

### **The Mystery of the Invisible Hand**

Marshall Jevons. 2014. Princeton, NJ: Princeton University Press. ISBN: 978-0-691-16313-0. \$24.95 (hardback).

*Reviewed by Tisha L. N. Emerson, Baylor University.*

**I**n *The Mystery of the Invisible Hand* readers are treated to the latest installment of the Henry Spearman novel series. The series of mystery novels following protagonist and eminent economist Spearman as he solves murder mysteries using economic reasoning was written by Kenneth Elzinga under the pseudonym of Marshall Jevons—previously used collectively by Mr. Elzinga and his long time coauthor and friend, William Breit. The two penned three earlier Spearman novels (Jevons, 1978; 1985; 1998) prior to Mr. Breit's death in 2011. And while the authorship has changed, the quality of the economic reasoning and story writing are as strong as ever. *The Mystery of the Invisible Hand*, is a wonderful read – both entertaining and edifying.

The story unfolds as any other mystery might. The readers witness a murder and meet the protagonist (Spearman), and then the worlds of the two intermingle. But the hero of our story is somewhat less conventional for a murder mystery – he is a distinguished economist. At the outset of the novel, we learn that Spearman has been awarded the Nobel Prize in Economics. And it is this most renowned award that ultimately leads to his invitation to serve as a visiting professor at Monte Vista University – precisely where the murder occurred. Just as the hero is somewhat unconventional (at least as far as sleuths go), so is his manner of solving murders, as he uses economic reasoning to uncover false statements and motivations behind individual behavior. Through the power of the economic way of thinking, Spearman ultimately identifies the murderer and reveals the motivations behind their actions. Along the way, there are twists and turns, multiple suspects, and a glorious quantity of economic concepts.

One of the main merits of the book is that there is something for everyone. From the economics student to the economist, to the teacher, to the mystery enthusiast, this work has something to say to each of you. The mystery and general novel lover will find an engaging murder mystery with great entertainment value. Descriptions of the settings reflect incredible accuracy and attention to detail. Characters are interesting and likeable. The effort placed into accurate portrayal of characters and settings adds to the enjoyment of the reader.

The economist will surely identify with the protagonist. Upon my initial reading of the story, such identification was perhaps not a good thing, as looking in a mirror can be challenging at times. There is no doubt that Spearman is an economist to his core and views life through the lens of economics—analyzing all situations using the economic way of thinking. He analyzes all individual and market behaviors, always armed with the rational actor model. And whether his conversation is with a fellow economist or not, he speaks “economics.” In truth, I found the depiction of his behavior horrifyingly similar to my own! At one point, Spearman recounts his daughter’s comment regarding his work habits saying “. . . you devote too much attention to pushing economics into every nook and cranny of life” (p. 44), only to acknowledge later in life, having since studied economics, that “Poppa, for you, work is a consumption good” (p. 45). Notwithstanding my initial discomfort with Spearman, I ultimately found him incredibly endearing and derived considerable value in the self-understanding provided through the story. In this spirit, the McCloskey quote selected by Professor Elzinga was particularly apropos: “Economists should come back into the conversation of mankind. It is an extraordinarily clever way of speaking, and can do a lot of good” (p. 249).

Perhaps the greatest contribution is for the student of economics. Through the story the economics student is exposed to economic concepts both basic and advanced and on a wide array of topics. Discussions of economic concepts arise naturally throughout the book through interpersonal conversations, economics lectures (given by Spearman), or as part of the classroom setting. Some concepts are defined explicitly, often through the course of classroom discourse (e.g., the difference between correlation and causation, consumption vs. investment goods, Coase conjecture). Others are illustrated through engaging examples (e.g., financing of sports venues and the trade-offs involved, and collusion between high-end auction firms). And still others are mentioned in passing, spurring interest on the part of the student or providing an opportunity for an instructor to expand on such concepts in class. In all cases, the economics student is presented with many economic concepts and high-quality examples of economic reasoning. Of equal value to the explicit economic reasoning contained within the book is the defense provided by Spearman to critiques of the rational actor model. At times the critiques center around the implausibility of the rationality assumption, while others bemoan the excessive weight placed upon rationality/

reason to the neglect of emotion or passion. In a rather eloquent reply to the later criticism, Spearman quotes Arrow, saying “An economist by training thinks of himself as the guardian of rationality, the ascriber of rationality to others, and the prescriber of rationality to the social world.” He then goes on to emphasize the use of the word *guardian* and the roles of guardians in preserving what might otherwise be lost. The attention to this most-often-leveled criticism of economics helps strengthen a student’s understanding of the core of economic reasoning. Finally, references to luminaries in the field of economics abound throughout the book – from the pseudonym Marshall Jevons, a tribute to Alfred Marshall and William Stanley Jevons, to the list of Nobel Prize winners in economics and quotes from still other notable economists (e.g., Adam Smith, Karl Marx, Jacob Viner, David Hume). Far too few students have a sense of the wealth of the history of economic thought. Through this book, hopefully students get at least some idea of the vast contributions made to economics by numerous formative and influential minds.

For instructors, whether they are economists or from some other discipline, this novel also has something for you. Perhaps most apparent is the book’s use as supplemental reading in any number of economics courses. For example, as assigned reading in principles of microeconomics, it can introduce students to a variety of concepts and/or present examples to strengthen students’ understanding. In bringing concepts to life, the story can spur interest in economics and provide valuable material for classroom discussions. In intermediate microeconomics, it can present a much-appreciated and needed respite from the rigor and haze of derivatives that sometimes develops—and a reminder of the power and elegance of the economic way of thinking that first made students decide to study economics. Beyond supplementary reading, instructors may take direction from the course taught by Spearman—*Art and Economics*. Sufficient information is provided regarding the course to serve as a sketch for an actual course.

Yet, this book is far from being for economics instructors alone. Professor Elzinga is widely respected and recognized for his award-winning teaching, having served on the faculty of the University of Virginia since 1967. Dr. Elzinga’s own views on teaching flow through Spearman’s commentary on instruction. For example, when asked what his measure of excellent teaching was Spearman replied “when students carry you around campus on their shoulders on the last day of class” (p. 115). While

the idea may conjure visions from the *Dead Poet's Society*, Spearman clearly sets a very high standard for himself, as I'm sure does Professor Elzinga, whose antitrust policy seminar regularly has a waiting list of two years. But Dr. Elzinga also teaches a large introductory class each fall. I expect his views on doing so mirror those of Spearman who, when faced with a comment by another faculty member regarding the diminishing marginal utility of teaching, opined that "his colleagues failed to realize that while the course was the same, the students were always new each semester" (p. 41). I expect that, like me, faculty members of all disciplines would find these views of teaching both inspiring and humbling.

To some extent, this novel, as part of a larger body of work, can't adequately be reviewed without placing it in and comparing it to the whole. As such, I offer a few thoughts on the Spearman murder mystery series. Both similarities and differences are readily apparent between the first three Spearman novels and the most recent one. All are well-written and engaging. The main characters are consistent throughout, and so like any other recurring character the reader feels as if they are reuniting with old friends when they reappear. I particularly appreciate the recurrence of Spearman's wife (Pidge) and daughter (Patricia) as well as the recounting of a story involving Spearman's tailor father [in both Jevons (1985) and this book]. Further, while the stories of all Spearman mysteries are fictional, most take place at real locations (with some names changed). Earlier Spearman mysteries took place in the Virgin Islands, at Harvard University in Cambridge, MA, and at Cambridge University in Cambridge, UK. The depictions of settings at Harvard and Cambridge are highly accurate – and a friend tells me that visiting the Virgin Islands after having read Jevons (1978) he felt like he had been there before, so realistic and true to the location was the portrayal of the resorts and terrain in that first Spearman mystery. *The Mystery of the Invisible Hand* is no different in setting detail. The story takes place at the fictional Monte Vista University in San Antonio, Texas. I suspect that descriptions of Monte Vista pull heavily from the real-world Trinity University where Mr. Breit was a long time faculty member and Mr. Elzinga a visiting professor. Having never visited Trinity myself, this is only conjecture, but I can testify that accounts of San Antonio are spot on. Further, the "Cubbage Visiting Nobel Professorship" in this novel is clearly a nod to the Noble Laureate Lecture Series that Mr. Breit established at Trinity.<sup>1</sup>

In addition to the generally high quality of writing, all books in the

series provide impeccable economic discussions and analyses that are easily identifiable for the economist and educational for the novice. Interestingly, three of the four mysteries address the market for a good which has both consumption and investment value (stamps, rare books, and most recently art), investigating issues related to such markets including auctions, game theory, and behavior of dealers in such commodities. Some economic concepts made appearances throughout the series (e.g., opportunity cost, demand and supply, cost-benefit analysis, utility, rational actor model) while others were only presented in a subset (e.g., Dutch auctions, principle-agent issues, risk, signals). With respect to the economic content, across the series there was a significant increase in the quantity of economic concepts and analyses in *The Mystery of the Invisible Hand*. Whether the increased volume was by design, a result of the authoring change, simply a consequence of the setting of the story (at times including economics lectures and scenes from an economics class), or due to some other factor at play, I am not certain. What I am sure of, however, is that the result is an even more engaging story (at least for the economist!) and a book that has even greater value in the economics curriculum. So for fans of Henry Spearman, this novel offers the best story yet.

A final comparison to the earlier installments in the series concerns the extent to which matters of faith are addressed. In my estimation, this particular work includes more explicit faith-related references than the other Spearman mysteries. This is not to suggest that the story is awash with Bible verses, but simply that there are references and quotes when the other books largely were without. That said the approach in the book, I think, is quite consistent with Mr. Elzinga's own on matters of faith. As readers of *Faith and Economics* are likely aware, he is a long time member of the Association of Christian Economists and serves on the national Board of Directors of InterVarsity Christian Fellowship. He is a committed and passionate Christian who, while not reticent to speak about his faith, is far more likely to exemplify his faith through actions and deeds. Mr. Elzinga's approach, embodied by his kindness, grace, and humility, shines through in this book. One of my favorite parts of the story comes at the close of one of Spearman's lectures when, after discussing Adam Smith and the *Wealth of Nations* (1976), he ponders the aptness of the name "Adam Smith." "Adam, the name of the first man, gets paired with Smith, the most common surname in the English language."

After the fall of Adam and the resulting generations of corruption and poverty, there “came an Adam who wrote a book . . . a book that tells us how even the Smiths of the world – the ordinary people, the little guys – might flourish” (pp. 169–70). The dual meaning refers both to the explicit content in the comment itself as well as the redemptive story of Christ who came to save us all—including the ordinary people.

In closing, I highly recommend *The Mystery of the Invisible Hand*. Whether you are looking for a good mystery, an uplifting example of a dedicated teacher, or a supplemental reading for your economics class, you will not be disappointed.

### **Endnote**

- 1 This is but one of the tributes to friends and coauthors throughout the story. For example, Detectives McKinney and Siegfried take their names from long-time friends of Mr. Elzinga, as I suspect does “Hamermesh” Hall at Monte Vista.

### **References**

- Jevons, M.** (1978). *Murder at the margin*. Glen Ridge, NJ: Thomas Horton and Daughters.
- Jevons, M.** (1985). *The fatal equilibrium*. Cambridge, MA: MIT Press.
- Jevons, M.** (1998). *A deadly indifference*. Princeton, NJ: Princeton University Press.
- Smith, A.** (1976 [1776]). *An inquiry into the nature and causes of the wealth of nations*. R. H. Campbell and A. S. Skinner (Eds.). Indianapolis, IN: Liberty Classics. ■