



critiques of the status quo. Such a book certainly would not mischaracterize a New Republic editorial against the Supreme Court of the «Lochner Era» as an attack on the Bill of Rights, as Leonard also does, and as Giocoli repeats and echoes in his piece. All of these are examples out of which you really could construct a critique of scientific elitism as it actually exists and existed in the Progressive Era, rather than weaponize such a critique and then wield it against a contemporary political and intellectual interest you dislike and seek to discredit.

One of the stranger aspects of Leonard's book is the long intellectual history of progressive economic thought that he constructs out of thin air, linking their writings about the labor market to the hierarchical vision of society laid out by Plato. Indeed, the intellectual historian Mary Furner characterized Leonard's account as «a hurried and imprecise gloss on the history of labor as work for others, oddly keyed to the practices of Ancient Greece and based on only two sources for the u.s. from its beginning to the Gilded Age». But thanks to Giocoli's exegesis of the book, it is finally clear to us what is really going on with Leonard's otherwise-mysterious references to ancient Greece. The progressives saw themselves as just that: progressive, with a vision of society as evolving upwardly to a higher plain and their own work as constitutive of that progress. If he can carry the point that 'actually, the progressives were interested in resurrecting an ancient, hierarchical social order,' then the inherent contradictions in elite progressive scientism are laid bare. So Leonard embarks upon that project, notwithstanding that the ancient antecedents Leonard finds for progressive social thought were nowhere acknowledged by the progressives or their opponents or any other intellectual historian. As we wrote in our review, that is not good intellectual history. Nor is Leonard's strange and suspiciously pat periodization of American economic, political, and intellectual history – but again, we repeat ourselves.

Moreover, Giocoli takes us to task for eliding the progressive economists of the late 19th and early 20th century with the «institutionalist» school of economics that only took shape during and just after World War I. In fact, we make clear that there is not an identity between the two, and we elucidate the views of both John Bates Clark and Francis Amasa Walker, whom Giocoli accuses us of mischaracterizing. But here Giocoli is referring to the periodization of the history of institutionalist economics propounded by Malcolm Rutherford in his excellent book *The Institutional Movement in American Economics, 1918-1947*, and it's worth noting that the one place in which eugenics and similar issues appear in that volume is a single footnote about John Commons and Edward Ross at Wisconsin (Rutherford 2013, pg. 200 of the paperback edition). And well beyond specialized studies of the history of economic





thought, of the literally thousands of words that we have read by the progressive activists who were ‘in the trenches’ in the press, in the courts, legislatures, and in churches fighting against palpable abuses of human rights, the word ‘eugenics’ with its implications of sterilization appears rarely if at all in none of them.

The progressives, as our essay acknowledges, were racists, in some cases imperialists, frequently immigration restrictionists, as were most public figures of the era. This is not a secret that Leonard has unveiled. In our article we point to sharp critiques of these positions in both historical and economic journals. But the portrayal of them as condescending elitists teaching the poor what was good for them – an «amalgam of compassion and contempt» according to Leonard (xiii) – is false and derogatory. If we are to speak of condescension what should we think of the ‘liberals’ of the 1860s and 1870s like E. L. Godkin who recognized the distress of the working classes, but insisted that the government must in no way assist them directly because it would breed habits of idleness and dependence?

Giocoli’s piece is quite revealing, especially in its conclusion – and in that sense, it is also helpful in reconstructing the whole alternative intellectual history of economics, in which Leonard’s book and lifetime’s scholarship play a crucial part, as evidence from the broad and reverential treatment of it found in history-of-economics curricula developed by overtly ideologically motivated interests (Stansel 2017). That alternative history is rendered necessary for those interests by the most recent developments in the field, and is thus inherently, inescapably anachronistic and not to be trusted. Since it’s crucial to making sense of what Leonard’s project is, we quote Giocoli’s closing paragraph in full:

The implication is that the problems of contemporary economics most recently uncovered by the great financial crisis are not just theoretical or methodological. They do not simply consist of the demonstrably wrong foundations of the neoclassical paradigm, with its unwarranted focus on equilibrium and rationality. Or of the still relatively underdeveloped status of behavioral and experimental economics. What Leonard story entails is that the discipline’s biggest problems lie deeper. They involve the idea itself of the value of economic expertise and the (im)possibility in social science to go beyond what Hayek dubbed “pattern predictions” (Hayek 1967). They call into question the intrinsic limits of economic science qua science, rather than as mere art à la John Neville Keynes (Keynes 1891). Or the implicit contradiction underlying view that economists’ usefulness stems from their ability to behave as competent “plumbers” (Duflo 2017) while at the same time arguing that their “plumbing technology” is both so sophisticated to make it inaccessible to anyone else (including real “plumbers”, like field workers) and so basic to make the economists’ involvement wholly dispensable (viz., everybody passing Econ101 can be a “plumber”). Alas, *Illiberal Reformers* invites – indeed, compels – caution on the scientific legitimacy of any government intervention grounded on economic expertise and, therefore, skepticism on the true value of the giant industry of economic consulting that the econ-





omists' "pretense of knowledge" has helped build since the early 20th century. No surprise, then, that self-appointed master plumbers at the AEA disliked the book.

(GIOCOLI 2017, 169)

The situation is this: in recent years, originating over a decade before the financial crisis of 2008-2009 but accelerating in strength and influence since, economics has been undergoing an empirical revolution. An aggressive, but to our mind justified, reading of the result of that revolution would say that it has brought into serious question the real-world inferences about how the economy works and the policy recommendations that result therefrom historically associated with an elite academic economics consensus that prevailed since the postwar neoclassical revolution. Giocoli himself refers obliquely to it in his conclusion. There's no need here to rehash the many subfields and policy questions in which this has played out – we do so in our review and elsewhere (M. Steinbaum 2017). The point is that this is deeply threatening to those scholars and outside interested parties strongly associated with the ideology of that neoclassical revolution.

Their response, Giocoli makes plain, is to flip the accusation made by proponents of this empirical revolution around: it is they, the contemporary empiricists who claim a greater and greater intellectual territory won in battle against a retreating foe, who suffer from hubris and whose claims to scientific advance ought to be read in the harsh light of progressive economists' problematic record. If, for example, the financial crisis showed that deregulation of the financial sector was a risky and unwarranted policy premised on simplistic theoretical notions of how agents act in financial markets and how efficiently those markets allocate resources, the guilty parties are not the neoclassical scholars who advocated loosening regulation of financial markets and institutions, but rather the scientific mindset that imbued those scholars with the hubris to advocate any policy at all, and the fault for *that* lies with the progressives, not with the neoclassicals who were merely wrong about how the economy works, not anywhere near as damning a sin as scientific hubris. Indeed, other writings by neoclassically-oriented public intellectuals offer a similar critique of contemporary empirical scholarship: empirical work is hard, uncertain, and messy, whereas neoclassical theorizing tends to be neat and bountiful in hard policy conclusions – provided one doesn't let reality get in the way (Roberts 2017). Wouldn't it be easier – more scientific, even – for economists to stick to what we know, the old saws of neoclassical dogma, than promote and cultivate and skepticism about them in the public mind by undertaking empirical investigations that might draw them into question, or even just reveal the extent to which economists are in fact uncertain regarding the field in which they claim expertise?





This mindset and the intellectual architecture supporting it – namely, Leonard’s book, as interpreted by Giocoli – are frankly anti-intellectual and offensive to anyone who values economics as a would-be social science rather than a religious creed. And it’s also distastefully hypocritical, because while the charge of excessive hubris and the innate assumption that what we say ought to be heard by the world and incorporated into decision making on matters of great public interest could be fairly said to plague economists of all ideological stripes, at every stage of the discipline’s history, the inclination to draw strong policy conclusions on the basis of not a lot of substance has been strongest among the neo-classicals, entirely willing to argue directly from theoretical models to their policy implications without stopping along the way for the crucial step of finding out whether those models were actually true. And that is far more hubristic than strong claims about what in economics can be established empirically.

Take a subfield and policy area like antitrust, in which we share Giocoli’s interest and have learned from his excellent scholarship. The «Chicago School» had an enormous influence on the reinterpretation of what the antitrust laws of the United States prohibit. That influence is contained in landmark judicial rulings and the records of the federal and state agencies empowered to enforce the law. Those rulings are notably heavy on statements that purport to be about the world, without a lot of evidence to back them up. The Supreme Court’s dictum in the case *Matsushita v. Zenith Radio Corp.*, which radically heightened the burden on an antitrust plaintiff to prove anti-competitive behavior to survive summary judgment, was «predatory pricing schemes are rarely tried and even more rarely successful». This is a statement about the world, and yet it contained not a whiff of a citation to any empirical study estimating the frequency with which predatory pricing is undertaken. Rather, it is premised on the correctness of a certain economic theory that holds that it would be irrational and costly for predatory pricing to exist, therefore it must not exist, and our work here (setting economic policy) is done.

Robert Bork’s enormously influential book *The Antitrust Paradox* has a similar lack of concern with whether anything he says is actually true – his assertion that the economy works a certain way is considered by himself and his adoring fan base on the Supreme Court and (at least in the past) in the federal antitrust agencies to be sufficient – because, in part, the way he says the economy works is the way they want it to work in order to justify the policy conclusions they’ve arrived at ex ante. Again, like Leonard’s book, that is not scholarship – notwithstanding awards from august professional organizations and a bountiful stream of worshipful citations from people with fancy academic job titles and lifetime judicial appointments.





Given that record of confident – hubristic, even – and enormously influential policy statements made over many decades by economists and their admirers with a different ideological orientation than the progressives, it is hard to listen to those same people and their intellectual heirs adopt a pose of humility – as a weapon engineered for the counterattack! – as the edifice they built within the profession and outside it appears to have started to crumble. They aren't even saying «we should be, or should have been, more humble». They are saying «**you** should be more humble», and that is not a very humble thing to say.

Giocoli accuses us of siding with the elite of the economics profession – and specifically, of the American Economics Association, in one of its leading journals – and allowing ourselves to be used as part of its effort to stave off Leonard's devastating critique of their high prestige and large influence over policy. That we would have been engaged to carry water for the economics establishment might strike some of our other readers as an amusing accusation to level, but we are happy to associate ourselves with the view that it really is possible for economics to succeed as an empirical social science. The economy is complex, but it is also amenable to human understanding, and that scientific advance is premised on testing and rejecting theories, including ones that many economists themselves heartily wished were true. In fact, that principle ought to be the real test for who is or is not an economist, not any ideological commitment. And yet a substantial number of those calling themselves economists pretend that the greater scholarly principle at stake is *not* to investigate the truth about how the economy works, however messy it might be, but rather to adhere mindlessly to received wisdom and to repeat it *ad infinitum* to interested policy-makers – and somehow that is supposed to be humble? No thank you.

Finally, to return to Leonard: Giocoli evidently thinks *Illiberal Reformers* is a valuable and original contribution to the intellectual history of the social sciences, but the core insight it brings to the table, according to Giocoli, is in fact not original to Leonard. In our review we cite many historians of progressivism who subjected the movement, especially its elite intellectual contingent, to a searching treatment, most recently Adam Cohen in his book *Imbeciles*. What's original in Leonard is his elaborate gloss on progressive motivations and the connections between their ideology and their cardinal sin of scientism, and that gloss is just not accurate and is in fact motivated by his own prior ideological commitments and the current imperatives that result therefrom. Giocoli accuses us *ad hominem* of converting Leonard into a political hack writing a diatribe against the sustained attack on progressivism that has been going on for years, and makes his own position clear when he says that the charge is a calumny meant to sustain and justify the at-





tack «on the so-called New Gilded Age in which American society allegedly lives today». We cannot help wondering on what planet Giocoli has been living since the 1980, or if he believes that the absolutely demonstrable growth of inequality and its attendant harms is a fiction. Neither of us discounts Prof. Leonard's expertise nor his sincerity in advancing his ideas or his right to do so. But they are indisputably part of ongoing attacks on Progressivism with which we disagree and we stated our objections fairly and debatably in the article itself. We feel no less strongly about the merits of our position than do Leonard and Giocoli, whose intimations about the «dark heart of Progressivism» or the role of «populist agitators» show little respect for the courtesies of professional argument.

Thus, notwithstanding the high accolades the book received from Leonard's own peers, we rest comfortably with the treatment we gave it in the JEL, and while it might irk Giocoli that we, whom he evidently does not consider his peers, were asked to review the book, that editorial decision appears to have been a wise one in retrospect.

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EDITOR'S NOTE

[As editor of *HEI - History of Economic Ideas*, I feel it is just fair not to abuse my position. Hence, I will leave readers form their opinion about the merit, and courtesy, of the arguments in the present note vis-à-vis those in my review essay (Giocoli 2017), without adding the customary – as to *HEI*'s practice – and probably incumbent – as to this note's content – rejoinder. NG]





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