Dining with Deirdre

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Reading Deirdre McCloskey’s *Bourgeois Equality* is akin to sitting down to a gourmet meal with numerous courses prepared by an excellent chef. Not only is there a high level of nutritional value, but the actual experience of consumption is a sheer delight. And at every course one marvels that a single chef could provide such a wide ranging and well prepared table, drawing upon such a variety of culinary traditions. When one experiences such a feast it is not surprising, however, if there are some taste experiences that don’t fit well with one’s palate, but those are few and far between. In what follows, I will attempt to describe both the variety and breadth of the dining experience, and will also point out a few menu items that don’t ring true with my understanding of nutritional balance.

The appetizer is a lucid and well-illustrated description of the beginning of the Great Enrichment, her term for the take-off in economic well-being that started in the Netherlands around 1800, followed almost immediately by growth in England. A summary of this most unusual event is standard fare for big picture economic histories, but McCloskey’s is the richest and most elegant. She provides a detailed explanation of the dramatic differences between the world of almost universal poverty that characterized all previous civilizations and time periods and the wealth enjoyed by much of today’s world. The causes of the Great Enrichment are the big issue, one that has captured the imagination of numerous historians. McCloskey takes the challenge of providing a plausible explanation as her charge, and the rest of the book is given to her quite radical but charming telling of cause and effect.

The main course extends in much more depth the arguments of her second volume in her trilogy, *Bourgeois Dignity* (2010). She claims that the usual explanations of the beginnings of sustained economic growth in England and the Netherlands around 1800 are woefully inadequate. The origins of economic growth are not found in institutional change,
nor capital accumulation, nor technological change, nor natural resources or geography. This, of course, runs counter to most of the current work in economic history. For McCloskey it is from the newfound dignity of the ordinary person, the entrepreneur, the artisan, the small business owner, that sustained growth originates. The author is making a case for a dramatic change in belief structures, in ideology. She calls it the habit of the lip, or how people think and talk about others. The move from exalting aristocratic privilege to respecting wealth creators occurred at all levels of society, with, of course, numerous reluctant participants, but also with a dramatic enough change in attitudes to unleash astounding leaps in productivity.

Providing convincing evidence for changes in fundamental attitudes towards wealth and wealth generation is difficult, and McCloskey is well aware of the How Do You Know That question. She draws upon an amazing range of sources from fiction, poetry, social commentary, and different translations of biblical parables to make her case. For this reader, the case is convincing and is the most significant contribution of her book. The fact that I focus most of the rest of my review on my differences with some of her conclusions doesn’t diminish the well-marshaled arguments for ideological change.

An ongoing debate between McCloskey and other economists is the interplay between ideas and institutions. Much of the recent work on the beginnings of substantial growth focuses on institutions, particularly Acemoglu and Robinson in Why Nations Fail (2012), and North, Wallis and, Weingast, Violence and Social Orders (2009). McCloskey dismisses Acemoglu and Robinson in short order because of their almost total omission of any role for ideas, but much of her effort is directed at the “Northian approach.” North is the cause celebre of the misguided effort to see everything through the lens of incentives, with institutions and institutional change being important because of the impact on benefits and costs. This approach, from McCloskey’s perspective, relegates the influence of belief structures to an inconsequential role in the explanation of the economic takeoff.

One can think ideas are important without dismissing the importance of institutions. And McCloskey, try as she might, can’t seem to get away from at least a tacit acknowledgement that institutions matter. A continual refrain in her work is the importance of “bourgeois liberty and bourgeois dignity.” But the institutions, particularly the legal rules pro-
tecting freedom of contract and property rights, would seem to be an important component of any reasonable definition of liberty. One doesn’t need to discard any of her arguments about the importance of the concept of dignity to posit that an effective manifestation of respect for the ordinary person must be instantiated in a legal framework. McCloskey still brings much to the institutional argument because, as she so ably points out, institutions that don’t have a moral underpinning don’t mean much. In fact, one can argue that the moral revolution must precede the institutional one.

Much of McCloskey’s argument against the importance of institutions is her claim that “property rights (are) … characteristic of most societies worldwide” (p. 532). She is correct in that trade has existed in all societies, and trade is, in essence, an exchange of property rights. Hence if one observes trade, one observes property rights. The problem with her claim is that the degree of sanctity of property rights can vary greatly. The substantial protection of property rights is usually seen as an important component of the rule of law, and, from my reading of history, clear and effective rule of law is a relatively rare phenomenon. She disagrees, arguing that the cause has to be something “highly peculiar (for a while) to Northwestern Europe, not a rearrangement of the old things prevalent in most civilizations, such as private property, rule of law, literacy, cheap exchange, or predictable investment” (p. 129). Most of McCloskey’s arguments are well supported by numerous citations from a wide variety of sources. Her assertion that rule of law is prevalent in most civilizations is, however, just that, an assertion with no confirming evidence.

I find convincing the North, Wallis, and Weingast articulation of two fundamentally different institutional orderings. They argue that the limited access order, or what they call the natural state, has dominated most societies for most of history. A set of institutional changes prior to and in the 19th century led to what they call open access orders, which are necessary for sustained growth. One of the characteristics of the open access order is the rule of law, an institution that is noticeably absent in the limited access orders, a sharp contrast with McCloskey’s position.

Nevertheless, it would have been possible for McCloskey to have made common cause with North, Wallis, and Weingast, since they list one of the conditions of the limited access order as a “pervasive sense that not all individuals were created equal” (p. 12). In contrast, they say that an important characteristic of the open access order is “A widely held
set of beliefs about the inclusion of and equality for all citizens” (p. 114). It is true that North, Wallis, and Weingast provide almost no reasons for the change in beliefs about equality, but why not build upon their framework? If one gives North, Wallis, and Weingast a more charitable reading than McCloskey’s, one can see the two works as complementing each other. Violence and Social Orders provides an understanding of the importance of institutions and institutional change, and Bourgeois Equality gives a rich description of the ideational roots of that change. This reading doesn’t detract from the substantial contribution of McCloskey to the debate over the origins of growth, but does place it in a larger context than the one she chooses to use.

I now move to my disagreement with McCloskey’s description of the background conditions necessary for the recognition of general human dignity. She says the basic thesis of the book is

We were poor but now are rich. Why?

Answer: The change in attitude toward the bourgeoisie and creative destruction. But why did they change?

Answer: The egalitarian accidents of 1517–1789. (pp. 151–152)

I would give a much longer history of the concept of human equality, rooting it in the Jewish and Christian concept of the Imago Dei. And they weren’t egalitarian accidents. The idea that all humans are alike in that they are God’s image bearers is a meta-narrative that has an impact on much of history, but does get uniquely expressed in wide-spread attitudes and in social, political, and economic structures during the 1517–1789 period. She is correct in dating the beginning of important changes in the Protestant Reformation of 1517, but the Reformation’s arguments for human equality were simply a re-articulation of the Church’s long-standing claim that humans should see each other as of equal worth. That claim was articulated in the organizational structure of ancient Israel, in early Christian organizations, and in natural law and natural rights language.

Luc Ferry (2011), a well-known French philosopher, posits that Christianity represented a dramatically different worldview than Greek philosophy:

In direct contradiction [to Greek philosophy], Christianity was to introduce the notion that humanity was fundamentally identical, that men were equal in dignity—an unprecedented idea at
that time and one to which our world owes its entire democratic inheritance. But this notion of equality did not come from no-

The intellectual historian Larry Seidentop (2014) makes much the same argument as Ferry, seeing the Apostle Paul as an important agent of change. Through his missionary journeys to the Mediterranean world Paul spread the concept of human dignity, a clear challenge to most belief structures in the major cultural and intellectual centers in that part of the world. Seidentop also doesn’t find it an anomaly that dignity didn’t find full expression in social life and in political thinking for a long period of time:

Centuries would be required for the implications of Christian moral beliefs to be drawn out and clarified—and even more time would pass before long established social practices or institutions were reshaped by these implications. (p. 114)

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4 Others follow the lead of George Stigler and Gary Becker (1977), who argue de gustibus non est disputandum, meaning that economists should treat tastes and preferences as given and not an appropriate matter for discussion. Since Christians do think belief structures can and should influence human behavior, this is an awkward place for the Christian economist to land. McCloskey offers a more plausible and comfort-

5 McCloskey’s discovery that the period 1517–1789 finally sees the concept of human equality, or, in her case, the dignity of the bourgeoisie, is not surprising. With competition between the relatively recent nation states of Europe, the availability of printing, and the articulation of human agency by Reformation thinkers, social and political structures changed dramatically.

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Alternatively, as economists, we should use our economic training and use it well. The rational choice approach, or what McCloskey calls the
virtue of Prudence, is a powerful tool in explaining some parts of human behavior. We should acknowledge, however, that our economic models are never complete, and that problem cannot be resolved by simply adding more arguments to the utility function. Thinking about the influence of ideology and worldviews is crucial for a comprehensive understanding of human behavior, especially over long periods of time.

So, dine and enjoy. Bourgeois Equality should be on the bookshelf of every economist, and it should be filled with much underlining and marginal notes. Reading McCloskey gives an economist, and especially a Christian economist, a wide and deep perspective on one of the most interesting questions in history: Why did some parts of the world begin, in the late 18th and early 19th centuries, to experience sustained economic growth, and why has it come to many other parts of the world?

**Endnotes**

1 An excellent place to see the debate in process is in the March 2016 issue of the *Journal of Institutional Economics*, 12(1), pp. 1–78, which includes contributions from McCloskey (2), Avner Grief and Joel Mokyr, Guido Tabellini, Robert Lawson, and Richard Langlois.

2 North, Wallis, and Weingast and McCloskey are fundamentally in agreement as to the timing and the places where sustainable growth first appeared, around 1800 in England and the Netherlands.

3 I follow the lead of Tierney (1997) in seeing natural law and natural rights as being essentially the same.

4 The most articulate defender of this position is John Tiemstra (2012).

**References**


