

Review of Arjo Klamer's *Speaking of economics: how to get into the conversation*. Abingdon: Routledge, 2007, 199 pp.

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Arjo Klamer wants to change the way we think about economics. He argues that economics is not a body of accumulated knowledge, a mirror of the economic world out there, or rhetoric (the art of persuasion), but rather a bunch of conversations. In his recent book, *Speaking of economics* (2007), he introduces the term conversation in order to show that this perspective helps us understand the practice of economics better.

Klamer has previously done a lot of work in the rhetorical approach to economics together with Deirdre McCloskey, for example in their joint book *The consequences of rhetoric* (1988), and their article *The rhetoric of disagreement* (1989). Klamer's metaphor of the conversation, although it includes rhetoric, is more encompassing and places emphasis on the social and cultural as well as the rhetorical aspects of the practice of economics.

According to Klamer what economists do can be best compared to being in a conversation: it is all about the company they keep and thus economists are those who are in the economic conversation. This conversation has its own social structure, culture, and way of evaluating arguments. To explain the way in which arguments are evaluated, Klamer relies heavily on his earlier work on rhetoric, the social structure and cultural aspects are what is new here.

For Klamer the most important aspect of the social structure of the economic conversation is attention. Every economist is looking for attention and reciprocates that attention to other economists whom he believes are interesting. Attention is not distributed evenly between economists: most of the attention is directed to a few people in the field, the superstars. Viewed as such, the people in the conversation compete for attention; however, Klamer is reluctant to stress the metaphor of competition too much where attention is concerned. Economists are not just in academia for the attention; they often have an intrinsic motivation to be part of the conversation and a personal

passion for their subject (Klamer 2007, 60). But more importantly the product of scientific activity is a joint product. The product is the conversation itself with its theories, models, and stories (Klamer 2007, 61). It is not the ideas or best ideas that matter the most, but the amount of attention that these ideas receive within the conversation.

The other important insight that the conversation metaphor provides is the idea that economics has its own culture, which is however embedded within the general culture. A conversation has its own history and language; these can be so specific that economists from one field cannot talk to other economists with a different specialisation. These specialists have different ways (cultures) of approaching the economic world out there. Such differences also exist historically. Take for example John Hicks's IS-LM model and Keynes's own verbal description. Klamer argues that a model such as the one Hicks formulated was more in tune with the then rising cultural values of modernism outside economics, which particularly after World War II (WWII) were also very influential within economics. Therefore Hicks's formulation proved to be much more influential than Keynes's own original verbal description (Klamer 2007, 139-142). We could easily extend the analysis to say that cultural values in a conversation influence which ideas are successful, and which model is elegant and precise. In many ways Keynes's description was more precise than Hicks's model, but Keynes's description was only so in the verbal descriptive culture of the nineteenth century, not in the mathematical abstract culture of the second half of the twentieth century. Klamer's analysis of scientific culture and economic modernism is definitely the most original and valuable part of his book.

However the most important weak point of the book is an unresolved tension between the style of Klamer's argument and the content of his argument. The style of the argument is that of an accessible conversation in which everyone is invited to join in; the content of the argument however is largely negative and depicts a conversation that is almost impossible to join. Klamer compares the conversation of economists with that of a group of Italian men arguing vehemently in small closed clusters on a square:

I wanted to join in, argue politics, offer my opinion on the Bologna soccer team. But, even apart from my bad Italian, I knew I couldn't. Each group had a history I was not privy to, referenced past conversations, called upon anecdotes that would have been lost on

me. Even if I had managed to worm my way into one of the groups, I would have been immediately found out. I can't talk with my hands [...] No matter what, I was not part of any conversations taking place in the square. I had a similar feeling when I went to my first economics conference (Klamer 2007, 16).

The tension is evident here between the pessimistic substance of the argument, the difficulty of joining the economic conversation, and the open and personal tone, or to put it in Klamer's words, the conversational tone, with which it is expressed. Klamer's style suggests that the conversation of economists does not have to be closed off and highly abstract, but that this results from conscious choices made by the participants of that conversation. It is not so much that conversations are necessarily hard to enter, rather that they are very hard to enter when the participants are quite unwilling to draw outsiders in. Clearly it is very hard for a Dutch college professor to join a conversation in an Italian square; similarly it is very hard to join an academic conversation which is constantly referring only to itself and is full of jargon. To join such a conversation you do indeed need graduate studies as Klamer claims (Klamer 2007, 158). However things might be very different if we try to start a conversation with an Italian passer-by, whom we ask to explain some of his culture and perhaps introduce us to some of his friends. It might actually turn out that this person is eager to explain to us all about the riches of his culture and how much it can teach us. Similarly it is conceivable that the economic conversation, although specialised, could become as open and willing to interact with its surroundings, as say the conversations of Adam Smith, Marshall, or Tinbergen.

The idea that economists should write for other economists is a relatively recent idea. In fact Klamer points out that the turn inwards—the idea that the significant audience comprises the initiated, that is, colleagues and knowledgeable critics—is a modernistic idea (Klamer 2007, 147). So rather than claim that it is a universal characteristic of the academic or economic conversation as Klamer does, I would like to claim that it is a characteristic typical of the (late) modernistic economic conversation. It is the idea of economics for economics sake that is so typical of post-WWII writing.

Economic writing after WWII was no longer about the relevance of economic models for the real world, but about the theoretical possibilities of the general-equilibrium models or capital theory. During

the inter-bellum period there was a strong belief that economics could make the world a better place and therefore discussing policy and addressing a wider audience was an essential part of economics. The turn inwards led to the disappearance of policy advice from the economics literature or to its becoming part of the specialised discipline of public finance. One could say that the economic conversation changed from a group of eager Italians trying to tell us about the richness of their culture to the sealed-off group unwilling to talk to strangers.

This change is also reflected in the motivations that economists have for doing economics, as Klammer shows. In the late modernistic phase, economists became sceptical about the applicability of their own theories and models to the real world. Reasons for doing economics changed from overcoming business-cycles and stabilizing economic growth to solving theoretical puzzles and finding firm mathematical foundations. More recently economists' self-justifications seem outright cynical, like: having fun, doing it because it is interesting, or even 'to keep ourselves busy'. The nature of their articles has reflected this attitude: the conversation was not aimed at the world out there, but at other economists, or not even that (Klammer 2007, 146). A vice that Klammer seems to suffer himself when in his introduction he claims that: "Even if no one pays any attention to them [my thoughts], the book has satisfied my hunger to make sense of the world I am part of" (Klammer 2007, xvii). While not as cynical as an article about the dead-weight loss of giving Christmas gifts, such statements reflect a general feeling that what economists do is largely irrelevant to others.

It would be wrong however to believe that the idea of a conversation entails a sealed-off conversation turned inwards. In fact, as I have said, the style of Klammer's book can be taken as a strong argument that an open conversation can exist. He is desperately trying to explain to outsiders why economics is the way it is. He wants to be held accountable by the general public for what he and his colleagues are doing inside the ivory tower, and I would say rightly so. If we accept Klammer's claim that the relevance of an economic argument is evaluated within the conversation of economists, the relevance of the overall economic conversation should be evaluated within a broader conversation, the academic, for example, or the political. This wider conversation should not be a one-way street in which others judge the economic conversation, but it should be a way to show the relevance of

economic arguments to others. A conversation that is turned inward is too easy to ignore, something that politicians are very prone to do.

It is truly unfortunate that Klammer does not make this argument explicit. By introducing a concept like accountability within his theory about the conversation, he could have strengthened it greatly. True enough, economics is what economists do. However, what can it tell us about the world? And why is it worth spending taxpayers' money on it? Being accountable means that separated conversations have to explain their relevance to and for each other. In many ways economics is too important to be left just to economists. The accountability that Klammer seeks in his own style should have been developed into an argument that a conversation is not completely autonomous and should at the very least also be judged by its relevance to other conversations.

By not introducing accountability, Klammer grants too much autonomy to the economic conversation. We have already seen that for Klammer one of the defining characteristics of modernism is the turn inwards: the idea that the significant audience comprises the initiated. Part of this idea is the belief that a discipline can provide its own justification, a project that was most explicitly present within mathematics. This idea however has lost most of its force, not in the least because it proved to be impossible even in mathematics. The claim that economics is what economists do, which is so important for Klammer, however, reflects this modernistic attitude that a discipline can justify itself: "Judging economists from the ground floor up is pointless. To judge that conversation high up you need to enter it and that takes a while, a few years at least and preferably graduate study" (Klammer 2007, 158). With this claim he accepts the modernistic belief that only insiders can have relevant opinions about the conversation. Ironically his style of writing provides a perfect example that this is not at all true.

Overall, I think that while Klammer's characterisation might be quite appropriate for the late modernistic economic conversation of the seventies and eighties, it does not do justice to the changes in that conversation since. Most importantly, however, by accepting the idea that economics is what economists do, he unwittingly buys into the modernistic idea that a discipline (conversation) can justify itself. I have suggested here that if we accept his idea that arguments are evaluated within a conversation it is very unsatisfactory not to have a way to evaluate the different conversations. Holding conversations accountable to each other would be a way to evaluate different conversations, even if

they operate relatively independently. And by doing so Klammer would give us at least the beginning of an answer to the question that keeps pressing itself to the forefront in this book: what is the justification for the economic conversation and why is that conversation relevant?

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