

OTHER THINGS EQUAL

The Rhetoric of Economics, Revisited

Deirdre N. McCloskey

University of Iowa

and

Erasmus University of Rotterdam

I just finished writing a second edition of a book first published in 1985 (good Lord: twelve years ago), *The Rhetoric Of Economics*. The new edition will be out in January from the University of Wisconsin. Yes, it makes a lovely gift for the Chinese New Year. Please, for the year of the Pig or the Stockbroker or whatever it is in China, buy copies for all your friends. The University of Wisconsin Press. 114 Murray Street. 53715. Cheap.

I didn't change the book much, illustrating my Law of Academic Productivity: Never publish only once. Mainly I changed the arrangement, putting the philosophical chapters that once opened it into the back, and starting with many, many chapters showing over and over again that economics uses metaphors and stories and devices of style. For example, I added a chapter on the rhetoric of Ronald Coase. The book keeps the practice of doing rhetorical analyses mainly of economists I admire, to lean against the presumption that to find "rhetoric" is to find something bad. A lot of people thought the book was philosophical (the *Journal of Economic Literature* piece in 1983, which people think *is* the book, was essentially the philosophical chapters 1-3 of the book—Never publish only once: three or four times is best). Actually the book was and is rhetorical. It shows that economics has a wordcraft, a way of persuading itself, up to and including the madness of statistical significance (which gets a lot of attention, to show that real scientific issues hinge on this notion of "rhetoric").

Well, has it worked? Since the first edition have economists paid attention?

No. Most economists have reckoned from the title of the book that Aunt Deirdre "advocates" rhetoric, as "against" mathematics. Or else maybe she is ripping aside a veil, showing economics to be Not Science, Merely Literature. (The dichotomies of modernism—such as art versus science—are deeply ingrained.) Or maybe she's just nuts. After all, in 1995 we got another piece of evidence "consistent with" that Hypothesis. The economists just didn't get it. They still hand out Milton's essay on positive economics to the first-year students at Indiana University on the first day.

True, the book was widely and favorably noticed. There were around 50 reviews, I hope you saw this and were impressed. But even its friends kept getting it wrong in ways that let them go on as before. A wonderful review by Bob Heilbroner in the *New York Review of Books*, for example, said, This is nice, but after all it's just about Style, not Substance. Oh, Bob, Bob. When am I going to persuade you that style *is* substance, you master stylist? Bob Solow from another ideological direction had the same

idea and evokes from me the same response, Oh, Bob, Bob. The number of economists who have understood the book and then acted on the understanding in print is to my knowledge small: Arjo Klamer first (he in fact discovered the point independently in his Ph.D. dissertation at Duke); Jack Amariglio, John Davis, Jerry Evensky, Willie Henderson, Don Lavoie, Hans Lind, William Milberg. Not a mainstream neoclassical establishment figure among them. And anyway not many of any description.

I am calm about this. Really, I am. I strike some people as arrogant, though more so in my former gender than now, I hope. But really I am as modest a lady as anyone could wish, very sweet and unassuming. I would never assume in particular that people who do not read my books or do not understand them or do not agree with them are fools and knaves. Cheap, yes. Unrespectful of the Chinese New Year, without a doubt. But not fools and knaves. People haven't agreed with me as a soft Marxist, as a social engineering transport economist, as a quantitative economic historian, as a Chicago-School economist, as a neoinstitutionalist, as a libertarian, as a global monetarist, as a free market feminist. No wonder they don't agree with me as a rhetorician of science.

Of course, like most people I do suppose that those folks are wrong and I am right. (And in sober truth—can I confide in you as a friend?—I *am* right.) But no matter. I learned the hard way, over and over and over again, that most people are not open to persuasion to what is right. It's a pity that it is as true of the average professor carrying *The New York Times* as it is of your local Bubba carrying a sixpack, but there you are. It just goes to show that rhetoric is about something serious. As Schopenhauer once said, "It is quite natural that we should adopt a defensive and negative attitude towards every new opinion concerning something on which we have already an opinion of our own. For it forces its way as an enemy into the previously closed system of our own convictions, shatters the calm of mind we have attained through this system, demands renewed efforts of us and declares our former efforts to have been in vain" (Schopenhauer, 1851 (1970) No. 19, 124). The late Thomas Kuhn said the same thing and showed it working in the rhetorical history of science.

I think the first edition and my subsequent writings made a space in economics for thinking about the conversation. But it's still a very small space. Economists are still unaware of how they talk. I failed. Oh, well. Keep trying.

The results of the rhetorical unawareness of economists, I have realized more and more, are unspeakably sad. A lot of good work gets done in economics, new facts and new ideas. Economists are not stupid or lazy, not at all. I love the field. I belong to the mainstream and would float happily in it if it made a bit of sense. But the mainstream of normal science in economics, I'm afraid, has dried up, and become instead a boys' game in a sandbox. It has become silly.

In two usages especially, as I've tried to persuade you before, the field since the 1940s has become so silly that nothing scientific can be expected until it gets over them: blackboard economics and statistical significance. Nothing scientific has come from the theorems from the departments of Mathematics or Statistics or Economics, for the good reasons that (1) the set of theorems is practically unbounded and (2) statistical significance has practically nothing to do with scientific significance. In

practical terms what is published in academic journals of economics is so irrelevant to the way real scientific persuasion goes on that I can by now only sit and moan quietly. Please, *please, boys*: let's get out of the sandbox. Let's start having a serious scientific rhetoric.

I once had a transatlantic flight seated beside a young economist who must qualify as the most barbarous scholar I have ever met. That's a stiff competition. He told me that his Scientific duty was to sit at his computer all day long. (Much as I do, I must admit: writing; but I've read a book or two.) What he meant is that he did not need to read anything or talk to any businessperson or even copy down government statistics. All he needed to do to be a modern economist was to run regression equations, searching for statistical significance, in standard data sets, already collected and committed to machine-readable form. Although I am pretty sure that the young man, now not quite so young, still has nothing but contempt for the values of actual science and scholarship that I vainly espouse in *The Rhetoric of Economics*, I do feel sorry for him, and worry what will happen when he discovers that his life has been wasted. I look at the boys playing in the sandbox like a doting Aunt, and worry: Oh, boys, it is so foolish what you have allowed yourself to specialize in playing; *please, please* start caring about the world and its very interesting economy; you are going to feel *very* unhappy this evening when you go home and think over what you have accomplished. It's not the man's fault that he is a barbarian. He, was taught to be one in a fine graduate program by nameable modernist econometricians, positive economists, and methodologists, with whom I am personally acquainted. By their fruits ye shall know them.

If I had my wish about how this second edition would be used it would be that every graduate student in economics would read it and reflect, and flee an unscientific barbarism. In my day Koopmans' *Three Essays on the State of Economic Science* was *The Book*. It was, I realize now, an appalling production, outlining the fraudulent truce between econometrics and mathematical theory that has dominated economics since 1957. We all read it and thought it very fine. My book is partly an anti-Koopmans.

The cynical and perhaps realistic view is that nothing would actually change in economics if the graduate students read the second edition. Certainly you should never underestimate the conservatism of science. Geologists fought for decades against plate tectonics (I was perhaps the last person in the United States to be educated in the old geology, by conservatives at Harvard contemptuous of the crazy notion that the continents fitted into each other). As George Stigler, America's leading vulgar Marxist economist never tired of arguing, the status quo usually has lots of money and power to back it. A narrow, ignorant, anti-humanistic, unscientific economics is easier to run than anything better. Look at how popular the old way is with political scientists, for example.

I think the cynical, Stiglerian or Marxist, view is wrong. If we will be who we are, take our courage and use it, we can change economics.

People sometimes ask me how my views of economics have changed since I became a woman. It's not been long, and I am, goodness knows, nothing like an expert at Being a Woman. In some important ways I never will be, alas. Still, I see some

differences. The virtue of Love, it seems to me, belongs in any serious science of economics, and radically changes even the studies of Prudence (a brilliant piece in the *Journal of Political Economy* in 1996 by Frey, Oberholzer-Gee, and Eichhenberger made this point about sentiment of Not In My Back Yard). The boys' games seem to me now to be even sillier than I had thought. A few other things, and more to come, I expect.

But what I mainly learned is that a life must be itself, and in a rich, free country like ours it can be. People do not come into economics, mainly, because they like the sandbox games at present taking place in the field. Some do; but not most people. As I said in my last column, most people want to change the world or make a scientific contribution. With such noble goals the first thing to do is to break through the phony rhetoric of modern economics and bring economics, that glorious conversation since Adam Smith, back into the conversation of humankind.

Please, my dears, please. And anyway buy and read my little book, to celebrate the New Year.

REFERENCES

- Frey, B. S., Oberholzer-Gee, F. and Eichenberger, R. The Old Lady Visits Your Back Yard: A Tale of Morals and Markets. *Journal of Political Economy* 104 (6), 1297-1313.
- Heilbroner, R. The Murky Economists. *New York Review of Books*, 24 April 1986 (1988).
- Koopmans, T. *Three Essays on the State of Economic Science*. New York: McGraw-Hill, 1957.
- Kuhn, T. *The Structure of Scientific Revolutions*. 2nd ed. Chicago: University of Chicago Press, 1970.
- _____. *The Essential Tension: Selected Studies in Scientific Tradition and Change*. Chicago: University of Chicago Press, 1977.
- Schopenhauer, A. *Essays and Aphorisms*. Trans. R. J. Hollingdale. Harmondsworth: Penguin, 1851 (1970).

Other Things Equal, a column by Deirdre N. McCloskey, appears regularly in this *Journal*.