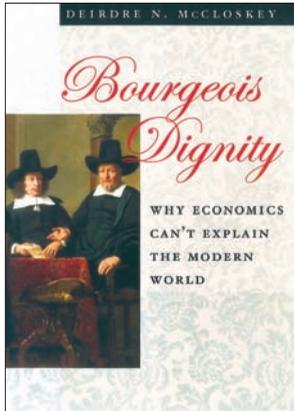


## Riches From Respect



**BOURGEOIS DIGNITY: WHY ECONOMICS CAN'T EXPLAIN THE MODERN WORLD**

CHICAGO: UNIVERSITY OF CHICAGO PRESS, 2010, 450 PAGES  
BY DEIRDRE N. MCCLOSKEY

REVIEWED BY DAVID A. PRICE

Two centuries ago the world's economy stood at the present level of Bangladesh," observes Deirdre McCloskey at the outset of *Bourgeois Dignity*. McCloskey, an economist at the University of Illinois at Chicago, who holds appointments in the university's history, English, and communication departments, seeks in her latest book to explain the unprecedented worldwide, long-term economic ascent that began in Holland in the 1600s and in Britain in the 1700s, bringing — by her estimate — at least a sixteenfold increase in real income per person during that time.

In doing so, she replaces traditional explanations for this growth with one based on a change in rhetoric and attitudes, which she calls the Bourgeois Revaluation: a reappraisal of the status of bourgeois commercial activities such as trading and inventing. Starting in Holland and then in Britain, she argues, people throughout society, including within the aristocracy, no longer sneered at these activities — no longer saw them as vulgar — but instead saw them, and the bourgeoisie that carried them out, as having merit. The bourgeoisie had long had some degree of liberty: Now it had dignity.

From dignity to economic growth, the transmission belt implied by McCloskey's story is that talented yeomen who would have otherwise pursued traditional occupations such as farming or soldiering were drawn instead to the newly respected pursuits of trade and industrial innovation. Gentlemen and aristocrats were perhaps drawn to organizing ventures and investing.

McCloskey's thesis is intuitively appealing. In our own time, it is reasonably obvious that social prestige is commonly a factor in occupational choice and employer choice. Why not in the time of the Industrial Revolution too?

The conversational narrative style of *Bourgeois Dignity* is appealing, as well. At times, it feels as if she is writing for a favorite niece. ("I wish you would pay attention," she playfully chides the reader at one point.) Along the way, there are quick digressions on such varied subjects as the persecution of British mathematician Alan Turing under antigay laws, the animated film *Ratatouille*, and space telescopes.

But setting out an attractive and stylishly told thesis is one thing; proving it is another. Here is where the book becomes frustrating. To be sure, hers is inherently a difficult

thesis to support using the conventional tools of economics: It is challenging to find reliable time series for ordinary economic aggregates going back 400 years, let alone proxies for intangibles like dignity.

Her approach in this book is negative, considering and rejecting a series of alternative explanations for modern economic growth. If none of these adequately accounts for the sixteenfold-plus increase, she holds, that failure supports her theory as the residual. Among the explanations she finds lacking are foreign conquest and imperialism, foreign trade, science (as distinct from commercial innovation), savings, a rise in greed, economies of scale, natural resources, and railroads, canals, and improved roads. For McCloskey, none of these could have had more than a small part in the growth; each had too small an effect, started too early to explain the rising tide, or occurred in too many other places without a corresponding effect on growth.

Responding to institutional theorists, such as Douglass North, she agrees that property rights and the rule of law were necessary for growth, but argues that they evidently were not sufficient, since both of these predate the period when growth started in Holland and Britain. "And what then of secure Italian or for that matter Byzantine or Islamic or Chinese property rights?" she asks.

McCloskey's approach seems unsatisfying in some respects, however. First, even if none of the traditional factors fully accounts for the growth, what about the interaction of them? She gives too little consideration to this possibility. Second, her treatments of some of the traditional explanations are somewhat cursory and derisive. Rightly or wrongly, she gives the impression that she has not presented those theories in their strongest form before attempting to knock them down.

Her positive argument for her theory is set out briefly here in about 35 pages. (She promises that a follow-up volume, *The Bourgeois Revaluation: How Innovation Became Virtuous, 1600-1848*, will make the case in more detail.) It is primarily based on canvassing rhetorical sources of the period and showing the use of pro-bourgeois rhetoric. Yet it is hard to make the case based on rhetoric alone: The rhetoric of the period, as she is careful to note, is divided on the subject. Moreover, her rhetorical methodology does not here meet the standard to which she holds the theories she criticizes. "The assertion is without quantitative oomph," she says of one opposing argument, "and is not science, until it is actually measured."

Then, too, the causation could run in the other direction: Rising prosperity might have led to a rise in pro-bourgeois rhetoric. Her next volume undoubtedly will set out a more comprehensive case for her theory of bourgeois dignity in economic growth.

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