

ETHICS AND ECONOMICS

Cents and Sensibility: What Economics Can Learn from the Humanities

Gary Saul Morson and Morton Schapiro

Princeton: Princeton University Press, 2017 (320 pages)

The main argument of Morson and Schapiro’s *Cents and Sensibility* deserves enthusiastic support. Their intuition that there are enormous intellectual and moral gains to be had by increasing conversations between economists and humanities scholars is entirely correct, and that conversation should be encouraged both within the academy and outside of it. The opening two chapters of *Cents and Sensibility* carefully outline many of the stumbling blocks that currently impede those conversations. The authors note, for example, the way in which some humanities departments have sought to update themselves by “spoofing” the approaches of other disciplines—primarily STEM fields. Students who expect to be learning literature or art history are taught politics, or evolutionary biology, or neurology instead—and thus learn both badly. Economists, equally, often present their work as interdisciplinary efforts to “solve problems in ethics, culture, and social values” when instead they are presenting an oversimplified answer to a complicated set of questions that other fields have thought about deeply and richly for some time. As Morson and Schapiro put it, the danger is that interdisciplinary work in economics often assumes that “other fields have the questions and economics has the answers” (3).

The solution suggested in *Cents and Sensibility* is to find a way to see what great literature can offer to other disciplines—in this case, what it can offer to the discipline of economics. One way to do this, the authors argue, is to avoid being hedgehogs—who have the same simple response to every problem—and to become foxes—who have a richer

and more complex set of answers to challenging questions. In other words, economics would benefit from acknowledging the kinds of emotional, cultural, and ethical intricacies that form the central preoccupation of so much great literature.

Unfortunately, the central section of *Cents and Sensibility*, comprising case studies of the economics of higher education, the economics of the family, and the economics of developing nations, does not demonstrate this approach particularly well. Literature comes in as an afterthought or a digression in each of these sections, and never seems to add much of value beyond a simple insistence that “it’s all more complicated than economists think it is.”

While nearly everything is more complicated than anyone thinks it is, this seems a somewhat unfair assessment of such hotly debated and subtly argued topics in economics as education, family, and the reasons for technological and wealth development on a national scale. Economists find these topics complex, and there are long-running and many-layered debates on them. This does not mean that these debates are not still missing things that could be usefully added by the humanities. But it does mean that it is, perhaps, somewhat disingenuous to present the economic approach as straightforwardly simplistic when, in order to do so, one must oversimplify the economic approach. For example, early on, the authors discuss the failings of straightforward cost-benefit analysis in evaluating a program for the treatment of onchocerciasis, or river blindness, in West Africa. The authors ask, “What is the economic value of millions of Africans keeping their sight? If you count value in economic terms—changes in earning discounted back to the present—the answer is, alas, not all that much in areas with high unemployment and low education achievement” (28). In order to really understand the benefits of the program, they argue, it was necessary to think noneconomically and to get past the idea of cost-benefit analysis. But the members of the Copenhagen Consensus—a group of eight economists, five Nobel laureates among them—were able to use straightforward cost-benefit analysis to argue for the vast benefit of micronutrients as a way to prevent blindness in the developing world. Their analysis not only included improved incomes and reduced healthcare costs, but also took “improved lives” into account. It is unfair to make the work of economists out to be more simple than it is.

Similarly, a long discussion of kidney sales, oddly placed in the case study on the economics of the family, suggests that the economic argument in favor of such sales ignores important ethical questions. Recent work by Jason Brennan and Peter Jaworski in *Markets without Limits* (2015) takes these ethical questions about commodification on directly. And their interdisciplinary approach, which mingles economics and philosophy, is a strong example of the kind of work one would have expected *Cents and Sensibility* to praise.

Equally frustrating is that all the case studies focus on economic questions. No attention is given to the kinds of questions that literature poses and the ways in which economics might usefully aid in answering them. Literature remains, throughout the book, an afterthought or addendum to the more important work that is economics.

The case studies included in the volume are not good examples of the kind of exciting and innovative work that should come from the radical move of economics and the

humanities taking each other seriously. Neither economists nor literature professors (or historians, art historians, philosophers, or whomever) would find these chapters persuasive reasons to leave their departments, walk across campus, and talk to other faculty about ways their research interests might fruitfully combine.

The frame of *Cents and Sensibility* is an excellent one. It cannot be said often enough that the disciplines have much to learn from each other. And Morson and Schapiro are right to take Adam Smith as the patron saint of such interdisciplinarity, and to insist that he is ill-treated when we pretend that there are “two Adam Smiths” rather than an individual with rich and complex interests and questions who produced multivalent work of great importance. The frame of the book makes a strong argument that more such work is needed, and that without it we are ill-served as scholars and as humans. Stronger case studies in the central portion of *Cents and Sensibility* would have provided a first foray into the production of such work. As it is, though, Morson and Schapiro have given us a strong and persuasive argument for such a book, but the book itself remains to be written.

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Never Enough: Capitalism and the Progressive Spirit

Neil Gilbert

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Progressivism has its contradictions (the subject of Thomas Leonard’s excellent book, *Illiberal Reformers*). For example, the average citizen should govern, but the elites will need to govern until the masses can be trusted. And as frequent advocates of government activism, progressives often ignore the knowledge problem (from Austrian economics) and the motive problem (from public choice economics) as they move from theory to practice. For another example, in *The Triumph of Conservatism*, Gabriel Kolko discusses the way big industries in the Progressive Era pursued regulations to limit their competition.

In his book on contemporary progressivism, Neil Gilbert focuses on another concern. “The very success of the progressive agenda in the twentieth century has dampened present-day support” (2), since progressives have little “distinctive to offer” on economic policy and poverty. There are other policy issues of interest, but they are “peripheral to the progressive ambition of altering the free-market distribution of resources” (45).

How should progressives proceed when so much progress has been made against poverty—spending on poverty has already increased so much (by 557 percent between 1968 and 2004, with only a 46 percent increase in population)—and when the public does not share their faith in government and government budgets are tight (30)? “The mature welfare state entered the twenty-first century under considerable fiscal duress” (3).

In response, Gilbert calls for a “progressive conservatism” that recognizes the limits of government activism and works at the margins of public policy reform. Gilbert is perhaps