Economics and Its Enemies: Two Centuries of Anti-Economics
William Oliver Coleman
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Self-confidence is recommended to any economist who tackles Coleman's book. Its presentation of enemies is so powerful that a reader with a tenuous understanding of the philosophical nature of his own subject is likely to despair for its future, despite the author's upbeat conclusion.

His anti-economists express "hostility to . . . that stream of thought [from] Smith [to] Keynes, Hicks and living persons. This continuity of thought could be called the 'Mainstream' " (p. 8). Some readers may find this too conservative, for among his "anti-economists" are "supply-side economists" and "several twentieth-century Austrians," but Coleman's clarity makes it easy for the reader to form his own judgments.

Following a 17-page introduction, Part II examines "Objections to Doctrine"—that is, economics is false, useless, or harmful because of its politics. The anti-economists of Part III ("Objections to Practice") reject economic method as "inadequate, conceited, biased, and bidden," while to those of Part IV ("objections to subject"), economics is an enemy of their personal causes. The 37 pages of notes, a 32-page bibliography, and a 7-page index suggest the scope of the author's research. This is a scholarly book and any careful reader will learn from it.

The political attacks begin with the Old Right's 18th century complaint that economics' fondness for freedom and markets destroys the social order, offering Ferdinando Galiani and Jacques Necker as examples. Necker was one from whom the self-taught Alexander Hamilton learned economics, and the inclusion of Galiani, for his 1770 volume *Dialogues sur le Commerce des Blés*, illustrates that Coleman did not reject everything the "antis" wrote. Galiani is the author of *Della Moneta* (1751), a book Arthur W. Marget, in volume two of his classic *The Theory of Prices* (1942: 22), considered practically "a modern textbook." Marget also viewed Galiani as a precursor of the Austrian School's theory of subjective value. Likewise, Lawrence H. White, in his *Free Banking in Britain* (1984), commended the free-banking views of anti-economist George Poulett Scrope. Clearly, one must read with a firm grip on Coleman's standard.

Chapter 3 moves to the "left" position that economics favored the rich and defended enslavement of workers. The theme of Chapter 4, that economics is inconsistent with nationalism, identifies its fans as anti-economists. Mathew Carey, Alexander Hamilton, and Friedrich List fall into this group, as do historicists like J. E. Cliffe Leslie and Gustav von Schmoller who hold that "there are no significant economic claims that always hold true" (p. 65). Roscher is properly not labeled an anti-economist. In the 20th century, "the biggest flare in economic relativism [was] development economics" (p. 81). Gunnar Myrdal (ironically Friedrich Hayek's Nobel co-recipient in 1974) is an exemplar. Others include John Gray, a former libertarian and Hayek scholar whose "stance [in *False Dawn* (1998)] amounts to a resurrection of the German Historical School" (p. 85). The brief Chapter 5 carries the theme into Nazism and Stalinism.

Part III begins with those who reject "mechanistic philosophy." Coleman, though not embracing John Baptiste Say's identification of the quantitative method as "a tool of constructivist conceit" (p. 112), wisely does not consider Say an anti-economist. (He reports that Say had courageously refused Napoleon's request to rewrite his *Treatise* to support Napoleon's policies, reminding the reviewer of a scene from *Atlas Shrugged*.) But he does note that "French liberals . . . anticipated the anti-mathematical strictures of several twentieth-century liberal anti-economists, such as Murray Rothbard" (p. 112).

In Chapter 7, "Moral Economy," Coleman writes that "[the] economist's vision, where the market is not the result of an individual will, will remain alien to those absorbed by the dramatic [moralist] vision" (p. 126). He cites Hayek only as rejecting that "every action has a certain degree of moral worth (or unworthiness)." I sympathize with some positions of Coleman's "moralists": A market exchange affirms the autonomy, human nature, and property rights of one's trading partner, and "improved morality" (the moralists' solution) promotes benevolence, trust, and voluntary association, and reduces theft. That *some* moralist critics are ignorant of economics does not mean *every* moralist critic is.

Of Chapter 8's charge that economics promotes selfishness, Coleman writes that after the French Revolution "[almost] a century of preoccupation with egoism and altruism began" (p. 137). He differentiates between selfishness and self-love, and cites Max Stirner's 1845 *The Ego and His Own* as a "brazen celebration of individual self-assertion against any claims of society" (p. 139). His extensive discussion of "the religion of love" (p. 143) suggests an *Atlas Shrugged* antagonist's "Age of Love." To rebut the claim that economics implies "harsh treatment of the less fortunate" (p. 146), Coleman notes economists' support of income redistribution and factory legislation, and their repudiation of slavery. Although I consider such a defense to be counterproductive, Coleman winds up powerfully—citing Locke's assertion that "the discovery of quinine had done more good for the world than all of its charity" (p. 157).

Chapter 9 addresses critics who associate economics with "consumerism" and the "degradation of the natural and cultural environment" (p. 163). Coleman cites the "Romantic tendency [that] rejected the Enlightenment's association of utility and beauty" (p. 174). From that perspective, economics implies usefulness and ugliness while "culture" implies uselessness and beauty. Coleman might have mentioned recent work by Tyler Cowen, but again winds up with a potent rebuttal: "Moral law has been infinitely better served by attending to human satisfactions than to the decrees of those blessed, in their own mind, with an unusual insight into the 'moral function of public law' " (p. 177).

Other anti-economists (Chapter 10) maintain that wealth requires conquering nature and that economics fails to maximize it. Some embrace a "Cartesian rationalistic current" (p. 178), rejecting economics because market outcomes are not produced by reasoned design; others in the "conquering nature" camp include post-WWII development economists and environmental economists (who infer that the creation of wealth should be opposed).

Part IV begins with those who see economics as working against their own interests. Elucidating the public-choice problem that the incentive of a small group benefiting from a market restriction is greater than that of the large harmed group to oppose it, he adds that "the assumption is arguable" that "perfectly free markets maximise wealth" (p. 196) because of monopolies, externalities, and asymmetric information. Coleman concludes that "an ideal [theoretical] opposition in league with [special-] interested opposition makes a formidable force" (p. 197).

Chapter 12 tackles anti-economists' contention that the public takes economists' advice more seriously than its quality warrants, arguing that the opposite is true. I was pleased to find W. H. Hutt's *Economists and the Public* (1936) discussed. Surveying the list of policies generally opposed by economists yet favored by the public (including minimum wage laws), Coleman concludes: "The unhappy paradox is that the politic economy that wins the popularity of the public serves them ill" (p. 211).

In Chapter 13, Coleman briefly discusses the relationship between anti-economics and anti-Semitism and argues that the relationship "disappeared from anti-economics by the mid-twentieth century" (p. 218).

The reader shaken by Coleman's "enemies" will welcome his conclusion, "The Not-so-Puzzling Failure of Anti-Economics," finding that its impact has been "nothing." For one thing, anti-economists usually misrepresent economics. When their criticism is correct, Coleman follows Marget's "principle of continuity" or Murray Rothbard's "accretion theory of knowledge" by averring that it is folded into "the Tradition"—"[the] great tendency of the Tradition is to become integrated and whole" (p. 234). Anti-economists' *correct* criticism is therefore not anti-economics, but rather shapes the evolution of economics. One example Coleman offers, anti-economists' rejection of Say's Law, reminds us that he does not consider John Maynard Keynes an anti-economist despite Keynes's rejection of nearly everything monetary economists had written. The meaning, usefulness, and validity of Say's Law and the concept of aggregate demand are still debated, but Coleman would probably consider modern Say's-Law advocates anti-economists.

Good criticism is not gone, Coleman notes, citing Leijonhufvud's reinterpretation of Keynes and Kates's study of Say's Law, but he is concerned that in "the research culture of economics . . . there is little reward . . . for scholarship, appreciation or connoisseurship" (p. 236). At the conclusion of such a scholarly book the reader might hope this is too pessimistic. Yet one wonders what "the Tradition's" evolving focus on mathematics heralds for scholars whose work is in fields like the already disdained intellectual history of economics.

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