

Christian uninitiated, and in this the book succeeds.

However, in this introductory apology Richards fails to address adequately two of capitalism's most vulnerable fronts: production and excess. Production has long been the Achilles heel of capitalism. Karl Marx, for instance, did not rail so much against the evils of free trade as he did against the evils of the factory system and wage slavery. While production's ugly side has been largely banished from the good old U.S.A., clearly workers in other countries still suffer the ill effects of dredging up our raw resources, or monotonously assembling the widgets that we later consume. Some accounts of this kind of worker exploitation can be overblown in sensationalist journalism, but some of them are right on the money, so to speak, and this problem is not going away anytime soon. For capitalism to be fully in accord with the dictates of the Christian faith, this kind of injustice must still be addressed. And this is not self-righteous cant, or longing for some egalitarian utopia. Ignoring the problem, or calling it insoluble within the confines of historical realism, is

instead a failure of our Christian conviction.

While the problems associated with production in a capitalist system are clearly material and often visible, the problem of excess is invisible. Whereas all economic systems require production, not all systems promote excess in the way that capitalism does. Richards attempts to deal with this by responding to the question, "Doesn't capitalism make people greedy?" His answer, however, is one of the most unsatisfying in the book. Instead of confronting the issue head-on, he points to how generous Americans are. In another chapter, on whether or not capitalism leads "to an ugly consumerist culture," Richards equivocates. "Delaying gratification is restraint," he writes in a telling but confusing passage, "it's the opposite of gluttony. So consumerism is hostile to capitalist habits and institutions."

Therein lies an unresolved conflict. Yes, moralists from the Puritans to Ben Franklin to Sam Walton have all extolled the virtues of hard work, thrift, delayed gratification, and sobriety as the means not just to amassing wealth, but to developing an upright character.

In this sense, Christianity and capitalism are in fact compatible, as Max Weber pointed out one hundred years ago. But also inextricably built in to the capitalist system is the tendency to excess. We see this clearly in rampant consumerism, overwhelming credit card debt, ridiculous executive compensation packages, the housing bubble, and the entire apparatus of unscrupulous real estate assessment, mortgage brokering, and derivative gambling that recently brought the world's economy to the brink of collapse. These are neither good nor Christian, and they all emerge from central features of the capitalist system. Richards is right that capitalism has the potential to do great humanitarian good by improving the lives of many around the world; but it also has within it a profoundly corrosive potential—and even the seeds of its own destruction, if left to itself. If we Christians are going to sing capitalism's praises, our celebration should be carefully nuanced, acknowledging that we inhabit an economic mechanism that itself has not escaped the Fall. As with democracy, capitalism is in fact the worst system—except for all the others. **B&C**

The Bourgeois Revaluation

ANDREW P. MORRISS

When you read *Bourgeois Dignity: Why Economics Can't Explain the Modern World*, the second volume in a projected six-book series by economist Deirdre McCloskey explaining the origins of the world we live in, you learn in the first nine pages that the average person anywhere in the world in 1800 consumed little. Not just less than we do today—our ancestors consumed tiny amounts in absolute terms. Expressed in modern prices and correcting for the cost of living, McCloskey puts average consumption throughout the world in 1800 at about \$3 per day. A few consumed more, some consumed less, but around \$3 per day was the total for food, housing, everything. Depressingly, almost everyone in 1800 would have expected his or her descendants long into the future also to consume about \$3 per day, since almost everyone's ancestors had been consuming about \$3 a day for as long as people had been around. There was much else wrong with the world in 1800—slavery was common, life expectancy short, famines frequent, illiteracy widespread, women oppressed—but the \$3 per day figure captures a major part of why we should be glad we live today instead of then.

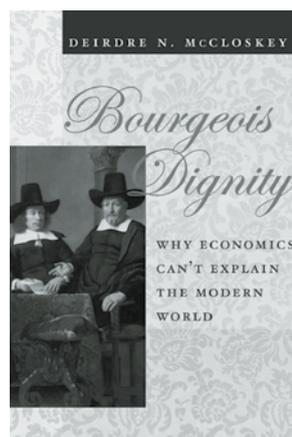
Fortunately for us, people in 1800 were wrong about their descendants' future. Life rapidly got much better. As McCloskey notes, people in France now consume about \$100 per day; in the U.S., \$120 per day; in Norway, \$137 per day. True, people in China consume "only" about \$13 per day; that's still much better than \$3 per day and a four-fold increase in the thirty-five or so years since the nightmare of the Cultural Revolution is amazing. Moreover, of the 6.7 billion people in the world, 5.7 billion are doing extremely well by historical standards. Yes, the "bottom billion" are still stuck where everyone was prior to 1800, but the other 5.7 billion are much, much better off.

McCloskey begins *Bourgeois Dignity* by recounting these numbers (and quite a few more) to ask the question: What happened in 1800? Specifically, what happened then in the Netherlands and Britain, where the good things happened first—and then kept happening in those countries and in more and more places until the world became a place where vast numbers of people were better off by extremely large amounts. As McCloskey repeatedly notes, even

conservative estimates put the increase in consumption between 1800 and today at sixteen-fold, which is a *really, really* big number. It is so big that it can't be explained by routine events. As McCloskey says, "Routine is easy. That's why it is called routine." If routine things produced a sixteen-fold increase, people would have done them long before 1800 and in places besides the Netherlands and Britain. They didn't, and we can safely conclude that whatever happened then, it wasn't routine. Explaining how that sixteen-fold increase happened is important to those of us in the 5.7 billion, because we don't want it to stop happening. It's even more important to the bottom billion, because they'd like it to start happening to them as soon as possible.

Most of this book is devoted to a systematic demolition of what McCloskey terms "materialist" explanations for the sixteen-fold increase. It's not capital accumulation, it's not slavery, it's not imperialism, it's not greed, it's not genetics, it's not property rights, it's not trade. McCloskey does a masterful job of showing why it isn't by walking the reader through the evidence. It's not trade, for example, because there was a great deal of trade in many places besides the Netherlands and Britain for centuries before 1800. Trade is good—it buys you a small, but still nice, improvement in overall welfare—but it doesn't get you a sixteen-fold increase. So, too, for education, for property, for capital accumulation, and so on. McCloskey is so reasonable, so articulate, and so clear that after each of the comparatively brief chapters demolishing an alternative hypothesis, the reader has little alternative but to shake her head and wonder how anyone ever thought it could have been that. But lots of people have, and do, think it was good stuff like property or bad stuff like slavery, and much ink and paper has been expended attempting to make the case for this or that cause. McCloskey has read, thought about, and—with care, respect, affection, and patience—responded to each.

By page 384, McCloskey is finished with all the reasonable alternatives, having shown each to be deficient in some important way. A full-fledged theory of what did the work awaits future volumes in the series, but McCloskey does sketch out the outlines of her own hypothesis in the last 66 pages: The revolution came from words. Specifically, words that gave people



who innovated, in business as well as in technology, dignity and respect. McCloskey terms this the "Bourgeois Revaluation," a clever phrase that captures much. Dutch and British society re-valued their innovators, first by refraining from killing them,

next by letting them keep the rewards of their innovations, and then by treating them as if they were engaged in an honorable activity. In short, the Dutch and the British were the first to treat their bourgeoisie reasonably well and also the first to leave them sufficiently alone that they could innovate. This unleashed a revolution in the well-being of everyone, as successive innovators built on their predecessors' accomplishments to improve machines, consumer goods, laws, medicines, and everything else. Innovation is where you get a sixteen-fold increase in consumption for the average person in just two hundred years after thousands of years of stagnation; you don't get innovation if you kill, otherwise punish, or even routinely sneer at the people who innovate.

The British and the Dutch were first, but the Revaluation didn't stop there or then. McCloskey describes the changes that have taken place in recent decades in Shenzhen, China, near Hong Kong. In 1980, Shenzhen was an undistinguished fishing town of 30,000 poor people. During the Cultural Revolution, China had spent a decade or so killing, imprisoning, shaming, and otherwise mistreating innovators. When it stopped doing that and—among many other ventures—created a "Special Economic Zone" at Shenzhen where innovation was welcomed, the area turned into a bustling metropolis of 8 million in two decades. It's huge, it's wealthy, and none of what is there today was there in 1980.

Transforming Shenzhen wasn't a pretty process. As McCloskey says,

It didn't happen without some nasty rent-seeking by party officials and their friends, true. But out of such creative destruction are average incomes raised, to the benefit eventually of the poorest. Such a feat required a shift in rhetoric: stop jailing millionaires and start admiring

Bourgeois Dignity

Why Economics Can't Explain the Modern World

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them; stop resisting creative destruction and start speaking well of innovation; stop overregulating markets and start letting people make deals, corrupt or not.

Well, we might think, reading *BOOKS & CULTURE* in our favorite coffee shop while drinking fair-trade coffee, that sounds easy and we've already done it. Good for us! Let the Chinese get on with it, and things will be getting better all around. Not quite. That fair-trade coffee we're complacently sipping is related to labor (and environmental) standards rich countries insist are needed to help poor countries "improve" themselves. But "[s]topping people from taking terrible jobs—through prohibitions or protections or minimums, justified by the warm if mistaken feeling over one's second cappuccino that one is thereby generous to the poor—takes away from the poor what the poor themselves regard as a bettering option. It's stealing deals from the poor." Oops. Maybe our feel-good coffee is part of the problem.

Before conservative readers start feeling too superior to liberal readers, though, McCloskey has some warnings for the right as well. The past wasn't superior spiritually to the present, as the right often contends, because not only are poor people generally more focused on food than the spirit, but because lots of bits of the past weren't nice. There was plenty of racism, sexism, anti-Semitism, and other nasty stuff built into old institutions, whose passing due to the corrosion of modern commerce delivering us the \$100 of goods per day we're consuming isn't cause for despair but instead a cause for celebration. Maybe a poor peasant surviving on \$3 a day "was a cheerful sort, was 'happy' with illiteracy, disease, superstition, periodic starvation, and lack of prospects. After all, she had her family and faith and community, which interfered in every choice she made. But at any rate she was desperately poor, and narrowly limited in human scope." Innovation creates wealth; wealth creates space to think about things besides finding something to eat.

It's not easy to make this shift. Lots of people haven't, including an unfortunate number ruled by armies of thugs in places like Burma, Cuba, North Korea, and Zimbabwe, but enough of us have in places like North America, Europe, Japan, Brazil, India, and China that things are looking up. Just how it happens is going to take more of this series to describe, and I hope McCloskey spends parts of the subsequent volumes talking about the why and how in more detail. I'm sure she's got some interesting ideas about those questions.

As you must be able to tell by now, I loved this book. It's informative, it's funny and clever, it taught me things I didn't know, and it has personality. My ambition after reading it is to have dinner with McCloskey. Not just any dinner: I want dinner in her library—surely enormous, given the wealth of material quoted, summarized, disputed, analyzed, and referenced in these pages—so she can pull down favorite books to illustrate points. My fantasy dinner companions are some of the

dozens of economists, historians, English professors, and others on whose work McCloskey draws. The conversation after dinner will last for hours, with all the good cheer and amiability evident throughout this book, in which McCloskey offers her intellectual opponents generous praise while delivering such thorough critiques that one imagines they are simultaneously quite pleased to be taken so seriously and perturbed by her points. In a way, I've had this dinner party already—that's how reading this book feels.

Two caveats, one small and one a bit larger. Small first: a quibble with the subtitle: "Why Economics Can't Explain the Modern World." McCloskey's an economist and not just any economist, but one of the more important ones writing today. Yes, she's drawing on forms of data different from what most of our fellow economists count as data, using novels and songs and letters to the editor as worthy of analysis as texts, but these are ultimately inputs into an economic story. Yes, she's reading things other

economists all too often fail to read, including works by non-mainstream economists like Israel Kirzner, who managed to be both an insightful writer on entrepreneurs and a rabbi. But this is a book filled with economic reasoning in every chapter. There is a chart, a few equations, and plenty of statistics. Thus I think economics gets to claim it, and McCloskey's reasoning, and McCloskey. Indeed, the point of a great deal of McCloskey's quite interesting writing on economic methodology and rhetoric over

Recommended Reading

the past few decades is that economics is more than just doing math and statistics. I think this book proves that point quite nicely. Economic *factors* might not explain how we got *to* the modern world, but this book is making a good start on doing so, and it would have been impossible to write had McCloskey been a less skilled economist.

The larger caveat is that for a book that contends that ideas in Northern Europe after 1700 were crucial to the most important economic event in history, there's little mention of religious ideas. There is a critique of Max Weber's

"Protestant Ethic" theory, a quote from the Book of Isaiah, a reference to the "School of Salamanca" where 16th-century Catholic writers figured out much of economics, a quick detour on the problems created by the entwining of state and church in Russia, plus some lovely echoes of biblical language sprinkled throughout, revealing that McCloskey knows the Bible well. There's just not much discussion of the role of theological developments in advancing or retarding the embrace of the ideas McCloskey sees as central, even though many people in the Netherlands and Britain at the relevant

moment invested heavily in thinking and talking about religion. Maybe the theological developments of this period didn't matter to the Revaluation, but if we take seriously the types of evidence McCloskey uses so well, it looks like they mattered a lot to people where and when it first happened. Hopefully this is mostly a matter of sequencing, and an extended discussion of the role of religious ideas in creating (or not) the modern world will be included in a subsequent volume. If it isn't, I've got the first discussion topic for my fantasy dinner with McCloskey—and you're invited. **B&C**

WHEN DAVID KNOL was born fourteen weeks premature in December 1982, he was wrapped in a blanket and handed to his parents. In accordance with hospital policy at that time, no further efforts were made. Hours later, however, as David continued to fight for breath, a doctor was asked to reassess his condition. Within moments he was transferred to the Neonatal Intensive Care Unit, where he would spend the next five months.

David's birth experience left him with multiple disabilities, including cognitive delays, stunted growth, and blindness. For his twenty-two years on earth, his mother, father, sister, and brother served as his primary caregivers, but as Faye Knol clearly communicates throughout *Receiving David* (published by Eerdmans in September), this memoir is far more about what David gave to his family and friends than about what they gave to him.

When Faye and her husband Harry brought David home from the hospital, Harry, a special education teacher, made it clear that David was going to be "treated as a part of the family, not the center of it." So, too, does Knol write about David's disabilities not as the defining element of his personhood, but merely a factor.

When the family began attending a new church, Knol recalls, they were hesitant about sharing the responsibility of David's care with their larger church family, even though the education director had asked what services the church could provide for David. What he needed was a helper to accompany him to weekly Christian fellowship meetings for developmentally disabled adults. When Knol did bring herself to ask the church for assistance, it was readily provided, and the weekly meeting became a place where David could flourish in his faith.

Knol movingly walks her readers through the difficult decisions surrounding David's diagnosis of kidney failure, his end-of-life care, and her grieving process following her son's death. The family's decision not to pursue dialysis or a kidney transplant is relayed in a straightforward manner. What was best for David had to be, at all times, paramount in any decision, and the family felt strongly that he could not tolerate either procedure.

In the aftermath of David's death, far from feeling "relieved" from the burden of two decades spent in intense, daily care of her son, Knol mourns his passing. And yet this book is ultimately a celebration of his life and the legacy he left to his family, friends, and community.

—Irena Evans

