

# The Rhetoric of Economic Development

Donald N. McCloskey

## Rethinking Development Economics

Peter Bauer has at least the satisfaction of seeing his grimmest prediction come true. As he feared so long ago, economists have on balance hurt economic development, and have hurt it more as the quarrel over equality has intensified. He is not surprised by the contrast between a politicized world and the apolitical Science claimed by the economists in their political advice.

Nor should one be. It is not surprising that an economics taking itself to be social engineering should lose its way. Economics around 1950 gave up social philosophy and social history to become a blackboard subject. In the name of "Science," that magic English word, the scope of economic conversation was narrowed. Economic development gave room to try out the novel way of talking. If the governments of Western Europe proved wary of the less sober among the projects of economic engineering, there were now other governments, and intergovernmental governments, waiting to be dazzled.

They were dazzled by Scientism, a world religion for a time in the mid-20th century. When spelled with a lowercase "s," of course, science itself is as old as thinking, of which it is an honorable type. It means merely French *science* or German *Wissenschaft*, "systematic inquiry." But the religion of Science with a capital "S," a 19th-century English creation, went further: keep facts and values separate, and then discard the values; keep assertions testable, then relax the tests; keep arguments quantitative, then fudge the numbers. The chemist and philosopher Michael Polanyi (a smarter brother to Karl, the economist and historian who was responsible in part for the turn

---

*Cato Journal*, Vol. 7, No. 1 (Spring/Summer 1987). Copyright © Cato Institute. All rights reserved.

The author is Professor of History and John F. Murray Professor of Economics at the University of Iowa. The paper is based on the author's remarks delivered as part of a panel discussion at the Cato Institute's conference "Development Economics after 40 Years," May 1, 1986.

to social engineering) called the narrowing rules of Scientism “voluntary imbecility.”

The result, as Bauer has seen in his career, was a devaluation by intellectuals of voluntary exchange. After all, what is so fine about voluntary exchange if crushing it can produce the wealth of nations? And why should historical and philosophical doubts that the wealth arises from planning be entertained even for a moment if a sweet diagram can prove an externality? The treason of the clerks arose from their religion.

What then is to be done? We could hope that the East Asian successes would settle the matter. They will not, no more than the successes of the 19th century settled the matter in favor of *laissez-faire*. Religions are matters of words. The Fabian historians of the Industrial Revolution knew this, as did the New Deal historians of American internal improvements: those who write the history write the future, too. Rethinking development economics requires rewriting the words.

I disagree, therefore, with the contrast announced in the title of one of Peter Bauer’s books on economic development, *Reality and Rhetoric* (1984). The “reality,” I say, is itself a matter of words. We cannot speak persuasively without being rhetorical, and by our rhetoric in economic development we make our worlds, East, West, or Third. The meaning of “rhetoric” here is its ancient and honorable one, not the meaning current since the 17th century, of rhetoric as an ornament fooling or pleasing the reader. On the contrary, rhetoric is the whole art of argument, from metaphor to mathematics. As Bauer has been the first to understand, economic development is drenched with metaphor. He has remarked that the metaphor of the Third World was born with foreign aid and anticommunism, and would disappear without them. And we economists make a world of “production functions” and “human capital,” embodied in mathematics, in places where lay people see only factory workers and schoolhouses. As Deepak Lal (1987) observes, we are all rhetoricians, we scientists and policymakers together.

The obvious point I am making is that for the study of economic development, and in particular for discussions of equity versus efficiency, words have consequences. By the mere act of speaking of equity versus efficiency, for instance, we import into the argument, as though it were uncontroversial, a utilitarian ethic. We are invited to think of trade-offs between the one and the other,  $U = U(Eq, Ef)$ , in which Efficiency is the size of national income, regardless of how it is achieved, and Equity is measured by the distribution of income and not by the distribution of rights. This is not “wrong”; it is simply

one style among many, some more persuasive than others. The point is not that one form of speech in the discussion of equity in development is "reality" and the other "rhetoric." Rather, the point is that all forms of speech are rhetoric, and no less right or wrong on that account. We ought to be conscious of what we speak, and therefore must be conscious of how we speak.

### Rhetoric in Economic Development

I cannot pause here to go into the justifications and criticisms of this way of looking at economic science, which I have done elsewhere (see McCloskey 1985). Here I wish only to illustrate the work that words do in economic development. As I said, Bauer does a good deal of the work himself, though burdened with the false notion that if one could strip away the rhetoric one could see plainly the reality. I detect in his writings a rhetorical sensitivity coming from an education in the ancient languages. At any rate he feels the power of words more than does someone who has limited his education to the solution of programming problems.

Bauer notes, for instance, the danger in the metaphor of "nation building," a handsome neoclassical building in which political prisoners scream in the basement. The figure of a building treats people as "lifeless bricks, to be moved by some master builder." Nation building is not "merely" a metaphor, "mere" ornamental rhetoric, but a political argument put into a word.

Consider more broadly the array of metaphors taken from sport, as in the "goal" of equity or the government as "referee." These are especially popular among Americans, who, good-hearted all, like the notion that no one really gets hurt (Europeans will use metaphors of war and conquest in similar cases). The ideal is team play, joining together to score a goal against the North or, in a more mellow way, to achieve a "personal goal." Whenever we hear that "we" should do something we should watch for the team metaphor in action. The best that human frailty is likely to achieve along this line is Lester Thurow's recent book, *The Zero-Sum Solution: Building a World-Class American Economy* (1985). The book treats income and wealth as being extracted like football yardage from other people, especially the Japanese. As Karl Brunner (1987) points out, the image of income as a fixed manna from heaven to be shared out is an argument persuasive to many, even to many economists. The zero-sum image has always been the main argument for mercantilism, and now figures heavily in the talk of North and South.

The North, of course, is meant to feel guilty that by the grace of God it gets more of the manna than the South. Bauer has treated at

length the use of the notion of “our” guilt as a justification for compulsory charity. Murray Rothbard has recently pointed out that American Progressives (ca. 1910) were disproportionately the sons and daughters of postmillennial Protestant clergymen. Clergymen and upper-middle-class intellectuals delight in the transformation of *mea culpa* into *nostra culpa*, prejudging in a word the weighty question of whether charity should be individual or social.

The word *problem*, likewise, answers a question before one thinks to ask it. For example, many reputable economists argue that the balance-of-payments problem is not a problem at all, in the sense of something requiring that “we” find “a solution.” Yet everyone else is exercised about the alleged problem. I have the impression that the 19th century invented the talk of a “social problem,” an “economic problem,” and the like, problems for which finally the Great Geometer in Washington or London was to provide a solution, with compass and straightedge. Max Hartwell speaks of the rhetoric of British parliamentary inquiries in the 19th century as defining problems where no one had seen them before. It is not done with mirrors; this or that condition does exist. But it is done with words. Someone who has persuaded you to speak of inequality of income as a problem has accomplished the most difficult part of the task.

The essays in this volume themselves contain examples of the rhetoric of economic development. The very word *development* is a metaphor, of course, limiting our thinking at the same time it makes thinking possible. “Economic growth” sounds better than “economic change,” and “change” better than “losing existing jobs,” but they are translatable one into the other, implying different policies. Economists are not usually conscious of the difference the words make. A self-conscious metaphor has a different effect from an unselfconscious one. An explicit metaphor does not bite.

Metaphors are not the only rhetorical matters. Alan Walters (1987) makes, as Bauer does, the point that the main audience for the main ideas of economics, as distinct from the technical gingerbread, is not the economics profession itself. It is the City or Whitehall or Fleet Street, not the seminar at Cambridge, that hears and uses the idea of monetarism or free trade. Awareness of the audience has characterized rhetorical theory since Aristotle. The theory itself uses a metaphor of a speaker before the Athenian Assembly, which has proven a useful way of finding out what is going on in a country report by the International Monetary Fund or in a technical article on trade policy. The Greeks had it right: the study of rhetoric is not a way of attacking a speech, necessarily, but is always a way of understanding it.

Consider in a rhetorical way, for instance, Alvin Rabushka's (1987) illuminating essay. I say immediately that I agree with nearly every word Rabushka writes there. A rhetorical analysis, to repeat, is not a euphemism for debunking. But consider how the essay seeks to persuade. One can see immediately that it appeals to a rhetoric of "What The Facts Say." Rabushka knows that facts do not "say" anything unless human questions are posed to them, that the questions depend on the predispositions of the questioner, and that anyway the subset we call "The Facts" (out of the unbounded set of particular statements we might make about the universe) is our selection, not God's. Yet the move is effective. Appealing to what the logician so ill-advisedly calls the "fallacy" of *post hoc ergo propter hoc*, Rabushka points to his facts to state that free countries do well. But this statement is a "fallacy" because, after all, it is not based on a properly identified econometric model set beside a proper random sample of events. What the logicians call fallacies are what most of us call arguments, more or less appropriate to the matter at hand. That Hong Kong had a light-handed government (that is, not a light-fingered one) and *then* prospered does not have the demonstrative force that Scientism seeks. But of course such a statement—supported by facts—persuades. It should, while making room for a rebuttal.

Even "mere" style is an argument. The forthright character in the writings of Bauer and in the writings of George Ayittey (for example, Ayittey 1987) does not please all audiences, but makes an appeal to *ethos*, character. It announces that the writer tells it like it is. A more accommodating style would make an appeal to the *ethos* of moderation or of practicality. A style of mathematical precision would make still another ethical appeal. The euphemism of the development bureaucrat—"extra-budgetary revenues," for instance—soothes an audience worried that something might after all be said.

## Conclusion

Development economics, in short, has a rich and unexamined rhetoric. Deepak Lal (1987) observes that in the past few years the rhetorics have begun to converge, converging indeed on the arguments of Peter Bauer. The story of Bauer's resurrection follows William James's three stages in the rhetoric of academic disputes: at first what Bauer says is plainly false; then it is trivially obvious; and finally it is so true that we, not he, invented it.

The last word on rhetoric in economic development, though, should be accorded to Cato the Elder. Some 2,200 years ago he captured in a phrase how rhetoric, which is inevitable, must be used if it is to be

good. There are no methodological protections against speaking falsely. We cannot assure good results by mandating this or that model or metaphor. The final protection, he argued, is human goodness. The arguer, said Cato, must be not merely a man skilled at speaking, for this is a mere advocate, a showman. He must be a *good* man skilled at speaking, *vir bonus dicendi peritus*. It is such a man we honor today.

## References

- Ayittey, George B. N. "Economic Atrophy in Black Africa." *Cato Journal* 7 (Spring/Summer 1987): 195–222.
- Bauer, Peter T. *Reality and Rhetoric: Studies in the Economics of Development*. Cambridge: Harvard University Press, 1984.
- Brunner, Karl. "Economic Inequality and the Quest for Social Justice." *Cato Journal* 7 (Spring/Summer 1987): 153–58.
- Lal, Deepak. "Markets, Mandarins, and Mathematicians." *Cato Journal* 7 (Spring/Summer 1987): 43–70.
- McCloskey, Donald N. *The Rhetoric of Economics*. Madison, Wis.: University of Wisconsin Press, 1985.
- Rabushka, Alvin. "Taxation, Economic Growth, and Liberty." *Cato Journal* 7 (Spring/Summer 1987): 121–48.
- Thurow, Lester. *The Zero-Sum Solution: Building a World-Class American Economy*. New York: Simon and Schuster, 1985.
- Walters, Alan. "Frameworks for Thinking about Reality." *Cato Journal* 7 (Spring/Summer 1987): 71–75.