

What About the Final Act?

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Is there a convincing explanation for why the economic growth that eventually brought widespread prosperity began a few hundred years ago in northwestern Europe? There are numerous competing interpretations. Many of these are worth considering, although some of them are too broad, some are too narrow, and none are definitive. Students of history are now faced with a long list of potential explanations, and the competition is to get one's preferred idea to the top of the list, while explaining why some or all of the other common explanations aren't as important or don't belong there.

Bourgeois Equality (BE) argues that the new favorite list topper (institutions) isn't up to the task of explaining how economic growth finally took root—after so many disappointments—when and where it did. Rather than institutions, it was *ideas* that enriched the world, ideas about how people should behave and who should be held in esteem. In particular, it argues that economic growth unintentionally blossomed due to the spread of ideas about dignity and freedom—the idea that common people have worth as human beings and are better off if elites are deprived of the ability to run everyone else's lives for them, and the idea that business people deserve respect because trading usually benefits both buyers and sellers. In a nutshell, *BE* argues that the “trade-tested-betterments are good” (p. 521) meme started in northwestern Europe and then spread worldwide. Its overall argument is very appealing to someone, like me, who firmly believes that “ordinary men and women ... when honored and left alone become immensely creative” (p. xix) and that liberty and dignity inspire “the proliferating schemes of betterment by and for the common people” (p. 22).

But it's one thing to propose this idea and another thing to demonstrate it. And *BE* doesn't merely advance this broad thesis but more narrowly argues for “the 4Rs”: that modern economic growth was triggered by

the surprising, black-swan luck of northwestern Europe's re-

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action to the turmoil of the early modern—the coincidence in northwestern Europe of successful Reading, Reformation, Revolt, and Revolution. ... The dice were rolled by Gutenberg, Luther, Willem van Oranje, and Oliver Cromwell. By a lucky chance for England their payoffs were deposited in that formerly strife-suffering nation in a pile late in the seventeenth century. None of the Four Rs had deep English or European causes. All could have rolled the other way. (p. xxxiv–xxxv)

In sum, these causes of modern economic growth were “local, temporary and unpredictable” (p. 359). After ruminating on the evidence presented in *BE*, I’ve concluded that the development of new ideas about dignity, trade, and businesspeople belongs high on the list of explanations for “the Great Enrichment.” But it’s very hard to convince oneself that this theory belongs in the top spot. Moreover, the evidence for the narrower narrative seems much less compelling.

BE begins by explaining what every economic historian knows—that today’s poor are materially rich by historical standards—and then begins a vigorous, often exhilarating but sometimes frustrating assessment of competing theories, which forcefully attacks the shortcomings of other explanations of the facts about modern economic growth. I found it much too quick to assert that Europe’s geographical fragmentation “was as much bad news as good” (p. 85), downplaying how the rivalry among European states helped spur the changes that led to growth. Its repeated dismissal of the importance of property rights in triggering growth maintains that property rights were ubiquitous throughout history and seems to view them as a 0–1 phenomenon, as if property rights boil down to universal rules against theft of land, animals, and women. This dismissal of the importance of political checks and balances in producing a genuine rule of law and security of property is much too sweeping. The importance of institutions and laws is dismissed with statements like “Law is conversation” (p. 115). But is *all* of law *merely* conversation? The argument that ethics mattered and changed more in the right direction, at the right time, and in the right place ignores much about the importance of the institutional setting in this process. If institutions don’t matter much, what explains the incredible success of the Chinese in Hong Kong and Singapore but not in communist China (before it learned from their example)?

In providing evidence that bourgeois life was “rhetorically revalued in Britain at the onset of the industrial revolution” (p. 149), the volume then shifts its ground from the kind of evidence economists generally use to literary evidence from the writings of Samuel Johnson, Jane Austen, Adam Smith, William Shakespeare, and many others. Both types of evidence have their place. The beauty of the statistics economists normally use—such as average real income levels and growth rates—is that virtually everyone agrees about what these terms approximately mean, they rely on data that cover all of society, and they are hard to fake. It’s not clear that this literary evidence has the same strengths. If other sources were consulted, would the same conclusions about the rhetorical revaluation of bourgeois life be reached? If other eyes had read these sources, would they reach the same conclusion? (Probably not, as I read some of the quotes differently than the author.) I fear that it is quite possible that arguments like this could be made by picking and choosing one’s sources and spinning the interpretation to fit the argument. It’s not clear what anecdotes and snippets from a few (possibly unrepresentative) authors tell us. And if the argument is correct, sorting out why attitudes about dignity and liberty changed is just as problematic. One wonders while reading this vast middle portion of the volume how many of these numerous interesting thoughts actually advance the thesis. A few of these chapters head in the right direction, such as the one on the evolution of the meaning of “honest,” but that chapter ultimately shows that this evolution—which elevated bourgeois values—took place throughout much of Europe, not just in the appropriate corner of the continent. Another chapter argues that counting and measurement were on the rise and that they are bourgeois activities. Tell this to Soviet planners and to pre-modern monks. Many economists will be unconvinced by this section of the volume, which paradoxically argues that these rhetorical changes were often superficial but somehow revolutionary.

Next *BE* argues that “betterments require disobedience” (p. 362). Do they? Historically, the betterment engine was switched on because of the 4 Rs. Gutenberg’s press plus the Protestant Reformation eventually led to “democratic” church governance that emboldened the people. Luther merely opened Pandora’s Box, then “fuller dignity and liberty for economic actors grew out of some versions of a fuller dignity and liberty for *religious* actors” (emphasis in the original text, p. 368) in more radical sects such as the Calvinists, Anabaptists, and Quakers. “After such

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knowledge [of how to run religious organizations] it was a small further step to republicanism in secular matters” (p. 372). The Reformation also triggered political revolts, which made men and women bold in matters of dignity, freedom, and business. This argument appears to run into geographical problems, as the list of areas where radical reformation sects were strongest includes places where economic growth didn’t accelerate, such as Hungary and Poland. Rather, the takeoff really occurred in only two places—the Netherlands and then Britain. I’m struck by how much the argument downplays the role of Dutch trade. Did new ideas about dignity and freedom lead to the elevation of the status of traders and with it the dawn of economic growth? Or did the unprecedented success of traders change the ideas? All in all, the 4 Rs argument takes too much for granted, because it ignores much deeper, long-held ideas about the nature of a rational, loving God in Judaism and Christianity and the long-held ideas about human dignity that come from this (largely-European) worldview.

The book closes with warnings about the persistent precariousness of acceptance for the ideas that lead to betterment, and a list of eight pessimisms about the achievements of modernity and economic growth. I’ll echo worries about pessimist concern number five, which warns that we have fallen “into consumerism corrupting of our souls” (p. 626). As the author frames it, we are lucky that the Bourgeois Deal (let me try out schemes of voluntary trade, keep the profit—if any—in the first act; let others compete with me in the second act; and by the third act we’ll all be rich) replaced the Aristocratic Deal (honor me and let me “protect” you now and I won’t kill you but will basically enslave you forever).

So far, so good. But this ends the play too soon, as the Bourgeois Deal seems to have blinded us to an even better “deal”—the New Covenant—which admonishes us to stop worrying about what we need on earth (which isn’t a lot) and promises that if we take upon us the yoke (which is light) we will inherit infinitely more. (“Eye has not seen, ear has not heard ...”) Ultimately, in many ways this book reflects Mammon’s conquest of man. The point of view of *BE* is that we’ve essentially achieved Heaven on earth. Material standards of living and comforts have risen, along with life expectancies, and leisure time. And we use our free time to consume the output of more artists, musicians, professors, and other holy men and women so that there are “more serious spiritual inquirers” (p. 28) today than ever in history. Nothing has really been

lost in trading the Trinity for worship of Nature and “devoutly gathering mushrooms and lingonberries in Nature’s forest” (p. 29). The conclusion that the “Great Income Enrichment ... has allowed higher virtues of faith, and hope and love, manifested in art and religion and lingonberries, to flourish, yielding a Great Spiritual Enrichment” (p.29) in places like Europe—where dwindling fractions of the population report (and demonstrate) that religion is very important to them—falls flat to me. McCloskey adds: “The sacred and meaning-giving virtues of hope, faith, and transcendent love for science or baseball or medicine or God are enabled by our riches in our present lives to bulk larger than the profane and practical virtues of prudence and temperance necessary among people living in extreme poverty” (p. 70). But if God is a truly a jealous God (see the First Commandment), our elevating of baseball or science or anything else to equal Him as sacred and transcendent is a path to doom. And it seems that this is exactly what we’ve done. *BE* avows that “Modern economic growth did not corrupt our souls” (p. 531), yet it clearly did if we now count lingonberry picking or watching baseball games as sacred. The problem with the Bourgeois Deal is that in the fourth act we become spoiled, bloated, hedonistic materialists and in the fifth act our eternity isn’t in Heaven, unless we realize what true wealth is all about. In declaring that “the main purpose of life” is the “exercise of vital powers along lines of excellence” (p. 631), such as opening a shop or reading a good book, *BE* settles for too little.

Finally, let me close with an important set of concerns facing readers of *BE*. The central strength of the book is that its author has read more widely than one could have imagined and brings an immense amount of evidence into the explanation of modern economic growth. This is also the book’s deepest weakness, because sometimes the author cannot bear to leave any interesting point out of the story. This causes the narrative to veer off on tangents and distracts from the overall argument with an avalanche of asides—most of them erudite, many of them witty, but so many of them that key points are buried. It’s not just that one can get bogged down wading through this swamp of asides; it’s also the case that some of them are inappropriate or opinionated enough to undermine the author’s authority. The most jarring of these (to me) comes in the acknowledgments when the author thanks scores of people, confesses to being a practicing Anglican, and thanks the Almighty. Then, we’re informed that “you’ll want to know, incidentally, that She [God] is a mid-

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dle-aged, black, lesbian woman with a working-class accent of Doncaster” (p. xlii) (You’ll want to know, incidentally, that the official creeds of the Anglican Church make no mention of these points, proclaiming the traditional Christian belief in the Trinity. See *The Creeds of the Church*, 2016). With this important revelation in hand, the reader may begin to question which parts of the historical and economic argument are meant to be taken seriously and which aren’t. And, a close reader of almost any stripe will eventually be alienated by some off-handed claim or point of view expressed by the author. The asides and tangents also make the volume so large that it will likely become one of those tomes (perhaps like Piketty 2014) that sits unread and undigested on many bookshelves.

References

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