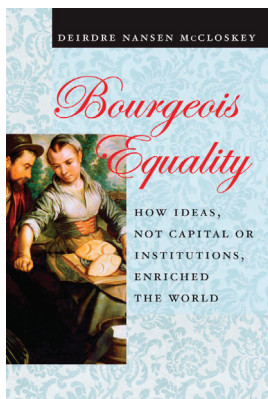


# Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World

By Deirdre Nansen McCloskey.

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This is the third and a final book of the series of Deirdre McCloskey dedicated to the search for an answer to a really hard question - "Why the Modern world happened?", as in modern world she means not simply and only modern material prosperity, but also the significant positive changes in relations among human beings, the expansion of human rights and freedoms of individuals and communities, the impressive progress in science, among other issues. It turns out that in a paradoxical way the answer is at once simple and complex, that it should not be sought only in the economic or physical environment, and that it could not be based on old-fashioned and long outdated popular myths and delusions. Therefore, each of the three volumes is characterized by its distinct features, while united by recurring motifs.

The author's position is presented in a clear and straightforward manner, as it is evident in the three volumes published. The change that first occurs slowly in the material position of Northwestern Europe and then in the other parts of the world

is due to the change in rhetoric and in the ideas that drive society. It was there that the simple and natural concept of liberty and dignity for the ordinary people were first developed that allow for the new ideas, organizational practices, scientific achievements and innovations to thrive. The happy coincidence of what the author refers to as the so called four Rs in Northwestern Europe - Reading, Reformation, Revolt, and Revolution - resulted in the bourgeois revaluation, or "in the egalitarian reappraisal of the ordinary people" (2016, pp. XXXIV-XXXV). McCloskey distinguishes between the two main types of equality – the Scottish and the French one. The French type presupposes an equality of material income, while the Scottish one - an equality of respect and equality before the law. And it was the Scottish equality that was largely responsible for the Great enrichment, and later on for the intellectual progress. Her defense of the Scottish equality is convincing and persuasive. It is an appropriate response of the popular ideas of Thomas Piketty, and so many others equalizers and social justice warriors.

In this volume, like in the previous two, the author convincingly rejects the popular materialistic concepts as an appropriate explanation of the modern world. She writes for the period from 1890 to 1980

as the "age of historical materialism" (see for example 2016, p. 338) for historians. Unfortunately it seems that this age is not over even today, not only for historians, but also for a huge and influential group of social scientists. Among the main focuses of McCloskey's criticism in this volume is the neoinstitutionalist approach towards the explanation of the world economic and social development. She is clear that the institutions and the governments are not among the most important factors for economic growth, that idiocracy is not a rare exception in the world history (2016, p. 134). In fact for many reasons the attitude of governments, trade unions and other influential economic and social units is not friendly to the creative destruction, which in turn is the prime mover of modern economic growth.

Among the specific features of the last volume of the trilogy is that it is to a large extent a social and intellectual history. In the search for answers to the basic question the author's intentions have undergone inevitable changes. These are reflected by the fact that she originally planned for six volumes, which were consequently reduced to four and eventually to three. They concentrate on peculiar aspects of the answer to the question at the beginning, the first one on the ethics of bourgeois society, the second one on the economic history, and the last one on the history of ideas. In the third volume the author skillfully weaves in his explanation for Great Enrichment elements of the history of economic thought, which is not among the most popular disciplines in the so-called by her Samuelsonian economics. Analyzes of the ideas of Adam Smith, Thomas Malthus, Frederic Bastiat, St. Thomas Aquinas and

many others are both comprehensive and presented in such a way that for the reader it becomes clear why it is worth knowing something about the views of a long dead economists, thinkers and philosophers. However, even the main theme of the series inevitably undergoes evolution. At the beginning of her first book, the author states that she intends to present to her readers "an" apology "for capitalism in its American form" (McCloskey, 2006: XIV), while in the next two books she deals with significantly more comprehensive and more interesting problems. She even clearly and convincingly explains why we should drop the term capitalism – "because it has led people astray" (2016, 93).

The third volume of McCloskey is not just a long essay on economic or intellectual history. The volume (and the whole trilogy) is about a general and optimistic worldview. It is about the moral and material benefits from trade-tested betterment. There are some important and basic points in favour of the classical liberal ideology made by the author which is worth reminding, but also we could find some brilliant explanations of the weaknesses of these societies. McCloskey writes "The trouble with the liberal society is that it has few defenses against the worst of the left and right dogma, because its leading principle is pluralistic nondogmatism" (2016, 540). And also - the beauty and hence romantic attractiveness of the (far) left ideologies does not mean that they are correct, or that there is some truth in them. As an economic historian who writes in the classical liberal tradition McCloskey has rather clear vision about the possible abuses with historical knowledge - "The phrase "history tells us that ..." ... is the modern analogue of "God tells us

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that ...", and can often be translated as "I propose to assert without evidence that ..." (2106, p. 360). The critique of the author here is not only against the so-called by Hayek second-hand dealers of ideas and their pretense of knowledge. Nobody can speak as if he knew all the history and as if there is only one correct or approved by some authority lesson from history.

McCloskey makes another important point in explaining why and how the Modern world is better in comparison to the medieval ages or Ancient times. Amidst the all-pervasive cries of the left clerisy for sustainable and predictable development, she elegantly reminds us that pre-modern world was easily predictable – the nobility would collect taxes, the peasants would try as hard as possible to survive, just like their predecessors (2016, p. 361). The beauty of the Modern world is that it is unpredictable – in economic, but also in political and social terms. Predictability is typical of the totalitarian and autocratic regimes and it is a deadly for the trade-tested betterment, based on liberty. It is not coincidence that it was the Russian chess grandmaster and political activist Garry Kasparov, who before the US 2016 presidential elections made the same point: "Unpredictable elections, what a luxury!"(Garry Kasparov, @Kasparov63, 7.11.2016, 12.52 PM, Tweet).

McCloskey is rather clear when she distinguishes between authors and intellectuals that were responsible for dissemination of the ideas of trade tested betterment and those pseudo-neo-aristocrats which hindered the enrichment of the masses. And here we could identify perhaps the biggest disappointment of the volume. The author correctly identifies 1848 as a watershed in the attitude of

the intellectuals towards the bourgeois deal, towards money, profit, consumerism etc. There it is the birth year of anti-liberal intellectual mood is the year of the "Communist Manifesto". However, the post-1848 treason of the clerisy is covered and explained rather superficially in the last 70 or so pages of the volume. There are some interesting and important points in this last part of the book, but they are not enough for relevant explanation of the pro-socialist and anti-betterment positions of the huge part of intellectuals. In fact these last 70 pages should have been the fourth volume of the author`s journey into the economic and intellectual history.

The author identifies three basic reasons for the anti-capitalistic stand point of clerisy: photography, diverted Christianity, and "also because trade-testing disturbed the society without at first enriching ordinary people greatly" (2016, p. 595). Of these three the last one is really serious and has universal explanatory power for England, France, Belgium, USA, Germany etc., and for all less developed countries. Diverted Christianity is not rather appropriate explanation of the anti-betterment feelings of the clerisy in the non-Christian countries like China, the Ottoman Empire, Japan etc. As for photography as a reason for the pro-socialist, pro-nationalist, and pro-conservative feelings and ideas of the intelligencia, well it really seems as a superficial and non-realistic explanation. I mean – why exactly photography, not telegraph, telephone, TV, Internet and social media, or just much older means for information and indoctrination of masses like gossips. Yes, authoritarians all over the world are trying to limit or control the social media, they were trying to suppress

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the gossips and free speech too. But there were revolutions before photography, TV, Internet etc., and some of these revolutions were leftist and were not inspired by terrible photos of starving and working children.

One minor point at the end. Since this review is written by Bulgarian it is worth mentioning that McCloskey makes two references to Bulgaria in her volume. The first is rather positive and it concerns the fact that, despite the fact that Bulgaria was ally of Nazi Germany, the ruling elite saved Bulgarian Jews. The second one is about a specific feature of the socialist regime in the country. She writes: "In Bulgaria of socialism before 1989 the department stores had an armed policeman on every floor – not to prevent theft but to stop consumers from attacking the arrogant and incompetent staff charged with selling shoddy goods ..." (2016, p. 228). That's just an oversimplification. Yes the

staff in almost all shops was arrogant and incompetent, yes the goods often were of low quality, but policeman (the correct term is militiaman) on every floor – no, that's just not true. The most visible problem of the socialist economies, including Bulgarian, was not the low quality of the goods – it was not that bad - but shortages. Quite often there were no goods at the department stores, so the presence of policeman was absolutely pointless.

In conclusion I would like to emphasize that the volume is impressive in its scope and depth given the monumentality and complexity of the subject being treated. Hopefully it will be an essential reading for economists, historians, sociologists, and most importantly – for all those that have myth-based doubts about trade-rested betterment.

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