

# Introduction

## The Inevitable but Uneasy Relationship between Economics and Literature and Drama

### WHY ECONOMICS APPEARS IN LITERATURE AND DRAMA

The central part of Alfred Marshall's famous definition of economics is "the study of mankind in the ordinary business of life."<sup>1</sup> While some literature and drama deals with extraordinary people in extraordinary situations, ordinary people engaged in the ordinary business of life—including the rest of Marshall's definition, "the attainment and . . . use of the material requisites of well-being"—make up a large part of what literary writers and critics often refer to as the human condition.

Like economists, literary writers—including novelists, dramatists, poets, and literary critics—often write about such topics as work, income, consumption, production, markets, trading, poverty, unemployment, money, prices, inflation, businesspeople, profits, and government programs and policies that make an economic system better or worse, or would make it better or worse if they were implemented. On rare occasions some literary authors and critics even write about economists and economics, and some economists occasionally return the favor. From both sides, however, these references are frequently less than complimentary.

Although such antipathy is in some cases related to individual personalities or particular historic events, more often it stems from factors deeply rooted in the different professions themselves. For one thing, while the subject matter of these seemingly disparate disciplines often overlaps, there are clearly major differences in the methodology of their analysis, presentation, and discussion.<sup>2</sup> And occasionally—but not always, as I will argue—the friction between economists and literary writers is based in the discrepancy between their fundamental attitudes about, or knowledge of, economics and economic issues, and in particular the role of markets and government.

The appendices to this volume briefly review the relatively small (in volume) but nevertheless broad (in scope) range of work by economists, literary historians, and literary critics in which these scholars consider each other's work. But the real reason for this book is the large selection of primary works from literature and drama it presents. These selections will, I hope, serve as a pleasurable and instructive way for many students, teachers, and other interested readers to enhance their knowledge of key economic concepts, and will also add to their appreciation for the many ways economic ideas affect daily life for individuals, businesses, and policymakers. For economists, who already are thoroughly familiar with the economic ideas illustrated here, I hope these readings will not only be a pleasant consumable, but will also be of use in their own teaching and writing.

The brief introductions to sections and individual readings that I have provided usually suggest in non-technical language a few key points about mainstream economists' views on the topics and issues described in the excerpts. Economists may therefore want to skip these introductions and let the passages speak for themselves, with no external "framing" or pre-suggestion, and then perhaps compare their interpretations of the passages with mine.<sup>3</sup>

But as I say, my primary motivation in compiling this anthology has been to demonstrate just how often literature and drama deal with economic concepts and issues, and frequently (but not always) deal with them very well. I hope that readings such as these will become more widely used by economists as they teach their courses, as well as by English and other humanities teachers who would like to build more economics into their courses in order to show students that literature and drama, no less than economics, speaks to the ordinary business of life.

To the surprise of some of my economist and English-professor friends, colleagues, and acquaintances, it was not especially difficult to find literary passages dealing with economic themes, simply because economics is such a basic part of life that literary authors have to, and often want to, deal with it. Indeed, there are many other passages I could have used but did not (occasionally because of steep copyright fees or outright prohibitions against reprints), and I am sure there are far more passages of which I am simply not aware. Few months pass when I do not discover at least one more text that could have been included, regardless of whether I am reading contemporary authors or those long deceased. And whenever I have presented this material to meetings of either economists or literature professors, it is typical for at least one new (to me) example to be suggested by someone in the group. All of which leads me to a confession and warning: the selections presented here are mainly a reflection of my own choices and tastes in literature or, in some cases, my own long-past academic coursework.<sup>4</sup>

As is obvious from the list of readings, my interests lean mainly to writers from the United States and the United Kingdom. I am keenly aware that there are few writers represented here, even in translation, who do not write in English. Some

have suggested that women authors and critics are also underrepresented. If that is true, *mea culpa*. I also decided not to include passages from science fiction and fantasy literature, although I have found some suitable passages in those works, despite the fact that I did not begin to read in those genres until the relatively old age of about 25. I am certain that suitable passages could be found among all of these groups of authors, too, but my publisher has already been very generous in spending money for reprint permissions. Perhaps, in the not-too-distant future, a thicker, subsequent edition of this work will appear that addresses some of these concerns, featuring additional selections suggested by readers of this edition.



### DIFFERENCES AND SIMILARITIES IN ECONOMICS, LITERATURE, AND DRAMA— IN ENDS AS WELL AS MEANS

Another necessary warning is that, despite the frequent similarities in the topics they consider, the important differences between economics and literature and drama should not be minimized. Nothing in this volume is meant to suggest that we should rely on literary authors to do what economists do, or vice versa. Through long years of training and practice, but probably also because of different inclinations and talents, the methods and skills the disciplines employ have become so unlike that it can be difficult for these specialists to understand each other, even when they do write about the same thing. As Adam Smith pointed out in 1776, and Alexander Pope several decades earlier, there are important and substantial costs as well as benefits associated with specialization and the division of labor.

Beyond the obviously far greater use of mathematics and statistics in economics, there are methodological differences related to the *ends* of the disciplines, not just to the tools they use. Most modern economics analysis is intentionally designed to be limited to positive (what is), rather than normative (what ought to be), analysis and discussion. For example, economists assume that individual consumers maximize utility; but exactly what goes into the consumer's utility functions—in other words, what things will make consumers happy—and how it gets there is rarely studied, and even more rarely questioned.<sup>5</sup>

That is not as limiting as it may sound to people hearing it for the first time. For example, if some goods or activities are judged to be illicit and declared illegal by political authorities, economists can show how that judgment will affect prices and the production and consumption of these goods and services. Conceivably some economists might even conclude, as some have with respect to Prohibition during the 1920s or perhaps with heroin today, that the costs of making a product illegal outweigh the pragmatic and financially measurable benefits of such a policy. Or they

might show how economic interests lead to coalitions with the power to ban or legalize certain products.

Sometimes economists accept without questioning the appropriateness of a political authority's determination about the legality of certain goods and services. For example, markets in slaves are banned because that violates our notion of basic human rights. And markets for directly buying and selling votes on election days are prohibited because that violates democratic ideals—despite the fact that most third-year undergraduate economics majors can explain how such markets would make individual buyers and sellers better off, at least in their own judgments.<sup>6</sup>

In all such cases, however, no amount of training as a professional economist could confer any special expertise allowing an economist to say definitively that a good or service should be prohibited or legalized. Nor, to consider the mundane kind of choices that are quite possibly more important in the ordinary business of life, can an economist make a professional judgment that consumers are wrong to spend fifteen dollars for a pink flamingo to put in their front yard rather than a paperback copy of the latest novel to win the Pulitzer Prize. If the price of the plastic bird and the book are the same, the question comes down to which product the consumer—not the economist or any other kind of expert—believes will provide more satisfaction.

Generally, literary authors neither seek nor accept such restrictions. Their canvas is the entire range of human experience: normative and positive, material and spiritual, utilitarian and aesthetic. Once a subject has been chosen, literary authors present material from the standpoint of “human interest,” developing characters and plots to present studies of people, themes, and institutions, rather than collecting and then analyzing quantitative data. It might surprise literary authors to learn that in this they are working much like economic theorists, though unlike empirical economists and other social scientists. The typical practice of the economic theorist is also to begin with the individual (buyer, seller, worker, voter, firm, or representative of whatever group is being studied), to try to understand what motivates that individual “unit of analysis,” and then to determine how that decision-making unit would respond to different opportunities and constraints. Both the literary author and the economic theorist must try to strip away thousands of the insignificant details that crowd into our daily lives and focus on the key causes and effects of what people do.

Unlike economic theorists, however, literary authors write poetry, dialogue, or rich and emotionally evocative prose. The theorists use mathematics to formalize their models of human behavior and rigorously establish consistent behaviors and equilibrium outcomes, subject to such constraints as limited incomes and the costs of purchasing or producing different products. Then, to communicate clearly and convincingly with other economists, theoretical and empirical economists write articles for academic journals, or sometimes books, featuring formulas, graphs, tables

of data and statistics, and simple declarative sentences. There is a premium on the efficient and economical use of language in these articles.<sup>7</sup> Still, economists like good stories and examples, too, and frequently tell them in establishing the motivation for the topics of their articles and books, or in explaining the intuition behind their methods of analysis or results. Academic economists especially like to tell stories in the classes they teach, partly because those who aren't good storytellers and opt instead to use exclusively math and graphs usually get poor teaching evaluations from students, at least at the undergraduate level.<sup>8</sup>

One final similarity helps to explain some of the ways and reasons economists have occasionally used literature and drama in their own professional writings, and qualifies the assertion that literary authors are not bound by some of the disciplinary restrictions economists have adopted. The similarity is simply that once a literary author has established a character or situation, in order to make characters, situations, and dialogue believable the author is inexorably bound by many of the same restrictions that confront economists: Do characters understand the incentives and trade-offs they face? Is their behavior understandable (or in other words, is it rational)? Can it be explained by what has been said or shown in the rest of the work, or by what readers can be assumed to know from their own experience? Are the situations and actions depicted consistent with what people do, or at least with what they believe happens, "in the real world"? Are the situations and the overall work interesting and important?

All of these questions are asked by both literary authors and economists. And the more successful a literary author who chooses to write about an economic concept, issue, or theme is in answering these questions, the easier it is for an economist to recognize and use that author's work to illustrate or even analyze economic behavior—albeit often recast in specialized terms that the literary author would either not know or not use in the same way. Literary authors have the further advantage of being able to show why characters develop the beliefs and preferences that motivate them, and how and why those values and tastes change as a character ages and grows. In this sense, the literary author gets to create and "mine" his or her own data. And readers evaluate literary works based in part on whether that is done well or poorly, which in turn affects authors' reputations and their popularity in the marketplace.

Of course, some literary authors and critics are not particularly successful or perhaps even interested in recognizing economic incentives, or the way in which competitive markets work to channel self-interest into socially useful outcomes and to automatically and impersonally establish a new equilibrium when something changes in the economy. Some literary authors accept (or at least some of the characters in some of their writings accept, which is an important distinction to make) ideas that a majority of the public and political leaders may also espouse, but a majority of economists do not—for example, restrictions on international trade in the belief that such policies will increase employment, production, and standards of

living for everyone in the economy, not just for workers and firms in the sectors protected from foreign competition.<sup>9</sup> Finally, like economists, some literary writers and critics are political liberals, while others are political conservatives. Not surprisingly, conservative economists are more likely to criticize liberal literary authors, and vice versa.

All of these factors have played a part in establishing the long-standing distrust between economists and literary authors and critics, a distrust that occasionally breaks out into open hostility. It was, after all, Carlyle, Ruskin, and Dickens who were most responsible for hanging the “dismal science” tag on economics, although not for the reasons most people now believe.<sup>10</sup> Partly because of that, and because of literary depictions casting business and economic activities in a negative light, economists, historians, and other social scientists have not infrequently claimed that literary authors are either ignorant of, or biased against, business, economics, and markets.

If such a pervasive bias really does exist—not just in writings by a few writers and not only in literary works narrowly defined, but also in movies, television programs, magazines, and other media outlets—that is a very serious matter for economists, for there is some evidence that these cultural sources are more influential in shaping public opinion about economic issues than are economists.<sup>11</sup> Frankly, given the discrepancy between the sales figures for leading works of fiction and periodicals and the best-selling works of economists, that difference in influence is not especially surprising. And to the extent that the reading public—that is, the more articulate and influential citizenry—is strongly influenced by what literary and journalistic writers and teachers say about economics, there is even more reason for economists to learn what literary authors and those who study, interpret, and teach literary works are saying about economic ideas.

These questions about the relationship between literary authors and economists are considered in the epilogue. For now, enough has been said to suggest why the relationship between economics and literature and drama is both inevitable and uneasy, as it has been since the time economics began to emerge as an autonomous academic discipline.<sup>12</sup>

I want to conclude this introduction on a more optimistic note, however, and in doing so set the stage for the excerpts that follow. Because taken as a group, I believe the readings from literature and drama in this section help to establish that there is no single or uniform literary point of view on economics issues, concepts, and themes. Instead, one finds basically the same range of opinions among these authors that one finds among economists.

One could, if one were so inclined, read a steady diet of works casting economic ideas and market activity in a harsh, sinister, or paranoid light. One could also, without too much trouble, read only authors sympathetic to markets and economics. But most writers are, I find, somewhere in the middle, using characters, situations, and dialogue more with an eye to what makes a particular story work than with an eye

toward promoting this or that economic idea. Especially in longer literary works, or across several works, authors are likely to present a more balanced mix of characters and situations. Interestingly, as critics have pointed out (see Appendix B) concerning the few authors who set out to strongly support markets (such as Rand) or to condemn them (such as Brecht), the more strident the defense or attack, the less successful a particular work or author often becomes, considered on purely literary grounds.



## WHO BENEFITS BY USING LITERATURE AND DRAMA WITH ECONOMICS?

There are two major ways economists can use literature and drama. First, for a literary work to endure it must tell a memorable story or paint a memorable image or picture. In large part, as Samuel Johnson once said, an author does that by making things that are new seem familiar and things that are familiar seem new. Few people write well enough to do that in any field, but in a technical field like economics, where data, issues, and even institutions change so rapidly, writing and saying things that are memorable is a tall order indeed. Literary works often describe human behavior and motivations more eloquently, powerfully, or humorously than economists typically do, even when dealing with economic subjects.

Literature is therefore a rich resource to economists as writers and researchers. As discussed in Appendix A, economists have used literary passages as evidence of how individuals act in response to particular economic conditions and institutions in a particular place and time; they have evaluated whether literary authors have described characters and behaviors that are in line with economists' predictions and understandings of rational action; and they have attempted to determine whether there is, as some economists and economic historians have claimed, a pervasive anti-economics, anti-market, or at least anti-business orientation throughout literature.

The second way economists can use passages from literature and drama is to help teach economics more effectively at the secondary and college level. Most of my earlier writings on this subject have focused on this application, but I am by no means the first economist to use literature and drama to do this. In fact, when I took my first university course in economics in 1968 I used an early edition of Paul Samuelson's textbook—a path breaking book in many ways—and there as a preface to one chapter was the passage from W. S. Gilbert's (of Gilbert and Sullivan fame) "Up Goes the Price of Shoddy," which is reprinted here in the passage from *Songs of a Savoyard*. Other principles textbooks or ancillaries have reprinted passages from Kurt Vonnegut's "Harrison Bergeron," which is also included here, and excerpts from some works that are not here, such as Thomas Wolfe's *From Death To Morning* (on the men of Catawba's debate over the market, legal, and fair price of a mule).

When George Stigler became coeditor of the *Journal of Political Economy* in 1973, that prestigious journal began to run short excerpts from different books and articles on its back cover, including the passage from Rabelais' *Gargantua and Pantagruel* that is reprinted in this volume.

These literary passages are wonderfully effective teaching tools both because they are well written and memorable and because they introduce variety in the economics classroom, compared to the typical steady diet of textbook prose, graphs, tables of numbers, and math. Perhaps even more important in considering students' general education, they help make the point that the ability to explain economic concepts verbally as well as graphically and mathematically is important, useful, and sometimes pleasing in and of itself.

Some of the passages—especially scenes from plays and many poems—lend themselves to “active learning” methods of instruction, such as skits or role-playing, and small group discussions. Other passages deal with introductory material that, in my opinion, gets too little time and space in most textbooks and economics classes; when I want to do more on the idea of opportunity cost or property rights, I turn to the two famous poems by Robert Frost that are reprinted here.

Despite these advantages, there isn't time in most standard economics courses to use more than a handful of these readings, and I must admit they might lose some of their effectiveness if an entire economics course were taught via literature. As the Table of Contents should make clear, however, it really *would* be possible to teach such a course. In fact, I once taught a one-credit course on economics in literature and drama for secondary economics and English teachers in Indianapolis. They loved the material and enjoyed being brought together to work on a common set of material as allies, for once—not something that happens often for economics and English teachers at any level.

That brings me to the last question I want to consider in this introduction: What do English and other language teachers and professors have to gain from a study of economic concepts, issues, and themes in literature and drama? Several things, I believe. First, the secondary English teachers in my Indianapolis course appreciated the chance to use readings that their students would find more relevant to their own lives and worlds than they would many of the readings in literature textbooks, especially those dealing with such topics as romantic love, the duties of kings and queens, etc. That is not meant to imply that I, or any of these teachers, advocate a wholesale change in the content of existing literature classes—just a bit more breadth and variety, in exactly the same way these passages can be used to add variety to typical economics courses.

As I show in Appendix B, it also turns out that in recent decades many literary critics have once again taken up the study of economic issues and themes in literature and drama, just as Ruskin, Carlyle, Shaw, and other influential critics did a century or more ago. The simple reason for that, I believe, is because economic

concepts, issues, and themes inevitably find their way into primary literary sources, which means literary critics have to deal with such material. It is worth noting here, however, that literary critics often have different backgrounds, write for different audiences, and therefore face different incentives than the authors of poems, novels, and plays. That turns out to be important in considering whether there is a literary bias against markets, economics, or business.

While I have always found the issue of such bias to be an interesting question, as a matter of perspective it has always seemed to me to be at most only an occasionally important side issue. For most people who like to read literature and drama—which includes a very large number of economists—the real pleasure is in seeing how people who write so well use language to talk about the same ideas and issues that economists discuss all the time.

Literary passages on economic topics are not, however, a substitute for either formal economic theory or empirical analysis. They cannot prove what economic theorists prove nor quantify what empirical economists quantify, and in doing that work economists make a substantial and often unique contribution to understanding what consumers, workers, firms, and policymakers do well—and sometimes not so well. At best, literary passages like those included here complement economic analysis, and today they are clearly weaker complements than material from such fields as statistics and mathematics.

But in teaching economics, and more broadly, in the attempt to develop an articulate citizenry,<sup>13</sup> literature may well be indispensable. In fact, in their efforts to influence public opinion and explain to noneconomists why what they do is important, economists may need literature and drama more than literature and drama need economists.<sup>14</sup> Literary treatments (including “good stories” told by economists) are often more convincing to noneconomists than are mathematical models and statistical evidence. The surprising thing is that economists have failed for so long to recognize that, or at least to try to use it to their advantage.



## NOTES

1. *Principles of Economics*, 8th ed. (London: Macmillan, 1920). Although other definitions are more widely used today, Marshall's is still popular more than a century after it was first published, and regularly appears in textbooks for students taking their first course in economics.

2. As D. McCloskey and others have argued for the past two decades, there is perhaps also more similarity in the methods of proof and argument in the subjects than most economists would like to admit. See *The Rhetoric of Economics* (Madison, Wis.: University of Wisconsin Press, 1985).

3. To proceed in this fashion is a common practice in reading literature and drama, but not in economics, where the standard practice (with good reason) is to provide readers with an overview of what you will say, then say it, and then summarize the key points of what you have said. By contrast, perhaps one of the most fascinating things about literature and drama is that readers and critics often notice or discover diverse themes, images, or allusions. There is a story about the noted author and critic Robert Penn Warren, who supposedly asked another author whether he had intentionally meant to suggest a theme that Warren had just identified in one of this writer's works. When the writer said no, Warren asked "But it is there, isn't it?" The author agreed. This anecdote is not meant to support the claim—often expressed by struggling students in their first university survey courses on literature and drama—that a poem or novel means one thing to one reader, something else to other readers, and one person's interpretation is as good as anyone else's. In the twentieth century Warren was, in fact, perhaps the most influential early proponent of close textual readings to determine exactly what was said in a literary work and how that meaning was developed. It is also true, however, that literary works reflect historical influences and ideas on the one hand, while on the other hand current events can make us appreciate something in Shakespeare or other classic authors in a new light. For similar reasons, an economist reading literary passages dealing with economic topics or issues may well find more interest and importance in some words, motivations, or outcomes than do most other readers.

4. Mainly as an English minor throughout graduate school, by special dispensation of the economics department at Louisiana State University. That dispensation would probably not have been granted at most economics Ph.D. programs in the 1970s, and certainly would not be granted by most Ph.D. programs today, quite possibly even at LSU.

5. A classic article on this method, co-authored by two Nobel laureates, has an equally classic title: "De Gustibus Non Est Disputandum," by George Stigler and Gary Becker (*American Economic Review* 67 [September 1977]: 76–90). But some prominent economists have pushed the boundaries of these limiting assumptions, for example James Dusenberry's work on how an individual's consumption and saving is affected by comparisons to his or her friends and colleagues (*Income, Saving and the Theory of Consumer Behavior* [Cambridge, Mass.: Harvard University Press, 1952]), and Robert Frank's works on such topics as *Choosing the Right Pond: Human Behavior and the Quest for Status* (New York: Oxford University Press, 1985) and *Passions Within Reason: The Strategic Role of the Emotions* (New York: W. W. Norton, 1988).

6. These examples are taken from Arthur Okun, *Equality and Efficiency: The Big Tradeoff* (Washington, D.C.: Brookings, 1975).

7. See D. McCloskey, "Economical Writing," *Economic Inquiry* 23 (April 1985): 187–222.

8. Again, this is one of the main themes in McCloskey's *Rhetoric of Economics*. And as William Becker and I have shown in several studies, virtually no other college and university professors are as fond of teaching using only—or almost only—"chalk and talk" as are academic economists. "Chalk and Talk: A National Survey on Teaching Undergraduate Economics,"

*American Economic Review* 86 (May 1996): 448–53; “Teaching Economics: What Was, Is, and Could Be,” in *Teaching Economics to Undergraduates: Alternatives to Chalk and Talk*, W. E. Becker and M. Watts, eds. (Cheltenham, U.K. and Northampton, Mass.: Edward Elgar, 1998), 1–10; “Teaching Economics at the Start of the 21st Century: Still Chalk and Talk,” *American Economic Review* 91 (May 2001): 446–51.

9. For a non-technical summary of the economic analysis of this issue, and other issues such as environmental regulations and policies to deal with unemployment and inflation, as well as a discussion of how the consensus view of economists on many of these issues differs from public and political opinion, see Alan Blinder, *Hard Heads, Soft Hearts: Tough-Minded Economics for a Just Society* (Reading, Mass.: Addison-Wesley Publishing, 1987).

10. On this topic, see D. Levy, *How the Dismal Science Got Its Name: Classical Economics and the Ur-text of Racial Politics* (Ann Arbor, Mich.: University of Michigan Press, 2001).

11. W. E. Becker, W. B. Walstad, and M. Watts. “A Comparison of the Views of Economists, Economic Educators, Teachers, and Journalists on Economic Issues.” In *An International Perspective on Economic Education*, W. Walstad, ed. (Boston: Kluwer Academic Publishers, 1994), 65–87.

12. For example, see Jonathan Swift’s “A Modest Proposal,” reprinted here, which predates Adam Smith’s *Wealth of Nations* but satirizes the inappropriate use of financial measures of costs and benefits.

13. For example, see A. B. Ferguson, *The Articulate Citizen in the English Renaissance* (Durham, N.C.: Duke University Press, 1965).

14. This is a paraphrase of the quotation by noted economist Philip Wicksteed that appears at the end of the epilogue. In the same book (*The Common Sense of Political Economy* [London: Macmillan, 1910]), Wicksteed makes it clear that he also values economics as much as anyone: “I have maintained from first to last that the laws of Economics are the laws of life.” (vol. 2, bk. 2, ch. 1, 404).