

was incurred under the military regime (1976–1983) without the constitutionally required approval from the Argentinean Congress for such debt, and the current Argentinean government's rationale for the unconstitutionality of such debt. Michalowski explains the opposite sides of the debate: the value-neutral legalistic approach to fulfill contractual obligations adopted by the creditors versus the moralist and political approach to the interpretation and application of legal principles adopted by the current Argentine government. This essay highlights the need for ongoing alignment of international exchanges and contracts to accommodate the growing and unprecedented wave of globalization.

The book in general tends to evaluate capitalism and globalization against normative standards that underscore their shortcomings. I wish the editors had assigned another part (or essay) to highlight the achievements of globalization and capitalism—for example, the effect of globalization on reducing poverty globally, especially in the last two decades or so; the impressive record of capitalism and globalization with respect to heavily populated developing countries, such as China, India, and recently Bangladesh that have successfully engaged with the global economy; the role of international immigration to developed countries and positive effect of remittances on the economies of developing countries; the growing role and influence of international NGOs and civil society organizations in protecting the interests of the poor, workers, the environment, and the public good in general; and recent initiatives to forgive foreign debt and increase foreign aid to the least developed countries. A more objective critique should also compare the records of capitalist against noncapitalist (e.g., socialist) and precapitalist, preglobalization countries, or systems. Such coverage would have set up a balanced critique of the mixed, yet overall positive records of the effects of capitalism and globalization on human rights in many developing countries.

Given the above reservations, the editors, overall, did a commendable job compiling proper multidisciplinary perspectives and topics in this volume, with some bias toward the legal perspectives on globalization and human rights. Finally, I hope the samples offered above inspire scholars and academics, especially those interested in international relations, international law, and international development fields, to read this volume.

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## The Bourgeois Virtues: Ethics for an Age of Commerce

**Deirdre McCloskey**

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Bourgeois *virtues*? For many this sounds like an oxymoron. In recent years, a strange unity has been building against the market, with critics on the left continuing allegations of inequality and injustice and some conservatives joining them in the accusation that the market undermines values by fostering consumerism and eroding communities.

Economists respond to the first attack by trotting out statistics demonstrating how well people, especially the poor, have done materially under capitalism, but economists fade in dealing with the second. People, they assume, are freer for spiritual pursuits: time with family, time to seek God. Critics point to the rise of secularism and materialism and the fall of the family and community in the West and perhaps even to economists themselves with their lack of concern for the system's spiritual, moral, or cultural impacts.

However, as Dinesh D'Souza observed in *The Virtue of Prosperity*, it is on these questions that answers are most needed. This is where McCloskey strikes in this first of a four-volume project. Relegating statistics on material gains to just a few pages, the book proceeds to analyze the market in light of the seven classical virtues, claiming that bourgeois work and capitalism both require *and foster* virtue. It also examines how both economists and philosophers commit similar errors in underestimating the importance of moral and spiritual motivations beyond utility maximization for market actions and in their fixation on calculation for decision rules in the first place. It closes by addressing several erroneous beliefs regarding capitalism, explaining why the market system does not require oppressing workers, fostering gluttony, maintaining inequality, or unjust zero-sum exchanges.

A neoclassical economic theorist who turned to economic history and then to criticism of the neoclassical model, McCloskey nonetheless remains a strong proponent of markets and believes that many critiques have erred by relying on mythical idealizations of past community life or unrealistic assumptions of some utopian alternative. The resulting, and unjustified, disdain of the market has hindered the development of ethical reflection for the bourgeoisie and of realistic models of the economy for economists and critics. As McCloskey writes, "It's the clerisy's job to provide articulations that illuminate our lives. Artists and intellectuals provide the images and the theories articulating a transcendent. For a century and a half a good part of the clerisy has been off duty, standing in the street outside the factory or office or movie studio hurling insults at the varied workers there" (147).

This is not to belittle the concerns of market critics. In fact, McCloskey agrees on the importance of virtues and the transcendent for people and for the system, but argues that the market itself is no more obstructive to these ends than any other system—probably less. To move this discussion, however, requires more than a defense of material advancements. It requires an examination of the moral virtues of capitalism and the people involved; thus, the *Bourgeois Virtues*.

The bourgeois class includes the *grande bourgeoisie* owners and big players; the *petite bourgeoisie* clerks, managers, small farmers, and small-business owners; and the clerisy—the education bourgeoisie/intelligentsia. The key moral and spiritual challenge for the bourgeoisie is to steer between heaven and earth, the sacred and profane. The title captures McCloskey's aim to clarify the system, explain the bourgeoisie, and rescue the term so that we can get beyond prejudice and achieve more effective theory and moral reflection.

The book uses the virtues framework to follow virtue ethicists such as Alasdair MacIntyre (despite MacIntyre's personal view that markets are corrosive), contending that moral deliberation involves the inherently inexact process of balancing among the virtues. McCloskey argues that much of the three main philosophical approaches from the 1500s to the present—utilitarianism, Kantianism, or the social contract models from Locke to Rawls—arose from misguided efforts to provide calculations to guide actions. This is the same kind of reductionism that infects economics via its utility maximizing assumptions of behavior.

The main stars in this analysis are prudence and love: prudence because it is the chief bourgeois virtue, and love because it responds to the claim that markets undermine relationships and social solidarity. In the market, prudence is the crucial skill for the bourgeoisie given the reasoning, planning, deliberation, analysis, and creative thinking that are required. McCloskey extends prudence to self-interest. People need enough self-interest to care for themselves, but the danger of prudence alone, unalloyed with any other virtues, is that people may take “good to be achieved” as selfishness. Economists and utilitarians interpret this as whatever raises one's utility and assume people behave as if only personal utility matters. The problem for economic methodology is that people are often motivated by other virtues and care about the spiritual and sacred. Reductionist models can only produce biased results and foster limited views of the human person with respect both to analysis and to the self-understanding of economic actors.

The section on love begins with consideration of C. S. Lewis' *Four Loves*, and the observation that a sense of the transcendent helps maintain order lest we fall to loving ourselves, before considering how economics deals with love, how love matters for a market economy, and whether the market undermines love. Economists do little to account for love of any type, and, due to the limitations of the utility maximizing assumption, even that is inadequate. For example, attempts to incorporate love as altruism into a utility maximizing analysis still take others as sources of utility, rather than ends in themselves. As Nobel winners Amartya Sen and Vernon Smith have argued, this does not capture how people actually behave. First, people care about what they love without regard for the utility they may provide, and, in loving commitment, people willingly offer to *lower* their own utility.

Do markets undermine relationships and communities, and sources of meaning? While most analysis of the cultural impact of markets has assumed the *gemeinschaft/gesellschaft* dichotomy of a move from lifetimes in small communities with ties that are few but strong, McCloskey writes that historical analysis of recent decades indicates that this assumption is too simplistic. Earlier ties were not as strong as is erroneously believed, and even if ties are weaker now, people have many more of them. As for claims of reduced sense of meaning and self-understanding, McCloskey counters that inability to explain one's actions theoretically is not proof of the pernicious effect of capitalism; more likely people are poor theorizers. This is not because the market is corrosive but because the clerisy, enmeshed in its fantasy of fighting the market, has failed to provide people with a way to understand their work more deeply.

On the theological virtues of faith and hope, McCloskey criticizes economists for ignoring the drive for meaning and the clerisy, generally, for banishing these virtues in their antireligious zeal. McCloskey observes that for the bourgeoisie, hope is forward-looking, a confidence that things will work out in the future, which remains uncertain and difficult but achievable. The bourgeois equivalent is the entrepreneur who acts in hope but not certainty. On the other hand, faith is a virtue that looks back, drawing from the past, to retain identity. It is necessary to maintain some continuity, to carry on when uncertain, and to honor the past. For society, faith involves the important tasks of maintaining the culture needed to foster commerce and trusting (having faith in) others.

Temperance and justice receive relatively little space. McCloskey offers these as parallels: temperance as inner balance or management of the self and justice as outer balance or management of society. For the bourgeois, temperance in the market is the saving for the future rather than spending today, listening humbly to customers, and looking for compromise. Likewise, justice is treating people with respect, and this occurs as people are paid/respected for their productivity, regardless of their class or status.

Given the book's scope, many topics cannot receive the depth of analysis one might like. Should one really define prudence as self-interest? Are faith and hope too watered down without religion? Improved efficiency and productivity mean we can consume more without it coming at expense of others, but should we? A few bigger questions also come to mind, answers to which might have strengthened McCloskey's case. In particular, the fact that the phenomena of loss of faith, family breakdown, and the paradox that material prosperity has not resulted in increased happiness have occurred in so many countries and economies supports McCloskey's contention that something more than the economic system is to blame. What, then, is the cause?

The choice of a virtue ethic framework may make sense, and the discussions of the parallels between economics and philosophy are fascinating and unify McCloskey's philosophical interests and work on economic methodology, but they seem secondary to the question the book claims to be addressing at the start: How hostile is the market to a life of virtue? One wonders if the argument justifying the choice of a virtue ethic framework could have been made better on its own and elsewhere, and the space here devoted to substantiating what is undoubtedly the most challenging assertion: that virtue persists in the present and that the past was not so idyllic.

On the whole, however, this is an admirable start to a bold project. Readers will find the extensive citations from literature, art, and history entertaining and informative, and the scope of the study should provide food for thought on a wide range of topics. Most importantly, however, it illuminates the question at the heart of current debates over the market system and how it affects people. Yes, it requires virtue to function but not just virtue created elsewhere that it uses up. Bourgeois work involves and fosters virtues as well.

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