

# Review of: "Liberalism Caused the Great Enrichment"

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A review of 'Liberalism caused the great enrichment'. By [Deirdre Nansen McCloskey](#)

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I enjoyed the excellent polemic by Professor Deirdre Nansen McCloskey

(DM, henceforth) in defence of innovation (or Innovism) as the prime driver of growth, enrichment and wellbeing in the recent centuries. To be honest, I am myself bought into this idea, which has been shaping my research for the last 20 years. My observations and comments are directed to making the paper more convincing to those who want to take a plunge into this scholarship.

A very general reservation I have is about the complete absence of any reference to the (illiberal) colonial practices of the countries with the so-called liberal values. There is no compelling evidence to show how/to what extent the mere presence of liberal values, and innovism would have caused the growth and enrichment we have witnessed, without the support of the resources extracted by these countries through their colonial practices.. An explicit admission to this architecture would be welcome.

"Test cases would be China, Japan, Moghul India, and the Ottoman Empire in 1492, when all of them were more promising than the miserable and quarrelsome nations of the extreme northwestern corner of the Eurasian continent. All those non-European places had more peace and craftsmen and scientists, and better enforced property rights and often better tax systems, than Holland as late as 1600, or England, Scotland, and some of the English colonies as late as 1700. Yet they did not enrich. They lacked liberalism, **and liberalism alone**".(Emphases added).

In my view, an explicit admission to the loss of resources some of these countries witnessed at the hands of the colonial powers might change the concluding point (with added emphasis). In the context of India, for instance, the 'drain of wealth' by the 'un-British rule' in India is well known and have been reported widely. Obviously, these resources must have had a role in supplying credits, or developing means, to potential innovators in the UK (and at the cost of supporting such activities in India)

Now coming to the specific aspects of the paper:

1. I think a well-rounded summary is important which would clearly highlight the scholars with whom DM agrees. A

comprehensive list of those scholars would make the main argument more discernible to a scholar willing to take a dip into this narrative. Many reviewers have also suggested to downsize the paper, which I agree with too.

2. DM's emphasis on liberal values as a driver is well received. However, at some points, it becomes difficult to follow whether the liberal values being talked about are social, ideational (and therefore institutional) or work merely at the policy level. This ambiguity arises because of the hint that India and China's recent growth has been due to their liberalisation policies. While this might be true, it is also a fact the policies do not always reflect the societal values (a la North), and the incompatibility between the two might make policies ineffective in the long run. I do not think the liberal values in the West, and their contribution to economic wellbeing, and the liberal policies in India and China with their effect on growth can be put in the same category. In India, for instance, the policies may have not emerged from a change in the societal values. Rather has been put in place due to external pressures and obligations.
3. On liberal values, let me take the freedom to connect it with the 'individualism'. If not entirely connected, I hope it is well in order to expect a considerable overlap between the two. If this is accepted, I would like to draw DM's attention to an old and a new critic of how those traditional individualism has made its way for a corporation-promoted values of individualism in the USA in the last century or so. The older critic is the one by John Dewey (Individualism- Old and New, 1929). The relatively newer critic is by Edmund Phelps (Mass Flourishing- How grassroots innovations created jobs, challenge and change. 2013). I wonder how DM would like to engage with the views expressed here. Has the job of making science work more towards humanity, rather than promoting corporate interests (highlighted by Dewey) been achieved already? Or the danger of corporatisation highlighted by Phelps is over? If they still exist, where would DM envisage a limit to the arguments proposed in the article?
4. And this asks me to come back to the question I raised in point 2. The liberal values and the 'free trade ideas had been the chief ideological support of the antipatent movement" (Fritz Machlup, An economic review of the patent system, Washington 1958; p5 ). Today, the neo-liberal value informed policies take a 180-degree different view on this and end up supporting the TRIPS compatible policies. USTR has been consistently 'nudging' the countries to fall in line if they are interested to trade 'freely' with the US. Does it promote innovism?
5. My final point is perhaps tangentially related to the main argument. If unregulated individual spirit of trial and error and experimentation is indeed the backbone of innovative spirit, then one would wonder how to views the activities of the many tiny industrial units (or grassroots innovators) in the informal economies of the global South. Of course, they suffer from access to credit, access to skills, and access to 'social legitimacy', but at various places they thrive notwithstanding these 'scarcities'. The emerging scholarship on frugal innovations seek to e engage with these activities more closely. I would be happy if the narrative about the much-celebrated values of 'innovism' incorporates these actors too.