

The Rhetoric of Economics Reconsidered

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The Rhetoric of Economics

- ▶ Seminal Contributions by Donald McCloskey
 - ▶ McCloskey, D.N. (1983), “The Rhetoric of Economics,” Journal of Economic Literature 21: 481–517.
 - ▶ McCloskey, D.N. (1985), The Rhetoric of Economics (1st ed.), Madison, WI: University of Wisconsin Press.
- ▶ Seminal Contributions by Deirdre McCloskey (from 1995)
 - ▶ McCloskey, D.N. (1998), The Rhetoric of Economics (2nd ed.), Madison, WI: University of Wisconsin Press.
 - ▶ McCloskey, D.N., and Ziliak, S.T. (1996), “The Standard Error of Regressions,” Journal of Economic Literature 34: 97–114.
 - ▶ McCloskey, Deirdre N. 2010. *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. Chicago: University of Chicago Press.

An Argument Often Misunderstood

In the 2nd edition of Rhetoric of Economics (1998, p.188) McCloskey observes:

- ▶ The number of economists who have understood the book and then acted on the understanding in print is to my knowledge small: Arjo Klamer first (he in fact discovered the point independently in his Ph.D. dissertation at Duke), Jack Amariglio, John Davis, Jerry Evensky, Willie Henderson, Don Lavoie, Hans Lind, William Milberg. Not a middle-of-the-road neoclassical establishment figure among them. And anyway **not many of any description.**

What is McCloskey Trying to Say?

- ▶ Why has the premier purveyor of rhetoric - the art of persuasion - in economics been unable to persuade economists that rhetoric in economics is worth caring about?
- ▶ How is it possible for typical economists to take an academic seriously making statements such as (Rhetoric of Economics, ch.9, 2nd ed.):
 - ▶ Economists are not stupid or lazy, not at all. I love the field. I belong to the mainstream and would float happily in it if it made a bit of sense. But the mainstream of normal science in economics, I'm afraid, has become a boys' game in a sandbox. It has become silly.
 - ▶ The virtue of Love, it seems to me, belongs in any serious science of economics, and radically changes even the studies of Prudence. The boys' games seem to me now to be even sillier than I had thought. A few other things, and more to come, I expect.

The Meaning of Rhetoric

- ▶ Rhetoric: the art of effective or persuasive speaking or writing, especially the use of figures of speech and other compositional techniques
- ▶ Common critiques of Rhetoric of Economics is ‘Style not Substance’ to which McCloskey replies ‘Style is substance’
- ▶ The substance of Rhetoric of Economics is “The Literary Character of Economic Science”
 - ▶ When identifying ‘the metaphor of the mathematical model’ or the ‘rhetoric of statistical significance’ and so on, McCloskey is concerned with communication style - compositional techniques -- not the substance of the communication

The Rhetoric of Economics Reconsidered

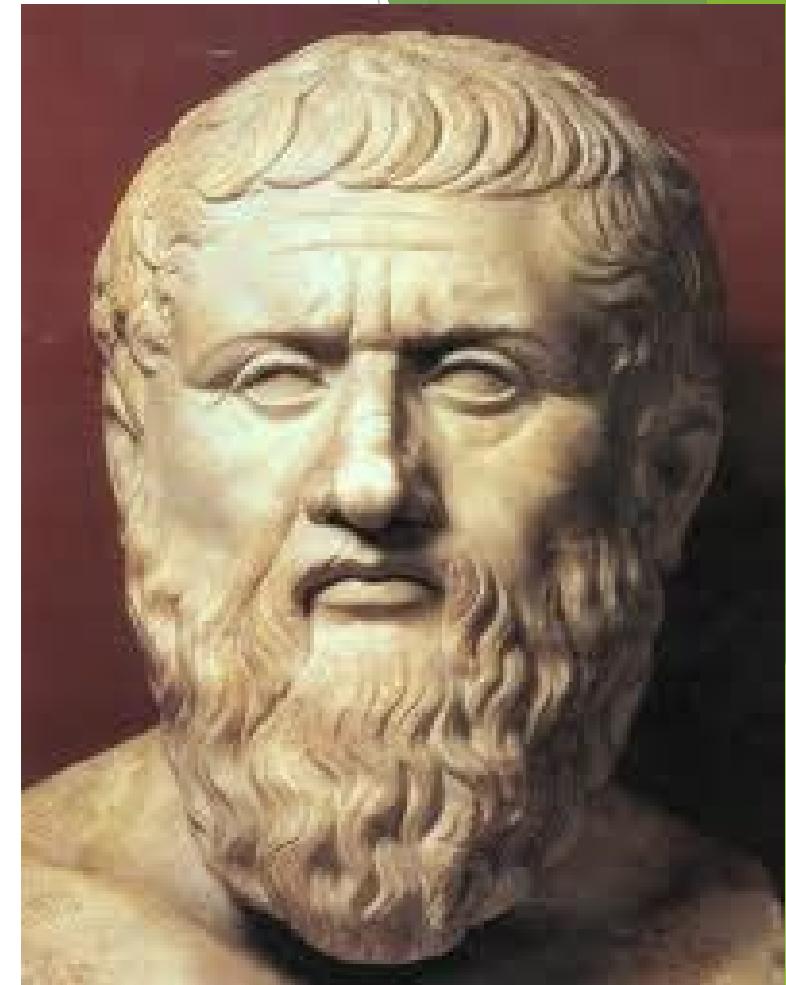
- ▶ For McCloskey ‘Economics is rhetorical’ - economists communicate using tropes, metaphors, figures of speech and so on → epistemological issues are largely absent
- ▶ Consider an alternative definition of rhetoric as: “language designed to have a persuasive or impressive effect on its audience, but often regarded as **lacking in** sincerity or **meaningful content**”
 - ▶ The rhetoric of Economic Science reconsidered uses an epistemological lens to distinguish meaningful (scientific) and unmeaningful (unscientific) discourse

The Rhetoric of Economics ignores the diversity of the History of Rhetoric

- ▶ The etymology of ‘rhetoric’ can be traced to the introduction of the term by Plato in the Socratic dialog *Gorgias* (c.380 BCE)- though the ancient Greek origins are likely earlier in the 5th century BCE when two Sicilian authors of (now lost) handbooks on teaching and practice of oratory - Corax and Tisias - appeared in Athens
- ▶ Aristotle and Plato present different views of ‘rhetoric’
 - ▶ Plato connects rhetoric with the Sophists
 - ▶ Aristotle takes a more neutral position situating the rhetorician between the logician and the sophist



‘The Death of Socrates’ by Jacques David (1787)

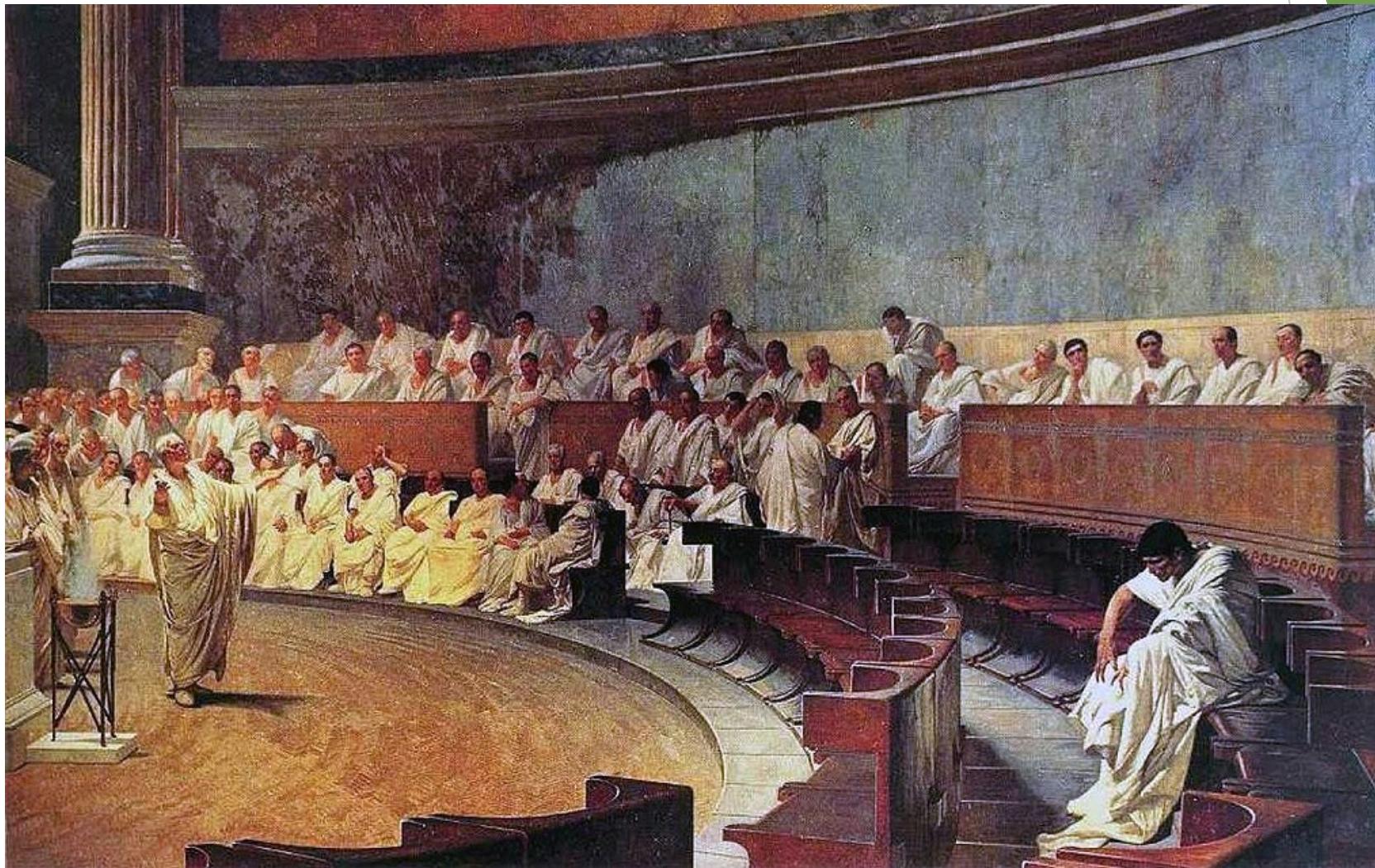


A bust depicting Gorgias

From Cicero to Adam Smith

- ▶ For the Romans rhetorical skill was a by-product of a focus on goodness and truth
 - ▶ As Quintilian observes (*Institutio Oratoria*, II, xv): “*bene dicere non possit nisi bonus*” (‘It is not possible to speak well unless he is good’)
 - ▶ The classical treatise on rhetoric taught in classes on rhetoric well into the Enlightenment was Cicero (*De oratore*)
- ▶ Adam Smith, *Lectures on Rhetoric and Belle Lettres* (c. 1762-3) Adam Smith adapted from contributions to French aesthetics marks a transition from concern with oratory to literary style and arrangement sustaining the decorum and propriety of a “civil, polite and egalitarian context”
 - ▶ Marks a transition from oratory to the primarily literary rhetorical methods now used by economists

‘Cicero attacking Catiline in the Senate for attempting to overthrow the Republic’ by the Italian painter Cesare Maccari (1888)

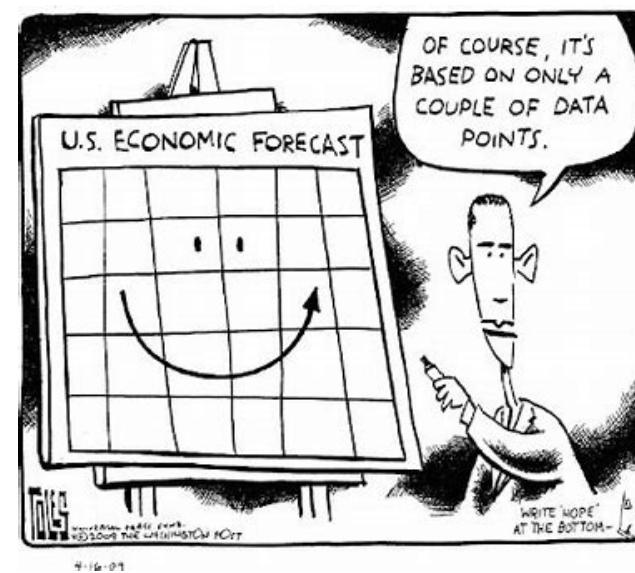
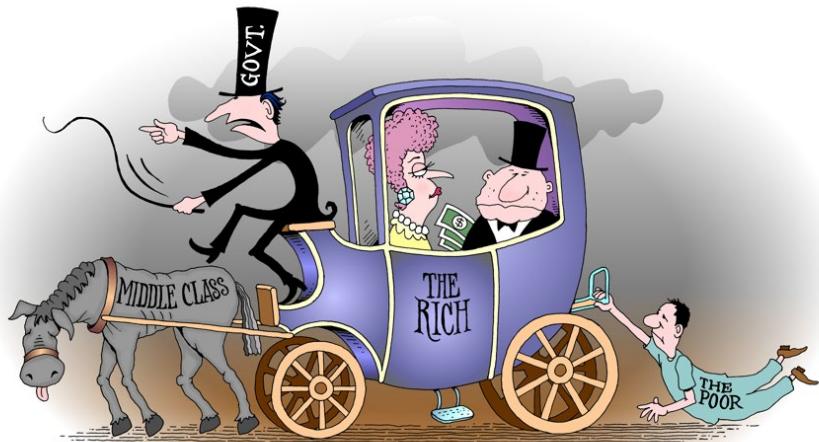


If Economics is a Science ...

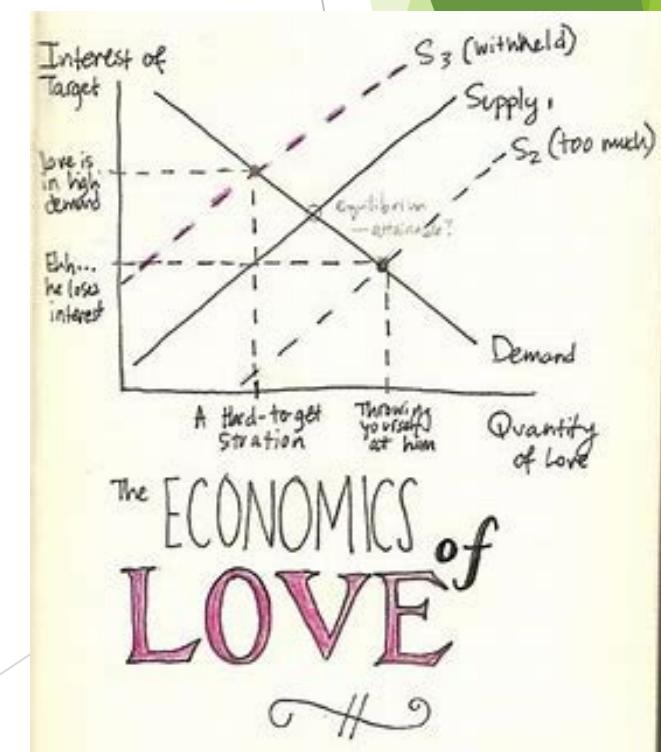
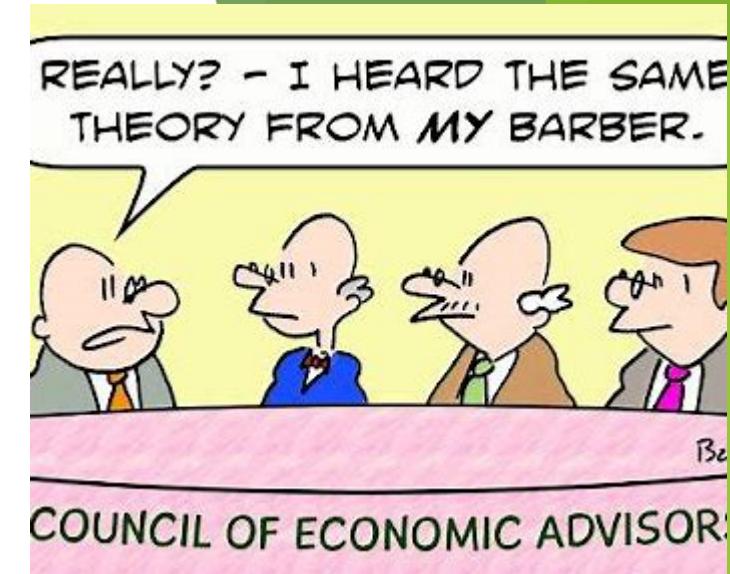
- ▶ The highest status award in Economics is the *Sveriges Riksbank Prize in Economic Sciences* in Memory of Alfred Nobel
- ▶ The aspiration to be a science begs a fundamental epistemological question: **how can economists form a scientific understanding of economic phenomena?**
- ▶ McCloskey connects economic ‘science’ with “modernism”, e.g., McCloskey (1983, p.488):
 - ▶ Modernism promises knowledge free from doubt, metaphysics, morals, and personal conviction; what it delivers merely renames as Scientific Method the scientist's and especially the economic scientist's metaphysics, morals, and personal convictions.
 - ▶ But McCloskey does not aim to critique ‘modernism’ only to describe the rhetoric devices employed by those aspiring to ‘economic science’



“...FIRST I WAS A MONETARIST... NEXT I WAS A SUPPLY-SIDER... THEN I WAS KEYNSIAN... NOW I'M A BLUM...”



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Economists and Scientific Discourse

- ▶ What type of discourse?
 - ▶ Discourse between economists; economists with policy makers; and economists with the public (including non-economist academics)
- ▶ What is needed to qualify as an economist?
 - ▶ Lack of accepted ‘core’ curriculum, vs., CPA for Accounting, PEng for engineers, ASA for actuaries, Bar Exam for lawyers
 - ▶ If economics qualifies as a science - in some sense - then being an economist requires the ability to engage in ‘scientific discourse’ about economic phenomena

Criteria for Rhetorical vs. Scientific Discourse

- ▶ Discourse that is not 'scientific' is rhetorical vs. McCloskey where all economic discourse is rhetorical (because rhetorical devices are used to persuade)
- ▶ What does it mean for economic discourse to be scientific?
 - ▶ Unity of science project vs. natural/human science dichotomy
- ▶ The questions associated with addressing this question are inherently epistemological
 - ▶ McCloskey does not seek to address epistemological questions - though the character of the discourse in Rhetoric of Economics often seems to be taking a relativistic perspective.

Foundational vs. Anti-Foundational Epistemology

- ▶ Stanley Fish: '**another word for anti-foundationalism is rhetoric**'
- ▶ **Foundationalism vs. anti-foundationalism**
 - ▶ Foundational epistemologies employ basic beliefs that are 'characterized as 'infallible' where the possibility of error is radically circumscribed in contrast to the fallibility of non-basic beliefs'
 - ▶ Justification of belief proceeds one-directionally from basic beliefs to derived beliefs with non-basic beliefs being a logical derivation from basic belief.
 - ▶ Examples of foundational epistemologies are Cartesian rationalism - where basic beliefs are innate intuitions and classical empiricism where basic beliefs derive from sensory perception
- ▶ Numerous contributions to modern epistemology have been dedicated to critiquing foundationalism - esp. Quine on analytic vs. synthetic statements
- ▶ Post-modern epistemology is inherently anti-foundational, encompassing relativism and skepticism

Willard Quine and Epistemology Naturalized

- ▶ Naturalism is an -ism with numerous adjectives → there is so much philosophy dealing with naturalism it is not possible to cover it all
 - ▶ Basic idea: connects scientific method to epistemology by positing that knowledge of reality is in principle (only?) ascertainable through scientific investigation
 - ▶ Implicitly presumes that ‘nature’ is governed by (possibly fallible) scientific search for objective laws - metaphysics requires detectability
- ▶ One of several definitions of naturalism provided by Quine:
 - ▶ naturalism: abandonment of the goal of a first philosophy. It sees natural science as an inquiry into reality, fallible and corrigible but not answerable to any supra-scientific tribunal, and not in need of any justification beyond observation and the hypothetico-deductive method.
 - ▶ ‘First philosophy’ is jargon for foundational philosophies

Quince, Carnap and Linguistic Framework

- ▶ A central point of dispute between Quine and Carnap deals with the plurality (Carnap) or singularity (Quinian monism) of the functions of language
- ▶ Carnap references ‘linguistic frameworks’ - rules governing, or not, the use of a group of terms and predicates
 - ▶ Internal questions arise within the framework that depend on the framework in question, e.g., empirical for science, logical for math
 - ▶ Metaphysics involves ‘external’ questions, that cannot be ‘framed’ other than in a pragmatic way → pluralistic ontological commitment arising from distinct linguistic framework
- ▶ Quinean monism denies such pluralism

Overview of Economic Discourse

- ▶ Examining highly cited papers for ‘rhetorical’ - “unscientific” discourse employing the Quinean criteria: **‘unscientific propositions are not confirmable by direct empirical observation’**.
- ▶ The 20 most cited papers in economics (RePEc May 2020)
 - ▶ Seven of the top ten and 10 of the top twenty most cited papers in economics are concerned with ‘econometric theory’.
 - ▶ A further three of the top twenty are concerned with statistical measurement or applied econometrics.
 - ▶ This leaves seven of twenty papers concerned with ‘logical theory’ or testing of specific hypotheses, three concerned with growth and development, two with agency costs, and one each on option pricing and prospect theory.
 - ▶ Ten papers appear in either *Econometrica* or *Journal of Econometrics*. Only the *Journal of Political Economy* and *Journal of Financial Economics*, with two each, have more than one of the twenty most cited publications.

Economic Rhetoric, or Not

- ▶ Based on this overview of 20 most cited papers, it appears that much of the discourse between economists is not concerned with economics but rather is discourse about statistical technique
- ▶ Examining specific papers by high status economists
 - ▶ Stiglitz (2018) on optimal capital tax is not empirically testable and as such is rhetorical
 - ▶ Bernanke (2020) on ‘zero lower bound’ is scientific enough
 - ▶ Barro (2015) on climate change has rhetorical characteristics (Epstein-Zin preferences) but is aimed at previous empirical testing, so a rhetorical classification is inconclusive

“[I]t is distressing how often one can guess the answer given to an economic question merely by knowing who asks it”.

George Stigler, “The Economics of Minimum Wage Legislation” (1946)

► Diogenes by Jean-Léon Gérôme (1860)

Diogenes of Sinope (412? - 323 BCE) is recognized as a founder of **Cynicism**

No surviving contributions, promoted poverty as a virtue and critiqued corrupted institutions and morals of Greek society

Remembered for carrying a lamp during the day in search of ‘an honest man’



Cynical Materialism

- ▶ McCloskey (1985, p.24) proposes ‘moral norms’ to guide the discourse of economists: “don’t lie; pay attention; don’t sneer; cooperate; don’t shout; let other people talk; be open-minded; explain yourself when asked; don’t resort to violence or conspiracy in aid of your ideas”.
 - ▶ Is it naïve to presume that ‘the moral search for truth’ is the object of economic discourse? Perhaps there are more material and psychological objectives emanating from high status economists in the ivory towers ?
- ▶ The upshot is a ‘cynical materialism’ interpretation of rhetorical economic discourse:
 - ▶ A façade of *ethos* justifies manipulation of intangible entities - “optimal capital tax”, ‘time separable utility functions’, “optimal environmental investment” and the like -- to produce rhetorical claims epistemologically devoid of the moral justification inherent in scientific inquiry.