

# Review of: "Liberalism Caused the Great Enrichment"

Gregory Robson<sup>1</sup>

<sup>1</sup> Iowa State University

**Potential competing interests:** No potential competing interests to declare.

## Whence our Prosperity? McCloskey on the Great Enrichment

In explaining the thirty-fold increase in GDP per capita since 1800, many economists have overlooked human *ideas*. There are many possible sources of recent human prosperity, ranging from good things such as investment and rule of law to bad things such as exploitation; but such largely material factors, says McCloskey, “never have the great oomph to explain the Great Enrichment” itself (p. 1; citations to pdf).

Quite so. Consider the body of ideas around principles of liberty and equality that led to the emancipation of slaves and the securing of religious and other freedoms, among other great achievements. Clearly such ideas helped to catalyze the massive enrichment that has marked off the last two hundred years of human life from the prior two hundred thousand. One example is “the shocking idea, entirely new in its prominence in the 18th century, that ordinary folk should be full adults, without physically coercing masters” (p. 5). Although this characterization perhaps oversimplifies, the fact that we have to think about whether it does is itself a cultural achievement. McCloskey summarizes what she takes to be a key moral lesson of the Great Enrichment:

*Encouraging a loving and responsible liberty, with its mighty material and spiritual consequences, should be our chief aim. Coercive, illiberal nudges and taxes and subsidies and regulations and fines and imprisonments, of which policymakers are so very fond, are not the path forward. (p. 3)*

There are many possible combinations of responsible liberty, nudges, fines, and so on; and it is no easy task to arrive at a rank-ordering of combinations that are best for a given culture or cultures generally. Even so, McCloskey develops a powerful case for thinking twice before assuming that coercive policies will fix any or all of our social problems.

If I had to inject one critical comment on this article, it would be a call for more systematization in an account of the myriad causal factors of the Great Enrichment. Such an account would inventory the nature, prevalence, interdependencies, and relative causal weights of such factors, avoiding (of course) any naïve claim of monocausality. The account would also examine the kinds and degrees of relevant information we do not now have and perhaps in principle cannot obtain—perhaps due to constraints on “local knowledge” of the persons and institutions that sparked the Great Enrichment.

Fortunately the reader need only look to McCloskey’s *The Bourgeois Era* for an impressive attempt to provide such an account. In that trilogy, McCloskey engagingly explains historical patterns such as the following: “In 1960, 4 out of the 5

billion people on the planet lived at the ancient wretchedness of \$2 a day. Now it is 1 out of over 7 billion, and falling sharply” (pp. 7-8). Although one might disagree with McCloskey’s argumentation, it would be a mistake to ignore this comprehensive account of how so many societies (alas, far from all) have largely made abject poverty a thing of the past.

Similarly, one might disagree with parts of McCloskey’s account in this paper: for instance, the assessment of economic models that might seem unduly harsh (though such models should not be praised excessively, either). Even so, one can always learn something valuable from so prolific and well-read a scholar as McCloskey. And many should, for

*The Great Enrichment is the second most important secular event in human history, second only to the domestication of plants and animals causing cities and literacy from Sumer to Tikal. The very Great Enrichment, though, is news to most educated people[.] (p. 10)*

Why is it *news* to so many? Answering this question itself would be a research agenda worth pursuing.