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## *How boring people made us rich*

The economic success of the West was made possible by a revaluation of bourgeois virtues and liberty. They were kindled in 1848.

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McCloskey's *Beyond Positivism, Behaviorism, and Neo-Institutionalism in Economics* has just been published.

The Swiss philosopher and writer Alain de Botton once spoke proudly of his home city of Zurich that its "distinctive lesson to the world lies in its ability to remind us of how truly imaginative and humane it can be to ask of a city that it be nothing other than boring and bourgeois." Yes.

He quoted Montaigne, that gentle noble of the robe descended from a dealer in fish, writing similarly at the end of the 16th century in favor of bourgeois life: "Storming a breach, conducting an embassy, ruling a nation are glittering deeds. Rebuking, laughing, buying, selling, loving, hating, and living together gently and justly with your household and with yourself is something more difficult." Yes, yes.

Living together gently and justly is magnificent and humane. It has in the past two centuries made us in industrialized nations very, very rich and at least a little more virtuous. We are richer in food and housing and literacy and length of life, real income per person has increased by factors of 10 or 30 or 50, we also ended slavery and the subjection of women, we care about the far Uighurs and no longer beat our horses. We should stop being ashamed of being so very bourgeois, stop being entranced by dreams of boyish military heroism and girlish spiritual heroism. The real heroism of real adults shows in their daily struggles, not in the gun fights and car chases that entice the teenage boys into seats at the cinema, bringing along the teenage girls. There's little

wrong with being adult and responsible and middle class, spending one's life providing for others in the bourse and in the home.

"Capitalism" is a misleadingly loaded and scientifically foolish word, imposed over a century ago by followers of Marx. A scientifically more accurate word for what happened after 1800 is "innovism." Explosive innovation in the past two centuries has made the poor rich, now even in China, and coming along in India. The Swiss, for example, have escaped from the grim business plan of exporting young men into the wars of Europe, and have become instead one of the richest of nations, festooned with BMWs and central heating and educations in three or four languages.

The Great Enrichment of the Swiss, rising from \$3 a day in 1800 to well over \$150 a day now, happened because its bourgeoisie in the past two centuries steadily, gently set aside the aristocratic and priestly passions that had troubled Europe for so long. Not that such passions entirely disappeared. They pop up in Putin's Orthodox nationalism and Maduro's holy socialism, in both cases to justify tyranny.

#### Expanding the pie

For a sign of the change to a Bourgeois Era, look at the European novel from Henry Fielding to Max Frisch. It's not Shakespearean in glorifying Harry, England, and St. George. Even Tolstoy's War and Peace does not elevate either as military or spiritual heroism. The European novel tells not of noble deeds of knights and saints but of the ordinary lives of you and me, boring bourgeois folk. Amos Oz called Thomas Mann "the lover and moralizer of the bourgeois age." Mann's first successful novel, *Buddenbrooks*, in 1901, told of his own merchant family in Lübeck "where men walked the streets proud of their irreproachable reputation as businessmen." What's wrong with that?

The root of the Great Enrichment is liberty, the liberty theorized in 18th-century liberalism, and kindled in 1848 across Europe, after a long and dismal reaction to the French Revolution and Napoleon's forced liberalizations and forced tyrannies. The kindling did not result in an immediate conflagration, but a slow burn, such as the Swiss Federal state of 1848 and its increasing commitment to liberty. Liberalism is what made us rich, not the adventures of the nationalist state or the redistributions of democratic socialism. We got rich by gigantically expanding the economic pie, not by diverting the pie to war, or by slicing it up differently. Inventing Swiss democracy, Swiss federalism, nucleic acid, cellophane, velcro, aluminum foil, white chocolate (my favorite Swiss invention), the computer mouse, the Pascal computer language, and meanwhile adopting vigorously the steam engine, the railway, electricity, tunneling, water purification, votes for women (well . . .), is what brought Switzerland and the rest of us from the ancient misery of 1800 to the adequate prosperity of 2022.

The scope of a human life was enormously expanded. Yes, we could waste it by watching idiotic TV all day, and even by eating excessive amounts of white chocolate. But the noblest extensions of human life in art and science, charity and great-heartedness, depended on getting out of an Alpine village into the light of Geneva or Lugano. Almost all of it came from business, not from the state. The state's specialty is of course coercion, and should be. When the Germans invade, every Swiss must obey the state and take down a rifle. Good for you. But we can't do business by coercing people for rents with a broadsword or burning them for heresy at the stake. In the long run the fascist régimes like Xi Jinping's will fail even economically. There is no successful "Chinese Model." There is only economic liberalism as the way to wealth, and Xi is crushing freedom. When a régime can only stay in power by murdering journalists and assaulting free countries, have the tyrants won? Not in the long run.

The connection between liberty and innovism is something that every commercial republic from Athens to Venice, Novgorod to Osaka, has known – though admittedly Athens and Venice regularly forgot it. Business, contrary to the metaphor of war that politicians keep applying to it, is gently humane: "Here are my banking services, drugs, watches, electrical machines. May I sell you some?"

In the Bourgeois Revaluation of 17th-century Netherlands, 18th-century Britain, and at last 19th-century Switzerland, the rest of the society ceased overvaluing the activities of generals and dominees, and commenced valuing the peaceful and tolerant professions of the bourgeoisie. True, we kept falling back, Hitler-style or Xi-Jinping-style. But the businesslike Swiss adopted the Bourgeois Revaluation early. The last time they took up arms against each other was in the so-called Sonderbund Civil War, Protestant against Catholic in the old way, but for a mere 6 days in November 1847. An American is of course startled at calling the event a "civil war." About 100 people died in Switzerland's sole outbreak of the pan-European turmoil of 1847-48. In the U.S. some local labor strikes have had more fatalities. In America fourteen years after 1847 we showed how to run a proper civil war, producing 1,487 days of shooting and 600,000 deaths. It was an anti-bourgeois movement initiated by the Romantic and enslaving Southerners. It has not ever entirely ended. The Swiss stopped doing it, and turned back to business. Well, roughly.

#### Equality of permission

The intellectuals of Europe after 1700 initiated three big political ideas, all three coming to sharp prominence in 1848. The earliest and best was liberalism. It was the startling idea, forming in the minds of Voltaire and Adam Smith and Mary Wollstonecraft, that the old hierarchies of lord and peasant, bureaucrat and subject, husband and wife could be overturned. Smith called it "the obvious and simple system of natural liberty." Liberalism said simply that no one should be a slave or a permanent

child. Liberalism advocated, if never quite fully implementing, an equality of permission – not of opportunity or of result, but the right to venture, to move from the Alpine village to the city, to start up a business in Bern, to organize the Red Cross. Such permission had long characterized cities, unless guilds intervened to regulate permission. *Stadtluft macht frei*. Now the liberal permission was to apply to everybody.

The other two big ideas coming to Europe-wide expression in 1848 were nationalism and socialism. They were both exceptionally bad ideas, as the 20th century then proceeded to show beyond all reasonable doubt. Both of them re-established the old coercions, for King and country or for revolution and regulation. Both assumed that trade is zero-sum, that Germany needs *Lebensraum* or that workers become better off by coercing other workers. Liberalism by contrast imagined a world of positive sum populated by liberated adults, and promptly achieved a positive sum in an unimaginable magnitude.

#### The revaluation of bourgeois virtues

How? Despite resistance from many intellectuals, the world began to revalue the bourgeois towns. The Bourgeois Revaluation was not a “rise of the middle class,” if by that is meant a coming of an enlarged bourgeoisie to political power. Outside the scattered urban republics such a step was long delayed. Anyway, the middle class is always said to be “rising” – and yet only lately even among the polite and commercial people of Britain has it found respect. Aristocrats ran Britain until very recently. Winston Churchill was born in Blenheim Palace to a line of dukes, and showed it.

The spring in the Swiss watch of modern times is not class struggle or the nation state or coal or even Science, but that Revaluation of bourgeois behavior, an increased if sometimes embarrassed acceptance by others and by themselves of the bourgeois virtues – the rebuking, laughing, buying, selling so far from glittering deeds. Such virtues were merely the old ones now expressed in commercial form. In Holland first, and then in the English-speaking lands and then elsewhere, attitudes changed. Alexis de Tocqueville, a canny observer of the new equality of permission, wrote in 1835, “Looking at the turn given to the human spirit in England by political life; seeing the Englishman . . . inspired by the sense that he can do anything . . . I am in no hurry to inquire whether nature has scooped out ports for him, or given him coal or iron.” He wrote in 1853, after the sobering failure of the liberal revolution in France, “the sentiments, the ideas, the mores [*moeurs*] . . . alone can lead to public prosperity and liberty.” Yes again.

The modern world that lurched forward in 1847-48 for good or ill, in other words, was determined by ethical ideas. One idea was the liberal one of equality of

respect. Two others were the ideas of hatred for the enemy of the Nation or of the Masses.

The Swiss have long known which to choose. It's why I love them. And their white chocolate.