



Introduction: Ideas matter—the relevance of Deirdre McCloskey's *Bourgeois Society*

Many scholars across the social sciences attempt to explain the causes of the Industrial Revolution and subsequent economic growth. Such explanations rely mainly on a particular scholar's field of expertise. Rarely do we find a story explaining the economic successes of the modern world incorporating history, literature, economics, sociology, and philosophy. But Deirdre McCloskey, Distinguished Professor of Economics, History, English, and Communication at the University of Illinois at Chicago does just that in her latest book, *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. She argues that an ideological shift—specifically an increase in social status for entrepreneurs—resulted in the dramatic increase in wealth. She presents a devastating critique of competing material explanations (for example, savings, exploitation or investment). Instead, it was a change in the way people talked about entrepreneurship giving social praise to innovation, trade, and business owners that channeled entrepreneurship into wealth creating activities.

The special issue that follows emerged from the 2011 meeting of the Association of Private Enterprise Education where a group of interdisciplinary scholars presented papers extending, criticizing and reinterpreting *Bourgeois Dignity* to modern issues. The uniqueness of this collection of papers is that each provides an interpretation through a different social science lens—ranging from economic, sociological, philosophical, and historical. The eight essays range from broad applications of institutional theory, moral psychology, and connections to intellectual history to more focused applications ranging from entrepreneurial alertness, family transformation, and the abolition of slavery. In addition, the issue concludes with McCloskey's comments on each of the papers and on her work in general.

Peter Boettke presents a compelling argument that McCloskey is essentially presenting “A Behavioral Approach to the Political and Economic Inquiry into the Nature and Causes of the Wealth of Nations.” He contends that McCloskey is right that *modern* economics can't explain the modern world. Relying solely on incentive based arguments will not complete the picture. McCloskey's arguments are an articulation of classical liberal thinkers ranging from Smith to Hayek to Friedman. Ideas have consequences and the power of ideas should be reasserted in modern economic analysis.

Adam Martin provides an Austrian economic perspective in his essay “Discovering Rhetoric: The Ecology of Enterprise in the Bourgeois Era.” He argues that McCloskey's story deploys Kirzner's theory of entrepreneurial discovery as a critical component. The essay examines whether Kirzner's theory can bear the analysis placed on it. He concludes that not only is Kirzner's entrepreneur

an appropriate fit, but that McCloskey's argument can be strengthened by incorporating other elements, including entrepreneurial alertness.

The second economic interpretation, “Dignity and Development,” by Claudia Williamson, relates McCloskey's insights to the “Institutions Rule” body of work. Williamson incorporates ‘dignity and liberty’ into the institutional framework. First, the essay provides a general framework of competing theories in development. Next, she argues that McCloskey's view offers a precise mechanism to explain how institutions matter to support economic growth. In addition, the change in rhetoric provides a specific example of feedback mechanisms that exist supporting institutional change.

Joshua McCabe also links McCloskey's work to institutions from sociological perspective. In his paper, “What Can Sociology Teach Us About the Ideational Origins of Modernity?” he examines several theories from sociology and political science in order to show that ideas play a central role in shaping institutions. His hope is to rehabilitate the view of institutions so that it moves beyond the prescribed role of “merely” providing constraints on actors. He also examines the role of ideas in influencing factors within the market.

Kevin Vallier presents a philosophical perspective in “Morality and Aspiration in *Bourgeois Dignity*.” He argues that McCloskey's positive thesis can be clarified via some new work in moral psychology. The clarification shows how McCloskey can link her work to a wide range of models of social and cultural evolution making her thesis more plausible. His primary aim is to provide McCloskey with further conceptual and empirical resources to defend her view.

Presenting also a moral philosophical connection, Ross Emmett in “Of Talk, Economics, Love, and Innovation,” illustrates the centrality of talk in modern political economy. He traces some of the intellectual history that fails to incorporate talk into economic analysis and compares McCloskey's insights to modern economic analysis.

Providing a unique historical application of McCloskey's work, Nona Martin and Virgil Henry Storr highlight the power of rhetoric as a major contribution to social change. In “Talk Changes Things: The Historical Implications of *The Bourgeois Dignity*,” they provide historical case studies to illustrate how rhetoric can translate into social and economic consequences. Specifically, they detail the significant influence from how individuals talked to each other regarding the abolition of slavery in the U.S. North and South.

Steven Horwitz also provides a specific application of McCloskey's work by illustrating the role of the Industrial Revolution in transforming the institution of the family. His paper “How Capitalism and the Bourgeois Virtues Transformed and Humanized

the Family,” traces how capitalism humanized the family by creating the space allowing individuals to choose familial relations based on Love instead of Prudence.

One of McCloskey's underlying themes throughout her works, including the final essay of this issue “A Liberal and Rhetorical Reply” is, simply put, ideas matter. It is the hope that the ideas presented in this collection of essays result in fruitful conversations further advancing our understanding of wealth creation.

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