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The authors conclude the discussion with "Is the Beer and Circus story accurate? We will leave that to you to decide" (p. 317). As presented, it is so ridiculous as a general story that it doesn't bear mention.

References

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The Dismal Science: How Thinking Like an Economist Undermines Community. By Stephan A. Marglin. Cambridge and London: Harvard University Press, 2008. Pp. xvi, 359. $35.00. ISBN 978–0–674–02654–4.

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Hostility to commerce dates to the very beginnings of market exchange. Aristotle, to pick an early example, condemned commerce as debased and immoral, fit only for inferiors, such as foreigners or slaves. Students of commerce, economists for short, have also been attacked. "Anti-economics" has a long history, too; indeed, criticism of economics and criticism of commerce have tended to go together. Stephen Marglin carries on both traditions—*The Dismal Science: How Thinking Like an Economist Undermines Community* discredits the market and economics alike. *The Dismal Science* belongs also to a third tradition, that of bending the history of economics to the purposes of heterodoxy.

Marglin has read widely and thought long; his indictment of economics traverses four centuries. The principal charge is this: (1) markets undermine community; (2) economics promotes markets; ergo, (3) economics justifies the undermining of community. The minor premise says that economics has an ideological agenda to promote the market. There is, says Marglin, an established "church of economics" (p. 5), one whose creed, shared by congregants Left and Right, is "markets are good for people" (p. 3). Thus, economics does not merely describe the world, nor merely evaluate it; it seeks to fashion the world in the image of the market.

The anticommunity charge is but part of a much longer indictment. In fact, *The Dismal Science* treats the market-destroys-community argument as a scaffolding on which to hang a learned, if sometimes motley, collection of criticisms aimed at economics. Economics, says *The Dismal Science,* is too formal in method, too narrow in orientation, too beholden to individualism, too scientistic, and too indifferent to pressing social questions, such as poverty and inequality. Worst of all, economics is too unrealistic about the true wellsprings of human action; its centerpiece "is the rational, calculating, self-interested individual with unlimited wants for whom society is the nation-state" (p. 36).

Marglin's book does not merely argue for the inadequacies of economics, it also offers an historical explanation for them. Economics' many failings, says *The Dismal Science*, are the product of its Enlightenment origins. Since the time of Adam Smith or thereabouts, economics has been in the thrall of what Marglin calls modernity. Economics' flawed foundations—individualism, self-interest, maximizing behavior, and unlimited wants—are not only false and destructive, they were installed at the founding of systematic political economy.

Marglin recognizes the good done by markets and liberal thought more generally. But *The Dismal Science* does not pretend to be a balanced appraisal. It avowedly makes a case for the dark side of the market and for the claim that economics, unique among the many disciplines that have studied exchange, drank too deeply at the well of Enlightenment ideas, making it blind to community.

The first three chapters make the argument that markets weaken community. It seems likely that the impersonal exchange of markets and the personal arrangements of mutual assistance are, at least in some measure, substitutes. If farmers buy fire insurance, there will be fewer community barn raisings. The Amish, who, in rejecting the market, rely upon their neighbors, have a stronger form of mutual dependence than do ordinary farmers who rely upon insurance companies and building contractors. If such forms of mutual dependence are good, then markets come at a price.

But this is only the beginning of an analysis. For community comes at a price, too. Even benign

communities tend to oppose the virtues of tolerance, openness, and diversity. Marglin recognizes that some communities, such as those erected upon plantation slavery, can be brutal and oppressive.[1] The ties that bind are sometimes shackles.

Yet elsewhere, thinking again of the Amish, Marglin asserts that "other regarding behavior is a moral obligation" (97), which forgets that other regarding behavior need not be altruistic. History's many repressive communities demonstrate how often other-regarding behavior can be malevolent. To the extent that markets weaken such communities, this should count in markets' favor.

On the other hand, Marglin is right that some intellectual traditions are long-standing in political economy, and individualism is one of them. It is also true that differences between foundational assumptions—individualist versus communitarian—are fundamental, perhaps even insuperable.

Individualism opposes Marglin's conception of community as something greater than actual members of it. The individualist says: if communities are good, then people will form them, join them, or leave them as they see fit. Where's the problem? Marglin's communitarian reply is that community (unlike mere association, such as the bowling league) cannot be chosen; it is given. Individuals are born into communities as children are born into families.

The individualist says that there is nothing that is good for the community that is not good for at least some members of it. The communitarian disagrees fundamentally, which is how Marglin can argue that, even if markets make every single person in a community better off, this can be bad. "Bad for whom"?, the individualist wonders.

So the individualist economist is not blind to community. She likely lives her life inside several of them. Rather, the individualist economist endorses a different view of community's ethical standing, one that says that communities are good only insofar as they benefit people.

A further point: it is ahistorical to make Adam Smith the father of individualism. Smith was no individualist. He devoted an entire book, *The Theory of Moral Sentiments*, to explaining how society transforms individuals into moral beings. Smith did not understand them as preferences, but the moral sentiments are profoundly endogenous.

Smith also knew that markets came at a cost. The great engine of economic growth—the division of labor—makes us wealthier and possibly freer as well, but it has a price, the dulling, narrowing effects of specialization.

This pattern is typical of the book. It engages critically with foundational ideas, and some of its criticisms of contemporary economics are well placed. But the sheer scope and heterogeneity of *The Dismal Science*'s criticisms creates two difficulties: one, a tendency to contradict itself and, two, an ahistorical tendency to regard economics as a monolith, fundamentally unchanged since its installation during the Enlightenment.

An interesting epistemological argument, for example, says that Max U misses something as a theory of human action. In particular, it misses "experiential knowledge," or know-how. Constrained optimization depends solely upon propositional knowledge, or know-that. I know that my preferences are these, prices and income are these, and so on. There's no room for know-how; how to ride a bike or how to bank a billiards shot. In using Max U, then, economics fails to recognize experiential knowledge, which, not coincidentally, often resides in communities.

At the same time, however, Marglin embraces Friedrich A. Hayek's (1945) idea that markets are superior aggregators and mobilizers of know-how. Hayek's point was that know-how cannot be reduced to propositions and, thus, remains inaccessible to central planners. As a partisan of know-how, Marglin makes a case against economics but simultaneously for markets, undermining his central conceit that economics everywhere aids and abets the market.

Historians of economics will react to *The Dismal Science* by observing that the target of its many criticisms does not exist. There is no stable set of inquirers called economists that is four hundred years old, still less is there a stable set of foundational intellectual commitments called economics (p. 95). As Jürg Neihans (1990) reminds us, Richard Cantillon was a banker. David Hume was a philosopher who made his living as an essayist and librarian. Francois Quesnay was a

[1] To his credit, Marglin also recognizes that Thomas Carlyle, the man who coined the epithet "Dismal Science" as a racist double entendre, endorsed plantation slavery on grounds that it was a system morally superior to the "wage slavery" of factory work. (See Levy 2001.)

court physician. When Robert Malthus became famous, he was a parson. David Ricardo brokered stocks before joining Parliament. Karl Marx was a journalist. John Stuart Mill worked for the East India Company.

Only in the late nineteenth century did political economy professionalize. What is more, the founders of American economics as a professional, academic discipline—the first economists, if you like—rejected outright many of the ideas and values *The Dismal Science* ascribes to economics. The men who founded the American Economic Association were progressives who fundamentally opposed individualism, knew little of constrained optimization, and made no brief for rationality. They were known as the "ethical economists" because they rejected self-interest as the motive for human action. As evangelical Protestants, they advocated intervening in markets as part of their project of bringing the Kingdom of Heaven to Earth, that is, as part of founding a Christian community.

Economists will react to *The Dismal Science* by wondering, if perhaps some of the many arrows fired at economics hit their target, what we should conclude about markets? Is it not possible that markets, like all human creations, are imperfect and fallible, but, on average and all things considered, better for human welfare than all known alternatives for organizing economic life? This is, of course, a contingent question, but it's the one this book might better have asked.

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EconoPower: How a New Generation of Economists Is Transforming the World. By Mark Skousen. Hoboken: Wiley, 2008. Pp. xiv, 274. $24.95. ISBN 978–0–470–13807–6.

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Mark Skousen's new book, *Econopower,* enters an increasingly crowded field of "popular economics" books. For the most part, the predecessor books are somewhat narrowly focused—either on the research of an individual (i.e., *Freakonomics, Predictably Irrational*) or on a particular set of policy recommendations (i.e., *Nudge*). In contrast, *Econopower* aims to be a somewhat more complete tour through where economic research has been going, and the increased involvement of economists in policy and "real world" applications. This broader focus is exciting in principle; in practice the resulting book feels somewhat unfocused—a hodgepodge of investing advice, discussion of *Freakonomics*-like research, attempts to understand important questions in economic growth, and a liberal sprinkling of libertarian proselytizing. The lack of focus is frustrating, largely because some parts of the book are much better than others, and one wishes the better parts were longer and more complete, ideally at the expense of the worse.

The book begins with an introduction that lays out Mr. Skousen's basic point: economists have become more important, have colonized many other social sciences, and are increasingly interested in real-world problems. There is certainly some truth to this, although I disagree with Mr. Skousen's feeling that " . . . only a minority of economists are attracted to applied economics" (p. 5), which, based on a look around top departments and students on the job market, does not appear to be the case. In this section, Mr. Skousen discusses the seven "Power Tools" of economics, which include "accountability," "economizing and cost–benefit analysis," and so on. It is here that the political angle of the book begins to evidence, with an emphasis on the importance of the market in addressing economics problems and a plea for lack of government intervention where it is not needed.

It is here, also, that it becomes clear that this book is not intended for an academic audience. For example, although savings and investment are certainly important objects in a lot of work in economics, most economists probably would not describe the importance of savings as a central "tool" in their work. Of course, Mr. Skousen is not writing for an academic audience; this is a popular book, intended for an educated lay