

POLITICAL ECONOMY

IN THE CAROLINAS

**WHY LIBERALISM
WORKS: HOW
TRUE LIBERAL
VALUES
PRODUCE
A FREER,
MORE EQUAL,
PROSPEROUS
WORLD FOR ALL**

Deirdre Nansen McCloskey
New Haven, CT: Yale University
Press, 2019. Pp. xiii + 400.
\$28.00, hardcover

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What does it mean to be a liberal? As the term developed in eighteenth- and nineteenth-century Europe, it meant opposition to the coercive institutions of church and state that kept people from enjoying liberty. Liberals were those who wanted to free people from constraints that interfered with their economic and social activities.

Unfortunately, during the twentieth century Americans came to think that liberalism meant advocating more and more government control over people, especially when it came to private property and free enterprise. Contemporary liberals were the exact opposite of the true liberals of old. One scholar who is very unhappy about that and wants to return “liberal” to its original meaning is Professor Deirdre McCloskey.

In her latest book, *Why Liberalism Works*, she explains that what most Americans call liberalism is an ugly morass of authoritarian beliefs and policies that threaten to slow or even reverse the great advances we have enjoyed because of liberalism in the last three centuries. Lamentably few people connect their prosperity and freedom with liberal philosophy and economic policies.

She writes, “I began to realize around 2005 or so that a liberal ‘rhetoric’ explains many of the good features of the modern world compared with earlier and illiberal regimes—the economic success of the modern world, its splendid arts and sciences, its kindness, its toleration, its inclusiveness, its cosmopolitanism, and especially

its massive liberation of more and more people from violent hierarchies ancient and modern.”

But there are ominous storm clouds. McCloskey continues, “From the Philippines to the Russian Federation, from Hungary to the United States, liberalism has been assaulted recently by brutal, scare-mongering populists. A worry. Yet for a century and a half, the relevance of liberalism to the good society has been denied in a longer, steadier challenge by gentle or not-so-gentle progressives and conservatives. Time to speak up.”

The book is a collection of fifty fairly short pieces written over the last decade (some interviews, some magazine articles, some book reviews, some short essays) that all advance her argument that people should stop giving power to the enemies of liberalism. Naturally, there is considerable overlap, but that isn’t a bad thing; many readers will take her point more fully for having heard it from different angles.

What makes the book especially effective is McCloskey’s bright and open writing style. She can go from quoting Adam Smith to making references to *Dilbert* cartoons in a breath. The chapters never sound like a professor’s lectures, but instead like conversations with a very learned, very earnest individual who asks for your attention.

Moreover, McCloskey approaches the project of advancing the case for liberalism from a unique perspective. She grew up on the illiberal side, receiving the standard academic schooling for aspiring economists, which means obsessing over the many alleged failures of the free market while turning a blind eye to the harm that government officials often do. In a delightful chapter entitled “Deirdre Became a Modern Liberal

Slowly, Slowly,” she writes that as a student she favored “a pity-driven coercion in the style of Keynes, Samuelson, and Stiglitz.” One of her college roommates, an engineering student, read Ludwig von Mises as a break from his engineering work and “learned more of the economics of a free society” than she did in hundreds of class hours revolving around “Keynes and slow socialism.”

Thus, she is able to say to progressives, “I was long in your camp, but now I see that I was mistaken. Please consider my reasons for having changed my mind” (my wording).

McCloskey’s chapters extol true liberalism and attack statism across a wide front. One issue is the freedom to move and work. Conservatives will be discomfited by her sarcastic blast at policies that take away the liberty of people to immigrate and seek to better themselves: “Under High Liberalism, as under feudal hierarchy, I am to have a liberty to regulate, through the government’s monopoly of coercion, your behavior in ways beneficial to me or my assigns. I am to have for example a liberty to prevent your entry into my trade, forcibly backed by the police. My customers would be benefited by such an entry, but I can stop it, thank God. For example, I am to have a liberty to stop Juan Valdez from coming to my country to trade peaceably with me, by a law forcibly backed by ICE.”

Progressives who favor immigration and hate ICE (Immigration and Customs Enforcement) might smile at seeing their right-wing enemies smitten, but McCloskey is just as devastating when she takes on their pet ideas.

What about inequality of wealth? Isn’t it obvious that the government needs to do

something to even out the wealth distribution? No, she replies. Wealth acquired through commercially tested betterment (a more accurate way of explaining things than the term “capitalism,” she contends) is not only fairly earned, but also benefits the consuming masses much more than the business owners.

Instead of griping about wealth earned in business, McCloskey suggests that progressives ought to look at the consequences of statist policies: “You should indeed worry about inequality when it is achieved by using the government to get protection for favored groups. It is what a large government, well worth capturing in order to get the protection, is routinely used for, to the detriment of the bulk of its citizens.”

Remember the great furor over Thomas Piketty’s book *Capital in the Twenty-First Century* several years ago? Egalitarians proclaimed it a masterful work that crushed opponents of redistributionist policies. McCloskey is unfazed by his assault on liberalism. She observes, “The only countries in which Piketty finds *actual*, substantial rise in inequality are the United Kingdom, the United States, and Canada. The three cases can be explained by government policies foolishly favoring the rich, such as making it crazy-difficult to build new housing in London, which drives up the price of existing housing, owned by the rich. ‘Capitalism’ didn’t cause the disaster of London housing. A half-socialism did.” That’s just one of the numerous instances in which she informs progressives that conditions they complain about are the results of economic interventions they are responsible for.

Other progressive beliefs that fall before McCloskey’s scythe include: the West became rich because of imperialism (colonies were

actually an economic drain), minimum wage laws help poor people (they were clearly designed to harm their chances for advancement), we face a cataclysm unless we adopt draconian environmental policies immediately (the green manifestoes would cause needless harm, mostly to the poor), and fairness for queers requires much more government (liberalism is best for queers and all other groups).

Perhaps the biggest of all illiberal misconceptions is that we can rely on good, competent government to solve all manner of social ills. McCloskey warns readers that honest, competent governments are very rare. Government power attracts those who see it as a means to get what they want by taking from others. She wants progressives and conservatives (especially economists) to remember that fact when they claim that the way to solve some problem is to enact a law or create a new government program.

Back in the eighteenth century, Samuel Johnson advised a friend, “Clear your mind of cant”—that is, of sanctimonious and hypocritical notions. As much as any recent book I can think of, McCloskey’s book will help readers to clear their minds of cant. This book would be an ideal gift for any progressive or conservative who is willing to listen to challenging counterarguments.