

Liberal Ideas and the Great Enrichment

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- Deirdre McCloskey's argument in favor of what she calls humanomics emphasizes the role of novel ideas about liberty and dignity for ordinary people as the driving force behind what she terms "The Great Enrichment." This period of unprecedented economic growth, beginning in the 18th century and continuing into the present, was not primarily driven by capital accumulation or institutional frameworks, but by the widespread social acceptance of bourgeois values that encouraged innovation and entrepreneurship among the masses.

Liberty and Dignity as Catalysts for Growth:

McCloskey argues that the true catalyst for the Great Enrichment was the emergence of a new cultural and intellectual atmosphere that celebrated the dignity of the individual, particularly those engaged in commerce. This shift in societal values allowed for a broader participation in economic activities by ordinary people who, for the first time, were encouraged to "have a go" at testing their ideas in the marketplace. This democratization of economic opportunity was rooted in Adam Smith's concept of the "obvious and simple system of natural liberty," which argued that individuals should be free to pursue their interests within a framework of justice and fairness.

The Innovating Bourgeoisie:

McCloskey highlights the role of the innovating bourgeoisie, a class of people who were not traditionally seen as noble or powerful, but who were empowered by this new cultural context to innovate and drive economic growth. Individuals like Benjamin Franklin, who started as an apprentice, or Richard Arkwright, who began as a wigmaker, exemplify how ordinary people were able to rise to prominence through their inventive ideas and entrepreneurial spirit. These figures were not simply capitalists in the traditional sense; they were innovators whose contributions to commerce were made possible by the newfound respect and liberty granted to them by society.

The Role of Humanomics vs. Capital and Institutions:

McCloskey challenges the notion that capital accumulation or institutional development were the primary drivers of modern economic prosperity. While she acknowledges that these factors played a role, she argues that they were secondary and dependent on the cultural shift that gave ordinary people the freedom and dignity to innovate. This shift created a fertile ground for the

economic growth that followed, as it allowed individuals to pursue their ideas without the restrictions that had previously limited economic participation to a select few.

In summary, McCloskey's humanomics places a central emphasis on the importance of cultural and intellectual developments that fostered a new sense of liberty and dignity among ordinary people, enabling them to contribute to economic growth through innovation and entrepreneurship. This, according to McCloskey, was the real engine behind the Great Enrichment, rather than the accumulation of capital or the establishment of particular institutions. This perspective aligns with Adam Smith's idea of natural liberty, highlighting the significance of giving people the freedom to pursue their ideas and ambitions within a just society.

- Deirdre McCloskey's argument centers on the idea that the transformative power behind the Great Enrichment—the unprecedented economic growth since the 18th century—was not primarily technological advancements like steam engines or the establishment of universities, but rather the emergence and spread of novel ideas concerning liberty, equality, and dignity for all people, not just the elite or nobles. These ideas, which were championed in speeches, literature, and the broader humanities, fundamentally changed the way society valued individuals and their contributions to economic and social life.

The Power of Ideas in Shaping the Modern World:

McCloskey argues that the cultural shift towards liberal and egalitarian values played a crucial role in fostering an environment where economic growth could flourish. The notion that all individuals, regardless of their social standing, possessed inherent dignity and were entitled to liberty and equality, broke down the barriers that had historically restricted economic participation to the upper classes. This ideological shift encouraged widespread innovation and entrepreneurship among the general population, which in turn drove economic expansion.

Deirdre McCloskey's argument emphasizes the revolutionary impact of European ideas of individual liberty, which initially applied to free men but gradually expanded to include a broader spectrum of society, including slaves, women, young people, sexual minorities, handicapped individuals, and immigrants. This evolution of ideas, particularly the principle of giving every right you have to every other human being, represents a significant departure from the norms of the 18th century, where such universal rights were not recognized.

McCloskey points out that while these ideas were radical at their inception, they have since become almost universally accepted, at least in declarations and principles. This universality of rights and freedoms has been a key driver in inspiring ordinary people to pursue economic betterment through their own innovation and entrepreneurship. She argues that these ideas of individual liberty and dignity are at the heart of what economists Douglass North, John Wallis, and Barry Weingast describe as the transition from "limited access" societies,

where opportunities were restricted to a few, to "open access" societies, where more individuals are empowered to participate in economic and social life.

This transition, McCloskey suggests, is fundamentally linked to the broader embrace of liberalism—the political and economic philosophy that advocates for individual rights, freedom, and equality. The spread of liberalism, with its focus on extending rights and opportunities to all, has played a crucial role in creating environments where economic growth and social progress can flourish. By empowering individuals with rights and recognizing their inherent dignity, societies have been able to unlock the potential for widespread innovation and economic development, leading to the remarkable progress witnessed in modern times.

McCloskey's analysis highlights the importance of ideas in shaping history, suggesting that the spread of liberal values has been a critical factor in the economic and social transformations that have defined the modern world. This emphasis on the power of ideas contrasts with more materialist explanations of history, positioning liberalism as a central force in the advancement of human societies.

Deirdre McCloskey argues that the transformative ideas of liberalism—particularly those centered on individual liberty, equality, and dignity—might have emerged and taken root in different parts of the world or at earlier times in history, but for various reasons, they did not. She highlights the unique historical moment when these ideas began to flourish in Europe, particularly after the Enlightenment, which set the stage for modern liberal democracies and capitalist economies.

McCloskey uses the example of ancient Athens, particularly during the age of Pericles, to illustrate how similar ideas of democracy and governance existed in history but did not lead to the same enduring doctrinal change that modern liberalism did. Pericles' famous funeral oration, as recorded by Thucydides, reflects a society that took pride in its form of government, one that was ruled by the many rather than the few, and that served as an example rather than a copy of its neighbors. Pericles described the Athenian democracy as an administration in which the majority held power, a system that was both unique and exemplary at the time.

However, despite these democratic ideals, ancient Athens did not sustain or spread its form of government beyond its own period of dominance. The liberal ideas that eventually led to modern constitutional democracies and the spread of capitalism did not take root in Athens or other similar societies at that time. McCloskey's point is that while the seeds of liberalism were present in various forms throughout history, it was only in a specific historical context—namely, in Europe during the Enlightenment—that these ideas fully developed and persisted, leading to the profound economic and social changes that characterize the modern world.

This historical context is crucial in understanding why liberalism, with its emphasis on individual rights and economic freedom, emerged when and where it did, and why it had such a transformative impact on the world. McCloskey's analysis suggests that the success of liberal ideas was not inevitable, but rather the result of specific cultural, intellectual, and historical conditions that allowed

these ideas to flourish and endure.

In addition, the history of Jewish liberty and dignity in Europe is complex and fraught with periods of significant oppression and discrimination. For centuries, Jews in Europe faced severe restrictions on their rights, economic activities, and social integration. They were often confined to specific areas (such as ghettos) and subjected to discriminatory laws that limited their participation in broader society. This long history of persecution culminated in the Holocaust, where six million Jews were systematically murdered by the Nazi regime during World War II.

Even after the Holocaust, Jews in Europe continued to face challenges in achieving full liberty and dignity. The post-war period saw gradual improvements in Jewish rights, particularly as Europe rebuilt and redefined itself. The horrors of the Holocaust played a significant role in prompting greater recognition of human rights and the need to prevent such atrocities from happening again.

However, it wasn't until the civil rights movements of the 1960s, particularly in Western Europe, that Jews began to experience a more significant shift toward full equality and dignity. During this time, many European countries enacted anti-discrimination laws, promoted Holocaust education, and made efforts to integrate Jewish communities more fully into society.

The 1960s also saw a broader cultural and social liberalization in Europe, which helped to reduce anti-Semitic sentiments and allowed Jews to express their identity and participate in public life with greater freedom. This period marked a turning point in the recognition of Jewish rights and the fight against anti-Semitism, laying the groundwork for the more inclusive societies seen in Europe today.

Despite these advances, anti-Semitism has not been completely eradicated, and challenges remain. However, the progress made since the 1960s represents a significant improvement in the liberty and dignity afforded to Jewish communities in Europe.

Humanities as Catalysts for Change:

According to McCloskey, these revolutionary ideas were propagated and explored through the humanities—speech, letters, and literature—which allowed them to permeate society and influence the broader cultural mindset. The humanities provided a platform for questioning traditional hierarchies and advocating for the rights and capabilities of ordinary people. This intellectual movement laid the groundwork for the economic transformation that followed, as it empowered individuals to pursue their ambitions, innovate, and contribute to economic growth.

Ideas vs. Technology and Institutions:

McCloskey's point is that while technological advancements and the establishment of institutions like universities were important, they were not the primary drivers of the modern world. Instead, it was the liberal, egalitarian ideas about human dignity and freedom that made the modern world possible. These ideas reshaped societal norms and opened the door for widespread participation in economic activities, leading to the Great Enrichment.

In essence, McCloskey emphasizes that the true engine of modern economic prosperity was the cultural and intellectual shift towards recognizing and valuing the potential of every individual, rather than the mere accumulation of physical capital or the creation of institutions. This shift created an environment where economic growth could not only occur but thrive on an unprecedented scale.

- Deirdre McCloskey has extensively explored the role of ideas—specifically those centered on liberty, equality, and dignity for all people—in driving economic growth and societal transformation. Her work over the years has emphasized that these ideas, rather than material factors like capital accumulation or institutional structures, have been the primary engines behind the unprecedented economic expansion known as the "Great Enrichment."

Key Themes in McCloskey's Work:

1. Ideas as Catalysts for Growth: - In her trilogy on the "Bourgeois Era"—**The Bourgeois Virtues** (2006), **Bourgeois Dignity** (2010), and **Bourgeois Equality** (2016)—McCloskey argues that the rise of bourgeois values and the respect for the dignity and liberty of ordinary people were crucial in unleashing the economic dynamism that characterized the modern world. She posits that it was not merely the accumulation of capital or the formation of institutions that spurred growth, but rather the cultural shift towards valuing individual potential and encouraging innovation.

2. The Role of Rhetoric and Ideas: - McCloskey often emphasizes the importance of rhetoric and discourse in shaping economic outcomes. She argues that the way people talk about and value economic activities can have profound effects on economic performance. In **Bourgeois Dignity**, she suggests that the change in rhetoric surrounding commerce and the dignity of the bourgeoisie played a central role in the economic transformations of the 18th and 19th centuries.

3. Liberalism and Economic Growth: - Throughout her work, McCloskey contends that liberal ideas—those advocating for personal freedom, equality before the law, and the dignity of every individual—are the bedrock of modern economic growth. She contrasts this with traditional narratives that focus on material causes like capital accumulation, arguing that it was the spread of these liberal ideas that allowed societies to break free from the constraints of traditional hierarchies and spur innovation.

4. Cultural and Moral Foundations: - McCloskey also touches on the moral and cultural foundations of economic growth. She argues that the success of the modern world is not just a result of economic policies or technological advancements but is deeply rooted in the moral and ethical transformations that emphasized the dignity of individuals and the value of their contributions to society.

5. Rejection of Materialist Explanations: - In rejecting materialist explanations for the Great Enrichment, McCloskey challenges the dominant economic narratives that credit the Industrial Revolution solely to technological or institutional changes. Instead, she argues that it was the widespread adoption of

liberal, egalitarian ideas that made these technological and institutional developments possible.

Influence and Impact:

McCloskey's ideas have had a significant impact on economic history and the way we understand the factors that drive economic growth. By placing the emphasis on ideas rather than material conditions, she has shifted the focus of the debate and opened up new avenues for understanding the complex interplay between culture, ideas, and economic development.

- McCloskey's engagement with rhetoric is a cornerstone of her intellectual work, particularly in how she approaches the fields of economics and economic history.

McCloskey defines rhetoric broadly as the art of persuasion—the strategic use of language to influence others. She argues that rhetoric is an inherent part of all human communication, especially within the social sciences, where scholars are not just describing the world but actively persuading others to accept their interpretations and conclusions. McCloskey challenges the traditional view in economics, which often seeks to present itself as purely objective and scientific, free from the influences of rhetoric. She posits that this view is misguided because, in reality, economic writing is deeply rhetorical. The choice of words, metaphors, and the framing of arguments all play crucial roles in shaping how economic ideas are perceived and understood. For McCloskey, recognizing this rhetorical dimension is essential for a more honest and transparent discourse in economics, as it reveals how arguments are constructed and why certain ideas gain traction while others do not.

McCloskey has made rhetoric a central theme in her scholarly work, particularly through her influential book *"The Rhetoric of Economics"* (1985). In this work, she challenges the notion that economics is a purely objective science, insulated from the persuasive techniques that characterize other forms of human communication. McCloskey argues that economic analysis is deeply intertwined with rhetorical strategies, which can be seen in everything from the selection of mathematical models to the ways in which results are presented in academic journals. Her critique is not just about acknowledging the presence of rhetoric in economics but about encouraging economists to become more self-aware of how their rhetorical choices shape the discipline. This perspective is extended in her *"Bourgeois Era"* trilogy, where McCloskey applies her analysis of rhetoric to the broader historical narrative of the Great Enrichment. She argues that the unprecedented economic growth that began in the 18th century was not solely the result of material factors like capital accumulation or technological innovation, but also of a profound rhetorical shift. This shift in how society talked about and valued commerce, innovation, and the bourgeois class was, according to McCloskey, a key driver of modern economic development.

Rhetoric, for McCloskey, is also an analytical tool that allows for a deeper understanding of historical change, particularly the rise of modern capitalism. She argues that the shift in rhetoric during the 17th and 18th centuries—where society began to praise rather than scorn the bourgeoisie—was instrumental in

the economic transformation known as the Great Enrichment. By analyzing how language and discourse evolved during this period, McCloskey provides a richer, more nuanced account of how ideas and cultural values influenced economic development. She contrasts this approach with the more traditional, materialist explanations that focus primarily on economic factors, such as the accumulation of capital or the exploitation of labor. McCloskey contends that these materialist perspectives, while important, cannot fully account for the complex dynamics that drove the rise of modern capitalism. Instead, she emphasizes the power of rhetoric and ideas as central forces in shaping economic history.

Moreover, McCloskey highlights the ethical dimension of rhetoric, arguing that scholars and public intellectuals have a responsibility to use rhetoric in ways that are not only effective but also ethically sound. She believes that rhetoric should be employed to advance arguments that are truthful, just, and ultimately beneficial to society. This ethical perspective is evident in her own work, where she advocates for a more humane and liberal economic system that respects individual dignity and promotes widespread prosperity. McCloskey also underscores the importance of stories and narratives in shaping human understanding and action. She argues that the way stories are told—whether in economics, history, or other fields—has a profound impact on how they are received and the effects they have on public opinion and policy. By crafting compelling narratives, scholars can influence not only academic debates but also broader societal attitudes and decisions.

In practice, McCloskey's use of rhetoric is evident in her engaging and accessible writing style. She employs a lively, often humorous approach, using anecdotes, clear language, and relatable examples to reach a broad audience. Her goal is not merely to inform but to persuade and inspire readers to think differently about economics and history. McCloskey's interdisciplinary approach also reflects her rhetorical strategy, as she draws on insights from economics, history, literature, philosophy, and other fields to create a more integrated and holistic understanding of complex issues. This approach allows her to bridge disciplinary boundaries, demonstrating how language and ideas can cross contexts and influence a wide range of human activities.

Thus, Deirdre McCloskey's understanding and use of rhetoric are central to her intellectual work. She views rhetoric not just as a tool for effective communication but as a fundamental force in shaping economic and social life. By emphasizing the rhetorical dimensions of economics and history, McCloskey challenges the traditional focus on material factors, advocating instead for a broader understanding that includes the power of ideas, language, and persuasion. Her work exemplifies how rhetoric can be both an analytical tool and a practical means of engaging with and influencing the world, offering a richer, more dynamic perspective on the forces that drive human history and economic development.

- McCloskey's Central Argument on Ideas and Economic Growth: McCloskey's work, especially through the *Bourgeois Era* trilogy, consistently argues that the modern world's economic success cannot be attributed

solely to material factors like capital or institutions. Instead, she emphasizes the transformative power of ideas, particularly those related to liberty, equality, and dignity for all people. According to McCloskey, these ideas allowed for the flourishing of creativity, innovation, and entrepreneurship, which in turn drove the Great Enrichment—the unprecedented economic growth since the 18th century.

Deirdre McCloskey's "Bourgeois Era" trilogy is a profound exploration of the ethical, cultural, and intellectual underpinnings of capitalism, offering a robust defense of the moral foundations of a commercial society. The trilogy begins with **The Bourgeois Virtues: Ethics for an Age of Commerce** (2006), where McCloskey challenges the common perception that capitalism is inherently unethical. She argues that the virtues traditionally associated with commerce—such as prudence, temperance, justice, and courage—are not only compatible with economic success but are also essential for a flourishing society. McCloskey's work underscores that capitalism, far from being morally bankrupt, can actually promote ethical behavior and contribute to the overall good of society. She presents a nuanced view that the "bourgeois virtues" are not a departure from moral behavior but are instead a form of ethics well-suited to the modern commercial world.

In the second book, **Bourgeois Dignity: Why Economics Can't Explain the Modern World** (2010), McCloskey shifts focus from the ethical dimensions of capitalism to the cultural and rhetorical changes that she believes were central to the economic transformations of the modern world. McCloskey argues that traditional economic explanations for the Industrial Revolution, such as capital accumulation or exploitation, fail to fully account for the unprecedented economic growth known as the Great Enrichment. Instead, she posits that the shift in societal values, particularly the newfound dignity and respect accorded to bourgeois activities, was a key driver in the economic advancements of the era. She emphasizes the role of rhetoric and cultural values in fostering an environment where innovation and economic development could thrive, suggesting that the respect for ordinary people and their economic contributions was as important as any material factor.

The trilogy concludes with **Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World** (2016), where McCloskey further develops her argument that the spread of ideas—specifically those related to liberty, equality, and dignity—was the true engine behind the economic growth of the past few centuries. She critiques materialist explanations for economic progress, such as the accumulation of capital or the establishment of institutions, arguing instead that it was the emergence and diffusion of liberal ideas that enabled the unprecedented prosperity of the modern world. McCloskey highlights how the adoption of values that encouraged individual freedom, innovation, and respect for human dignity played a central role in driving the Great Enrichment, suggesting that these ideas were far more influential in shaping the economic and social landscape than any purely material factor.

Throughout the trilogy, McCloskey presents a compelling case that the mod-

ern world's economic successes are deeply rooted in the cultural and intellectual shifts that elevated the bourgeoisie, promoted individual dignity, and valued the contributions of ordinary people. Her work offers a rich and layered understanding of how ideas and values, rather than just material conditions, have shaped the course of history and continue to influence the trajectory of global development.

- The important institutions are ideas, words, rhetoric, ideology

Deirdre McCloskey and Erik Ringmar share the view that ideas, words, rhetoric, and ideology are crucial institutions that played a significant role in bringing about the Great Enrichment—the unprecedented economic growth and improvement in living standards that began with the Industrial Revolution. However, they approach this concept from slightly different perspectives.

1. Deirdre McCloskey's View:

- Rhetoric and Ideas as Institutions: McCloskey argues that the Great Enrichment was not primarily driven by material factors, such as capital accumulation or institutional changes in the conventional sense (e.g., property rights, legal systems). Instead, she emphasizes the transformative power of ideas and rhetoric. For McCloskey, the shift in how society viewed and talked about the bourgeoisie—entrepreneurs, merchants, and innovators—was central to the economic explosion.

- Bourgeois Dignity and Bourgeois Virtues: McCloskey's core thesis, especially articulated in her trilogy **The Bourgeois Era**, is that the change in rhetoric that began in the 17th and 18th centuries elevated the status of the bourgeoisie. Society began to respect and even celebrate the entrepreneurial spirit, hard work, and innovation. This rhetorical shift made it possible for people to see business and commerce as honorable and productive activities, rather than as exploitative or morally suspect.

- Ideas Over Material Conditions: McCloskey contends that this change in ideas and rhetoric was more important than traditional economic explanations, such as the accumulation of capital or the exploitation of labor. The shift in societal attitudes towards commerce, innovation, and progress created a cultural environment where economic growth could flourish.

2. Erik Ringmar's View:

- Importance of Words and Rhetoric:

- Erik Ringmar, a historian and political scientist, also highlights the importance of words, rhetoric, and ideology in shaping historical events and institutions. He argues that the way people talk about the world—how they describe it, interpret it, and justify their actions—is crucial in shaping their social and political reality.

- Narratives and Ideology: Ringmar places a strong emphasis on the role of narratives and ideology in the formation of institutions and societal change. He suggests that the stories people tell about themselves and their societies—what they believe is possible, desirable, or inevitable—are fundamental in shaping political and economic outcomes.

- Words as Social Constructs: For Ringmar, words and rhetoric are not just passive reflections of the world but active forces that construct and reconstruct social reality. The narratives and ideologies that gain prominence can determine how societies organize themselves and what they prioritize, leading to significant historical changes.

3. The Role of Ideas and Rhetoric in the Great Enrichment:

- McCloskey and Ringmar's Shared View:

- Both McCloskey and Ringmar argue that the Great Enrichment was facilitated by a profound shift in ideas, rhetoric, and ideology. They see these as essential institutions that shaped the cultural and intellectual environment, making the rapid economic growth of the Industrial Revolution possible.

- Rhetorical Shift: The change in how society viewed innovation, commerce, and entrepreneurship was not just a byproduct of economic change but a driving force behind it. By changing the rhetoric around these activities, society created a new set of incentives and possibilities that allowed for the rapid expansion of wealth and productivity.

- Ideology as a Catalyst: The ideological shift that accompanied the Industrial Revolution—towards valuing individual initiative, competition, and progress—was crucial in creating the conditions for sustained economic growth. This shift was not just about adopting new policies or institutions but about a deeper transformation in how people understood and valued economic activity.

Thus, McCloskey and Ringmar both argue that ideas, words, rhetoric, and ideology are fundamental institutions that played a critical role in the Great Enrichment. McCloskey emphasizes the rhetorical shift that elevated the status of the bourgeoisie and made economic innovation socially acceptable, while Ringmar highlights the broader role of words and narratives in shaping social and political reality. Together, their views suggest that the Great Enrichment was as much about changing how people thought and talked about the world as it was about material or institutional changes. This rhetorical and ideological transformation created the cultural conditions necessary for the unprecedented economic growth of the modern era.

- Erik Ringmar's critique, particularly in the style of Douglass North, raises important questions about the nature of institutions and their role in modern society. Ringmar contends that while institutions are crucial in shaping how societies function, there are inherent issues with the way institutional theory—especially in the neoinstitutionalist tradition—addresses the origin and enforcement of these institutions. Let's break down and clarify his arguments:

1. **Modern Society and Institutionalized Change:**

- **Institutionalized Change:** Ringmar suggests that a defining characteristic of modern society is that change is not just possible but expected and routine. In such a society, change happens "automatically and effortlessly" because it has been institutionalized. This means that the mechanisms for adaptation and innovation are built into the very structure of society, allowing it to evolve continually without needing extraordinary efforts.

- **Comparison to North's View:** Douglass North also emphasizes the importance of institutions in shaping economic and social outcomes. He argues that institutions—understood as the "rules of the game" in a society—are central to reducing uncertainty, facilitating cooperation, and enabling economic growth. In North's framework, the development of institutions is key to understanding why some societies prosper while others stagnate.

2. **Critique of the Neoinstitutionalist Claim:**

- **Begging the Question of Origin:**
- **Ringmar's Critique:**

Ringmar argues that while institutionalists like North focus on the importance of institutions, they often fail to adequately address where these institutions come from—what he refers to as "begging the question of origin." Simply stating that institutions are important does not explain how they were first created or why they took the forms they did.

- **The Need for Historical Context:** According to Ringmar, understanding the origin of institutions requires more than just acknowledging their existence. It demands a deeper exploration of the historical, cultural, and ideological contexts in which these institutions emerged. This involves examining the ideas, values, and power dynamics that led to the establishment of specific institutions at particular points in time.

- **Begging the Question of Enforcement:**

- **Enforcement and Ethics:** Ringmar also points out that institutions do not enforce themselves; their effectiveness depends on the ethical norms, opinions, and beliefs of the people who operate within them. Neoinstitutionalists often emphasize the role of formal rules and procedures but may overlook the underlying social and ethical foundations that make these institutions function.

- **Role of Ethics and Opinion:** Enforcement of institutional rules requires the cooperation and buy-in of individuals and groups, which in turn depends on their ethical values and public opinion. If people do not believe in or support the rules, the institutions will fail to function effectively. This suggests that institutions are not just mechanical structures but are deeply embedded in the cultural and moral fabric of society.

3. **Ringmar's Broader Argument:**

- **Institutions as Social Constructs:** Ringmar's critique aligns with the idea that institutions are social constructs that cannot be fully understood without considering the broader social, cultural, and ideological contexts in which they operate. Institutions are not just rules or structures imposed from above; they are lived realities that are shaped by human beliefs, practices, and interactions.

- **Limits of Neoinstitutionalism:** By critiquing the neoinstitutionalist focus on formal institutions without sufficient attention to their origins and the ethical foundations of enforcement, Ringmar is calling for a more holistic understanding of how institutions work. He suggests that without considering these factors, the neoinstitutionalist account remains incomplete and may oversimplify the complex dynamics that sustain institutions over time.

4. **Implications for Understanding Modern Society:**

- **Institutional Change and Stability:** Ringmar's argument implies that for institutions to adapt and change in a way that supports a modern, dynamic society, there needs to be a continuous engagement with the ethical and ideological dimensions of these institutions. Change becomes "automatic and effortless" not merely because the institutions are in place, but because the cultural and moral underpinnings of these institutions are aligned with the needs and values of the society.

- **Role of Ideas and Ideology:** This perspective also emphasizes the role of ideas, words, and rhetoric—similar to McCloskey's focus on the importance of ideas in the Great Enrichment—in shaping and sustaining institutions. The origin and enforcement of institutions are deeply connected to the prevailing ideologies and narratives that give them legitimacy and power.

Erik Ringmar's critique, in the style of Douglass North, challenges the neoinstitutionalist focus on institutions by questioning their origin and enforcement. He argues that institutions do not emerge or function in a vacuum; they are deeply rooted in the ethical values, opinions, and ideological contexts of the societies in which they operate. Understanding modern society requires not just an analysis of institutions themselves, but also an exploration of the cultural and moral foundations that sustain them. Without this broader perspective, the neoinstitutionalist account of institutions may overlook the complex dynamics that make institutional change possible and sustainable.

- Eric Jones, in his discussion of the decline of guild restrictions in England, touches on the idea that this decline was influenced by a broader "national shift in elite opinion," which was reflected, at least in part, in the attitudes of the courts. Here's a clarification and some context around this idea:

- Guild Restrictions in England:**

- **Historical Role of Guilds:** Guilds were organizations that regulated trades and crafts in medieval and early modern England. They controlled who could enter a trade, set standards for goods and services, and often held monopolistic power over specific industries within towns and cities. While guilds initially served to protect the interests of their members and maintain quality, over time they became increasingly restrictive, limiting competition and innovation.

- **Economic Impact:** By the 17th and 18th centuries, guild restrictions were seen as impediments to economic growth. The Industrial Revolution, which began in England, required more flexible labor markets and fewer barriers to entry for new businesses and technologies. The rigid structures of the guilds were incompatible with the dynamic economic changes of the time.

- National Shift in Elite Opinion:** - **Changing Attitudes Among the Elite:** Eric Jones points to a "national shift in elite opinion" as a critical factor in the decline of guild restrictions. By the 18th century, the English elite, including influential thinkers, policymakers, and judges, increasingly viewed the guild system as outdated and counterproductive. This shift was part of a broader intellectual movement that emphasized free trade, competition, and the benefits of a market economy—ideas that were central to the Enlightenment and

later economic liberalism. - **Influence of Economic Thought:** The writings of economists such as Adam Smith, particularly in his *Wealth of Nations* (1776), criticized the inefficiencies of guilds and monopolies. Smith argued that economic prosperity depended on free competition and the ability of individuals to engage in trade and business without undue restrictions. These ideas gradually gained traction among the English elite, influencing public policy and legal interpretations.

3. **Role of the Courts:** - **Judicial Reflection of Changing Opinions:** The courts, which played a key role in interpreting and enforcing laws, began to reflect this shift in elite opinion. Judges, many of whom were part of the elite themselves, increasingly sided against the restrictive practices of guilds in legal cases. They were more likely to support decisions that promoted economic freedom and the dismantling of monopolistic controls. - **Legal Precedents:** Over time, legal precedents were established that weakened the power of the guilds. For example, court rulings might favor new entrants to a trade who challenged guild restrictions, or they might limit the enforcement of guild regulations that were seen as harmful to broader economic interests.

4. **Impact on Economic Development:** - **Facilitating the Industrial Revolution:** The decline of guild restrictions was a significant factor in the economic transformation of England. As these restrictions were lifted, it became easier for entrepreneurs to start businesses, for workers to move between industries, and for innovations to be brought to market. This increased economic dynamism was a key driver of the Industrial Revolution. - **End of the Guild System:** By the 19th century, the guild system had largely been dismantled in England. The combination of shifting elite opinion, changing legal interpretations, and the demands of a growing industrial economy led to the end of the guilds' influence over English trade and industry.

- Deirdre McCloskey, in her work *Bourgeois Dignity: Why Economics Can't Explain the Modern World*, argues that the unprecedented economic growth known as the Great Enrichment, which began in the 18th century, was primarily driven by a shift in societal values and rhetoric rather than by purely economic or biological factors.

In the context of her "Battering Humanomics" argument, McCloskey critiques the prevailing materialist-economistic prejudice, which insists that such significant societal changes must be rooted in economic or biological forces. This materialist perspective often assumes that changes in society, values, or institutions are directly caused by shifts in the economic base or are a reflection of underlying economic interests. However, McCloskey rejects this reductionist view, asserting that the transformation in societal values and rhetoric—what she calls the "Bourgeois Revaluation"—can and often does occur independently of these determinants. She emphasizes the power of ideas, words, and cultural shifts in shaping history and driving significant transformations, challenging the notion that material conditions alone are responsible for such profound changes.

The Bourgeois Revaluation, as McCloskey describes it, refers to the shift in the 17th and 18th centuries from aristocratic-religious values to bourgeois

values. This shift elevated the status of merchants, entrepreneurs, and innovators, recognizing and celebrating their contributions to society. The revaluation was not merely an economic phenomenon but a cultural and rhetorical one, where society began to view business, commerce, and innovation as honorable and virtuous rather than as morally suspect activities. McCloskey argues that this change in rhetoric was crucial in creating an environment where economic growth and innovation could flourish, leading to the Great Enrichment. This rhetorical shift, according to McCloskey, was a key factor in the success of the bourgeois class and the subsequent economic transformation, demonstrating the importance of cultural and rhetorical changes in driving historical developments.

To support her argument, McCloskey draws parallels with other historical examples where significant changes in societal values and institutions occurred independently of material or economic factors. For instance, she points to the transformation of Athens into a democracy, the conversion of the Roman Empire to Christianity, and the Protestant Reformation in Northern Germany. In each of these cases, profound changes in political, religious, and social structures were driven more by ideological and cultural shifts than by economic interests. McCloskey uses these examples to illustrate that societal norms and behaviors can change dramatically over time without direct material causes. For example, in the 17th century, it was common for masters to routinely beat their servants, a practice that is now socially unacceptable. This change reflects a profound shift in societal values regarding human dignity and personal rights, driven by evolving cultural narratives and ethical standards rather than economic or biological imperatives.

McCloskey also emphasizes that the Bourgeois Revaluation was not the result of a single factor, such as economic interest or class conflict. Instead, it was the product of multiple, overlapping causes, including legal, personal, political, gender, religious, philosophical, historical, linguistic, journalistic, literary, artistic, and even accidental factors. Her analysis of the Bourgeois Revaluation is deeply interdisciplinary, drawing on insights from economics, history, literature, philosophy, and other fields. McCloskey argues that understanding such a complex phenomenon requires looking at the interplay of many different forces, rather than reducing it to a single explanatory framework. This multifaceted approach challenges conventional economic theories that focus primarily on material factors, such as capital accumulation, labor productivity, or technological innovation, as the primary drivers of economic growth.

- Deirdre McCloskey's discussion centers on the origins of modernity and the profound cultural shift that occurred in Europe around the late 17th and early 18th centuries.

McCloskey argues that modernity, particularly the attitudes that underpinned economic growth and the rise of capitalist societies, emerged not from regions like Protestant Sweden, East Prussia, or Catholic Spain and Naples, but primarily from Holland (the Dutch Republic) and England. This shift, she contends, was marked by a change in how ordinary life and economic activity were valued, leading to what she describes as the "sanctification of ordinary life."

1. **Modernity's Geographic and Cultural Origins:**

- **Holland and England as Birthplaces of Modernity:** McCloskey asserts that the origins of modernity can be traced to Holland and England, rather than other European regions like Sweden, East Prussia, Spain, or Naples. These latter regions, despite their varying religious and political contexts, did not produce the cultural and economic dynamism that characterized the rise of modern capitalism. For McCloskey, the significant cultural and economic transformations that led to modernity occurred primarily around the North Sea, in the Dutch Republic and England. These regions were unique in how they embraced new ideas about commerce, innovation, and the role of the individual in society.

- **Affirmation of Ordinary Life:** McCloskey points to the "affirmation of ordinary life" as a crucial factor in this development. This affirmation emerged from the upheavals of the Reformation in the 16th century and was further shaped by the social and political conflicts that followed. Unlike regions where the church or aristocracy maintained strict control over life and ideology, Holland and England began to celebrate and value the lives of ordinary people, their work, and their contributions to society. This cultural shift was essential in laying the groundwork for the economic changes that would follow.

2. **Historical Context:**

- **Religious and Political Upheavals:** McCloskey highlights several key historical events that set the stage for this cultural transformation. The Reformation of the 16th century, with its challenge to the authority of the Catholic Church and its emphasis on individual faith, played a significant role in changing attitudes toward ordinary life and work. The French Wars of Religion (1562-1598), a brutal conflict between Catholics and Huguenots, and the Dutch Revolt against Spanish rule (1568-1648), which led to the independence of the Dutch Republic, were also crucial. These conflicts not only reshaped political and religious landscapes but also influenced how people thought about life, work, and individual agency.

- **The English Revolutions:** The English Civil Wars (1640-1651) and the Glorious Revolution (1688-1689) were particularly important in England's development of modern attitudes toward governance, economics, and society. These revolutions challenged the divine right of kings and led to the establishment of a constitutional monarchy, which provided greater political stability and the rule of law. This, in turn, fostered an environment where commerce and innovation could thrive, and where the lives of ordinary people were increasingly valued and respected.

3. **Cultural Shift in the Late 17th and Early 18th Centuries:**

- **Economically Relevant Change in Attitude:** McCloskey argues that the significant change in attitude toward economics and ordinary life occurred in the late 17th and early 18th centuries. This period saw the emergence of a new cultural narrative that celebrated the ordinary, everyday activities of life—what she calls the "sanctification of ordinary life." This shift was crucial for the rise of modern capitalist economies, as it transformed how people viewed work, trade, and economic success. Instead of valuing only heroic or holy pursuits, society began to recognize the importance of mundane economic activities and

the dignity of ordinary people.

- **North Sea Cultural Transformation:** McCloskey emphasizes the cultural transformation around the North Sea, particularly in the Dutch Republic and England, where these new attitudes took hold. The region became a center of economic innovation, trade, and intellectual exchange, driven by a culture that valued the ordinary over the extraordinary. This change was reflected in various aspects of life, including literature, law, and everyday practices.

4. **Literary Examples of Cultural Shift:**

- **Robinson Crusoe (1719) and Tom Jones (1749):** McCloskey uses two famous literary works—Daniel Defoe’s *Robinson Crusoe* (1719) and Henry Fielding’s *Tom Jones, A Foundling* (1749)—as examples of this cultural shift. *Robinson Crusoe* tells the story of a man who survives on a deserted island through hard work, ingenuity, and self-reliance, embodying the virtues of the bourgeois individual. The novel reflects the growing admiration for the entrepreneurial spirit and the value of ordinary life, even in extraordinary circumstances.

- **Tom Jones:** Similarly, *Tom Jones* presents the life of an ordinary young man who navigates the complexities of society with a mix of luck, resourcefulness, and moral development. The novel celebrates the trials and triumphs of an ordinary individual, further illustrating the cultural shift towards valuing the lives and experiences of common people.

5. **Sanctification of Ordinary Life:**

- **Telos of an Economy:** McCloskey argues that this cultural shift represented a new "telos" (or ultimate purpose) for the economy—one that affirmed ordinary life as the end goal, rather than seeking heroic or holy achievements. This "sanctification of ordinary life" was a radical departure from previous cultural narratives that prioritized religious devotion, aristocratic honor, or military glory. Instead, the new narrative celebrated the contributions of ordinary people and the value of economic activities that supported daily life.

- **Impact on Modernity:** This shift was essential for the development of modern capitalist economies. By recognizing and valuing the role of ordinary people and their economic activities, society created the conditions for widespread innovation, entrepreneurship, and economic growth. The affirmation of ordinary life became a cornerstone of modernity, influencing not only economic practices but also social norms, legal systems, and political structures.

Therefore, Deirdre McCloskey argues that modernity, particularly in its economic dimensions, emerged from the cultural and rhetorical shifts that took place in Holland and England around the late 17th and early 18th centuries. This shift, which she describes as the "sanctification of ordinary life," involved a revaluation of the lives and activities of ordinary people, moving away from the previous emphasis on heroic or holy pursuits. This cultural transformation was shaped by the upheavals of the Reformation, the French Wars of Religion, the Dutch Revolt, and the English Revolutions. It was reflected in literature, law, and everyday practices, and it laid the groundwork for the economic growth and innovation that characterized the rise of modern capitalist societies.

- Deirdre McCloskey's argument that the Anglo-Dutch reaction to absolutism was the catalyst for the Enlightenment—and that the Enlightenment, in turn, sparked the Industrial Revolution—emphasizes the central role of political and social ideas rather than economic interests or material conditions. Let's break down and clarify this perspective:

1. **Reaction to Absolutism as a Catalyst:**

- **Anglo-Dutch Resistance:** McCloskey identifies the Anglo-Dutch resistance to absolutism—specifically, the Catholic absolutism that threatened to take hold in England during the reign of James II—as a key moment that catalyzed the Enlightenment. Absolutism, characterized by centralized and unchecked monarchical power, was a significant political force in 17th-century Europe. In Catholic countries, such as France and Spain, absolutism was closely linked to the Catholic Church, which often supported the divine right of kings and the concentration of power in the hands of the monarchy.

- **The Glorious Revolution (1688-1689):** In England, the Glorious Revolution of 1688-1689 was a direct response to James II's attempts to establish Catholic absolutism. This revolution, which resulted in the overthrow of James II and the ascension of William of Orange and Mary to the English throne, marked a decisive turn against absolutist rule. It established a constitutional monarchy in England, where the power of the king was limited by law and balanced by Parliament. The success of the Glorious Revolution in England also had a profound impact on the Dutch Republic, where similar principles of limited government and resistance to absolutism were already in play.

2. **Enlightenment as a Reaction to Political Forces:**

- **Enlightenment Origins:** McCloskey argues that the Enlightenment—the intellectual and cultural movement that emphasized reason, individual rights, and skepticism of traditional authority—was not primarily driven by economic factors but by political ones. The Enlightenment emerged in response to the political upheavals and the rejection of absolutism that were taking place in England and the Netherlands. These societies, having rejected absolutist rule, became fertile ground for new ideas about governance, individual liberty, and the role of the state.

- **Political and Social Ideas:** According to McCloskey, what changed during this period were political and social ideas, not economic interests. The Enlightenment was fueled by a new way of thinking about the relationship between the individual and the state, the importance of freedom of thought and expression, and the need for checks and balances on power. These ideas were revolutionary in that they challenged the traditional, hierarchical, and often authoritarian structures that had dominated European politics for centuries.

3. **Industrial Enlightenment:** -

- **Ideas Leading to Economic Change:** McCloskey's concept of the "Industrial Enlightenment" refers to the way in which the intellectual and cultural currents of the Enlightenment laid the groundwork for the Industrial Revolution. She contends that the economic transformations of the 18th and 19th centuries were driven by the new ways of thinking that emerged from the Enlightenment.

These included the valorization of innovation, the pursuit of knowledge for practical ends, and the belief in progress and human betterment through reason and science.

- **Political Context Over Economic Determinism:** McCloskey's argument challenges the traditional economic determinism that suggests economic interests or material conditions were the primary drivers of the Industrial Revolution. Instead, she posits that it was the political context—specifically, the reaction against absolutism and the embrace of Enlightenment ideals—that created the intellectual environment necessary for industrialization. The Industrial Revolution, then, was as much a product of political and social change as it was of economic factors.

4. **Politics as the Driving Force:**

- **Role of Political Change:** McCloskey emphasizes that political change, rather than economic materialism, was the primary driver of the Enlightenment and, by extension, the Industrial Revolution. The political upheavals in England and the Netherlands, which established more democratic and liberal forms of government, created a space where Enlightenment ideas could flourish. These ideas, in turn, influenced the way people thought about economic activity, innovation, and progress.

- **Shift in Social Ideas:** The political and social ideas that emerged from the Enlightenment—such as the importance of individual rights, the value of free inquiry, and the need for political accountability—were transformative. These ideas challenged the existing social order and created new possibilities for economic and social development. The emphasis on reason, science, and human progress led to a cultural environment that encouraged experimentation, innovation, and the pursuit of new knowledge, all of which were crucial to the Industrial Revolution.

5. **Rejecting Economic Materialism:**

- **Critique of Economic Determinism:** McCloskey is critical of the view that economic materialism—that is, the idea that economic interests and material conditions are the primary drivers of historical change—can fully explain the Enlightenment and the Industrial Revolution. She argues that this view overlooks the importance of ideas, culture, and political context. For McCloskey, the key to understanding the Industrial Revolution lies in the political and intellectual shifts that occurred during the Enlightenment, rather than in the economic interests or material conditions of the time.

- **Ideas as Catalysts for Change:** By emphasizing the role of political and social ideas, McCloskey highlights the importance of the cultural and intellectual environment in driving economic change. The Industrial Revolution was not simply a result of economic factors like the accumulation of capital or the exploitation of labor; it was also the product of a broader cultural shift that valued innovation, individualism, and the pursuit of knowledge.

- Deirdre McCloskey's argument is a critique of traditional economic explanations that prioritize capital accumulation and institutional development as the primary drivers of economic growth, particularly during the Great

Enrichment—the period of unprecedented economic growth that began in the 18th century. McCloskey challenges the conventional focus on capital and institutions by emphasizing the transformative power of ideas. She argues that ideas, rather than capital or institutions, are the true engines of economic dynamism and can explain the remarkable increase in real income, especially for the poorest members of society.

1. **Ideas and Economies of Scale:** - **Extraordinary Economies of Scale:** McCloskey begins by highlighting that ideas are uniquely capable of generating extraordinary economies of scale. In economic terms, economies of scale occur when increasing the scale of production leads to lower costs per unit. However, McCloskey is not referring to the production of physical goods but rather to the spread and application of ideas. Once an idea is developed—such as a new technology, a scientific discovery, or a business innovation—it can be replicated and applied across multiple contexts with relatively low additional cost. For example, the idea of the steam engine or the assembly line could be implemented in various industries, leading to widespread increases in productivity without requiring proportional increases in resources. - **Dynamic Effects of Ideas:** Because ideas can be scaled so effectively, they have the potential to yield dynamic effects—meaning they can drive continuous and exponential growth. McCloskey argues that this capacity for dynamic effects is what explains the "astounding factor of increase" in real income during the Great Enrichment. The dissemination and application of innovative ideas led to significant improvements in productivity, living standards, and overall economic prosperity, particularly for the poorest members of society.

2. **Limitations of Capital and Institutions:** - **Capital and Institutions as Ancient Commonplaces:** McCloskey contrasts the transformative power of ideas with the more limited role of capital and institutions. She describes capital and institutions as "ancient commonplaces," suggesting that they have been central to human economies for millennia but are not the key drivers of the explosive growth seen during the Great Enrichment. Capital refers to physical assets like machinery, infrastructure, and financial resources, while institutions refer to the formal and informal rules that govern economic interactions, such as legal systems, property rights, and governmental bodies. - **Diminishing Returns:** McCloskey points out that both capital and institutions are subject to sharply diminishing returns. In economics, diminishing returns occur when the incremental benefits of adding more capital or improving institutions decrease over time. For example, building more factories or enhancing regulatory frameworks may lead to growth, but the impact tends to plateau as the economy matures. Beyond a certain point, further accumulation of capital or expansion of institutional power does not significantly boost economic output. Instead, it may even become obstructive, creating inefficiencies or stifling innovation.

3. **Critique of Overemphasizing Institutions:** - **Conservatism of Institutions:** McCloskey critiques the tendency to overemphasize the role of institutions in economic growth. She argues that institutions are typically designed to be conservative, meaning they are resistant to change and often prioritize

stability over innovation. While institutions can provide necessary frameworks for economic activity, their conservative nature means they are not usually the sources of the radical changes that drive dynamic growth. Instead, they are more likely to maintain the status quo, which can limit their ability to foster long-term economic expansion. - **Static Effects vs. Dynamic Growth:** McCloskey makes a distinction between static effects and dynamic growth. Static effects refer to the immediate, one-time benefits that arise from improvements in institutions, such as a reduction in transaction costs due to better legal systems or more efficient regulations. While these improvements can enhance economic efficiency, they do not generate ongoing, exponential growth. In contrast, dynamic growth, which is what characterized the Great Enrichment, comes from the continuous generation and application of new ideas. McCloskey suggests that institutions, by their nature, are better at delivering static effects rather than the dynamic growth needed to sustain long-term economic prosperity.

4. **The Primacy of Ideas:** - **Ideas as the Key to Growth:** McCloskey concludes by reiterating that only ideas have the capacity to drive the kind of dynamic growth that was necessary to achieve the dramatic increases in real income during the Great Enrichment. She asserts that while capital and institutions are important, they are not sufficient to explain the scale of economic transformation that occurred. Ideas, in contrast, have an intrinsic potential for growth that capital and institutions lack. They can spread quickly, adapt to new contexts, and inspire further innovation, making them the true catalysts of economic progress.

Deirdre McCloskey's argument is a powerful critique of the traditional economic focus on capital accumulation and institutional development as the primary drivers of growth. She contends that while capital and institutions are important, they are not sufficient to explain the extraordinary economic expansion seen during the Great Enrichment. Instead, McCloskey emphasizes the transformative power of ideas, which, due to their ability to generate extraordinary economies of scale and dynamic effects, are uniquely capable of driving long-term economic growth. By highlighting the limitations of capital and institutions—such as their susceptibility to diminishing returns and their conservative nature—McCloskey underscores the central role of ideas in fostering sustained economic prosperity. This perspective aligns with her broader argument that rhetoric, culture, and the spread of ideas are crucial components of economic life that cannot be overlooked in any comprehensive analysis of economic history.

- George Will's concept of "soulcraft" and Deirdre McCloskey's ideas of "innovism" or "ideanation" explore different aspects of how societies shape individuals and, by extension, how they influence economic and social outcomes. While these concepts emerge from distinct intellectual traditions—Will from a political and moral philosophy perspective, and McCloskey from economic history—they intersect in their concern with the moral and cultural dimensions of human behavior.

1. **George Will's Soulcraft:** - **Concept of Soulcraft:** George Will's idea of

"soulcraft" refers to the ways in which society, particularly through its political institutions and cultural norms, shapes the character and moral quality of its citizens. For Will, the concept of soulcraft is rooted in the belief that the purpose of politics is not just to manage economic resources or maintain order but also to cultivate virtues in the citizenry. He argues that a well-ordered society should aim to foster moral and civic virtues—such as responsibility, respect for the law, and a commitment to the common good—that contribute to the flourishing of both individuals and the community. - **Role of Government and Institutions:** In Will's view, political institutions play a crucial role in shaping the moral character of citizens. He suggests that government policies and laws are not value-neutral but have a profound impact on the virtues or vices that are promoted within society. For example, policies that encourage personal responsibility, civic engagement, and respect for individual rights can help cultivate a virtuous citizenry, while those that foster dependency, apathy, or disregard for the rule of law can have the opposite effect.

2. **Deirdre McCloskey's Innovism/Ideation:** - **Concept of Innovism/Ideation:** Deirdre McCloskey's concepts of "innovism" and "ideation" emphasize the role of ideas in driving economic growth and social progress. Innovism refers to the cultural shift that began in the 17th and 18th centuries, where innovation, entrepreneurship, and the pursuit of new ideas were increasingly celebrated and valued in society. This cultural change, McCloskey argues, was fundamental to the Great Enrichment—a period of unprecedented economic growth that lifted millions out of poverty. - **The Power of Ideas:** McCloskey's "ideation" highlights the importance of ideas as the primary drivers of economic dynamism. She contends that ideas, rather than mere capital accumulation or institutional structures, are what lead to transformative changes in society. Ideas can generate extraordinary economies of scale, spread quickly, and inspire further innovation, making them crucial to sustained economic growth. McCloskey's focus on rhetoric and culture suggests that the way society talks about and values innovation is as important as the innovations themselves.

3. **Intersection of Soulcraft and Innovism/Ideation:** - **Cultural Influence:** Both Will's soulcraft and McCloskey's innovism/ideation emphasize the importance of culture and values in shaping society. Will's concept of soulcraft focuses on how political and cultural institutions shape the moral character of individuals, while McCloskey's innovism looks at how a culture that values innovation and ideas can drive economic growth. In both cases, the cultivation of certain virtues—whether civic virtues or entrepreneurial virtues—is seen as essential to the health and prosperity of society. - **Role of Institutions:** While Will emphasizes the role of government and political institutions in cultivating moral virtues, McCloskey focuses on the broader cultural and rhetorical environment that supports innovation. However, both recognize that institutions—whether political, economic, or cultural—play a critical role in shaping the behaviors and values of individuals. Will argues that well-designed political institutions can foster a virtuous citizenry, while McCloskey suggests that a culture that celebrates innovation can lead to widespread economic pros-

perity. - **Moral and Economic Dimensions:** Will's soulcraft is concerned primarily with the moral and civic dimensions of human life, aiming to cultivate good citizens who contribute to the common good. McCloskey's innovism, on the other hand, is concerned with the economic dimensions, focusing on how a culture of innovation can lead to economic growth and the improvement of living standards. Yet, there is an underlying connection: both believe that the character of individuals—shaped by cultural values and societal institutions—has a profound impact on the well-being of society.

4. **Differences in Emphasis:** - **Moral vs. Economic Focus:** The primary difference between Will's soulcraft and McCloskey's innovism lies in their focus. Will is more concerned with the moral and civic virtues that are necessary for a good society, while McCloskey focuses on the economic virtues—such as innovation, creativity, and entrepreneurship—that drive material progress. Will's approach is more traditional, emphasizing the role of government and institutions in shaping character, whereas McCloskey's is more modern, highlighting the importance of culture and ideas in driving economic change. - **Conservatism vs. Liberalism:** Will's soulcraft is often associated with a conservative view of society, where the role of institutions is to preserve and promote traditional virtues. McCloskey's innovism, by contrast, is more aligned with a liberal or progressive view that celebrates change, innovation, and the dynamism of ideas. While both perspectives value the cultivation of certain virtues, they differ in their attitudes toward change and the role of tradition in society.

George Will's concept of soulcraft and Deirdre McCloskey's ideas of innovism/ideation, while emerging from different intellectual traditions, both underscore the importance of culture and values in shaping human society. Will's soulcraft focuses on the role of political institutions in cultivating moral and civic virtues, aiming to create good citizens who contribute to the common good. McCloskey's innovism, on the other hand, emphasizes the cultural and rhetorical shifts that celebrate innovation and ideas, driving economic growth and social progress. Despite their different emphases—moral versus economic—both concepts highlight the central role of cultural values in determining the health and prosperity of society.

- According to Hayek, the change in ideas and the power of human will have shaped the world today. The most important change which extensive government control produces is a psychological change, an alteration in the character of the people. This is necessarily a slow affair. . . perhaps over one or two generations. The important point is that the political ideals of the people and its attitude toward authority are as much the effect as the cause of the political institutions under which it lives. . . . Even a strong tradition of political liberty is no safeguard if the danger is precisely that new institutions and policies will gradually undermine and destroy that spirit.

Hayek's view is that the most significant impact of government overreach is not immediate but gradual—a slow alteration in the character of a people that

occurs over one or two generations. He emphasizes that political ideals and attitudes towards authority are not just the cause but also the effect of the political institutions under which people live. This means that even a society with a strong tradition of political liberty can see that spirit erode if new institutions and policies gradually undermine it. In other words, the ideas and beliefs held by people, shaped by the institutions and policies in place, can profoundly alter the very fabric of society, including its commitment to freedom and liberty.

How McCloskey's Innovism Reflects Hayek's Theory Deirdre McCloskey's concept of "innovism" aligns closely with Hayek's theory, particularly in how both emphasize the transformative power of ideas in shaping societies. McCloskey argues that the unprecedented economic growth of the Great Enrichment was driven by a cultural shift that celebrated innovation, entrepreneurship, and the dignity of the individual. This shift in ideas—towards valuing creativity, freedom, and the potential of ordinary people—was not merely an economic change but a profound cultural transformation that redefined what societies aspired to and what individuals believed was possible.

McCloskey's innovism reflects Hayek's concern with the role of ideas in that both thinkers see ideas as the driving force behind societal change. For McCloskey, the celebration of innovation and the spread of new ideas led to the dynamic economic growth of the modern world. Similarly, Hayek believes that the change in ideas—whether towards greater freedom or towards more government control—can reshape the character of society over time. Both recognize that ideas have a generational impact, gradually influencing the norms, values, and behaviors of people.

Moreover, McCloskey's emphasis on the positive impact of ideas contrasts with Hayek's warning about the dangers of certain ideas, particularly those that lead to increased government control. While McCloskey celebrates the ideas that lead to innovation and growth, Hayek cautions against ideas that lead to the erosion of liberty. Hayek's observation that political ideals and attitudes towards authority can be altered by the very institutions people live under resonates with McCloskey's point that cultural values and rhetorical shifts are critical in shaping economic and social outcomes.

In essence, McCloskey's innovism can be seen as an extension of Hayek's broader theory about the power of ideas. Both thinkers agree that ideas are central to the development of societies, but while McCloskey focuses on the constructive potential of ideas in driving economic growth and social progress, Hayek provides a cautionary perspective on how certain ideas, particularly those leading to government overreach, can undermine the very foundations of freedom and innovation that McCloskey celebrates.

Thus, McCloskey's innovism, with its emphasis on the cultural and rhetorical celebration of innovation, reflects and complements Hayek's theory about the critical role of ideas in shaping the character and trajectory of societies. Both views underscore the importance of fostering a cultural environment that values freedom, innovation, and individual dignity, while being vigilant against the gradual erosion of these values through the wrong kind of institutional and policy changes.

- Deirdre McCloskey’s analysis of the Great Enrichment—the period of unprecedented economic growth that began in the 18th century and lifted millions out of poverty—emphasizes the transformative power of ideas. She argues that the shift towards a culture that celebrated innovation, entrepreneurship, and the dignity of ordinary people was crucial in driving this economic explosion. However, the history of the 20th century, particularly under totalitarian regimes like those of Lenin, Stalin, Hitler, Mao, Kim, Pol Pot, and Xi, illustrates that ideas also have the power to cause immense destruction and suffering when they are harnessed for oppressive purposes. The contrast between the liberating ideas that fueled the Great Enrichment and the destructive ideologies propagated by totalitarian regimes adds a critical dimension to McCloskey’s analysis.

1. **The Power of Ideas in the Great Enrichment:**

- **Positive Role of Ideas:** In McCloskey’s analysis, ideas played a central role in the Great Enrichment by fostering a cultural environment that valued innovation, risk-taking, and the pursuit of new knowledge. The idea that ordinary people could contribute to economic and social progress, coupled with the celebration of bourgeois virtues like prudence, industriousness, and creativity, created the conditions for widespread economic growth. These ideas, which were rooted in the Enlightenment and the liberalization of European society, challenged old hierarchies and opened up new opportunities for individuals to improve their lives through hard work and innovation.

- **Cultural and Rhetorical Shift:** McCloskey highlights the importance of a rhetorical shift that dignified the activities of merchants, inventors, and entrepreneurs. This shift in societal values and discourse was not just about economic efficiency but about a broader cultural transformation that encouraged and legitimized the pursuit of new ideas. This cultural change was key to unleashing the dynamic effects that drove the Great Enrichment.

2. **The Dark Side of Ideas: Indoctrination and Brainwashing:**

- **Totalitarian Regimes and the Manipulation of Ideas:** While McCloskey’s analysis focuses on the positive impact of ideas on economic growth, the 20th century provides stark examples of how ideas can be manipulated to serve oppressive and destructive ends. Totalitarian regimes under leaders like Lenin, Stalin, Hitler, Mao, Kim, Pol Pot, and Xi harnessed the power of ideas to enforce strict ideological conformity and maintain control over their populations. These regimes relied heavily on indoctrination and brainwashing to instill their ideological doctrines in the minds of citizens, often using propaganda, censorship, and repressive measures to eliminate dissent and manipulate public perception.

- **Consequences of Ideological Control:** The consequences of these totalitarian ideologies were catastrophic. In the Soviet Union, Stalin’s purges and forced collectivization led to mass starvation and the deaths of millions. Hitler’s Nazi regime, driven by a pernicious racial ideology, orchestrated the Holocaust and unleashed a devastating world war. Mao’s Cultural Revolution and the Great Leap Forward resulted in widespread famine and persecution, while Pol Pot’s Khmer Rouge committed genocide in Cambodia. In each case, the delib-

erate manipulation of ideas and the suppression of alternative viewpoints led to widespread human suffering and economic devastation. These regimes demonstrated how the control of ideas—when used for malevolent purposes—can have disastrous consequences for societies.

3. **Ideas as a Double-Edged Sword:**

- **Contrasting Uses of Ideas:** The history of the 20th century highlights that ideas are a double-edged sword. While the ideas that fueled the Great Enrichment led to unprecedented prosperity and the elevation of millions from poverty, the ideas propagated by totalitarian regimes led to oppression, destruction, and the loss of millions of lives. This duality underscores the importance of the content and direction of ideas in shaping societal outcomes. Ideas that promote freedom, innovation, and respect for human dignity can lead to flourishing societies, while those that promote hatred, division, and authoritarian control can lead to societal collapse and human tragedy. - **McCloskey's Analysis in Context:** Adding this dimension to McCloskey's analysis, we can see that the Great Enrichment was not just a product of any ideas, but of particular ideas that valued human freedom, creativity, and individual rights. The comparison with totalitarian regimes shows that ideas can be manipulated to achieve vastly different outcomes—either to empower individuals and promote growth or to subjugate populations and destroy lives. This broader perspective on the role of ideas highlights the critical importance of fostering an open, pluralistic society where ideas can be freely exchanged, debated, and improved upon.

4. **The Role of Institutions and Culture in Safeguarding Ideas:**

- **Protecting the Positive Power of Ideas:** The destructive use of ideas in totalitarian regimes also underscores the importance of institutions and cultural norms that protect the free exchange of ideas and prevent the concentration of ideological power. In societies that experienced the Great Enrichment, institutions like free speech, the rule of law, and democratic governance played a crucial role in safeguarding the positive power of ideas. These institutions ensured that ideas could be challenged, tested, and refined, leading to continuous innovation and progress.

- **Dangers of Ideological Monopolies:** Conversely, totalitarian regimes demonstrate the dangers of ideological monopolies, where a single set of ideas is imposed on society without the possibility of dissent or debate. The monopolization of ideas under such regimes stifles innovation, suppresses creativity, and leads to stagnation and decay. McCloskey's emphasis on the importance of rhetoric and culture in economic life suggests that a vibrant, open society that encourages the free exchange of ideas is essential not only for economic growth but also for the preservation of human dignity and freedom.

McCloskey's analysis of the Great Enrichment highlights the transformative power of ideas in driving economic growth and social progress. However, the history of totalitarian regimes in the 20th century shows that ideas can also be used to oppress and destroy. By adding this dimension to McCloskey's analysis, we gain a fuller understanding of the dual role of ideas in shaping human history. Ideas have consequences, and the direction in which they are harnessed—toward liberation or oppression—determines whether they lead to

prosperity or devastation. This underscores the critical importance of fostering a culture and institutions that protect the free exchange of ideas, allowing societies to benefit from the positive, dynamic effects that ideas can bring, while guarding against their potential misuse.

- Deirdre McCloskey offers a critique of the views held by economists like Daron Acemoglu and James Robinson, who emphasize the role of institutions and the state in shaping economic and political outcomes. Acemoglu and Robinson argue that strong institutions and an active state can curb the dangers of a "Leviathan"—a powerful government that could potentially lead to authoritarianism or "institutional serfdom," a term they associate with Hayek's warnings about the dangers of too much government control.

1. **Critique of Mechanistic Views of Institutions:**

- **Acemoglu and Robinson's Position:** Acemoglu and Robinson suggest that "society" or "culture" can act as a check on government overreach. They believe that when governments become too powerful, the people—through social mechanisms like complaints, protests, or uprisings—can restrain the Leviathan. This perspective assumes that society has the capacity to control the state through established institutions and cultural practices, which, in their view, makes the system function effectively and prevents authoritarianism.

- **McCloskey's Counterpoint:** McCloskey criticizes this view for being too mechanistic and materialistic, suggesting that it overlooks the deeper, psychological and cultural aspects of how societies function. She argues that it's not just institutions that keep governments in check, but the moral and ethical qualities of the people themselves—their "soulcraft." McCloskey's use of "soulcraft" refers to the cultivation of virtues, character, and the moral spirit of a society. Her point is that if people are treated like children, reliant on a paternalistic state (a "Papa or Mama Leviathan"), they will become psychologically dependent and lose their capacity for independent thought and action, leading to a form of internal "serfdom."

2. **The Importance of Spirit, Ethics, and Rhetoric:**

- **Soulcraft vs. Institutional Control:** McCloskey contrasts the focus on institutions with what she sees as the more important factor: the spirit, ethics, and rhetoric that shape the behavior and attitudes of individuals within a society. She argues that the real danger lies not in the mere presence of strong institutions, but in how these institutions interact with and shape the human spirit. If a society becomes too reliant on its institutions to curb the state, without fostering the virtues necessary for active, engaged citizenship, it risks losing its liberty.

- **Examples of Rising Up:** McCloskey points to events like the January 6, 2021 attack on the U.S. Capitol and the January 23, 2021 protests in Russia as examples where people's actions were driven not by institutional constraints but by powerful ideas and emotions—spirit, ethics, and rhetoric. These uprisings, she argues, demonstrate that people are moved by their beliefs and values, not just by material interests or institutional structures. This challenges the

materialist and structuralist explanations offered by neo-institutionalists like Acemoglu and Robinson.

3. **Criticism of Structural Materialism:**

- **Materialism's Limitations:** McCloskey critiques Acemoglu and Robinson's materialist approach, which tends to downplay the role of ideas and psychology in shaping human behavior. While they occasionally acknowledge that people fear the Leviathan and act to avoid it, McCloskey emphasizes that this fear is rooted in the mind—it's a psychological and cultural phenomenon, not just a response to material conditions. She argues that ideas, beliefs, and values are what truly drive people to act, whether it's to protest, to speak out, or to resist authoritarianism.

- **Ideas as Motivators:** McCloskey underscores that actions like complaints, demonstrations, and uprisings are motivated by ideas. People protest and resist not just because of structural or material conditions, but because they are inspired or driven by their beliefs about justice, freedom, and morality. This perspective challenges the neo-institutionalist view that structures alone can explain political and social dynamics.

4. **McCloskey's Broader Argument:**

- **Ideas over Institutions:** In the broader context of her work, McCloskey argues that the Great Enrichment—an unprecedented period of economic growth—was driven not just by institutions or material conditions, but by a cultural and rhetorical shift that celebrated innovation, individualism, and the dignity of ordinary people. This analysis of Acemoglu and Robinson's work is consistent with her belief that ideas, culture, and the moral spirit of a society are the primary drivers of long-term prosperity and freedom.

- **The Role of Rhetoric:** McCloskey's focus on rhetoric emphasizes how the way we talk about and understand our society shapes our actions and institutions. If the rhetoric surrounding government, freedom, and individual responsibility changes, it can profoundly influence the character of a society and its capacity to resist or embrace authoritarianism.

McCloskey's critique of Acemoglu and Robinson's neo-institutionalism centers on the argument that they overemphasize the role of institutions and material conditions in shaping society while underestimating the importance of ideas, spirit, and rhetoric. She argues that it is the moral and ethical character of a society—its "soulcraft"—that truly determines whether it can resist authoritarianism and thrive. By focusing on the psychological and cultural aspects of human behavior, McCloskey challenges the mechanistic view of institutions as the primary safeguard against tyranny, suggesting instead that it is the ideas and values held by individuals that ultimately shape the course of history.

- Robert Lucas and Deirdre McCloskey have both written extensively on the role of ideas in economic growth, but they approach the topic from different perspectives and frameworks. Here's a comparison of their views:

Robert Lucas on Ideas and Growth:

- **Focus on Human Capital and Technology:** Robert Lucas is well-known for his work on economic growth, particularly the role of human capital and tech-

nology. In his influential papers, Lucas emphasizes the importance of human capital—skills, education, and knowledge—in driving economic growth. He argues that investments in education and knowledge accumulation are crucial for sustained economic development.

- Endogenous Growth Theory: Lucas is a central figure in the development of endogenous growth theory, which suggests that economic growth is primarily driven by internal factors, rather than external forces. In this context, ideas and knowledge play a crucial role, as they are seen as key drivers of technological innovation and productivity improvements.

- Mathematical and Empirical Approach: Lucas's analysis is heavily grounded in mathematical models and empirical data. He uses formal economic models to explore how human capital and ideas contribute to long-term growth, often incorporating complex mathematical equations and statistical methods to support his arguments.

Deirdre McCloskey on Ideas and Growth:

- Cultural and Rhetorical Perspective: Deirdre McCloskey, in contrast, focuses on the role of ideas, culture, and rhetoric in economic growth. She argues that the "Great Enrichment"—the unprecedented economic growth since the 18th century—was driven not by material factors alone, but by a shift in societal values. According to McCloskey, ideas about liberty, dignity, and respect for innovation were crucial in fostering an environment where economic growth could flourish.

- Critique of Materialism in Economics: McCloskey critiques traditional economic theories that prioritize material factors, such as capital accumulation and institutions, over cultural and ideological influences. She emphasizes that changes in rhetoric, the language of discourse, and societal values played a fundamental role in the economic transformations that led to modern prosperity.

- Narrative and Historical Analysis: McCloskey's work is less focused on mathematical modeling and more on historical and narrative analysis. She explores the cultural and intellectual history that shaped economic ideas, often using examples from literature, philosophy, and history to make her case.

Key Differences:

- Approach to Ideas: While both Lucas and McCloskey recognize the importance of ideas in economic growth, Lucas views ideas primarily through the lens of human capital and technological innovation, whereas McCloskey emphasizes the broader cultural and rhetorical shifts that enable these ideas to take root and drive growth.

- Methodology: Lucas employs rigorous mathematical modeling and empirical analysis to study growth, whereas McCloskey adopts a more interdisciplinary approach, integrating economics with history, rhetoric, and philosophy.

- View on Growth Drivers: Lucas focuses on human capital and technology as the engines of growth, while McCloskey argues that the cultural elevation of bourgeois virtues and the dignity of the individual were the key drivers of the Great Enrichment.

In summary, while both Lucas and McCloskey agree on the importance of ideas in economic growth, they diverge significantly in their approach, method-

ology, and the specific aspects of ideas they emphasize.

- Edmund Phelps, in his works **Mass Flourishing** and **Dynamism**, highlights the critical role of modern ideas and values—such as individualism, vitalism, and self-expression—in driving indigenous innovation. These values, Phelps argues, are the foundation for the economic and cultural dynamism that leads to widespread prosperity and flourishing in societies.

Phelps' Focus on Indigenous Innovation:

1. Individualism:

- Luther's Thinking for Oneself: Phelps draws on the Reformation and Luther's advocacy for personal interpretation and responsibility in faith as a metaphor for broader individualism. This sense of thinking for oneself is seen as a precursor to the modern emphasis on personal autonomy and innovation.

- Jefferson's Right to Pursue Happiness: This idea underlines the importance of individual rights and freedoms in enabling people to pursue their own paths, which in turn fosters creativity and innovation.

- Dickens's Working for One's Own Ends: Reflecting the spirit of self-reliance and personal ambition, this value encourages people to strive for personal success and fulfillment, which fuels economic dynamism.

2. Vitalism:

- Shakespeare's Summoning the Courage to Act: Phelps sees this as embodying the drive to take bold steps and embrace the uncertainty inherent in innovation.

- Cervantes' Relishing Challenges: The idea of finding joy in challenges and risks, as exemplified by Cervantes, aligns with the entrepreneurial spirit that is crucial for innovation.

- Hegel's Taking Initiatives: Acting on the world, rather than being passive, is seen as a key driver of progress and innovation.

3. Self-Expression:

- Voltaire's Creating Things: The Enlightenment value of creativity and intellectual exploration is crucial for innovation.

- Goethe's Exploring and Experimenting: Experimentation and exploration are central to the process of discovering new ideas and technologies.

- Verne's Voyaging into the Unknown: Embracing the unknown and pushing the boundaries of what is possible are essential aspects of innovation.

Phelps argues that these modern values, which emerged strongly during the Renaissance and Enlightenment, laid the groundwork for the kind of innovation that is deeply rooted in the cultural and intellectual fabric of society. This indigenous innovation—innovation that arises from within a society, rather than being imported—is what Phelps believes drives "mass flourishing," where economic growth is accompanied by broad-based improvements in well-being.

Phelps vs. McCloskey:

While both Phelps and Deirdre McCloskey emphasize the importance of ideas and values in driving economic growth, they approach the topic from different angles:

- McCloskey emphasizes the role of liberal ideas—particularly the respect for bourgeois virtues like prudence, justice, and temperance—in fostering the Great Enrichment of the modern era. She argues that these ideas led to a societal shift that dignified commerce and entrepreneurship, making it possible for ordinary people to engage in economic activities that led to widespread prosperity.

- Phelps, on the other hand, focuses more on the internal cultural and psychological values that inspire individuals to innovate. He highlights the importance of a society's internal dynamism—its vitality, creativity, and willingness to take risks—as the engine of innovation and economic growth. While McCloskey talks about the societal embrace of commercial virtues, Phelps is more concerned with the individual's internal drive to innovate and explore.

While both thinkers acknowledge the critical role of ideas in economic development, McCloskey places more emphasis on the societal and ethical frameworks that support innovation, whereas Phelps highlights the personal and cultural values that motivate individuals to innovate.

- Deirdre McCloskey's concept of "innovism" and Edmund Phelps's idea of "grassroots innovation" share a focus on the importance of innovation in driving economic growth, but they differ significantly in their emphasis on where this innovation originates and how it is sustained.

McCloskey's innovism is rooted in a cultural and rhetorical shift that occurred in the 17th and 18th centuries, which she argues was central to the Great Enrichment—the unprecedented economic growth that began during this period. For McCloskey, this shift involved a societal revaluation of commerce, entrepreneurship, and the bourgeois virtues of prudence, trust, and innovation. Innovism, as she defines it, is the celebration and legitimization of these activities within society. McCloskey contends that this change in how society talked about and valued economic activity was crucial for enabling sustained economic growth. In her view, innovation was driven not just by individual initiative but by a broader cultural environment that encouraged and honored entrepreneurial activities.

In contrast, Edmund Phelps's concept of grassroots innovation emphasizes the role of individualism, vitalism, and self-expression in driving economic dynamism. Phelps argues that innovation often comes from ordinary individuals who are motivated by a desire for personal fulfillment, creativity, and the expression of new ideas. This grassroots innovation is decentralized and widespread, driven by a culture that values individual autonomy and creativity. Phelps's focus is on the intrinsic motivations of individuals, suggesting that economic dynamism arises from the bottom up, with countless individuals contributing new ideas and innovations. While McCloskey highlights the societal and cultural shifts that made innovation possible, Phelps emphasizes the role of the individual as the primary source of economic dynamism, driven by personal desires rather than solely by economic incentives.

The differences between McCloskey and Phelps become even more apparent when considering their views on the role of institutions. McCloskey acknowledges the importance of institutions like property rights and the rule of law, but

she argues that these are secondary to the cultural and rhetorical shifts that enable innovation. For McCloskey, the key to sustained economic growth is not just the development of better institutions but the societal transformation that legitimizes and encourages entrepreneurial activities. Innovism, in her view, is about the cultural environment within which institutions operate, rather than the institutions themselves being the primary drivers of innovation. Phelps, on the other hand, sees institutions as important enablers of individual creativity and grassroots innovation. He argues that institutions should create an environment where individuals feel free to express themselves, experiment, and pursue new ideas. However, the real spark of innovation comes from within individuals, and institutions play a supporting role by providing the freedom and resources necessary for this grassroots innovation to flourish.

In summary, while both McCloskey and Phelps recognize the importance of culture and institutions in fostering innovation, their approaches differ in emphasis. McCloskey focuses on the broader cultural and rhetorical shifts that redefined how society viewed commerce and entrepreneurship, arguing that this societal endorsement of innovation was crucial for the economic growth of the modern era. Phelps, in contrast, emphasizes the role of individualism and personal motivation, arguing that economic dynamism comes from the grassroots level, driven by individuals' desires for self-expression and creativity. These differences highlight the complementary nature of their perspectives: McCloskey's innovism focuses on the cultural conditions that make innovation possible, while Phelps's grassroots innovation underscores the individual creativity that drives economic dynamism from the ground up.

- Max Weber

Max Weber's seminal work, *"The Protestant Ethic and the Spirit of Capitalism"*, provides a detailed analysis of the relationship between religious ethics, particularly those of Protestantism, and the emergence of the capitalist spirit in the modern West. Weber argues that certain religious ideas, especially those rooted in Calvinism, played a crucial role in fostering a mindset conducive to economic success, rational organization, and the accumulation of wealth. He posits that the values and ethics associated with Protestantism, particularly its ascetic branch, significantly influenced the development of capitalist economies. This idea is central to understanding how the ethical framework provided by Protestantism laid the foundation for the capitalist spirit.

Weber's analysis begins with the concept of the "Protestant ethic," which emphasizes hard work, discipline, and frugality. In particular, Calvinism, with its doctrine of predestination, created a "salvation anxiety" among its followers, who sought signs of their elect status. Success in worldly endeavors, particularly in business, was often interpreted as evidence of God's favor. This religiously motivated work ethic, according to Weber, was instrumental in the development of a mindset that valued economic success and rational organization—key components of the capitalist spirit.

In addition to asceticism, Weber introduces the idea of a "calling," where work and worldly activity are seen as moral obligations. This notion of work as a

divine calling encouraged individuals to engage in their economic activities with a sense of duty, responsibility, and moral purpose. The Protestant ethic, with its emphasis on discipline and rationality, contributed to the rationalization of economic activities, which Weber argues was essential for the rise of modern capitalism.

Weber also discusses the "spirit of capitalism," which he describes as a set of values that emphasize the rational pursuit of economic gain, systematic work, and the accumulation of wealth. This spirit, according to Weber, was not present in pre-modern societies but emerged with the rise of Protestantism in the early modern period. The rational organization of free labor, the pursuit of profit within legal bounds, and the ethical conduct of business are all characteristics of this spirit, which Weber sees as central to the development of modern capitalism.

Weber's ideas have significantly influenced subsequent thinkers, including Deirdre McCloskey and Edmund Phelps, who have expanded on his analysis by exploring the role of cultural and ethical values in economic development. McCloskey, in her trilogy on the "Bourgeois Era," echoes Weber's emphasis on the ethical foundations of capitalism. She argues that bourgeois virtues—such as prudence, justice, and temperance—are essential for a flourishing capitalist society. Like Weber, McCloskey suggests that capitalism is not inherently unethical but can be a force for good when grounded in strong moral values. However, McCloskey goes beyond Weber by arguing that the dignity and respect accorded to bourgeois activities were crucial in driving the economic transformation of the modern world.

Edmund Phelps, in his works **Mass Flourishing** and **Dynamism**, also builds on Weber's ideas by focusing on the role of modern values such as individualism, self-expression, and vitalism in fostering innovation and economic dynamism. Phelps' emphasis on the cultural and psychological values that motivate individuals to innovate can be seen as an extension of Weber's analysis of the Protestant work ethic. While Weber highlights the role of religious ethics in fostering a disciplined work ethic, Phelps emphasizes the importance of cultural values in inspiring creativity and innovation.

Both McCloskey and Phelps, therefore, build on Weber's insights by exploring how cultural and ethical values have influenced the development of modern economies. While Weber focuses on the religious roots of capitalism, McCloskey and Phelps expand the analysis to include broader cultural values and their impact on economic innovation and dynamism. Together, these thinkers provide a comprehensive understanding of how ideas and ethics have shaped the economic world, from the Protestant Reformation to the modern era.

- My own Assessment

We now add a nuanced layer to Deirdre McCloskey's argument about the role of bourgeois ideas in driving the Industrial Revolution and the subsequent "Great Enrichment." While McCloskey emphasizes the importance of the shift in rhetoric and attitudes toward the bourgeoisie—what she calls "bourgeois dignity" and "bourgeois virtues"—our own perspective highlights the critical

role of the accumulation of other forms of power by the bourgeoisie, alongside ideological power.

Clarification and Details:

1. **Bourgeois Ideological Power:**

- **McCloskey's Argument:** McCloskey argues that the change in how society viewed the bourgeoisie—shifting from disdain to respect—was pivotal in unleashing the creativity, innovation, and entrepreneurial spirit that drove the Industrial Revolution. She emphasizes that the acceptance and celebration of bourgeois values, such as hard work, innovation, and prudence, created an environment where economic growth could flourish.

- **My Perspective:** While I acknowledge the importance of this ideological shift, I argue that it alone was not sufficient to bring about the Great Enrichment. Instead, it needed to be coupled with the bourgeoisie's accumulation of political, economic, and military power.

2. **Accumulation of Political Power:**

- **Political Empowerment of the Bourgeoisie:** The gradual accumulation of political power by the bourgeoisie was crucial in shaping the institutional environment that supported economic growth. As the bourgeoisie gained influence in political institutions, they were able to advocate for policies that favored free markets, property rights, and the rule of law. This shift in political power allowed the bourgeoisie to shape the legal and regulatory frameworks that enabled industrialization.

- **Examples:** In England, the Glorious Revolution of 1688 is a prime example where the bourgeoisie gained significant political power, leading to the establishment of a constitutional monarchy that limited the powers of the king and protected property rights. This political empowerment was key to creating a stable environment conducive to economic development.

3. **Accumulation of Economic Power:**

- **Economic Capital and Influence:** The bourgeoisie's gradual accumulation of economic power, through trade, finance, and industry, provided the material resources needed to drive the Industrial Revolution. Economic power allowed the bourgeoisie to invest in new technologies, build infrastructure, and expand markets. It also enabled them to exert influence over government policies and shape economic institutions in ways that favored capitalist development.

- **Examples:** The rise of merchant and banking families in cities like Amsterdam, London, and Paris in the 17th and 18th centuries provided the financial capital necessary for industrial ventures. Their economic influence also allowed them to push for policies that promoted trade and protected their economic interests.

4. **Accumulation of Military Power:**

- **Protection and Expansion:** The military power, often wielded indirectly by the bourgeoisie through state institutions, was essential for protecting economic interests and expanding markets. The ability to secure trade routes, protect property, and, in some cases, colonize new territories, allowed the bourgeoisie to expand their economic activities on a global scale. This military

power also played a role in suppressing internal dissent and maintaining the social order necessary for economic stability.

- **Examples:** The British East India Company, backed by military power, expanded British trade and control over large parts of India, which became a significant source of wealth and raw materials for the British economy during the Industrial Revolution.

Thus, the Great Enrichment and the Industrial Revolution were not solely the result of a shift in ideas and attitudes towards the bourgeoisie. Instead, it was the interplay of ideological power with the accumulation of political, economic, and military power that created the conditions for this transformative period. The bourgeoisie's ability to influence and control these different forms of power allowed them to reshape the institutions and structures of society, ultimately leading to the unprecedented economic growth and development that characterized the Industrial Revolution.

To repeat, while McCloskey highlights the importance of bourgeois ideas, we emphasize that these ideas needed to be supported and reinforced by tangible power in the political, economic, and military realms. It was the combination of these forces that enabled the Great Enrichment to occur.

Therefore, the four powers—political, economic, military, and ideological—reinforce each other from the Magna Carta Libertatum through the Glorious Revolution to the Industrial Revolution and the Great Enrichment is historically grounded and highlights the interconnectedness of these forces in shaping modern economic and political institutions. Here is a detailed explanation and historical justification:

1. **Magna Carta Libertatum (1215):**

- **Political Power:** The Magna Carta is often seen as a foundational moment in the development of political power in England. It was a result of the barons' demand for limits on the arbitrary power of the king, particularly in matters of taxation and justice. While the Magna Carta itself primarily benefited the nobility, it laid the groundwork for the gradual shift in political power towards broader segments of society, including the emerging bourgeoisie. Over time, it contributed to the development of the rule of law, which became crucial for protecting property rights and supporting economic activity.

- **Economic Power:** The Magna Carta helped create a more predictable and stable environment for economic activities by limiting the king's ability to levy taxes without consent. This predictability encouraged economic investment and trade, setting the stage for the rise of a more powerful merchant class in the centuries that followed.

- **Military Power:** The Magna Carta was, in part, a response to King John's military failures and the heavy taxation he imposed to fund his campaigns. The barons, who provided much of the military power in feudal England, used their leverage to force the king to sign the charter, demonstrating the interdependence of military and political power.

- **Ideological Power:** Although the ideological shift towards the rights of individuals and the limitation of arbitrary power was in its infancy, the Magna Carta planted the seeds for later developments in political thought that would

emphasize the importance of legal constraints on authority and the rights of individuals, ideas that would later influence the bourgeoisie.

2. The Glorious Revolution (1688):

- **Political Power:** The Glorious Revolution marked a significant shift in political power from the monarchy to Parliament, effectively limiting the power of the crown and establishing the principles of constitutional monarchy. This shift was crucial for the bourgeoisie, as it ensured that their interests could be represented and protected within the political system. The Revolution led to the Bill of Rights (1689), which codified many of the political freedoms that would support the development of capitalist institutions.

- **Economic Power:** The Glorious Revolution also had profound economic implications. By securing property rights and promoting financial stability, it created an environment conducive to economic growth. The establishment of the Bank of England in 1694 and the development of a national debt system underpinned by parliamentary control over taxation were critical in fostering economic expansion and the rise of the bourgeoisie.

- **Military Power:** The Revolution was not just a political and economic event but also had a military dimension. The shift in power was achieved with relatively little bloodshed, but it was supported by the threat of force, both from the standing army loyal to William of Orange and from the broader European context, where England's military power was increasingly vital in the balance of power on the continent. The military backing of the new regime ensured the security needed for economic and political stability.

- **Ideological Power:** The ideological justification for the Glorious Revolution was rooted in the concept of the social contract and the idea that the monarchy's legitimacy depended on the consent of the governed. These ideas, influenced by thinkers like John Locke, reinforced the ideological power of the bourgeoisie by promoting the principles of liberty, property rights, and limited government—key components of the emerging capitalist order.

3. **The Industrial Revolution (circa 1760 to 1840):**

- **Political Power:** By the time of the Industrial Revolution, the bourgeoisie had gained significant political power, particularly in Britain. Their influence in Parliament allowed them to shape policies that favored industrial expansion, such as the enclosure acts, which privatized common lands and increased agricultural productivity, and laws that supported free trade and limited the power of guilds and other restrictions on economic activity.

- **Economic Power:** The Industrial Revolution itself was a manifestation of the bourgeoisie's growing economic power. They invested in new technologies, factories, and infrastructure, transforming the economy from one based on agriculture and small-scale production to one dominated by industry and large-scale manufacturing. This economic power was both a cause and a consequence of their political influence, as it enabled further accumulation of wealth and capital, reinforcing their position in society.

- **Military Power:** The industrialization of Britain also had significant military implications. The wealth generated by industry allowed the state to fund a powerful navy and army, which were used to protect and expand British interests around the world. The British Empire, backed by military

might, provided new markets for industrial goods and sources of raw materials, further fueling economic growth. The military-industrial complex that emerged during this period demonstrated the close relationship between economic power and military strength. - **Ideological Power:** The Industrial Revolution was accompanied by a shift in ideological power towards values that emphasized progress, innovation, and individualism. The success of the bourgeoisie and their values during this period led to the widespread acceptance of capitalist ideologies, which celebrated the virtues of hard work, entrepreneurship, and competition. These ideas became dominant in shaping not only economic policies but also social norms and expectations.

4. **The Great Enrichment (19th Century to Present):**

- **Political Power:** The culmination of these developments was the Great Enrichment—a period of unprecedented economic growth and prosperity. The political power of the bourgeoisie continued to expand, leading to the spread of democratic institutions and the protection of civil liberties that further supported economic activity. The extension of the franchise, reforms in governance, and the establishment of modern states provided the political stability necessary for sustained economic growth.

- **Economic Power:** The economic power accumulated during the Industrial Revolution laid the foundation for the Great Enrichment. The continued expansion of markets, technological innovation, and the accumulation of capital drove economic growth to levels never before seen in human history. The global spread of capitalism and the integration of world markets also played a crucial role in this process.

- **Military Power:** Throughout the 19th and early 20th centuries, military power remained a key element in maintaining and expanding the economic and political influence of the bourgeoisie. Colonialism, backed by military force, opened new markets and sources of raw materials, while the industrialization of warfare further reinforced the link between military strength and economic power.

- **Ideological Power:** The ideological power of the bourgeoisie became nearly universal during the Great Enrichment, with capitalist ideas spreading globally and becoming the dominant framework for understanding economic and social progress. The narrative of progress, fueled by capitalism and free markets, became a central tenet of modernity, influencing everything from education to government policy.

We have highlighted the interdependence and mutual reinforcement of political, economic, military, and ideological power from the Magna Carta to the Great Enrichment. The gradual accumulation and integration of these forms of power by the bourgeoisie created a self-reinforcing cycle that drove the development of modern capitalist societies. Each phase—from the establishment of legal and political rights to the accumulation of economic capital and the expansion of military power—built on the previous one, leading to the profound transformation of Western societies and the global economy. This process illustrates how the interplay of multiple forms of power can drive historical change and lead to periods of significant economic and social transformation.

- The period between the Magna Carta Libertatum (1215) and the Glorious Revolution (1688) was rich with historical events that contributed to the gradual accumulation of political, economic, military, and ideological power by the bourgeoisie. This period saw a series of developments that progressively empowered the bourgeoisie and laid the groundwork for the transformations that would lead to the Industrial Revolution and the Great Enrichment. Here are key historical events and trends that contributed to the growth of these four powers:

1. **The Rise of Towns and Cities (12th to 14th Centuries):**

- **Political Power:** The growth of towns and cities in medieval Europe provided a new arena for the exercise of political power by the emerging bourgeoisie. Many towns gained charters of self-government, allowing them to operate with a degree of autonomy from feudal lords. This autonomy enabled merchants and craftsmen to organize into guilds, which played a crucial role in local governance and the regulation of trade.

- **Economic Power:** Towns and cities became centers of commerce, trade, and industry. The burgeoning urban economy allowed the bourgeoisie to accumulate wealth through trade, banking, and the production of goods. The rise of a money economy, as opposed to a barter-based system, further empowered the bourgeoisie by increasing the importance of capital and finance.

- **Military Power:** Urban militias, often organized by guilds, provided cities with a means of defense and a degree of military autonomy. In some cases, towns allied with monarchs against feudal lords, offering military support in exchange for greater autonomy and privileges.

- **Ideological Power:** The growth of cities contributed to the spread of ideas that emphasized the value of commerce, hard work, and civic responsibility. The relative social mobility in urban areas compared to rural feudal society allowed for the development of a new urban identity and ideology that valued economic achievement and individual merit.

2. **The Black Death and Peasants' Revolts (14th Century):**

- **Political Power:** The Black Death (1347-1351) led to a significant reduction in the population of Europe, which had profound social and economic consequences. The labor shortages that followed empowered peasants and workers, leading to demands for better wages and living conditions. This period saw a number of peasants' revolts, such as the English Peasants' Revolt of 1381, which, although suppressed, demonstrated the growing assertiveness of the lower classes and the potential for social and political change.

- **Economic Power:** The demographic collapse following the Black Death disrupted the traditional feudal economy and accelerated the decline of the manorial system. With fewer workers available, labor became more valuable, and peasants and urban workers could command higher wages. This shift helped to weaken the economic power of the feudal aristocracy and contributed to the rise of a more market-oriented economy.

- **Military Power:** While the revolts themselves were not successful in overthrowing the feudal order, they revealed the vulnerability of the existing

power structures and the potential for organized resistance. This period also saw the development of more professional and centralized armies, which gradually reduced the military power of the feudal lords and increased the role of the state and mercantile interests in military matters.

- **Ideological Power:** The widespread social upheaval caused by the Black Death and the subsequent revolts began to challenge the existing social order and the ideological justification for feudalism. Ideas about justice, the rights of individuals, and the role of authority began to shift, laying the groundwork for later ideological developments.

3. **The Hundred Years' War (1337-1453) and the Wars of the Roses (1455-1487):** - **Political Power:** The Hundred Years' War between England and France, and the subsequent Wars of the Roses in England, significantly weakened the feudal aristocracy and the monarchy. The protracted conflict drained the resources of the nobility and created political instability, which in turn allowed the emerging bourgeoisie to gain more influence in political affairs, especially as they provided financial and logistical support for the war efforts. - **Economic Power:** War necessitated increased taxation and borrowing, leading monarchs to rely more heavily on the financial resources of the bourgeoisie. This reliance increased the bargaining power of merchants and financiers, who in exchange for loans and support, secured greater political influence and economic privileges, such as monopolies and trade rights. - **Military Power:** The decline of feudal levies and the rise of professional armies funded by the crown reduced the military power of the nobility and shifted the balance of power toward the state and its urban supporters. The bourgeoisie, through their control of capital, played a crucial role in financing these armies, thus gaining indirect military power. - **Ideological Power:** The weakening of the feudal order and the rise of centralized monarchies contributed to the spread of ideas that supported the authority of the state over the feudal lords. The increasing importance of commerce and trade also led to the gradual erosion of the medieval ideals of chivalry and feudal obligation, replaced by more pragmatic and commercial values.

4. **The Protestant Reformation (1517 onwards):** - **Political Power:** The Protestant Reformation, initiated by Martin Luther in 1517, challenged the authority of the Catholic Church and led to the fragmentation of Christendom. In regions where Protestantism took hold, such as in parts of Germany, Switzerland, the Netherlands, and England, the Reformation weakened the Church's political power and led to the rise of secular rulers who were often allied with or influenced by bourgeois interests. - **Economic Power:** The Reformation also had significant economic implications. The dissolution of monasteries, particularly in England under Henry VIII, transferred vast amounts of wealth and land from the Church to the crown and the emerging bourgeoisie. Protestant ethics, particularly the Calvinist emphasis on hard work, frugality, and the accumulation of wealth, resonated with the values of the bourgeoisie and supported the development of capitalist economies. - **Military Power:** Religious conflicts following the Reformation, such as the Thirty Years' War (1618-1648), were partly financed and supported by bourgeois interests. These conflicts often led

to the further weakening of the traditional aristocracy and the strengthening of central states and their bourgeois backers. - **Ideological Power:** The Reformation fundamentally altered the ideological landscape of Europe. It promoted the idea that individuals could have a direct relationship with God without the mediation of the Church, which paralleled the emerging idea that individuals could pursue economic and political power independently of traditional authorities. The emphasis on literacy and personal interpretation of religious texts also contributed to the spread of literacy and education, which were essential for the development of a more informed and active bourgeoisie.

5. **The English Civil War and Commonwealth Period (1642-1660):** - **Political Power:** The English Civil War (1642-1651) and the subsequent Commonwealth period (1649-1660) were pivotal in the struggle between the monarchy and Parliament, with the bourgeoisie largely siding with Parliament. The war resulted in the temporary overthrow of the monarchy and the establishment of a republican government under Oliver Cromwell, which was heavily influenced by bourgeois interests. - **Economic Power:** The bourgeoisie played a significant role in financing Parliament's war effort, and their economic interests were reflected in the policies of the Commonwealth government, which favored trade, industry, and naval expansion. The Navigation Acts, for example, were designed to promote English shipping and trade at the expense of foreign competitors, particularly the Dutch. - **Military Power:** The New Model Army, established by Parliament during the Civil War, was a professional and politically motivated military force that was largely aligned with bourgeois and Puritan interests. The success of this army demonstrated the effectiveness of a centralized, professional military force over the traditional feudal levies, further weakening the power of the aristocracy. - **Ideological Power:** The Civil War and Commonwealth period were marked by intense ideological debates about the nature of government, the rights of individuals, and the role of religion in society. Radical groups like the Levellers and Diggers pushed for more democratic and egalitarian ideas, while more conservative forces sought to maintain the traditional social order. These debates laid the groundwork for the later development of liberal political thought.

6. **The Restoration and the Glorious Revolution (1660-1688):** - **Political Power:** The Restoration of the monarchy in 1660 did not fully reverse the gains made by the bourgeoisie during the Civil War. The power struggle between the monarchy and Parliament continued, culminating in the Glorious Revolution of 1688, which decisively shifted political power towards Parliament and the bourgeoisie. The Revolution resulted in the establishment of a constitutional monarchy, with the Bill of Rights (1689) ensuring that the monarchy could not rule without Parliament's consent. - **Economic Power:** The economic power of the bourgeoisie continued to grow during the Restoration and Glorious Revolution. The expansion of trade, the growth of the financial sector, and the rise of the British Empire provided new opportunities for wealth accumulation. The establishment of the Bank of England in 1694 and the development of a national debt system were key developments that linked the interests of the state with those of the bourgeoisie. - **Military Power:** The Glorious Revo-

lution was supported by a significant military component, with the invasion of William of Orange backed by a powerful military force. The Revolution also led to the development of a more professional standing army and navy, funded and supported by the bourgeoisie, which played a crucial role in expanding and protecting British economic interests around the world. - **Ideological Power:** The Glorious Revolution was justified by the ideas of the social contract and the rights of Englishmen, which were articulated by thinkers like John Locke. These ideas resonated with the bourgeoisie, who saw themselves as the defenders of liberty and property against the arbitrary power of the monarchy. The Revolution reinforced the ideological shift towards constitutionalism, individual rights, and the rule of law, which were essential for the development of modern capitalism.

Therefore, between the Magna Carta Libertatum and the Glorious Revolution, a series of historical events and developments gradually empowered the bourgeoisie by increasing their political, economic, military, and ideological influence. These events were interconnected and mutually reinforcing, creating a cumulative effect that ultimately led to the transformation of English society and the rise of the modern capitalist state. The success of the bourgeoisie in accumulating these four forms of power laid the foundation for the Industrial Revolution and the Great Enrichment that followed.

- This perspective offers a valuable critique of McCloskey's emphasis on ideas and ideology as the primary drivers of the Great Enrichment. By considering the interactions among ideological power, military power, economic power, and political power, we present a more nuanced and complex view of the historical processes that led to the Industrial Revolution and the subsequent economic transformation known as the Great Enrichment. Here's how these interactions create a richer, more dynamic, and sometimes blurred picture:

1. **Interactions Between Ideological and Economic Power:**

- **Ideological Support for Economic Change:** While McCloskey highlights the role of bourgeois dignity and the shift in societal attitudes towards commerce and innovation, our view suggests that these ideological changes were not isolated. They were deeply intertwined with economic power. For example, the accumulation of wealth by the bourgeoisie provided them with the means to promote and spread their ideas. This economic base allowed the bourgeoisie to fund education, patronize the arts, and support intellectual movements that further reinforced their ideological position.

- **Economic Power Shaping Ideology:** Economic developments also influenced the evolution of ideas. The success of capitalist enterprises and the wealth generated by trade and industry validated and reinforced the ideological shift towards valuing innovation, entrepreneurship, and market-driven economic systems. In this way, economic power and ideological power were mutually reinforcing, creating a feedback loop that propelled the Great Enrichment.

2. **Interactions Between Military and Political Power:**

- **Military Power Securing Political Influence:** The rise of the bourgeoisie was not just a matter of gaining economic and ideological influence; it also involved the strategic use of military power to secure political gains. The English Civil War, the Glorious Revolution, and other conflicts illustrate how military power was used to challenge the old aristocratic order and establish new political arrangements that favored bourgeois interests. These conflicts often blurred the lines between military and political power, as control over the state became closely linked to the ability to wield military force.

- **Political Power Directing Military Resources:** Conversely, political power allowed the bourgeoisie to direct military resources in ways that protected and expanded their economic and ideological interests. The creation of standing armies, the expansion of naval power, and the establishment of colonial empires were all driven by the political needs of the state, which were increasingly aligned with the economic ambitions of the bourgeoisie. This interdependence between political and military power was crucial in maintaining the stability and security needed for the economic growth of the Great Enrichment.

3. **Blurring of Boundaries Between Powers:**

- **Integrated Power Dynamics:** Our critique also highlights how the boundaries between these different forms of power—ideological, economic, military, and political—are often blurred. For example, the ideological justification for colonial expansion (the "civilizing mission") was closely tied to both economic motivations (access to resources and markets) and military actions (the use of force to secure colonies). Similarly, the political power of the bourgeoisie was reinforced by their economic contributions to the state (through taxation and investment) and their ideological influence in shaping public policy.

- **Complex Interactions:** These interactions create a more complex and dynamic picture of the Great Enrichment, where no single form of power operates in isolation. Instead, the development of modern capitalist economies was the result of intricate and often overlapping power dynamics, where shifts in one area (such as a new ideological movement) could influence and be influenced by changes in another area (such as military strategy or economic policy).

4. **The Dynamic Nature of the Great Enrichment:**

- **Non-linear Progress:** The path to the Great Enrichment was not a straightforward or linear process. The interactions among these different forms of power created a dynamic and sometimes unpredictable environment. For example, the success of the Industrial Revolution depended not only on technological innovation (an outcome of economic and ideological power) but also on the ability to secure resources and markets through political and military means. This interplay of forces led to periods of rapid progress, but also to conflicts, setbacks, and shifts in direction.

- **Comprehensive Understanding:** By considering the interactions among these different forms of power, our perspective offers a more comprehensive understanding of the Great Enrichment. It acknowledges that while ideas and ideology were important, they were only part of a broader and more complex historical process that involved multiple, interrelated forms of power.

Hence, our critique of McCloskey's one-sided analysis by emphasizing the in-

teractions among ideas/ideological power, military power, economic power, and political power provides a richer and more dynamic understanding of the Great Enrichment. This approach recognizes the complexity of historical processes and the ways in which different forms of power influenced and reinforced each other, creating the conditions for the profound economic and social transformations that marked the Industrial Revolution and the rise of modern capitalist societies.

- The protection of property rights in the constitutions of England, America, and France emerged only after significant political and military revolutions in each country. These revolutions fundamentally altered the relationship between the state and its citizens, leading to the formal recognition and protection of property rights as a cornerstone of the new constitutional orders.

1. England: The Glorious Revolution (1688-1689)

A. Background and Revolution:

- The Glorious Revolution of 1688-1689 was a pivotal event in English history that led to the overthrow of King James II and the installation of William of Orange and his wife, Mary, as co-monarchs. The revolution was driven by concerns over James II's attempts to centralize power, his Catholicism, and his disregard for the rights of Parliament.

- The revolution was largely bloodless, earning it the name "Glorious," and it resulted in the establishment of a constitutional monarchy that limited the powers of the crown and enhanced the authority of Parliament.

B. Protection of Property Rights:

- The Bill of Rights (1689): One of the key outcomes of the Glorious Revolution was the Bill of Rights, passed by Parliament in 1689. The Bill of Rights established a constitutional framework that limited the powers of the monarchy and protected certain individual rights, including property rights.

- Property Rights and Parliamentary Sovereignty: The Bill of Rights emphasized the rule of law and the need for parliamentary consent for taxation and other measures that could affect property. This provided a legal framework that protected property owners from arbitrary confiscation by the crown, ensuring that property could only be taken with the due process of law.

- Impact on Economic Development: The protection of property rights under the Bill of Rights was crucial for economic development in England. It provided security for landowners and investors, encouraging economic activity and laying the groundwork for the Industrial Revolution.

2. America: The American Revolution (1776)

A. Background and Revolution:

- The American Revolution, which began in 1775 and culminated in the Declaration of Independence in 1776, was driven by colonial opposition to British rule, particularly against what the colonists saw as unjust taxation and infringement on their rights. The revolution resulted in the thirteen American colonies breaking away from Britain and forming an independent republic.

- The American Revolution was both a political and military struggle, leading to the creation of a new nation based on principles of liberty, democracy, and individual rights.

B. Protection of Property Rights:

- The Declaration of Independence (1776): The Declaration of Independence, drafted by Thomas Jefferson, articulated the colonists' belief in natural rights, including "life, liberty, and the pursuit of happiness." While property rights were not explicitly mentioned in the Declaration, the protection of property was implicitly included in the concept of liberty.

- The U.S. Constitution (1787) and the Bill of Rights (1791): The U.S. Constitution, drafted in 1787 and ratified in 1788, provided a more concrete legal framework for the protection of property rights. The Constitution established a federal system of government with a strong emphasis on the protection of individual rights, including property rights.

- Fifth Amendment: The Bill of Rights, added to the Constitution in 1791, includes the Fifth Amendment, which explicitly protects property rights by stating that no person shall "be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation." This clause, known as the Takings Clause, ensures that the government cannot confiscate private property without providing fair compensation.

- Impact on Economic Growth: The protection of property rights in the U.S. Constitution was critical for the country's economic development. It provided a secure environment for investment, entrepreneurship, and the expansion of markets, contributing to the rapid economic growth of the young republic.

3. France: The French Revolution (1789)

A. Background and Revolution:

- The French Revolution, which began in 1789, was a complex and tumultuous period of political and social upheaval. The revolution was driven by widespread discontent with the absolute monarchy of Louis XVI, economic hardships, and a desire for equality and individual rights. - The revolution led to the overthrow of the monarchy, the establishment of the First French Republic, and a series of radical changes in French society, including the abolition of feudal privileges and the redistribution of land.

B. Protection of Property Rights: - **The Declaration of the Rights of Man and of the Citizen (1789):** One of the most important documents to emerge from the French Revolution was the Declaration of the Rights of Man and of the Citizen, adopted by the National Assembly in August 1789. The Declaration enshrined the principle of property rights as one of the "natural and imprescriptible rights of man," alongside liberty, security, and resistance to oppression. - **Article 2:** Article 2 of the Declaration states that the aim of all political association is the preservation of these natural rights, including property. - **Article 17:** Article 17 specifically addresses property rights, stating that "property is an inviolable and sacred right," and that no one may be deprived of property except when legally required and with just compensation. - **The Napoleonic Code (1804):** The protection of property rights was further

solidified under the Napoleonic Code, enacted in 1804 by Napoleon Bonaparte. The Code Civil (Civil Code), known as the Napoleonic Code, codified civil law in France and included strong protections for private property. It abolished feudal privileges and confirmed the revolutionary principles of legal equality and the sanctity of private property. - ****Impact on French Society:**** The protection of property rights during and after the French Revolution was a significant factor in the transformation of French society. It facilitated the redistribution of land, the rise of a new class of property owners, and the development of a capitalist economy. The Napoleonic Code also influenced legal systems in many other countries, spreading the principles of property rights and legal equality across Europe and beyond.

The revolutions in England (1688-1689), America (1776), and France (1789) were critical turning points that led to the formal protection of property rights in their respective constitutions and legal frameworks. These revolutions fundamentally reshaped the relationship between individuals and the state, embedding the protection of property as a key principle of the new political orders. This legal protection of property rights was essential for the development of capitalist economies, as it provided the security and stability needed for investment, economic growth, and the rise of modern market societies.

- The protection of property rights was even enshrined in the Universal Declaration of Human Rights (UDHR) following the military and political upheavals of World War II. The adoption of the UDHR in 1948 by the United Nations General Assembly marked a significant moment in the international recognition of fundamental human rights, including the right to property. Here's a detailed overview of how this came about and what it means:

1. ****Context of the Post-WWII Era:**** - ****Aftermath of WWII:**** The devastation of World War II, which resulted in widespread destruction, displacement, and violations of human rights, led to a global consensus on the need to establish an international framework for the protection of human rights. The horrors of the war, including the Holocaust and other atrocities, underscored the necessity of protecting individuals from abuses by the state and ensuring basic rights for all people. - ****Founding of the United Nations:**** In 1945, the United Nations was established with the primary goal of maintaining international peace and security. One of its foundational missions was to promote and protect human rights globally, which led to the creation of the UDHR.

2. ****Drafting of the Universal Declaration of Human Rights:**** - ****Commission on Human Rights:**** The drafting of the UDHR was undertaken by the Commission on Human Rights, a body established by the UN Economic and Social Council. The commission was chaired by Eleanor Roosevelt, with contributions from representatives of various countries, legal experts, and human rights advocates. - ****Inclusion of Property Rights:**** The drafters of the UDHR sought to create a document that would reflect the core values of human dignity, freedom, equality, and justice. Among these values, the protection of

property rights was recognized as an essential component of individual freedom and economic security.

3. **Article 17 of the Universal Declaration of Human Rights:** - **Protection of Property:** The right to property is explicitly protected under Article 17 of the UDHR, which states: - **Article 17(1):** "Everyone has the right to own property alone as well as in association with others." - **Article 17(2):** "No one shall be arbitrarily deprived of his property." - **Significance:** The inclusion of property rights in the UDHR reflects the recognition that the ability to own and control property is a fundamental aspect of human dignity and autonomy. The protection against arbitrary deprivation of property is particularly significant, as it underscores the principle that property rights cannot be violated without due process and that individuals should be secure in their possessions.

4. **Influence of Preceding Political and Military Revolutions:** - **Historical Foundations:** The protection of property rights in the UDHR was influenced by the historical precedents set by earlier political and military revolutions, such as the Glorious Revolution in England, the American Revolution, and the French Revolution. These events had already established the importance of property rights in national constitutions and legal systems, particularly in the context of limiting state power and promoting individual freedom. - **Post-War International Order:** After WWII, there was a concerted effort to prevent the kinds of abuses that had occurred during the war, including the widespread confiscation and destruction of property by totalitarian regimes. The UDHR aimed to establish a global standard that would protect individuals from such violations in the future.

5. **Impact of Article 17 and the UDHR:** - **International Recognition:** The UDHR, though not legally binding, has had a profound impact on international human rights law and has been incorporated into various national constitutions and legal systems around the world. Article 17, in particular, has influenced the development of international norms and treaties that protect property rights. - **Human Rights Framework:** The UDHR laid the groundwork for subsequent international human rights instruments, such as the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). These treaties, along with the UDHR, form the International Bill of Human Rights and continue to shape the global human rights landscape.

Conclusion: The inclusion of property rights in the Universal Declaration of Human Rights in 1948 marked a significant moment in the evolution of international human rights law. Following the political and military revolutions of previous centuries and the traumatic experiences of World War II, the global community recognized the need to protect property rights as a fundamental human right. Article 17 of the UDHR established the principle that everyone has the right to own property and that no one should be arbitrarily deprived of their property. This recognition has had a lasting impact on the development of international and national legal frameworks, ensuring that property rights are respected and protected as an essential component of human dignity and

freedom.

- Remarks: Communism and communist revolution

The spread of communist ideology from Western Europe to various regions of the world, including Russia, Eastern Europe, China, Korea, Vietnam, Latin America, and Africa, illustrates how a set of ideas can catalyze revolutions and lead to the establishment of governments based on those principles.

Origins in Western Europe:

Communism as an ideology was first articulated in Western Europe, most notably by Karl Marx and Friedrich Engels in their seminal work, "The Communist Manifesto" (1848). Marx and Engels proposed a radical critique of capitalism, arguing that history is driven by class struggle and that the working class (proletariat) would eventually rise up against the capitalist class (bourgeoisie) to establish a classless society where the means of production are communally owned. This manifesto laid the theoretical groundwork for communist movements worldwide, with its ideas rapidly spreading among intellectuals and workers in industrialized nations.

The Russian Revolution:

The first major implementation of communist ideas occurred in Russia, where the October Revolution of 1917 led by the Bolshevik Party, under the leadership of Vladimir Lenin, resulted in the overthrow of the provisional government that had replaced the Tsarist regime. Lenin and his followers were heavily influenced by Marxist ideology and sought to establish a "dictatorship of the proletariat" as a transitional phase towards a classless, stateless society. The success of the Russian Revolution made it the first country to attempt to build a socialist state, which later evolved into the Soviet Union. The establishment of the Soviet Union as the world's first communist state had profound implications, as it became a model for future communist revolutions.

Spread to Eastern Europe:

After World War II, communism spread across Eastern Europe largely due to Soviet influence. The Red Army's presence in Eastern Europe as it pushed back Nazi Germany allowed the Soviet Union to establish satellite states with communist governments in countries such as Poland, East Germany, Hungary, Czechoslovakia, Romania, and Bulgaria. These nations were part of the Eastern Bloc, a group of socialist states under Soviet influence that shared similar political, economic, and military structures.

The Chinese Revolution:

In China, the communist movement gained traction under the leadership of Mao Zedong. The Chinese Communist Party (CCP), founded in 1921, gradually grew in power through its involvement in the Chinese Civil War against the Nationalist forces of Chiang Kai-shek. The CCP, drawing on Marxist-Leninist principles adapted to Chinese conditions, ultimately succeeded in establishing the People's Republic of China in 1949 after a prolonged struggle. Mao's version of communism, which emphasized agrarian reform and the mobilization of the rural population, differed in some respects from Soviet communism but shared the core tenets of Marxism-Leninism.

Expansion to Korea, Vietnam, and Beyond:

The success of communism in China inspired similar movements in other parts of Asia. In Korea, after the peninsula was divided following World War II, the Soviet-backed communist government in the North, led by Kim Il-sung, established the Democratic People's Republic of Korea in 1948. Similarly, in Vietnam, the communist-led Viet Minh, under Ho Chi Minh, fought against French colonial forces and later against the U.S.-backed South Vietnamese government, eventually leading to the unification of Vietnam under communist rule in 1975.

Influence in Latin America and Africa:

Communist ideology also found fertile ground in Latin America and Africa, regions characterized by colonialism, inequality, and authoritarian rule. In Latin America, countries such as Cuba underwent communist revolutions, with Fidel Castro's overthrow of the Batista regime in 1959 establishing a long-lasting communist state aligned with the Soviet Union. In Africa, communist ideas influenced liberation movements and post-colonial governments in countries such as Angola, Mozambique, and Ethiopia, where Marxist-Leninist principles were integrated into the political framework.

Therefore, the spread of communist ideology from its origins in Western Europe to the rest of the world illustrates how a set of ideas can profoundly influence global politics and lead to the establishment of governments dedicated to those principles. The common thread among these diverse revolutions and movements was the adoption and adaptation of Marxist-Leninist ideology to local conditions, resulting in a variety of communist states that shared a commitment to the principles of collective ownership, centralized planning, and the elimination of class distinctions. However, the implementation of these ideas also led to significant political, social, and economic challenges, which varied depending on the local context and the specific interpretation of communist ideology.

- The history of the communist movement from the 1840s to today illustrates the close integration of ideological power with political, military, and economic power. This integration has been a defining characteristic of communist regimes, where the ideology of Marxism-Leninism has deeply influenced the structure and functioning of the state, the military, and the economy. Here's a detailed historical overview:

1. **Early Communist Ideology and Political Mobilization (1840s to 1917):**

A. Ideological Power: - **Marx and Engels:** The ideological foundations of the communist movement were laid by Karl Marx and Friedrich Engels, particularly through their works *The Communist Manifesto* (1848) and *Das Kapital* (1867). They developed a critique of capitalism and articulated the theory of historical materialism, which posited that history is driven by class struggle and that the working class (proletariat) would eventually overthrow the capitalist class (bourgeoisie) to establish a classless, communist society. - **Spread of Ideology:** The ideas of Marx and Engels began to spread across

Europe and influenced a number of socialist and labor movements. The First International (International Workingmen's Association), founded in 1864, sought to unite various working-class movements under the banner of international socialism, laying the groundwork for the future communist movement.

B. Political Power: - **Revolutionary Movements:** In the late 19th and early 20th centuries, Marxist ideas began to inspire revolutionary movements across Europe. Political organizations, such as the Russian Social Democratic Labour Party (RSDLP), were formed to pursue the revolutionary overthrow of capitalist governments. These movements sought to integrate ideological power with political mobilization by organizing workers and promoting revolutionary consciousness.

C. Military Power: - **Failed Revolutions:** Early attempts to integrate military power with the communist movement, such as the Paris Commune of 1871, were unsuccessful and often brutally suppressed. However, these uprisings were important in shaping the revolutionary strategy of future communist movements, emphasizing the need for organized and disciplined military forces to achieve and maintain power.

D. Economic Power: - **Critique of Capitalism:** Although the early communist movement did not yet have control over economic power, its critique of capitalism and its call for the abolition of private property and the means of production laid the ideological groundwork for future communist states where economic power would be centralized under the state.

2. **The Russian Revolution and the Establishment of the Soviet Union (1917-1924):**

A. Ideological Power: - **Leninism:** Vladimir Lenin adapted Marxist theory to the conditions of Russia, emphasizing the need for a vanguard party to lead the proletarian revolution. Lenin's ideas, encapsulated in works like *What Is to Be Done?* (1902), became the guiding ideology for the Bolshevik Party and later the Soviet state. Lenin integrated ideological power with the practicalities of political and military strategy. - **The October Revolution (1917):** The Bolsheviks, led by Lenin, successfully seized power in the October Revolution. This event marked the first successful integration of ideological power with political power in a communist movement, leading to the establishment of the Soviet state.

B. Political Power: - **Consolidation of Power:** After the revolution, the Bolsheviks quickly moved to consolidate political power. They dissolved the Constituent Assembly, suppressed opposition parties, and established a one-party state. The Communist Party became the central institution of the Soviet state, with all political power concentrated in the hands of its leadership.

C. Military Power: - **Red Army:** The integration of military power with the communist state was exemplified by the creation of the Red Army, which was instrumental in winning the Russian Civil War (1917-1923) against anti-Bolshevik forces. The Red Army became a key pillar of the Soviet state, enforcing its authority and spreading communist ideology through military means.

D. Economic Power: - **War Communism and the NEP:** The Soviet government initially implemented War Communism, a policy that included the

nationalization of industry, centralized economic control, and the requisitioning of agricultural produce. While War Communism faced resistance and led to economic hardship, it demonstrated the integration of economic power with the ideological goals of the state. The New Economic Policy (NEP), introduced in 1921, temporarily reintroduced limited market mechanisms, but the state retained control over key sectors of the economy, maintaining the integration of economic power with the party's ideological objectives.

3. **The Stalin Era and the Global Spread of Communism (1924-1953):**

A. Ideological Power: - **Stalinism:** Under Joseph Stalin, Marxism-Leninism was further developed into Stalinism, which emphasized the role of the state in building socialism in one country and the importance of rapid industrialization and collectivization. Stalin's cult of personality became a central feature of Soviet ideological power, and the state controlled all aspects of ideological production, including education, media, and culture. - **The Comintern:** The Communist International (Comintern), established in 1919, sought to spread communist ideology worldwide and coordinate communist parties across different countries, further integrating ideological power with global political strategy.

B. Political Power: - **Totalitarian Control:** Stalin consolidated political power by eliminating rivals, purging the Communist Party, and establishing a highly centralized, authoritarian regime. The state apparatus was deeply intertwined with the Communist Party, and all political decisions were driven by the party's ideological goals. - **Show Trials and Purges:** Stalin's purges, particularly the Great Purge (1936-1938), demonstrated the extent of political control exercised by the communist state. The purges targeted not only political rivals but also military leaders, intellectuals, and ordinary citizens, reinforcing the integration of political and military power.

C. Military Power: - **World War II:** The Soviet Union's military power was crucial in the defeat of Nazi Germany during World War II. The Red Army's victory in the Eastern Front solidified the Soviet Union's status as a global superpower. After the war, the Soviet Union extended its influence over Eastern Europe, establishing communist regimes that integrated ideological, political, and military power under Soviet guidance. - **Cold War Militarization:** The beginning of the Cold War saw the continued integration of military power with the ideological mission of spreading and defending communism globally. The Soviet Union built a vast military-industrial complex, maintained a large standing army, and engaged in a nuclear arms race with the United States.

D. Economic Power: - **Collectivization and Industrialization:** Stalin's policies of collectivization and rapid industrialization were aimed at transforming the Soviet economy according to Marxist principles. The state controlled all aspects of economic life, directing resources towards heavy industry and military production, often at the cost of consumer goods and agricultural production. The integration of economic power with ideological goals was evident in the Five-Year Plans, which set ambitious production targets in line with the party's vision of socialist development. - **Soviet Influence in Eastern Europe:** After World War II, the Soviet Union imposed its economic model on Eastern European countries, integrating their economies into the Soviet-controlled Comecon

(Council for Mutual Economic Assistance). This system ensured that economic power across the Eastern Bloc was aligned with Soviet ideological and political objectives.

4. **The Cold War Era and the Global Communist Movement (1953-1991):**

A. Ideological Power: - Maoism and Other Variants: While the Soviet Union remained the ideological center of the global communist movement, different variants of communism emerged, most notably Maoism in China. Mao Zedong's adaptation of Marxism-Leninism emphasized peasant-based revolution, guerrilla warfare, and the continuous revolution to prevent the emergence of a new ruling class. Maoist ideology deeply influenced the structure of the Chinese state, military, and economy. **- Cultural Revolution:** The Chinese Cultural Revolution (1966-1976) was a radical attempt to reassert ideological control by purging elements deemed "bourgeois" or "reactionary." It involved mass mobilization, political purges, and the destruction of cultural artifacts, demonstrating the extreme integration of ideological power with political and military actions.

B. Political Power: - Spread of Communism: During the Cold War, communist movements gained political power in various countries, often through revolutionary struggle supported by the Soviet Union and China. Countries such as Vietnam, Cuba, and North Korea established communist regimes where the integration of ideological and political power was central to the state's structure. **- Authoritarian Control:** In most communist states, political power was concentrated in a single-party system, with the Communist Party controlling all aspects of governance. Political dissent was not tolerated, and the state apparatus was used to maintain the party's ideological dominance.

C. Military Power: - Wars and Revolutions: Communist movements often relied on military power to achieve and maintain political control. In Vietnam, the Viet Minh and later the Viet Cong, with Soviet and Chinese support, successfully defeated French and American forces, leading to the establishment of a communist state in North Vietnam, which later unified the country under communist rule. Similarly, in Cuba, Fidel Castro's guerrilla forces overthrew the Batista regime, establishing a communist state closely aligned with Soviet military and economic power. **- Proxy Wars:** During the Cold War, the Soviet Union and China supported communist insurgencies and governments in various parts of the world, including Africa, Asia, and Latin America. These conflicts, often referred to as proxy wars, demonstrated the integration of military power with the global ideological struggle between communism and capitalism.

D. Economic Power: - State-Controlled Economies: In all communist

states, the economy was centrally planned and controlled by the state. The integration of economic power with ideological and political objectives was a defining feature, with the state directing resources towards industries and sectors deemed vital for socialist development. Private property was abolished or severely restricted, and the state took control of all major means of production. **- Economic Competition:** The Soviet Union and its allies engaged in

economic competition with the capitalist West, particularly through the development of heavy industry, space exploration, and military technology. The arms race, including the space race, was as much an economic contest as a military one, with massive state resources devoted to demonstrating the superiority of the socialist system.

5. **Post-Cold War Era and the Evolution of Communist States (1991 to Present):**

A. Ideological Power: - **Persistence of Communist Ideology:** Despite the collapse of the Soviet Union in 1991, communist ideology has persisted in several states, most notably China, Vietnam, Cuba, and North Korea. These states continue to emphasize the role of the Communist Party as the central authority and maintain Marxist-Leninist principles as the official state ideology, although with significant adaptations to contemporary realities. - **Ideological Flexibility:** Some communist states, particularly China, have adapted their ideology to incorporate elements of market economics while maintaining strict political control. This has involved a redefinition of Marxist principles to justify the continuation of single-party rule and the integration of capitalist mechanisms within a nominally socialist framework.

B. Political Power: - **Continuation of One-Party Rule:** In China, Vietnam, Cuba, and North Korea, the Communist Party remains the sole political authority. Political power is still tightly controlled, with no tolerance for opposition or dissent. The party's control over the state is justified by its ideological commitment to socialism, even as some of these countries have adopted market-oriented economic policies. - **Authoritarian Governance:** The integration of political power with the party's ideological goals continues to be a defining feature of these states. Political institutions are designed to reinforce the party's control and prevent the emergence of rival power centers.

C. Military Power: - **Strong Military Presence:** In contemporary communist states, the military remains a key institution, often closely aligned with the ruling party. In China, for example, the People's Liberation Army (PLA) is not just a national defense force but also a key supporter of the Communist Party's rule. The military's role in maintaining internal stability and supporting the party's ideological goals remains crucial. - **Nuclear Deterrence and Regional Power:** North Korea, under its communist regime, has pursued nuclear weapons as a means of ensuring its survival and deterring foreign intervention. This integration of military power with the regime's ideological stance of self-reliance (Juche) and its political goals has made the military a central pillar of the state.

D. Economic Power:

- **Market Reforms with Communist Control:** China's economic reforms since the late 1970s under Deng Xiaoping introduced market mechanisms while maintaining the Communist Party's control over the state and key sectors of the economy. This model, often referred to as "socialism with Chinese characteristics," demonstrates the integration of economic power with ideological and political control. The state continues to direct major economic policies, particularly in strategic sectors like finance, energy, and infrastructure, while allowing

market forces to operate in other areas.

- ****State Capitalism:**** In contemporary communist states like China and Vietnam, the state retains significant control over the economy through state-owned enterprises and regulatory mechanisms. This blend of state control and market practices is aimed at achieving economic growth while preserving the party's dominance.

From the early days of Marx and Engels to the present, the communist movement has been characterized by the close integration of ideological, political, military, and economic power. This integration has been essential for the establishment and maintenance of communist regimes, where the ideology of Marxism-Leninism (and its various adaptations) has shaped the structure and functioning of the state, military, and economy. The history of communist movements and states demonstrates how these four forms of power have been used in concert to achieve and sustain revolutionary goals, despite the significant challenges and changes over time.