the crucial turning point in the human past. McCloskey positively fumes about this pretended explanation, and quite rightly." If "quite rightly," dear Eric, why sneer with "positively fumes"? He agrees that North and Weingast (the targets of his side-swipe) are wrong, and that I am quite right. Why not just say it, instead of adding poison to the chalice? Or again, "Near omniscience is thus everywhere displayed [by McCloskey], disarming the reviewer and causing him to catch his breath in astonishment." Well, then. "Nevertheless, we have to look through the erudition and when it comes to accounting for momentous historical changes decide whether example after example of contemporary opinion really does trump the deductive approach of economists." What in Lord's name could be accomplished by a "deductive" approach to history, such as that of Daron Acemoglu, depending on slim or no historical knowledge?<sup>2</sup> I am reminded of the foolishness of a book Eric and I know well, John Hicks' A Theory of Economic History. Or an item deductive if not exactly economic, Garrett Hardin's "The Tragedy of the Commons," in aid of compulsory sterilization for India. Perhaps by "deductive" he means "making use of economic theory." But every page of the books does so.

<sup>&</sup>lt;sup>2</sup> Acemoglu 2008; compare Acemoglu, Johnson, and Robinson 2005, citing for example R. H. Tawney, unaware it appears that his Fabian views have largely been overturned.

Eric declares at the outset that the only volume of the trilogy he is going to take seriously is the second, the most economistic one, *Bourgeois Dignity: Why Economics Can't Explain the Modern World.* He writes, "Formally speaking, the first [volume, *The Bourgeois Virtues*] deals with whether a bourgeois life can be ethical (hint: answer yes)" — which is all he has to say in his piece about the evidence assembled there for a bourgeois virtue. Yet a finding of, on the whole, virtue is the ethical cornerstone of the entire project. After all, if a life of exchange-tested betterments has utterly destroyed our souls, as is supposed in the cant about the "materialism" of a rich modern life (in which Eric participates, in a strange passage denying that economic life, or life, has improved), what would be the point of admiring and trying to explain the Great Enrichment? It could and should be dismissed summarily as an ethical disaster. We should down our tools scientifically speaking, and return with hosannas to a hut on Walden Pond or a closed corporate community of peasants (or, in Eric's case, his father's house without fridge or central heating).

"The second [volume]," he continues in explaining why he ignores the first and third volumes, "contains the meat." The meat "is the refutation of innumerable previous efforts to account for the history of world growth." All right: he agrees. *Bourgeois Dignity* explains the Great Enrichment instead by "a change in expressed attitudes to capitalism and to its embodiment in the bourgeoisie was what brought about the growth from which the modern world benefits." Again he agrees. Yet once again he cannot resist sneering at what he agrees with, McCloskey's "revelation . . . that a change in expressed attitudes to capitalism and to its embodiment in the bourgeoisie was what brought about the growth from which the modern world benefits"—the word "revelation" implying that a heavily backed scientific finding is a mere, unsupported opinion or, worse, a religious epiphany.

The third volume, *Bourgeois Equality: How Ideas, Not Capital or Exploitation, Enriched the World,* he dismisses with a claim that it is merely "a bulky reprise of the others." But the book—"bulky," to be sure— offers the evidence at length about why and how the change in expressed attitudes to capitalism happened. Such evidence is a natural follow-on to the conclusion in the second volume that changing attitudes were central, put forward as a residual from various failed materialisms. After raising the hypothesis that changes in ideas and ethics and ideology and attitudes explain the modern world, the obvious next question is how and why they changed. The answer in the book Eric skipped over is that they changed not by some ancient European superiority but by a series of social and political accidents, confined to northwestern Europe 1517 to 1789.

•

Eric is not by training an economist, though quick-witted enough to catch the drift, often. But in aid of his indignation that I have changed my mind, and now do not think that the Samuelsonian Max *U* is the whole of human life (he had me pegged, and seems annoyed that I have slipped off the peg), he launches into a series of revealingly erroneous characterizations of what's wrong with economics and what my opinions about the matter are supposed to be.

"Rhetorically, . . . she announces she is turning her back on the Chicagoan neoclassicism which she once practiced so skillfully." No. I still practice it in the books in question—I hope a little bit skillfully, as in the chapter of the third volume in which I marshal Harberger Triangles to show the lack of quantitative oomph in the fashionable neoinstitutionalism of North and Acemoglu. I have not turned my back on such economistic arguments. But they are supplemented in all three volumes by humanistic arguments, yielding a tested example applied to one of the central questions in economics and economic history of what the experimental economist Bart Wilson calls "humanomics." Wilson, Vernon Smith, and I practice an economics and economic history that walks on both feet (as the English economic historian Thomas Ashton once put it), instead of insisting for no good reason that we hop along on our single positivist foot. We happy little band of humanist-economists keep the Samuelsonian, positivist, Chicago-School instruments shipshape, but look too at the rest of the logic and evidence.

"Literary evidence [is] the type she prefers." No, I don't "prefer" literary evidence. I use it, as any historian should, if it's there and is scientifically relevant, just as we should use farm accounts, if they are there, and relevant. Use both. I don't in these latter days "prefer" this or that allegedly metaphysically superior sorts of evidence. Once I did, for my first decade or so as an historical economist, being then a dogmatic quantifier. But I have long since grown up. We need *all* evidence for a science, yes?

Yet truth to tell I use quantitative evidence on every page of the three volumes — Eric is perhaps being fooled by the scarcity of tables and graphs. As he notes, the central *quantitative* fact of stunning economic growth dominates the story, as it so notably fails to do in most other stories, such as trade as an engine of growth, or institutional rules as game-changers, or the exploitation of workers. I emphasize early and late the quantitative puzzle of explaining not a 100% rise of real income per person, which the materialist explanations might possibly account for, but a 3,000% rise—or, if quality improvements are acknowledged, more like 10,000%. That's not literary. Yet even so, the change of attitude towards exchange and betterment and the bourgeoisie between the time of Shakespeare and the time of Jane Austen is evidence, too, and decidedly literary. Use both.

"She comes out against a preference for parsimony or Occam's Razor." No, not really. The parsimony of the stunning size of the Great Enrichment is indeed a knock-down argument against all manner of Samuelsonian or Marxist or neo-institutionalist accounts, an argument which I employ with gusto. It is the main point of *Bourgeois Dignity*, and is to be sure a parsimonious, quantitative, positivist point. But I do not ignore qualitative evidence, either. To that extent, I avoid the fatal cut that so many male economists have given themselves while shaving with Occam's dangerously straight razor.

"Beyond doubt (to anyone not a member of the tribe) she can show what a shameful job economics has made of predicting." No. I used "predicting" as a criterion back in my 20s and early 30s, being then a standard-issue Samuelsonian-Friedmanian in method. But I soon realized that the talk of "prediction" is warmed-over (and illogical) 1920s logical positivism

\_

<sup>&</sup>lt;sup>3</sup> Smith and Wilson 2014, 2017. See also McCloskey 2016.

(though lacking positivist evidence for its metaphysical claims), against which in my 40s I wrote three books and scores of articles.

"Or even explaining the movements in the economy that have mattered most--the collapse of the Soviet economy, perhaps, or the crisis of 2008." No. I don't know where in my writings Eric is detecting such cant. Perhaps he is just railing against economists, and not especially this one. Admittedly, economists, except the Austrian school (such as Lavoie 1985), did not "predict" the fall of communism, and indeed a chart "predicting" the Soviet Union would *overtake* the U.S.A. in GDP per head in the next fifteen years was featured in Samuelson's and then Nordhaus' textbook from the 1950s well into the 1980s, with only the initial date altered from edition to edition. But after the event, all the bourgeois economists have "explained" the revealed incompetence of communism with the same explanation, and correctly—you can't run an economy the way a loving household is run, and anyway the communist state-household was not loving.

"Consider the feeble, evasive and sometimes offensive answers [by those wretched economists] to the question posed by Queen Elizabeth, why was the financial crisis not seen coming? Just a naïve old lady who does not understand what economics really does is the usual stance." Not mine. True, misapprehension that economists should "predict" such things as 2008 is not Her Majesty's alone. One of the three books criticizing positivism, which Eric might have a look at, was *If You're So Smart* (1990), which shows why expecting economists to be economic weather forecasters, as Eric apparently does, is a category error.

"The precepts simply do not add up, as is evident in so many ways, such as the lack of agreement about the potency of Internet technology or the pathetic remedies recommended to those put out of work by internet technology or cheap imports." Eric here exhibits his amateur status in economics. A real economist—admitting that there a good many non-real ones around and about—would note that all improvements from the wheel to the internet will dis-employ people, to the benefit of everyone else, and usually even of the disemployed in a moderately long run. And she would also ask about the many *more* people "put out of work" by protectionist measures favoring a single tiny part of the working class. If HM Government protects British steel, it puts out of work many thousands who depend on foreign steel bought cheap. Eric's favored policy, such remarks imply, is to prevent all economic change, keeping everyone in the same work always. Surely not.

•

Eric writes, "It is hard to be critical of such learned books as McCloskey's, which contain so much to enlighten the reader about the inadequacies of economics and economic history, so much well-informed commentary about attempts to unravel the causes of the Great Enrichment, and so challenging a thesis." And: "I am thunderstruck by the learning displayed and in agreement with many of the individual positions that McCloskey takes but not persuaded that a shift towards approving capitalism fully accounts for economic growth." I

<sup>&</sup>lt;sup>4</sup> Levy and Peart 2011. Samuelson and Nordhaus wrote in 1989 "the Soviet economy is proof that, contrary to what many skeptics had earlier believed, a socialist command economy can function and even thrive."

will not disagree with the first sentence, nor with the first part of the second. And the last, "not persuaded," is at least a respectable scientific position (though Eric, not having by his own account read the first and third volume with care, is perhaps not entitled to it).

But his repeated complaint that the books are *too long* is not a respectable scientific position, unless he can show that the evidence assembled on this or that page is irrelevant to the scientific burden. He doesn't try. He merely whines. The complaint is reminiscent of the undergraduate's whining about the *length* of the assignment. Says Eric, "I am disappointed by the burden of so much verbosity." And: "It is baffling that she has felt it necessary to surround her case with so much verbiage, impressive, even intimidating, though it is."

He does not make a case for "verbosity" or "verbiage," and instead confuses them with sheer length. *Verbosity* or *verbiage* are indeed pointless, even offensive. But Eric does not offer any example of a passage in the books that fails to contribute to the scientific case. (I took considerable care to make this so: there are for example no "background" passages in the books.) He instead reaches for the popular opinion that big books outside of beach reading are simply tiresome. (If I were disposed to violate Eric's other opinion along these lines, that using the resources of our shared culture to make a scientific case is mere showing off ["the parading of so much linguistic flair is likely to be off-putting"], I would quote the ancient Greek saying *mega biblion, mega kakon*. But I am cowed by Eric's sneering barbarism, and won't).

Length is obviously scientifically necessary if the issue is fraught and the opinions to be examined are various and the evidence, quantitative and qualitative, is scattered. I am reading (slowly) these days a long, superb book by a theologian, David Bentley Hart (2014), which turns as it happens on detailed discussions of the difference between quantitative and qualitative evidence. The undergraduate, and Eric, would say of Hart's book, "Get to the point! Can't you just summarize the case for God as the maker of being consciousness, and bliss in ten snappy pages? Five? Surely all your nearly 400 pages of verbiage can be put into a convenient bumper sticker!" But Hart engages every atheist he can find, accepting what they say when correct, rejecting it when, as is more usual, it is false. Presumably Eric does not object to, say, John Clapham's three volumes (1926-1938), *An Economic History of Modern Britain*, on grounds of "verbosity." The three volumes of Floud and McCloskey (eds.), *An Economic History of Britain since 1700* (1981, second edition 1994), was many, many pages. But the subject obviously required it, and "verbiage," I can tell you, was rigorously excluded.

The Bourgeois Era trilogy tries to answer the central historical question in the social sciences, namely, why is the recent world so very different from the world of our ancestors? And it tries to answer one of the central questions in the humanities, namely, is our present life good or bad? Such questions would seem to require a little room.

Eric declares that "few people are likely to read [the trilogy] right through with close attention, whereas a single volume of 100,000 words could have contained the entire message and been accessible to students." Yet it is obviously false that "the entire message" can be so contained. The full scientific case needs to be made somewhere, and Eric has admitted by his inability to give examples of "verbiage," and his repeated praise of the whole, that the full case is in fact made. Anyway, I have written dozens of short summaries of the books, suitable for the short-attention-span undergraduate, and Eric, in outlets ranging from the *New York Post* to

academic blogs. And some of the short summaries are in the books themselves (for example the first few paragraphs of *Bourgeois Equality*), readily accessible to all.

•

Enough. In dozens of places Eric affirms that I am correct, but he cannot bring himself to say so with sober grace, and routinely appends to his gracelessness what he imagines are trenchant criticisms. "Her approach to all these topics, or non-topics, is well informed, well argued, feline." What is that "feline," doing, except suggesting that no one but E. L. Jones gets it *quite* right? Or again (and again and again): "McCloskey deserves praise for her learning and rhetorical boldness, none more so. She will oblige economic historians, if not economists, to take literary evidence and sociological influences into account, but the packaging of her wares is more dazzling than decisive. For instance, she does not speak much about her starting point in church-dominated medievalism." If Eric understood economics, he would find it all over the books, and the better economists would get it. And had he read volumes 1 and 3 he would find discussions of exactly church-dominated medievalism, at great length. Probably my wares about church-dominated medievalism are packaged at too great length.

And so on. It is a bad performance by a great scholar. Some scholars are like that, alas, unable out of vanity, or a lack of confidence, to praise without damning, unable to admit gracefully that they have changed their minds when others present new evidence or new arguments. I think of David Wootton in that connection.<sup>5</sup> And Eric Jones. It poisons scientific advance. A quite unnecessary pity.

## Works Cited

- Acemoglou, Daron, S. Johnson, and J. Robinson. 2005. "The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth." *American Economic Review* 95: 546–579.
- Acemoglou, Daron. 2008. "Growth and Institutions." In S. N. Drlauf and L. E. Blume, eds., *The New Palgrave Dictionary of Economics*, Second Edition. London: Palgrave Macmillan.
- Clapham, John. 1928-1936. *An Economic History of Modern Britain*. 3 vols. Cambridge: Cambridge University press.
- Clark, Gregory. 2007a. A Farewell to Alms: A Brief Economic History of the World. Princeton: Princeton University Press.
- Floud, Roderick C., and Deirdre N. McCloskey, eds. 1981. *The Economic History of Britain since* 1700, vol. l: 1700-1860. 1st ed. Cambridge: Cambridge University Press.
- Floud, Roderick C., and Deirdre N. McCloskey, eds. 1994. *The Economic History of Britain since* 1700, vol. 1: 1700-1860. 2<sup>nd</sup> ed. Cambridge: Cambridge University Press.
- Hardin, Garrett. 1968. "The Tragedy of the Commons." Science 162: 1243-1248.
- Hart, David Bentley. 2014. *The Experience of God: Being, Consciousness, Bliss*. New Haven: Yale University Press.
- Hicks, John R. 1969. A Theory of Economic History. New York: Oxford University Press.

\_

<sup>&</sup>lt;sup>5</sup> Wootton 2009 is an example.

- Jones, Eric L 1981. *The European Miracle: Environments, Economies, and Geopolitics in the History of Europe and Asia*. Cambridge: Cambridge University Press.
- Jones, Eric L. 2010. Locating the Industrial Revolution. New York and London: World Scientific.
- Landes, David S. 1998. *The Wealth and Poverty of Nations: Why Some are So Rich and Some So Poor.* New York: W.W. Norton.
- Lavoie, Don. 1985. Rivalry and Central Planning. Cambridge: Cambridge University Press.
- Levy, David M., and Sandra J. Peart. 2011. "Soviet Growth and American Textbooks: An Endogenous Past." *Journal of Economic Behavior and Organization* 78: 110-125.
- McCloskey, Deirdre Nansen. 1900. *If You're So Smart: The Narrative of Economic Expertise* Chicago: University of Chicago Press.
- McCloskey, Deirdre Nansen. 2011. "Radical Idea that Inspired the Industrial Revolution: That is, It's Good to be Rich." *New York Post*, Feb 12.
- McCloskey, Deirdre Nansen. 2016. "A Killer App in Humanomics: Language and Interest in the Economy, in Particular the Great Enrichment, 1800-Present." Presented in absentia to the Southern Economic meetings, November 19, 2016, available at deirdremccloskey.org.
- North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- North, Douglass C., and Barry R. Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *Journal of Economic History* 49 (Dec.): 803-832.
- Smith, Vernon L., and Bart J. Wilson. 2017. "Sentiments, Conduct, and Trust in the Laboratory." Social Philosophy and Policy, forthcoming.
- Smith, Vernon L., and Bart J. Wilson. 2014. "Fair and Impartial Spectators in Experimental Economic Behavior." *Review of Behavioral Economics* 1: 1-26.
- Wootton, David. 2009. Review of Keith Thomas, *The Ends of Life: Roads to Fulfillment in Early Modern England. Time Literary Supplement*, Feb 27.