

neighborhood: a process driven, it would seem, by class more than race. Loury's analysis helps us grasp the unique role that race plays. In that a disproportionate share of those residing in these neighborhoods are black, the stereotyping and stigmatizing practices convince us that little will change by taxing ourselves to do something more, and thus we are slow to act—at the least a sin of omission.

To conclude, I return to the difficult question of creating a policy agenda designed to root out harmful stereotypes and stigmas—the weakest part of the argument for most reviewers. I find Loury's evaluation of the insufficiency of liberal individualism compelling, and add the following: in a world of scarcity any moral philosophy worth pursuing must contain a psychology of sacrifice. Consider (e.g.) John Rawls' impressive effort. We can approach, through his framework, a specification of desired processes and outcomes, but why would a self-interested citizen—even one properly playing their role behind the veil—necessarily sacrifice towards the construction of the desired processes and outcomes? More likely, they would choose to free-ride off the presumed efforts of others (all the while making sure their children are enrolled in a “good” school, of course), with little change taking place.

Herein lies the value for moral philosophy today of the biblical tradition, which does offer us a “psychology” of sacrifice: that Jesus Christ suffered gravely for each one of us to effect our salvation, and therein to lay the foundations for a truly just and righteous social order, and He calls each one of us to sacrifice in turn for others (and especially for those in our midst who are most vulnerable). This solution to the free-rider problem appeals not only to the agency of government (as necessary and important as this appeal is) but also works through voluntary efforts to pursue the fullness of God's desired shalom for this world—where there will be “neither Jew nor Greek, slave nor free [white nor black], male nor female, for you are all one in Jesus Christ” (Gal. 3:28). Working out how liberal individualism might integrate into its project the sacrificial call of the biblical tradition, so as to complete the agenda Loury puts before us, will require yet another set of lectures.

Finally, given the awkwardness (if not impossibility) of using the structures of government to attack the social networks which lie at the heart of the current dilemma, and given his pioneering earlier work on the concept of “social capital,” I was surprised to find so little emphasis in his concluding chapter upon the crucial role played by the institutions of “civil society”—institutions (like the family, church bodies, and distinctive moral sympathies) which lie between the individual and the government. If, as he argues, reform only becomes possible when we begin to ask “what manner of people are we who accept such degradation in our midst?,” these lectures might better have been delivered to the church bodies and other voluntary associations of the land rather than at Harvard. But, then, Harvard asked him. ■

### **Saving Adam Smith: A Tale of Wealth, Transformation, and Virtue**

Jonathan B. Wight. 2002. Upper Saddle River, NJ: Prentice-Hall. ISBN: 0-13-065904-5. \$24.00.

*Reviewed by Kenneth G. Elzinga, University of Virginia. (Under the pen name of Marshall Jevons, Elzinga is the coauthor of three mystery novels whose hero uses economic analysis to solve the crimes.)*

Jonathan Wight's *Saving Adam Smith* is described on the dust jacket as a “novel of markets and morals.” It is a work of fiction that endeavors to tell a tale and to teach a lesson. It deserves to be reviewed at both levels. First, is it a good read? Second, does it advance the ball in communicating and understanding the subject of economics?

Wight's story is built around two strangers whose lives become linked: a young economist trying to complete his doctoral dissertation and an old man who hears voices (or, rather, one voice). The voice is that of Adam Smith. The old man does not claim to be a reincarnated Adam Smith, nor does he claim that Adam Smith speaks through him from the grave. Instead, when the old man speaks, the words that come out of his mouth often are the very words that Smith once wrote in either *The Wealth of Nations* or in *The Theory of Moral Sentiments*. Wight cleverly fits Smith's words into the book's dialogue. If you think this cannot be done, you should read this book. Smith's writings from centuries ago appear in the midst of a contemporary adventure story with an ancillary love story. In the process of crafting the book, Wight demonstrates his remarkable familiarity with what Smith wrote.

Wight's ability to weave Smith's writings into the story line is engaging. He pulls off what seems to be a reckless literary device: that Adam Smith actually has “returned” in the statements of Wight's fictional character. I found myself entering into this fictional world more readily than believing that a graduate student, under enormous pressure to complete a dissertation, would drive cross country seeking a secluded place to write. But in Wight's defense, novels (especially adventure stories and murder mysteries) usually have a McGuffin or two. I also appreciated Wight's practice of providing the source of everything the fictional Smith says that was written earlier by the real Adam Smith. More than once I found myself turning to the back of the book to find the answer to, “I wonder where Smith wrote that?” Is the book a good read? Yes, it is. P.D. James is not in danger of losing her job to Professor Wight, but I found the text well-written and able to carry the narrative.

Does the novel advance the ball in communicating and understanding the subject of economics? Precisely, what “markets and morals” are being taught? To answer these questions, one must understand the title Wight has chosen. The “saving” in *Saving Adam Smith* does not refer to “save” as in “salvation.” Nor does it refer to “saving” Adam Smith from his being kidnaped by Gypsies. Nor does it refer to Smith's marginal propensity to save. The title refers to

“saving” Adam Smith from apologists of the market system who applaud *The Wealth of Nations* but ignore *The Theory of Moral Sentiments*. *Saving Adam Smith*, at its taproot, is meant to save Adam Smith from those who think he sanctioned selfishness (and not self-love); that he supported laissez-faire and saw no role for the state; that he commended businesses in all that they do; and that he was a fan of individualism and impersonal markets.

The primary Smithian themes developed through this novel are free trade (globalization) and the conduct of the multinational firm. Wight, through his fictional device, explains how fundamental Smith’s concerns with promoting justice and instilling virtue are to the viability and prosperity of the world’s economy. Smith understood, long before the contemporary work of Gary Becker, Kevin Murphy, and others, the importance of social capital. Just as George Stigler used to say “it’s all in Marshall,” *Saving Adam Smith* reminds us that at another level “it’s all in Smith”—or at least more than we might have thought.

The theme of Wight’s novel, to use Smith’s words, is to combine “the best head to the best heart.” Wight can restrain his enthusiasm for economists who adopt a clinical and dispassionate application of the neoclassical model shorn of Smith’s melding of head and heart.<sup>1</sup>

To be sure, historians of economic thought always have understood that Adam Smith’s writings are not always on point for free market proponents. But with the shrinking of the history of economic thought as a distinct field in economics, it is as if Wight offers this novel to acquaint readers with the real Adam Smith. To Smith, business leaders are not the heroes they are in the writings of Ayn Rand. To Smith (of both *The Theory of Moral Sentiments* and *The Wealth of Nations*) there is a world of difference between selfish behavior and conduct guided by self-love. To Smith, men in Washington, D.C., who wear Adam Smith neckties to signal their affection for unfettered free trade might have the wrong guy on their cravat. They might be better advised to wear a tie bearing the likeness of Ludwig von Mises or Milton Friedman.

For prospective readers’ information: Wight’s fiction is not hard-core or potboiler stuff. He does not mimic Elmore Leonard. On the other hand, this is not a Hardy Boy adventure story either. For prospective economics teachers: Wight’s text is readily approachable for an undergraduate (or high school) student. One could assign it as a supplement to a principles course where the professor wants to acquaint students with the origins of the discipline of economics. One potential problem: the book’s length (262 pages, without the Smith references) is a bit on the long side for a “quick read.” One could also imagine it as a “fun read” in an undergraduate history of economic thought course.

Perhaps the audience most in need of this novel book are academic economists who have never read Adam Smith, neither *The Theory of Moral Sentiments* nor *The Wealth of Nations*, and are in need of “saving” from a caricature of the Master. Another audience in need of this book are professors in other fields whose view of economics is a caricature of something economics is not (or at least once was not).

Wight endeavors to save *The Wealth of Nations* from those who selectively quote from it but do not seek “the whole counsel” of Smithian scripture. My hunch is that the main contribution of *Saving Adam Smith* will not be to correct those who exegete Smith incorrectly, nor to reprimand those who quote him strategically, but simply to inform economist readers (most of whom have never read Adam Smith’s great works) of the range and depth of Smith’s contributions to moral philosophy as well as to economic analysis.

### **Endnote**

- 1 The best head and best heart portfolio is not distinctly or overtly Christian. When “Smith” is asked what is the goal of life, he responds “It’s peace of mind” and “Tranquility of being. That’s the basis for happiness.” “To know God and to enjoy Him forever” apparently is not to be found in *The Wealth of Nations* or *The Theory of Moral Sentiments*. ■

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### **The Mind and the Market: Capitalism in Modern European Thought**

Jerry Z. Muller. 2002. New York: Alfred A. Knopf. ISBN: 0-375-41411-8. \$30.00.

*Reviewed by William F. Campbell, Secretary, The Philadelphia Society and Louisiana State University (ret.).*

Jerry Muller’s work, like that of most scholars, is a coral reef; it keeps adding and building on earlier growth. Drawing on his previous work on Adam Smith, Hans Freyer, and an anthology of conservative thought, Muller manages to provide the perfect complement to Mark Blaug. This is not a history of the market as an analytical concept in economics, but as a thoughtful consideration of the cultural status of the market and capitalism.

Who should read it and why? The answer is most everyone. Economists especially will benefit from having to wrestle with the anti-capitalistic ideas of many thinkers who already grant capitalism’s productivity. It’s not the productivity, stupid.

Starting with the perfectly chosen cover, the famous and familiar painting of “The Money-Changer and His Wife” by Reymerswaele, the book tells the tale of the dominance of the means over the ends. Although he doesn’t quote Ralph Waldo Emerson—“Things are in the saddle, and ride mankind”—he should.

The loss of a search for the ultimate good, the worship of efficiency, and the lack of community, freedom and productivity are the main themes of the various chapters. He is trying to explore the tensions between them rather than the contradictions.

Some of the material will be familiar to Christian economists who do history of economic thought: the first chapter on the historical backdrop covers the world of the polis and Christian economic thought through the Middle Ages. Chapters on Smith, Marx, Schumpeter, Keynes, and Hayek hit familiar names. But drawing on recent scholarship