

A Series in Market & Cultural Studies: A Not-So Modest Proposal

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“When Did You Leave Economics?”

When Sandra Peart and I gave papers at the Cato book party for *Dismal* we talked about the 19th century dispute between the “dismal science” of economics and the “gay science” of poetry. In the question and answer period, we were told that in an important sense the very same conflict rages that we studied around us. In the real policy debates in which Cato is an active participant, disagreement is on two levels. Not only is there is dispute about the particular policy but also there is a disagreement how one goes about discussing policy. Do we build a model which abstracts from particular individuals involved to focus on the total consequences or the average incidence? Or do we pick particular individuals and tell their story?

For every policy debate, there is a “higher” order debate, a disagreement at the level of what, for lack of a better term, we call metapolicy. One side automatically abstracts; one side automatically particularizes. The question is what conclusion can we draw when the differing approaches to policy point in opposite directions?

In the 19th conflict about which we were talking at the Cato meeting, it isn't that “gay scientists” – Carlyle's poets – had a model with which to combat the economists' model of abstract economic man who remains the same as the world around changes. No, the poets told stories and wrote novels. I gave particular attention to Carlyle's “Negro question,” a story of an astounding lecture at Exeter Hall. In the work which Peart and I have been doing, we find Charles Kingsley's *Water-Babies* singularly interesting. In it Carlyle's gospel of

humanization through labor and hierarchy, taking into account developments in evolutionary biology, is retold in a form suitable for children. Unlike the “Negro Question,” Kingsley’s story has never been out of print since its first printing in 1862. In Kingsley’s telling those people who were allowed to DoAsYouLiked devolved into apes and were exterminated by their betters. And just this week, a slick new version of H. G. Wells’ *Time Machine* opened at the movies with its account of racial devolution and genocide as a policy option.

It is perhaps because *Dismal* had to deal with narration on a serious level that I was asked by Chris Shea in the interview for the *Chronicle* review “When did you leave economics?” any systematic study of these series of exchanges must attempt to bring model and narration into some common ground. In the 19th century debates over slavery, British narrators and modelers spent a good deal of effort arguing with one another so some of my work was already done for me. Modelers reviewed novels. Richard Whately’s response to Kingsley’s and Dickens’ attack on markets occurs in his review of *Uncle Tom’s Cabin* in which Harriet Beecher Stowe gives voice to the anti-market opinions through her character of a benevolent slave-owner!

Scholars in cultural studies, as students of literature and other forms of narration, assume that metapolicy takes the form of narration. Economists not surprisingly assume that metapolicy takes the form of model building and testing. Consequently, I believe that participants spend a good deal of effort but manage to talk past one another.

I would like to propose a series – *Market & Cultural Studies*– which would provide an

occasion for adherents of differing metapolicies – economic models and literary narration – to speak to each other and to the scholarly community as a whole. I would like to have Sandra Peart as co-editor. I think we'd bring an agreeable diversity, in more dimensions than I can easily count, to the project. If the series were co-edited then we'd have to agree. This would mean something to readers. When Steve Medema discussed a paper of ours in Atlanta he said that Sandy keeps me under control. I have been informed that this is correct.

When a debate occurs simultaneously at a policy and a metapolicy level, we may have well have too many unknowns to come to any useful conclusion. If, for example, we were to have a debate over the wisdom of minimum wage laws, one in which modelers largely took one side and narrators largely took another, we would have to know whether minimum wage laws were wise policy to reach a conclusion at a metapolicy level.

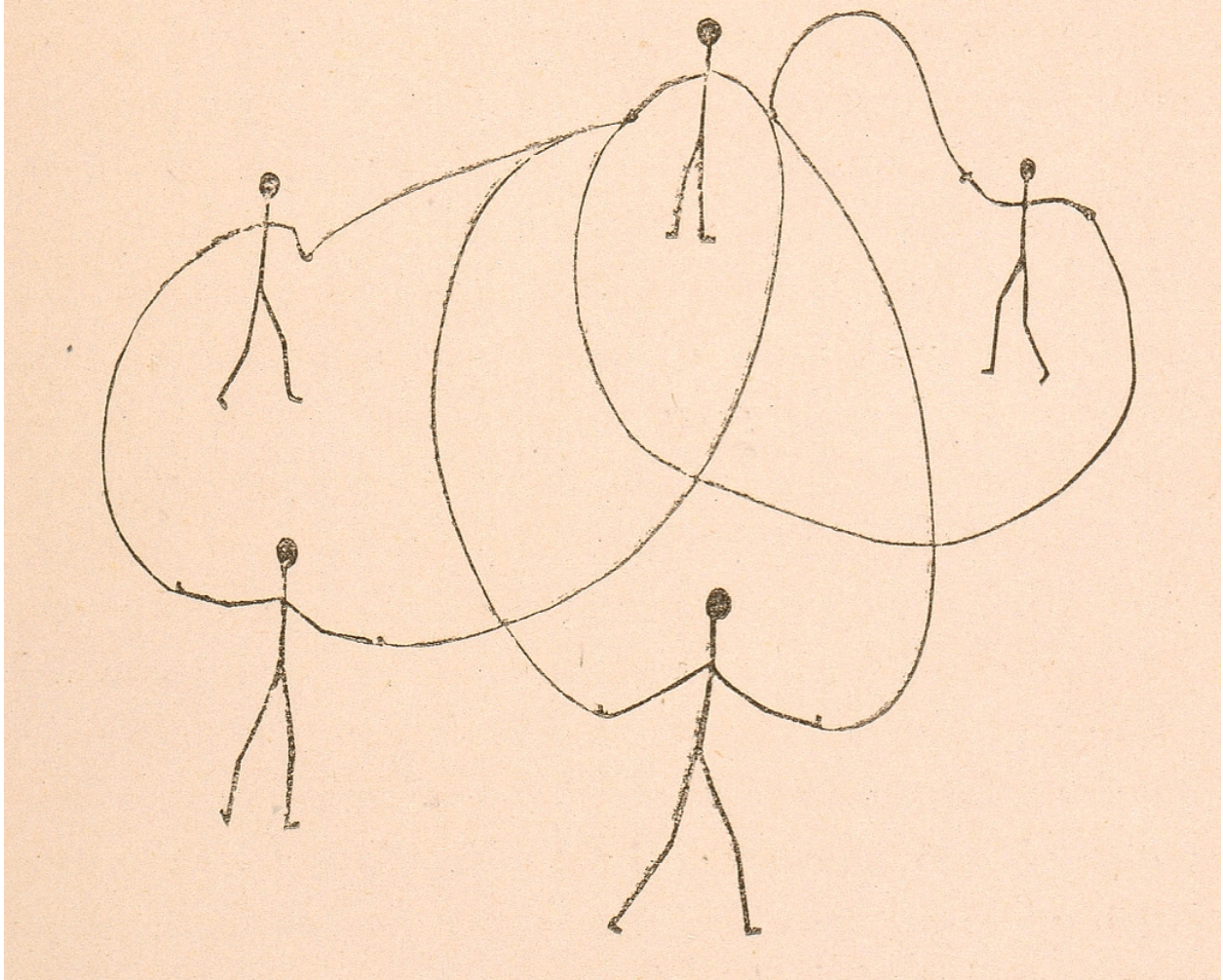
Perhaps it is a recognition of the simultaneity problem that suggests to philosophers that the metapolicy questions are prior to the policy questions. While this may explain only why I am not a philosopher, it seems to me that since the quarrel between philosophers and poets dates at least to Plato's *Republic*, a looked for agreement on metapolicy – via some yet as-yet-to be produced meta-metapolicy? – has unresolved difficulties with convergence.

On the contrary, I believe that the evidence provided by historical policy debates may be a more reliable guide than meta-metapolicy. In fact, it has been enormously helpful that the policy issues in *Dismal* – racial slavery and genocide – are for the people I am writing, dead issues. As a consequence, the fact that the poets came down on one side and the economists

came down on another in the Governor Eyre controversy gives us insight into the properties of competing metapolicy. Dead policy, live metapolicy. There is a t-shirt slogan in the making here.

Debates are conducted by images as well as words and the series will be consequently oriented toward images and their meaning. Clearly, that dramatic image on the cover of *Dismal* has had a lot to do with the attention it has received. Peart and I are giving two papers in April on the visual dimensions of the 19th century racial debates. We have much to learn about the power of such visual representation but there is much danger from ignoring this possibility merely because we do not understand it. If *Dismal* did nothing else it showed that workers in cultural studies have missed the anti-racial theorists of the 19th century with their prior judgment that economists – at least when they do economics – aren't worth the trouble of reading. If one does not take the economists seriously, it is easy enough to believe that everyone in the period was a racist. Similarly, if one ignores *Punch's* images of the simianized Fenian, one may miss how self-government is supposed to induce racial devolution. But on the other hand if economists had a first-hand knowledge of the racial debates in the 18th and 19th centuries, we would not have been so willing to believe that the “dismal science” had something to do with Malthus's population theory. And if economists knew these 19th century debates, perhaps we would be better prepared to take narration seriously and not simply dismiss “anecdotal evidence.”

An Example of a Book in the Series



Although we might not want to identify the series until there are a few books with which to point, perhaps the first book in the series would be the Peart-Levy *Hierarchy, Race and Markets: Debating Abstract Economic Man in Model, Image & Narration*. In line with editorial policy to encourage the discussion of visual images, there will be an image on the

cover of this book, one of exchange drawn by Fleeming Jenkin in the 19th century to confront the doctrine best expounded by John Ruskin that trade is a zero sum affair. This seems to be a central tenant of a certain type of paternalism: the denial of mutually-beneficial trade, for every gain there is a loss. The role of the paternalist in this formulation is to protect the victim from the victimizer.

Problems in historical context are the unit of analysis in my world. It is often useful to see the problem in different historical contexts. Elsewhere we have shown how the 19th attack on market exchange shares structure with justifications of the acts of 9-11. <http://www.econlib.org/library/Columns/LevyPeartdismal5.html>

Add to paternalism the doctrine that there are systematic winners; that is to say, winners form a predictable class. Call these systematic winners “parasites.” 19th century instances of parasites include the following: harpy Jew – a term in Carlyle’s most famous *Past & Present* – the vampire Jew, the Irish cannibal, the Jamaica cannibal, the evangelical canter, the economist canter. [“Cant” is a contemporary term for fraud with a veneer of religion.] All of these take without giving. The occupation of all of them is utility-sucking.

Thus, parasitism follows from i) the denial of mutually beneficially trade and ii) the supposition that the winners from non-mutually beneficially trade form a class. Parasitism is thus just one axiom away from mainstream economics. But parasitism is not an important inhabitant of economic models. The parasitic allegations we point to are found in various narrative accounts. This suggests a weakness of narration: there are few constraints against

the prejudices of the narrator.

In another chapter, we demonstrate when modelers have preferences over the outcomes of their models – the truth-seeking assumption fails – then anecdotal evidence – what we view as the atom of narration – when properly aggregated may be able to offer useful guidance. We thus find a useful place for both model and narration, something which readers have missed in *Dismal*. With the focus of that book on the two acts of the Carlyle-Mill controversy, I may have failed to emphasize the role of *Uncle Tom's Cabin*, a novel which drew upon a model (Martineau's harem economics) and was reviewed and judged by two of the premier British economic modelers (Senior and Whately). Stowe took Martineau's abstraction – sexual usage of slaves is profitable and therefore observed – and told a story about a young mother who if recaptured would be sold for sexual purposes. Senior sketched the demographic evidence of “slave-breeding” states.

A Wish List of Projects

In the spirit of “if you don't ask for something, you are sure not to get it” I offer a list of projects which I think would neatly fit into the series. Some of the ones I list I might be interested in writing or editing which explains why they occur to me. Others have been suggested by colleagues. The only order to the list is that I begin with what Speart and I are currently working on and end with a problem given us by Deirdre McCloskey which might be the most important and difficult of the group.

Models or Narratives in Policy. The question is does one approach policy debates

with models or with narratives. In my guise as entrepreneur of a Summer Institute in the History of Economics, I shall be attempting to attract papers on models and “stories” in economics. My impression is that critical studies attacks on the “law and economics” approach to law is an attack on the unrealism of models in favor of the realism of stories.

Tyler Cowen has a new paper circulating on novels. He’s agreed to give the paper at the Summer Institute. We’re thinking about a mini-conference on the topic.

Identity: Culture, Race & Gender. The quickest and most effective method for convincing the discipline that the series is not simply “What amuses Levy” is to have something on the issue of identity. Such a series – whether it be one volume or three – is something Peart would manage.

The question we’ve run into – why do you consider the Irish a “race”? – is part of an enormously general issue. Who gets to decide who is “inside” and who is “outside” a particular group? Who controls the borders? Deirdre Mc’s involvement would be enormously valuable. She can mix models and narration, inside and outside in a way which is literally unique.

Choosing Language. It is straightforward for economists to explain choices within a larger context of culture and political institutions. Does it make sense to talk about the choice of culture itself? This large problem maybe be intractable; perhaps, we might focus on a smaller problem. People are choosing to bring up their children in world languages instead of their native language. The term “language death” has been coined to describe the

consequences of this choice.

What can we learn about choice of culture by studying the experience of native American languages? What can we learn by the looking at the movement to preserve French in Canada? When Mill defended reforms, he made explicit that those with legal interests in the status quo need compensation. He cites the act of emancipation as paradigm. How do we compensate for loss of culture or loss of language?

What about the Gaelic revival and Irish drama in the early 20th century?

Locating Economics Past. Not the least surprising consequences of *Dismal* was the nice note I've received from Noam Chomsky. My correspondence with Chomsky came about because I discovered that he has recently written an article coherently describing Adam Smith as a "left libertarian." In a chapter in the *Blackwell Companion to the History of Economic Thought*, Peart and I make the point that naively viewing the winning side in past debates from the present makes the past conservative. If, for instance, everyone in America believes in the "separation of church and state" then they believe in the free market in religion. That being so, then Adam Smith's defense of a free market in religion – with Smithian nuances and qualifications – is totally uncontroversial and thus, ah, "conservative"? No, Smith's position was terribly radically in his time; it just happens to have been the winner in an American context.

Here is a simple question. Has the economics profession moved right or left since Adam Smith or John Stuart Mill? There seems to be a whole industry on making Smith to

be “left.” But left of what? Surely J. S. Mill is left of Smith in many dimensions so what does that make Mill’s economics? We have promised to give a paper on one topic in which Smith seems to be left of Mill and (even more interestingly) left of modern econometric practice. Smith uses of the well-being of the majority well-being as norm and pays little attention to the well-being of the rich and politically connected. Modern economists use average well-being as norm and give great weight to the sensitivities of the rich. How did we get from there to here? This is, in no simple sense, a move “left.”

Abstract Art. Peart and I find that attacks on abstraction – narration against models – is a central theme in the issues we study. Consider the Ruskin theme – art is supposed to be a transformational experience. Whereas manufacturing can transformation us down – it makes the English into Irish! – art can transform one up. Is therefore “abstract” art an attack on the transformational doctrine?

This would be mainly a Peart directed exercise since I know so little about art. Nonetheless, even I notice that what the connoisseurs of the Nazi era considered “degenerate art” was overwhelming abstract and Robert Motherwell’s polemics against “socialist realism” accompanied the paintings of the New York school of abstraction impressionists.

Varieties of Libertarianism: Right, Left and Infinite. My reading of the debates over the last decades tells me that the great issue of the next while will be over the permanence of hierarchy. Let us define libertarianism as a denial of the norm of permanent hierarchy. If we look at the Jenkin image we see no hierarchy. Markets bust hierarchy. Thus, it is perfectly

reasonable that advocates of market exchange are attracted to a “right” libertarianism. But there is a “left” libertarianism of the Chomsky sort which emphasizes the role of discussion, without a hierarchy from which to impose conclusions, in politics. Indeed, the greatest libertarian classics – John Milton’s *Aeropagetica* and Mill’s *On Liberty* – concern speech not markets. What happens when discussion goes in one direction and exchange in another?

One reason for defenders of free markets, F. A. Hayek in particular, have had to dislike “libertarian” is that it seems to be a made-up word. Actually, “libertarian” is an old word with the meaning of someone who believes in free will. I do not propose to sponsor debates on predestination. Nonetheless, there is an “infinite” variety of libertarianism which we observe in Mill’s response to Carlyle’s claim that the gods command obedience and hierarchy. Mill said if so then we are under obligation to resist these gods. Kant said much the same thing about God’s command to Abraham to sacrifice Isaac. One does not normally associate Mill and Kant on the same side of an issue, but here we observe how they deny the infinite variety of hierarchy. Mill’s opinion is very well known, but it is not commonly realized that it dates from the exchange on “The Negro Question.” Perhaps one thing that all libertarians can agree upon is that Carlyle is wrong. Perhaps there is more than that.

Utilitarianism and Christianity. The first Christian organization to make peace with neo-Malthusian was the Anglican Communion at the 1930 Lambeth Conference. One reads that the pro-contraceptive voices came out of the evangelical wing of the Church of England. It was the evangelicals, both inside of the Church of England, as well as those in dissent, who

elected Mill to represent them in the Jamaica Committee in the Eyre controversy in the mid-late 1860s. Did Mill persuade his Christian allies to become utilitarians and thus accept the infinitary variety of libertarianism?

British Racism and the Holocaust. When Sam Hollander saw some of the racist images from mid-century Britain, he asked what sort of images were being drawn in Germany at the time. I had to say that I had no idea. I do know that modern students of the Hitler era agree upon the importance of H. S. Chamberlain. Chamberlain's debt to Carlyle is transparent. Peart and I have promised a paper on how the "anti-cant" movement became "anti-Semitic."

In Britain hierarchical racism had to confront utilitarian economists and evangelical Christians – the dismal science and Exeter Hall. But who opposed hierarchical racism in Germany? We know from evolutionary biology the consequence of introducing predators in a new environment. Does the same hold in the space of ideas?

A Victorian Jihad? Wendy Motooka has recently suggested that the Victorian cultural criticism of markets are profitably viewed as a *jihad* in Christian context. Thus the "parasitism" common to the Victorian Sages and the defenders of 9-11 to which we point above is only one aspect of a deeper resemblance.

Documenting the Eyre Controversy. One of the more revealing comments, Peart and I received at the Middlebury Conference came from an economist, quite knowledgeable about reggae music, who asked us about the Eyre Controversy: "Is that the context of the Paul

Bogle reference in the Bob Marley song?” Indeed it is. And with the help of a student from the islands, the Liberty Fund web site has a link to the lyrics from “So Much Things to Say.” Island activists, and the popular culture preserve, scholars outside the post-colonial speciality seem to have had little occasion to encounter the Eyre Controversy first hand.

There are several aspects of this larger enterprise. Carlyle’s *Shooting Niagara: And After?* is perhaps the most important text from the prevailing side. (I am currently in discussion with the Library of Congress’s Rare Book Room specialists in an attempt to obtain a transparency of Walt Whitman’s fascinating blue-pencil markings on a newspaper reprint. Whitman picks up something which simply floored me when I studied his annotation.) Carlyle’s characterization of the members of the Jamaica Committee as “nigger philanthropists” finds an echo in the *DNB*’s article on Eyre. Peart and I have found that *Shooting Niagara* has had influence in rather surprising contexts. Perhaps an edition which focus on its influence would find an audience.

We have found two wonderful sources for the British debates on Eyre. From the side of the brutalized Jamaicans there is, first and foremost, the *Anti-Slavery Reporter*. For the defense of Eyre’s action in words and images there is *Punch*. One does not have to read very far to see that these two periodicals viewed each other as the center of the opposition. A chronological reprinting of these two organs would help non-specialists locate the debate. The reprints would require editorial apparatus as for instance when *Punch* has a cartoon entitled “Telescopic philanthropy” one should really remind the reader that is the chapter

in *Bleak House* in which Mrs. Jellaby makes her appearance.

Bernard Semmel's *Governor Eyre Controversy* ought to be kept in print. Although it is bereft of documentation, it is an entirely wonderful summary of the debate from a London-centric view of the world. Late scholars, offer additional understanding by looking at the issues from another vantage, e.g., Thomas Holt takes a Jamaican-centric point of view and deepens Semmel's research in importance directions. Since the *Anti-Slavery Reporter* assiduously reprints articles on all sides from all over, it serves as a "clearing house" of the controversy. Peart and I have been able to replicate, by use of the *Anti-Slavery Reporter*, Holt's finding that Eyre's actions were influenced by a Carlylean view of work and reward.

Missionary Culture and Public Choice. Recently when I was watching the reggae movie *The Harder They Come* on DVD with the director's commentary running, I discovered that public choice insight – the government serves its own interest – is an item of faith in exoteric Rastafarianism. Interestingly enough, the *OED* which refers to the esoteric claim – "The cult of Rastafarianism, involving the deification of Haile Selassie, the promise of Ethiopia as their spiritual home, and above all, the rejection of *white* society" – doesn't know about the uncontroversial one.

One question is whether evangelical missionaries involved in the Eyre controversy had taken proto-public choice insight with them. It was pointed out to us when we were writing the column on Eyre that the evangelicals sounded like economists and the economists sounded like moralists. Perhaps the evangelicals-economists were in coalition so long that

like old married couples they could speak in their partner's voice when the need arose.

Although the topic of this exercise might seem far afield from a vote at the Lambeth Conference of 1930 on contraception, it too asks about the link between economics and religion. It may not be possible to be in political coalition with those of differing beliefs without some of their ideas influencing yours.

Economics and Language. The picture from Jenkin which Peart and I plan to use on the cover of our book is of a circular order. There is no one in charge. Ariel Rubinstein has pointed out recently how common "linear" orders are in language Unlike a circular order in a linear order it is always possible to tell who or what is higher up. Does this insight help explain the hostility of the articulate culture to markets and circular orders?

Economists will need perhaps to be dragged kicking and screaming into a confrontation with language. A decade ago I worked out the details of Adam Smith's claim that without language, we don't get trade. Peart and I are currently working variations on this theme. Perhaps a reprint of my *Economic ideas of ordinary people: from preferences to trade* might be order? I would preface a reprint with an explanation of why it was so hard for readers to get what I thought a very simple point. When economists came back from the former Soviet Union confessing that they did not understand violence, then indeed the point was not simple. Property / reciprocity stand at the same axiomatic level as preferences. We need to block violent taking to generate peaceful trade. Preferences *per se* does not do this.

Is the Holocaust a Fire Wall? After we talked about eugenics at the Middlebury

Conference, Deirdre McCloskey asked the most wonderful question: “does 1945 provide a fire wall” to keep such evil away? While the memory of the horror lasts there is no problem. T. S. Eliot’s revealing remark that Hitler ruined anti-Semitism for two generations is much to the point. She didn’t know but conjectured that the temptation to play god with other human beings was too strong.

It is all-too-easy for those who would remake humans to acknowledge that “mistakes were made” because the “problem” with previous remaking schemes was the infelicities of the authors of the proposals. What is it that keeps the evil away? Models or stories? Which are easier to hold in mind? Even this modeler suspects that stories are easier to remember.