

Dekker, Erwin; Kuchař, Pavel

Article

Bourgeois Knowledge: The Incomplete Closure of the Epistemological Break in the Work of Deirdre McCloskey

Journal of Contextual Economics – Schmollers Jahrbuch

Provided in Cooperation with:

Duncker & Humblot, Berlin

Suggested Citation: Dekker, Erwin; Kuchař, Pavel (2020) : Bourgeois Knowledge: The Incomplete Closure of the Epistemological Break in the Work of Deirdre McCloskey, Journal of Contextual Economics – Schmollers Jahrbuch, ISSN 2568-762X, Duncker & Humblot, Berlin, Vol. 140, Iss. 3-4, pp. 301-317,
<https://doi.org/10.3790/schm.140.3-4.301>

This Version is available at:

<https://hdl.handle.net/10419/292584>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>

Bourgeois Knowledge: The Incomplete Closure of the Epistemological Break in the Work of Deirdre McCloskey

By Erwin Dekker* and Pavel Kuchar**

Abstract

One of the defining features of modern social science and economics in particular is the hard break it posits between everyday and scientific knowledge. French philosophers have called this characteristic the epistemological break. One of the key consequences of this break is that scientists have access to superior knowledge and are in a position to inform and steer the behavior of individuals. We believe that a large epistemological break is incompatible with science in a liberal democratic society. In this paper we analyze the extent to which the writings of Deirdre McCloskey contributed to bridging the epistemological break given that her early work, and the work of some members of younger Chicago School of economics more generally, was strongly influenced by the epistemological break. In the first decade after *The Rhetoric of Economics* McCloskey did much to strip scientific knowledge of its special elevated status. In her later work on the bourgeoisie there is also a renewed appreciation for everyday knowledge of economic actors. Yet important tensions remain, the appreciation for bourgeois knowledge has not been generalized to an appreciation for all everyday economic knowledge. And the tension between the economist as teacher, and the economist as student of society, which is already present in the Chicago tradition, is still visible.

JEL Codes: A13, A14, B41, Z13

Keywords: Epistemological Break, Deirdre McCloskey, Expert Knowledge, Everyday Knowledge, Bourgeoisie

* Mercatus Center at George Mason University, Fairfax, VA, United States. The author can be reached at edekker@mercatus.gmu.edu.

** Department of Political Economy, King's College London, Bush House, North East Wing, 30 Aldwych, London, WC2B 4BG, United Kingdom. The author can be reached at pavel.kuchar@kd.ac.uk.

1. Introduction

The epistemological break is a concept that originates in French philosophy. It refers to a hard break between everyday knowledge and scientific knowledge. A break between how we experience the world, and how our scientific accounts conceptualize it. Between what we see, hear and speak about, and what is hidden behind these illusions. The epistemological break is reflected in the use of different languages, jargons if you will, but is itself a break between scientific knowledge and other – allegedly inferior – understandings. Luc Boltanski, a French sociologist, has argued that we should “minimize the gap – which positivism has expanded to an extreme – between the arguments persons make and the schemas that our discipline provides to account for their behaviour” ([1990] 2012, 100). We believe that much of economics today is characterized by a strong epistemological break. It might make sense to blame positivism, but in other research programs this break was even more visible.

Marxist philosophers have suggested that as individuals we suffer from a “false consciousness,” we live in a world of illusions. It was the object of the Marxist scientist to pierce through these illusions. Psychoanalysis similarly suggested that the deep psyche is the real reality; individuals did not understand the true motives of their actions, unless helped along by an analyst. In mainstream economics there are other famous instances. Richard Lester and Fritz Machlup, for instance, debated whether businessmen do or do not consciously engage in marginal-cost pricing (Lester 1946; Machlup 1946). There is a recurring mistrust of what individuals say in surveys, only their actions will reveal their true preferences. Modern behavioral economists believe they know what is truly rational, what individuals really want, in spite of the choices they actually make. A mistrust of the common folk is all too common. The mistrust is also expressed in an extensive empirical literature which claims to prove that the public is economically illiterate and (rationally) ignorant about economic policy (Caplan 2002; Wobker *et al.* 2014).

Deirdre McCloskey came out of a tradition – Chicago economics – which had an ambiguous relationship with the epistemological break. On the one hand Chicago never quite fully embraced the arcane mathematical language of economics that overtook the discipline under the leadership of Paul Samuelson. On the other hand, some members of the “nouvelle” Chicago School were widely known for their approach that would explain all social phenomena with a few simple principles in their hands. For instance, Milton Friedman’s (1953) famous methodological pronouncement justified an approach which was unrealistic and at odds with experiential notions of the world. No need to ask people or engage too much with the real world and motives: relative price differences could account for all human behavior. The new Chicago School approach was not merely superior in knowledge to the public; it towered over the rest of the discipline. Two of its famous proponents wrote in *De Gustibus Non Est Disputandum*: “What we assert is not that we are clever enough to make illuminating applications of utility-maximizing theory to all important phenomena—not even our entire generation of economists is clever enough to do that”

(Stigler and Becker 1977, 76). The paper, however, sought to do just that. Becker and Stigler wanted the entire generation of economists, and social scientists for that matter, to know that they were indeed cleverer than the rest. Elevated high above the others, like the modernist skyscrapers of Chicago.

Yet, there was also a tension within Chicago, one that McCloskey has also sought to understand. Stigler and Friedman fundamentally disagreed about the role of the economist in society. McCloskey recounted a conversation between Friedman and Stigler in which the former declared himself a teacher, intent on fighting economic ignorance among the public. Stigler, disagreed, “I am a scientist, an economic scientist: people do what they do because they are wise” (conversation recounted in McCloskey 1998, 245). McCloskey clearly expressed sympathy for Friedman at that point in time, but we argue that both positions are undesirable. The teacher must rely on the break, they know better than the ignorant common-folk. The Stiglerian scientist, on the other hand, is in a constant danger of being irrelevant, discovering what people apparently already know. That somewhat paradoxical result is the consequence of a flat notion of knowledge, in which knowledge of time and place, reflective practical knowledge and general knowledge about patterns are equated.

Undoing the epistemological break in economics is therefore a difficult undertaking. It requires rethinking the more fundamental assumptions underlying the discipline. We believe that undoing the break – a goal which is in line with Deirdre McCloskey’s search for a liberal economics (McCloskey 2019) – is not only desirable but also wise. It is certainly necessary should economics stay relevant to everyday discourse and understanding. We show that the notion of the epistemological break, and its undoing, provides an illuminating perspective on McCloskey’s work since her famous 1983 “Rhetoric of Economics”. Our paper shows how she has contributed, through her ideas and writing, to closing the gap between everyday and expert knowledge. That said, we also found that an important trace of the epistemological break is still to be found in her work. Although McCloskey has come to embrace the economic knowledge of one historical class in the economy, the bourgeoisie, there still seems to be some disdain left for groups that supposedly remain economically illiterate or unappreciative of the bourgeois virtues.

2. Toppling the Statues

The epistemological break entails a double movement in which scientific knowledge is elevated above everyday knowledge, and in which everyday knowledge is degraded to a set of lowly illusions, not worthy of investigation. To overcome the break, or close the gap, a double move is required: a move that makes scientific economic knowledge less elevated, and at the same time appreciates the value of everyday economic knowledge. McCloskey’s “Rhetoric” (1983) initiated the former, she demonstrated that scientific writing in economics was no different from other

types of (good) writing. Scientific economics relies on metaphors, analogies and stories which are omnipresent in economic writing, and perhaps most of all in the teaching of economics. Models, still the favorite tools of economists, are metaphors and economic theorizing is not unlike poetry. A neighborhood, for instance, is like a checkers-board, suggested Thomas Schelling (1969), to demonstrate how segregation could come about as an unintended consequence of individual action.

The challenge posed by a rhetorical approach to economics was serious, and deep, but at the same time McCloskey reassured her fellow economists that “economics will not change much in substance” (McCloskey 1983, 482). It was awareness of form that she was after. She did not, at least not explicitly, seek to challenge economic knowledge as such, although she already was quite critical of the modernist pretensions of economics. In the volume on the consequences of the rhetorical approach that point was reinforced: “Economics is too successful to be undermined by mere self-consciousness” (Klamer, McCloskey, and Solow 1988, 18). Granted, falsification was an unattainable ideal, and prediction was impossible. McCloskey made clear, however, that criticizing falsificationism along with the inability of economists to predict accurately were in fact not serious criticisms of economics itself. After all, practical economists already knew that prediction was impossible, and they had never strictly followed Popper’s methodological dictum of conjectures and refutations anyway. Rather, the argument went, it would help to ‘officially’ acknowledge the limitations, become more self-aware, and recognize the importance of rhetoric in economic discourse. But, the substance of economics would be left untouched.

In fact, there was somewhat of a tension in the rhetoric project. This tension is well illustrated by some of the examples that McCloskey developed in the book version of *Rhetoric of Economics* (1985b) which analyzed the rhetoric of seminal economic articles, including that of John Muth on rational expectations. While McCloskey showed that Muth’s argument could be expressed in plain English, it is our impression that Muth in fact might have been prudent in enshrouding his ideas in formalism. After all, economists are not nearly as impressed with arguments that are purely verbal or narrative. If economics is indeed a rhetorical community, like so many others, it might make sense for the author to pay attention to the (often implicit) rules that are in use within that community. Persuasion demands paying attention to the expectations of intended audiences (Booth 1988; Gopen 2004). For a professional economist that probably meant one should write more like Muth, or Robert Lucas, than in the style of Deirdre McCloskey.

The economic scientist might have even thanked, somewhat smugly, Professor McCloskey for highlighting the great sophistication of economic rhetoric. Paul Samuelson had already recognized that mathematics was a language in the 1940s, now McCloskey recognized it too. So, more was needed. It was not merely the rhetoric that needed to be humanized, but it was also the elevation of economic expertise that needed to be challenged. This theme would develop slowly in McCloskey’s work. A good decade passed before McCloskey was fully willing to bite that bullet.

In *If You're so Smart* (1990) she took important steps in that direction, but the book can still be read in two ways. Looking back from her later work we see the criticism of economic expertise, its rhetoric, and of some of the characters she would later, rightfully, vilify. But the book can equally be read as an attempt to improve economic rhetoric – and economics – from within. Sure enough, the book is already written in the witty ironic style that would come to characterize her later work. But the audience is still very much the economics profession, her (former) friends in economic history and the economics department of Chicago.

All the while students were being taught Chicago-style price theory from her textbook. It is useful to contrast a little what that book suggested about economics, and how deep her transformation was. *The Applied Theory of Price* is full of what she would later single out as some of the ‘secret sins’ of economists.

Sin one: There is physics envy, maybe even a desire for social engineering. From the preface: “a college graduate in engineering can predict that a badly designed bridge will fall down, and why (...) college graduates in economics should be able to predict that a badly designed tax on gasoline will hurt society, and why.” Sin two: the economist is elevated. From the introduction: “practically everything that you thought you knew about economics before studying it is wrong (...) to understand price theory you must clear your mind of such jargon, just as to understand astronomy you must stop thinking of the sun’s rising.” And, sin three, economics is not for wussies: “the book is tough, but so is life, and economics” (McCloskey [1982] 1985a).

Sometimes physical distance is important. It was to the Netherlands that Deirdre went. And in her inaugural lecture *The Vices of Economists; and the Virtues of the Bourgeoisie* (McCloskey 1996) delivered in Rotterdam she distanced herself much more definitely from both her old self and from economics as it was practiced by the expert economists. In the lecture the holy trinity of economics – the Son (Lawrence Klein), the father (Jan Tinbergen) and the holy spirit (Paul Samuelson) – was desecrated. They embodied, suggested McCloskey, the three cardinal sins of economists: the use of statistical significance, social engineering and blackboard proofs of existence, respectively.

Their statues, which adorned the hallways of economics faculties in Rotterdam and across the world, should be toppled. What is striking is that McCloskey was now fully willing to accept that the knowledge of economics is unjustly elevated far above everyday discourse. These three economists, and their sons and grandsons, are prideful, she suggested. The modernists of economics wanted, just like the modernist artists, “to make everything difficult and technical, and they succeeded.” To continue: “It is prideful overreaching to think that social engineering can work, that a smart lad at a blackboard can outwit the wisdom of the world or the ages, that a piece of machinery

like statistical significance can tell you how big or small a number is” (McCloskey 1996).¹ This was no longer criticism of form, but of substance and form.

Like a liberal revolutionary McCloskey wanted to rid society of the economic aristocracy and its privileges. Down with the ivory tower. Although she was prudent enough to point out that she has no sympathy for the French Enlightenment, it was clear that she believed that a radical transformation of economics was required. Perhaps without guillotines, but some sturdy spuds to do the weeding out would certainly be necessary. To summarize, in McCloskey’s writings of the 1980s the explicit goal was to improve the conversation between economics and neighboring disciplines, with the implicit goal of exporting our goods (economic imperialism by winning over the hearts and minds, see also Lazear 2000). In the 1990s the focus explicitly changed on teaching economists some modesty and manners, while implicitly the goal became importing the goods and the knowledge of the bourgeoisie at the *forum*.

3. Discovering the Dignity of Bourgeois Undertakings

The same lecture from 1996 already pointed forward to McCloskey’s work on the bourgeoisie: “I do not know the results of the research on bourgeois virtue (...) what I do already know is that there is such a thing as bourgeois virtue” (McCloskey 1996). It is a small consolation to those among us who write less easily than Deirdre that *Bourgeois Virtues* (2006) was ten years in the making. The same lecture, however, contained some interesting pointers for how we are to understand that project. She suggested that the ethics of constrained maximization, of the pure pursuit of gain and money was the ethics of the peasantry. Here, as more often in her writing, the peasantry functioned as a kind of lumpen-bourgeoisie, a bourgeoisie without any dignity; just like the lumpen-proletariat was the proletariat-without-dignity for Marx. It is a point to which we will return below.

The project was not only a good decade in the making, but during this period Deirdre was also encouraged to study everyday discourse from various angles. For instance, Don Lavoie would come to suggest that we should apply the tools of hermeneutics much more widely to study all the talk in the economy. In McCloskeyian language Lavoie suggested as early as 1990: “Whether understanding the meanings operative in everyday life is taken to be below them (and best left to undergraduates) or above them (and best left to angels), economists seem to agree that their scientific discourse of economics should dissociate itself from the everyday discourse of the economy” (Lavoie 1990, 170).

¹ The typescript of the lecture available at the Erasmus University Library does not have page numbers.

Beside Lavoie, Arjo Klamer studied the way that artists and later individuals and organizations understood their own actions – and their own values (Klamer 1996). And more critical encouragement came from her friends David Ruccio and Jack Amariglio who singled out her work on “*ersatz* economics” as an example of modernism in economics (Ruccio and Amariglio 2003). Note that “modernism” was a very dirty word among this motley crew of economists who sought to make economics postmodern. The result of these encouragements was not straightforward. Perhaps still too wedded to price theory of the new Chicago, McCloskey did not go after *homo oeconomicus* in its natural home, microeconomics. Instead she returned to her early work in economic history to suggest that Max U models could not explain the modern world. The incredible increase in material wealth and prosperity could not be explained as a result of constrained optimization. There must be something about the bourgeoisie itself.

The knowledge of the bourgeoisie she praised was not exclusively practical. In fact, the prudence-only ethic, which motivated the “if you’re so smart” quip had become her primary target. The bourgeoisie was different because of its ethic, which set it apart from both the aristocracy with its honor codes and search for prestige, and it was different from the Max U characters devoid of moral sensibilities. The knowledge of the bourgeoisie she praised was essentially moral knowledge, about what was right to pursue, and how to pursue it. A different perspective on knowledge than available in modernist economics was required. Stigler had been remarkably consistent in his statement that economic actors already knew everything they needed to know. After all, who could possibly be smarter than the famous lightning calculator which inhibited economic models? Nobody! Except if we started to think differently about what knowledge really was.

Trying to pin down what this moral knowledge was proved more difficult than first expected. In McCloskey’s integrative vision such difficulties and subtle differences are not emphasized. But in our reading, she has made at least two different types of arguments about what this moral knowledge could be. In the *Bourgeois Virtues* (2006) the moral knowledge was part of a longer Christian and scholastic tradition which had outlined the seven cardinal virtues. In line with the view of Frank Knight, McCloskey suggested that there was ethical knowledge beyond the instrumental knowledge of economics (Emmett 2008). The bourgeoisie was a carrier of this tradition and therefore historically important, but her main argument in this first book was about the compatibility between this moral tradition and capitalism.

That argument, however, cannot explain the modern world either. The bourgeoisie itself had not always been virtuous, and virtuous groups had existed before it, and others would come after it too. To make the historical argument about the modern world, a different type of analysis was required. *Bourgeois Dignity* (2010) thus suggested that a particular kind of conduct that the bourgeoisie took part in would become not only tolerated but also dignified in the changing climate of opinion. This dignity had far less to do with the compatibility between a pre-existing or external

moral framework and capitalism, but rather with the dignity of commerce, honest profit, and entrepreneurial discovery more generally. It was when these mundane, or even lowly activities became respectable that they were able to develop their full potential. A potential that had previously been stunted by the aristocratic ideal of noble idleness. Commerce, inventiveness, discovery, exploration, industry became dignified, or as Adam Smith wrote, praiseworthy. The esteem, the dignity of these activities was the one positive externality to beat them all, one that could explain the modern world.

By now any whiff of the Weber thesis had disappeared from McCloskey's work. Whereas *Bourgeois Virtues* still could be read as arguing that it was a set of virtues unique to the bourgeoisie that enabled capitalism, this notion was discarded in *Bourgeois Dignity*. In the third book, *Bourgeois Equality* (2016), McCloskey would trace the moral reevaluation that made the modern world possible. She fleshed out the humanistic theory of economic growth which she had mostly hinted at in *Bourgeois Dignity*. In her phrasing it was the "social habits of the lip" that were the crucial factor. The words did the trick, it was the language that had worked wonders. For how we value and what we esteem is primarily expressed in words. It is with words that we praise certain practices and condemn others, or just express our indifference.

Adam Smith hinted that behind the propensity to truck barter and exchange, there might be a more basic faculty, but "whether this propensity be one of those original principles in human nature, of which no further account can be given; or whether, as seems more probable, it be the necessary consequence of the faculties of *reason and speech*, it belongs not to our present subject to enquire" (1776, our emphasis). McCloskey sought to confirm Smith's hypothesis and demonstrate once and for all that beside our capacity to reason (as emphasized by David Hume), it was the faculty of speech that gave rise to the material wealth associated with the modern world. The faculty of speech enables the exchange of approval and disapproval, praise and blame, argument and justification, as much as it enables the exchange of goods, services, and ideas. Free exchange and freedom of speech were more intimately connected, and they became a motivating theme of her liberalism. But there was now also a warning: rhetoric could also undo what it had made possible.

Time to return to the epistemological break. In order to close this break, expert knowledge must be taken down from its pedestal, and everyday knowledge dignified. In the previous section we have seen how McCloskey tried to bring the elevated economic expert down to earth. Now we are also able to see how her books on the bourgeoisie elevated the status of everyday knowledge. The activities and concerns of everyday folk were raised in status by the bourgeoisie. This opened the possibility for a virtuous life to everyone, rather than some elite of the mind, or birth. For the first time in history the merchant could be seen as an honest fellow, rather than as a usurer. Dignity was no longer tied to membership of the guild. The small farmer was no longer a mere serf, but potentially an esteemed farmer and a respectable entrepreneur. This was the social revolution of liberalism which is often overlooked. We know that the

bourgeoisie destroyed the institution of the aristocracy, most importantly the privileges of birth, and the hierarchical governance structure. But it did not merely destroy an aristocratic ethic, it also brought in a new notion of dignity. An account of dignity in which virtue that was not restricted to warriors and saints (McCloskey 2016, 374). An account of virtue not restricted to the *vita contemplativa*. The bourgeois praised what Hannah Arendt called the *vita activa*: the activities of the honest businessman and entrepreneur. It was this type of equality, not merely by law, but in dignity, this levelling move, which closed the gap between the aristocracy and the proletariat. It opened the possibility for new groups to become burghers, although it would take until well into the twentieth century before such possibilities were truly extended to all groups in society.

And yet, something was missing. Liberalism in the nineteenth century was split down the middle between a conservative group which sought to protect the constitutions of the late eighteenth century, those of 1848, and those who sought to expand the polity further to the working class and women. Likewise, McCloskey appears unsure what to do with the developments after the rise of the bourgeoisie in the eighteenth century. Her praise for the bourgeois virtues, and later the bourgeois ethic, starkly contrasts with her criticism of the aristocracy, a well-known liberal trope, and with the disdain for “peasants” (a group she roughly equates with the proletarians). She criticizes the aristocrats who looked down upon the peasants: “one is to attend to the voice of the peasant not out of an egalitarian humility that one should ‘answer the witness of God in every man, whether they are the heathen ... or ... do profess Christ,’ but out of a downward-looking pity” (McCloskey 2006, 349).

But McCloskey could never rid herself of that same downward-looking pity.

The peasants she describes are an envious bunch: “The left will cite opinion polls showing (as though it were not obvious, though unethical) that people are envious, and would after all prefer taking from millionaires over raising all incomes (...) It was a mechanism of envy helping drag people down, down to \$3 a day” (McCloskey 2016, 633). The peasants are superstitious, and hopelessly Romantic: “Polanyi gives expression to the nineteenth-century Romantic story on which we all were raised in school and at the movies. When we get beyond what we actually know, we understandably revert to fairy tales, especially when the tales support what we believe to be politically true. It’s human nature, or social psychology, or ideology, or rhetoric” (*ibid.*, 546).

They are politically suspicious if not outright dangerous: “Trustworthiness is a business virtue, paralleled in some ideals of a peasant or working-class community by a loving solidarity. But solidarity can have socialist or fascist outcomes, also bad for business, and for the rest of life” (McCloskey 2006, 350). As greedy as Gordon Gekko: “Medieval peasants accumulated no less ‘greedily’ than do American corporate executives” (McCloskey 2010, 127). And as in any stereotype of the poor, intemperate: “Think of Monty-Python-esque peasants and bourgeois, and worse, sword-bearing gentry and aristocrats, stumbling around inebriated all day long. Eu-

ropean drinking and drunken brawling before the Great Enrichment makes Joe Six-Pack with his concealed-carry Glock .22 seem a model of temperance” (McCloskey 2016, 27).

Most of all the peasants are dependent. First on the aristocracy, to which they had to promise subservience in return for protection, now on the bourgeoisie for whom they had to work, in return for some share in the material riches.

We should caution to be fooled by McCloskey’s flowery language. Her primarily goal is to make a historical argument, not a condemnation of the workers in the Western world. But her dismissive attitude toward the lower classes blocks off an attempt to take seriously the motivations and knowledge of the workers and the poor, who outside the West still make up the large majority of people. If we ought to respect bourgeois knowledge, why not proletarian knowledge? And even if we were convinced that the workers are mistaken in their economic beliefs, should she not at least address them with more respect? They are, after all, the audience.

4. The New Aristocracy

What rhetoric made possible it can also undo. The reign of the bourgeoisie proved temporary. The bourgeois rhetoric which provided dignity to everyday activity was in the twentieth century overtaken – Weber was right – by rationalist discourse. The renewed rise of positivist language in the twentieth century was one sign, the demand for rational planning in politics and the economy another. Even the American pragmatists could not prevent the downgrading of practical knowledge. Positivism turned the central problem of philosophy into the question of how to demarcate everyday knowledge, from scientific, empirically verifiable, true knowledge. And the economist was elevated into the position of social engineer. The social-engineer economists were, typically, not quite brash enough to wish themselves into positions of power. Although some of the American progressives certainly dreamt of just that. Instead the economists imagined a benevolent authority which would follow their expert advice. That advice would be implemented from above, not by persuasion but by force.

The economist became a social engineer, a technocrat, or simply a policy expert. These characters represent different degrees of inequality in status, but the basic model was the same: the economist on top controlling and steering the citizen. Now that the old aristocracy of birth was removed it had to be replaced with a new aristocracy of the mind. Robert Lucas, the econometrician, saw this well and critically remarked that: “it appears that policy makers, if they wish to forecast the response of citizens, must take the latter into their confidence. This conclusion, if ill-suited to current econometric practice, seems to accord well with a preference for democratic decision making” (1983, 280).

There were some others who objected, they resisted the idea that society could be planned, or even that policy was primarily the domain of economic experts; who argued that economists were primarily students of society (Boettke 2012; Dekker 2016); who argued that economists stood in the same relation to the economy as art critics to the art itself (McCloskey 1994, 73). But they were increasingly sparse.

It is here that McCloskey's early work on rhetoric regains relevance. For we can now see why the positivist form of economic knowledge, which looked at the world from the elevated position, was not merely misguided but could be positively dangerous (McCloskey 1999, 64). Positivism in its modern form would suggest that economists do not need to engage in the exchange of ideas, do not need to persuade the public, or those in neighboring disciplines, because positivist economics possesses a unique connection to the truth. As it was presented in McCloskey's own price theory book: "a major achievement of Western thought, the jewel of the social sciences, a widely applicable tool for understanding society, a necessary condition for economic expertise" (McCloskey [1982] 1985a, 4). This body of true knowledge, only accessible to the experts, was autonomous, it need not learn from other people, it could rely on methodologies and data about the world. This supposedly supreme knowledge could be used to plan and steer the economy. A liberal economics, on the other hand, should be willing to engage, and to learn. It should allow for differences of opinion and be willing to engage with everyday understandings of the world. To teach, but also to learn, to persuade, and to be persuaded.

This type of engagement is also what Luc Boltanski, a critic of the epistemological break, suggested. Like McCloskey he recognized that everyday knowledge typically mixed up the factual and the evaluative. Boltanski's attempt to map these justifications and criticisms resulted in what he called orders of worth. They were different logics, different discourses, which people used to attribute value and worth to goods, services, actions, and the people around them.

If we, instead, believe that the researcher has access to a superior account of the world, we assign a unique worth to one type of account. And we must assume that the social scientist herself is ultimately immune to the hidden forces that make the world go around and motivate the discourse about it. Without an epistemological break, in an integrated conversation, the researcher's account of the world often must compete with the account of the actors they study. Researchers "are not exempt from the type of critiques with which they confront the actors ... the method is never rigorous enough, to eliminate completely the risk that the adversary in turn may unveil the report-writer's illusions and the way that these illusions are supported 'in fact' by hidden interests" (Boltanski [1990] 2012, 23).

Social scientists are after all, human, all too human. Boltanski consequently urges his fellow sociologists to give up their privileged position of critique: "the critical operations on which critical sociology claims a monopoly and the justifying operations [of] political philosophy constitute two ways of achieving the same competence to make judgements. But this competence is not the privilege of the philosopher or the

sociologist. It is constantly put to work by actors themselves” (*ibid.*, 2012, 27). Privilege should have no place in liberal science.

Boltanski and his frequent co-author Laurent Thévenot are interested in the critiques and justifications of everyday people because they believe them to have dignity. By studying seriously how people argue, and when they denounce, praise, and justify certain actions the social scientist can learn much. Boltanski and Thévenot have studied denunciations because they are reflexive moments in which actors are “forced” to explicate the reasoning behind their actions and justify them. Justification is where everyday virtue is constituted. Where certain actions are given dignity, and others are degraded.

The contention in Boltanski’s more recent *Love and Justice as Competence: Three Essays on the Sociology of Action* (2012) is that when “we take the arguments of ordinary persons seriously, we are led to minimize the gap – which positivism has expanded to an extreme – between the arguments persons make and the schemas that our discipline provides to account for their behavior” (*ibid.*, 100). If “[we] take their [the actors] arguments seriously, along with the proofs they offer; we do not attempt to diminish or disqualify them by contrasting them with a more powerful interpretation. We are attentive to the way in which the actors themselves construct reports that are coherent and aim for objectivity and generality” (*ibid.*, 30). The emphasis on objectivity and generality is important, because it highlights the extent to which Boltanski sees a continuity between everyday reasoning and scientific reasoning.

Boltanski is not a radical leveller, no George Stigler or Robert Lucas, seeking to reduce everyone to the same level. He realizes that arguments can be more and less persuasive, interpretations more and less compelling. Explanations more and less general, reasons more and less relevant. What he proposes is that social scientists give up the claim to an inherently superior position in public discourse. Differences will remain. Actors may primarily be knowledgeable about specifics and particulars, scientists primarily in the general and abstract. The researcher will study a wide variety of actions and justifications while attempting to construct a generalized account of justification and critique, a generalized account of worth.

But the elevation of bourgeois rhetoric and the bourgeois ethic makes it hard for McCloskey to take these clashes seriously. She tends to present them as a clash between right and wrong, between correct views and mistaken – or even immoral – views. There is no search for convergence of perspectives, or indeed conversation with the non-bourgeoise. The peasants are simply misguided: “a peasant’s view of exchange – always cheating, cheating, cheating, taking every advantage, however small. No mutual gain about it. A trade is viewed as zero-sum, the giant’s loss being Jack’s gain” (McCloskey 2016, 433). Where she sought to learn from the bourgeoisie, she sneers at the proletarians. McCloskey stresses that capitalism is good for the poor, it has increased incomes by orders of magnitude, a fact which partly due to her work is now gaining recognition in various popular science books (Pinker 2018; Rosling, Rosling Rönnlund, and Rosling 2018). Denials of that fact are denials of historical

evidence, but these denials are different from critiques of potentially adverse or unequal effects of these changes.

Clearly Luc Boltanski would think that we should take the everyday denunciations of unresponsive landlords, of exploitative employers, greedy CEOs, and big bailouts seriously. They might point to serious critiques. The spirit of McCloskey's liberalism agrees: "If ever there was a time to let people go, and to have a go, it is now, when they are so obviously ready for a liberal autonomy" (McCloskey 2019, 14). We suggest that besides letting people have a go, we should also take their experiences with different aspects of the market process seriously. What they praise and what they criticize. That is the duty of the liberal economist.

The closing of the epistemological gap implies liberal engagement. The economist must at least potentially be able to take their model of the reality designed in front of a blackboard in the eighth floor and bring it to street level (Ruccio and Amariglio 2003). There the goal of the liberal economist should not be, as Herbert Spencer had it, to force alien concepts on reluctant minds through varied iterations, but rather to seek convergence between their own perspective and the accounts of the men and women on the street. If these perspectives clash, the scientist must take the layperson's criticisms as they come. As Boltanski suggested: "The illusion I [the scientist] had to give up presupposed a space with two levels, that of the actor's beliefs and that of the underlying reality to which the sociologist alone could have access. Now that space is no longer mine, and I can no longer rely on the form of asymmetry on which it was based" (2012, 35).

Deirdre the Chicago economist need not worry. It does not mean that the rationality postulate is completely out of the window. But it is now imposed upon the researcher as a kind of moral requirement, the starting point of liberal inquiry, which assumes that people generally know well what is good for them: workers and entrepreneurs alike. And that in the face of deep uncertainty or ignorance they have an incentive to learn and do better next time around. That should result in a Chicago approach that does not look down upon the man in the street from modernist skyscrapers, but rather sides with the Chicagoan community organizer or local businessman who looks with some suspicion at the academic peddlers and lawmakers in New York and Washington, D. C., far away from the hustle and bustle of economic activity in the Windy City. A Chicago approach even willing to engage Joe from Kentucky with his Glock 22. As Boltanski puts it, the researcher needs to assume that actors are by and large capable of making some sense of their own situation and developing the capacity to navigate it: "The existence of such competence must be presupposed if we are to account for the empirically debatable capacity that actors utilize when they have to make judgments, develop justifications, or exit from a dispute by concluding with robust arguments" (*ibid.*, 33). This was in fact the bourgeois plea: let us have a go, trust us.

Don Lavoie has suggested, closely following Marshall's definition of the subject matter, that "economics begins, both historically as a systematic discipline and individually in the education of everyone who learns it, with the everyday world of

business.” Lavoie adds: “there is already a discourse taking place in the economy before the economists arrive to invent ‘scientific’ discourses about it” (1990, 168). The best the economist can hope to do is to add some understanding, to enrich our perspectives on the world of business. To elaborate on what people do, and how they talk. To help them make sense of what works and what does not work in the world. In that sense the *Bourgeois Trilogy*, is a humble pie. It demonstrates to economists that the bourgeois already knew, that they already understood what deserved praise, what was to be valued in the world. Perhaps there is equally much to learn from the workers – and from the poor.

The Ordinary Virtues by Michael Ignatieff is an example of what appreciation of the knowledge of ordinary people looks like. The book details what he learned on his travels to various sites of major conflict or trauma: Bosnia, Fukushima in Japan and South Africa. The book is rooted in the dialogues he had with people who had experienced these conflicts, and how they continued their lives after. The central virtue in the book is resilience, perhaps the ultimate peasant virtue. But something else is striking in Ignatieff’s findings, the importance of identities. He argues that from the ordinary perspective of virtue, moral life is a “continuous process of identity testing. We seek a path of action that will enable us to think well of ourselves and at the very least to ensure that others will not think too badly” (Ignatieff 2017, 208). Identity is a category mostly absent from economic theorizing, further evidence of the epistemological break that we have constructed. It makes us think differently of McCloskey’s work on the bourgeoisie, which is first and foremost an identity. What other important identities can we identify in economic life? And how can these help us to see the economy as it is experienced by workers, managers, unemployed, Dutch, Chinese, or retirees? They are questions which open before us, they turn the bourgeois trilogy to a new beginning.

5. Some Concluding Thoughts

Liberal economics is typically directly associated with a market-friendly approach to economics. Or worse, one where pro-market conclusions are baked in. We suggest that within the oeuvre of Deirdre McCloskey it is possible to identify the makings of a liberal economics – that is liberal in terms of generosity and openness. Liberal in its rhetorical strategies and liberal in its intended audience. That audience, we have argued, should be the citizens of the (liberal-democratic) polity. The rhetorical strategy should not be uni-directional, but instead aim at a free exchange between economists, other social scientists, and citizens themselves. Neither the preaching and teaching from the ivory tower, from the economist as expert, nor the passive resignation of the Stiglerian economist as scientist. In that exchange no one group should seek to place its perspective above that of others, but it should be aimed at the continuity of perspectives, between that of academic observers and economic actors.

To arrive at such an engagement, a change is necessary in the way that economists write and engage with the public. That shift will be perceived as a threat by many social scientists who prefer the elevated position and enjoy their privileged position of experts, conversing with policymakers (who often receive training in the same subjects). But that is the type of liberal discourse that John Stuart Mill imagined to be characteristic of a liberal society. Mill understood that this required taking everyday knowledge seriously: “with respect to his own feelings and circumstances, the most ordinary man or woman has means of knowledge immeasurably surpassing those that can be possessed by any one else” (Mill 1989, 76). Most importantly, Mill realized that knowledge was partial, as the aspiring social engineer or policy expert discovers time and again: “they are a part of the truth; sometimes a greater, sometimes a smaller part, but exaggerated, distorted, and disjoined from the truths by which they ought to be accompanied and limited” (*ibid.*, 47).

James Buchanan did much to emphasize that the decision-making power should always be with the citizenry. All the economist could lay out was different types of institutional arrangements which could then be judged on their desirability by citizens (Buchanan 1964). He urged his fellow economists to address citizens, rather than policymakers. After all, economics is what he called a ‘public science’ (Buchanan 2000). That is, it is part of the information required for good collective decision-making, for the art of governance. But the choices involved always involve values and moral dilemmas.

Yet, there was little in the way that Buchanan wrote – or in whom he addressed – that made it clear that this was really his major purpose. Neither did Buchanan do much to broaden the domain of what economists could study. The discursive aspects of the modern economy have remained notoriously understudied, despite the fact that they allegedly make up one quarter of GDP (McCloskey and Klamer 1995). McCloskey has pursued, after the rhetoric revolution, a style of writing in which the audience was broader, the language accessible and the tone engaging. To many that was merely form, but as the good rhetorician knows, form is often the message (Lanham 2006). Her trilogy demonstrated that bourgeois activities are not merely worthwhile, but worthy. Her writing demonstrated that the bourgeoisie were also a worthy audience. We can now complete that project by taking seriously the knowledge of all economic actors, not merely the knowledge of the bourgeoisie. And thus, make whole, what the epistemological break once broke.

References

- Boettke, P. J. 2012. *Living Economics: Yesterday, Today, and Tomorrow*. Oakland: The Independent Institute.
- Boltanski, L. (1990) 2012. *Love and Justice as Competences: Three Essays on the Sociology of Action*. Translated by C. Porter. Cambridge: Polity Press.

- Booth, W. C. 1988. *The Company We Keep: An Ethics of Fiction*. Berkeley: University of California Press.
- Buchanan, J. M. 1964. "What Should Economists Do?" *Southern Economic Journal* 30 (3): 213–22.
- Buchanan, J. M. 2000. "Economics as a Public Science." In *Economic Inquiry and Its Logic: Volume 12 of the Collected Works of James M. Buchanan*, 44–51. Indianapolis: Liberty Fund.
- Caplan, B. 2002. "Systematically Biased Beliefs about Economics: Robust Evidence of Judgemental Anomalies from the Survey of Americans and Economists on the Economy." *Economic Journal* 112 (479): 433–58.
- Dekker, E. 2016. *The Viennese Students of Civilization: The Meaning and Context of Austrian Economics Reconsidered*. Cambridge: Cambridge University Press.
- Emmett, R. B. 2008. "The Religion of a Skeptic: Frank H. Knight on Ethics, Spirituality, and Religion during His Iowa Years." *History of Political Economy* 40 (5): 315–37.
- Friedman, M. 1953. "The Methodology of Positive Economics." In *Essays in Positive Economics*, 3–46. Chicago: University of Chicago Press.
- Gopen, G. D. 2004. *Expectations: Teaching Writing from the Reader's Perspective*. New York: Longman.
- Ignatieff, M. 2017. *The Ordinary Virtues: Moral Order in a Divided World*. Cambridge: Harvard University Press.
- Klamer, A. 1996. "The Value of Culture." In *Value of Culture: On the Relationship Between Economics and Arts*, edited by A. Klamer, 13–28. Amsterdam: Amsterdam University Press.
- Klamer, A., D. N. McCloskey, and R. M. Solow (eds.). 1988. *The Consequences of Economic Rhetoric*. Cambridge: Cambridge University Press.
- Lanham, R. A. 2006. *The Economics of Attention: Style and Substance in the Age of Information*. Chicago: University of Chicago Press.
- Lavoie, D. 1990. "Hermeneutics, Subjectivity, and the Lester/Machlup Debate: Toward A More Anthropological Approach to Empirical Economics." In *Economics as Discourse: An Analysis of the Language of Economists*, edited by W. J. Samuels, 167–87. Boston: Kluwer Academic Publishers.
- Lazear, E. P. 2000. "Economic Imperialism." *Quarterly Journal of Economics* 115 (1): 99–146.
- Lester, R. A. 1946. "Shortcomings of Marginal Analysis for Wage-Employment Problems." *American Economic Review* 36 (1): 63–82.
- Lucas, R. E. 1983. "Econometric Policy Evaluation: A Critique." In *Theory, Policy, Institutions: Papers from the Carnegie-Rochester Conference Series on Public Policy*, edited by K. Brunner and A. Meltzer, 257–84. Dordrecht: Elsevier.
- Machlup, F. 1946. "Marginal Analysis and Empirical Research." *American Economic Review* 36 (4): 519–54.
- McCloskey, D. N. (1982) 1985a. *The Applied Theory of Price*. New York: Macmillan.
- McCloskey, D. N. 1983. "The Rhetoric of Economics." *Journal of Economic Literature* 21 (2): 481–517.

- McCloskey, D. N. 1985b. *The Rhetoric of Economics*. Madison: University of Wisconsin Press.
- McCloskey, D. N. 1990. *If You're So Smart: The Narrative of Economic Expertise*. Chicago: University of Chicago Press.
- McCloskey, D. N. 1994. *Knowledge and Persuasion in Economics*. Cambridge: Cambridge University Press.
- McCloskey, D. N. 1996. *The Vices of Economists: The Virtues of the Bourgeoisie*. Amsterdam: Amsterdam University Press.
- McCloskey, D. N. 1998. "The Good Old Coase Theorem and the Good Old Chicago School: A Comment on Zerbe and Medema." In *Coasean Economics Law and Economics and the New Institutional Economics*, edited by S. G. Medema, 239–48. Dordrecht: Springer.
- McCloskey, D. N. 1999. "Jack, David, and Judith Looking at Me Looking at Them." In *What Do Economists Know? New Economics of Knowledge*, edited by R. F. Garnett, 60–4. London: Routledge.
- McCloskey, D. N. 2006. *The Bourgeois Virtues: Ethics for an Age of Commerce*. Chicago: University of Chicago Press.
- McCloskey, D. N. 2010. *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. Chicago: University of Chicago Press.
- McCloskey, D. N. 2016. *Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World*. Chicago: University of Chicago Press.
- McCloskey, D. N. 2019. *Why Liberalism Works: How True Liberal Values Produce a Freer, More Equal, Prosperous World for All*. New Haven: Yale University Press.
- McCloskey, D. N. and A. Klammer. 1995. "One Quarter of GDP Is Persuasion." *American Economic Review: Papers and Proceedings* 85 (2): 191–5.
- Mill, J. S. 1989. *'On Liberty' and Other Writings. Cambridge Texts in the History of Political Thought*, edited by S. Collini. Cambridge: Cambridge University Press.
- Pinker, S. 2018. *Enlightenment Now: The Case for Reason, Science, Humanism, and Progress*. New York: Penguin.
- Rosling, H., A. Rosling Rönnlund, and O. Rosling. 2018. *Factfulness: Ten Reasons We're Wrong About the World—and Why Things Are Better Than You Think*. New York: Flatiron Books.
- Ruccio, D. F. and J. Amariglio. 2003. *Postmodern Moments in Modern Economics*. Princeton: Princeton University Press.
- Schelling, T. C. 1969. "Models of Segregation." *American Economic Review* 59 (2): 488–93.
- Stigler, G. J. and G. S. Becker. 1977. "De Gustibus Non Est Disputandum." *American Economic Review* 67 (2): 76–90.
- Wobker, I., P. Kenning, M. Lehmann-Waffenschmidt, and G. Gigerenzer. 2014. "What Do Consumers Know about the Economy? A Test of Minimal Economic Knowledge in Germany." *Journal für Verbraucherschutz und Lebensmittelsicherheit* 9: 231–42.