

*Are false goals about "science" hampering the progress of planning?*

# The Neglected Economics of Talk

Donald McCloskey

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**A**s an economist I'm suspicious of futurology. If forecasters are so smart, I ask, why aren't they rich? As an historian I have a parallel doubt. If futurologists are so smart, why aren't they wise? Some visions of the future of American colleges and universities seem unwisely ignorant of the past and of the fundamentals of higher learning.

Clearly some view of the future is necessary. We have to decide about tomorrow in order to act today. It has been a central theme of wordcraft since the Greeks that the way we speak about the future is what in part determines the future. One thing we know: in 30 years the academic fields of higher education will not be the same. So the job of education planners is to get to 2025 wisely. The colleges and universities that get there first will do well, raising the value of their degrees. And those institutions that stick to the ways of 1965 will slide down in the rankings, cheating the holders of their degrees.

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Donald McCloskey is John F. Murray Professor of Economics and professor of history at the University of Iowa, where he is also director of the Project on the Rhetoric of Inquiry. He earned his B.A. and Ph.D. degrees at Harvard, then taught economics at the University of Chicago for 12 years. The author of many articles and eight books, his most recent book is *Knowledge and Persuasion in Economics* (1994).

I'm suspicious because I think many of the forecasts that underlie academic planning are mistaken—more like museum curatorship than genuine strategic planning. In particular, the professorial establishment's prediction that the social sciences and planning will become more "scientific" is grounded in 1965 notions and ignores the history and sociology of science since then. Many economists in 1965, for example, believed they could "fine-tune" the economy in a scientifically precise way; but Vietnam, stagflation, the failure of urban renewal, and new world trade patterns showed how injudicious such claims were.

We have learned since 1965 that the separation of the humanities from science is a major error. A few years ago a scholar-administrator came through Iowa City for a job interview, and in her public speech talked about how she saw the sciences, social studies, and humanities. She saw them in a hierarchy. What we really know, she claimed, we find out from science. If any data is left over, the social scientists get a crack at it. As for the humanities, well, they are for the ineffability of the human spirit.

She was spouting the views that have captured many Western intellectuals since Descartes, and have especially plagued English-speaking universities in the 20th century. English is the only language that uses the word "science" to mean lab-coated, ex-

Game,  
See page 15-16.

perimental, and quantitative. As Lord Kelvin, the 19th-century British physicist, wrote in 1883, "When you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind...you have scarcely advanced to the state of *science* (1883, p. 1; italics his). Yet all other nations' languages use the word science to mean "systematic inquiry as distinct from a careless glance."

The truth is that when you look at science philosophically and rhetorically, as Charles Bazerman, Mary Cartwright,

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Katherine Hayles, and Mary Hesse, among others, do, you find scientists using humanistic tropes right in the middle of their scientific arguments. I'm fond of startling my chemist friends by pointing out that their notion of "equilibrium" is the same trope used in economics and in drama criticism, or in a poem's sense of an ending. The physical and life sciences are full of metaphors and stories as much as facts, equations, and logic. And historical or literary scholarship—or scholarship about higher education—can be scientific.

### **Crossing over**

What if colleges and universities want to break out of the scientism, quantitative decision sciences, and overly rational planning of the 1960s and 1970s? I think the single most important step might be to improve the conversation across academic disciplines.

The sub-cellular revolution in biology would not have happened if the postwar laboratories had not provided sites where biologists could work with chemists, converted physicists, and technicians developing new instrumentation. Plate tectonics was the result of collaborations between oceanographers and seismologists, and the idea was proposed in 1912 by a meteorologist trained as an astronomer. Another meteor-

ologist, Edward Lorenz, was the first to propose chaos theory. The interdisciplinary atmosphere of schools of engineering has drawn in mathematicians, product designers, and regional planners. Talk across fields spurs creativity and brings the real world in.

The highly specialized conversations within academic disciplines and sub-disciplines are, of course, doing all right. But given the intense nourishment they are given, their productivity is surprisingly low. This is not surprising from the standpoint of economics. Economists point out that the gains from trade are greater the further the parties are apart in tastes and resources. So if I spend my days talking to other economists interested in British economic history (which is my field), I will make progress no doubt. But I am going to learn more per hour if I talk with someone who knows, say, Swedish demographic history or the phenomenological foundations of communication. The high productivity of talk across fields is a recommendation of economics—real economics, not the fairy tales about "building on existing strength" that some deans consider good economics.

Progress in conversation across disciplines depends, though, on refraining from sneering at those who have not read the

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same books. The scope for sneering in higher education is wide. The late politics professor Judith Shklar once described snobbery as the art of making inequality hurt. Academics have refined it, making use of the Law of Academic Prestige: the more useful a field, the lower its prestige. The freshman English course, which is one of the most important things colleges do, is in academic prestige many notches below algebraic topology or medieval philosophy.

The best colleges and universities engage in trade across fields. When Daniel Coit Gilman of Johns Hopkins was asked in

the 1880s why the new university was so vigorous, he replied, "We go to each other's classes." At a few places it's still that way. The University of California at Berkeley has a department of rhetoric with some of the most interesting and broadly curious minds in academic life.

It is usually the second-rate colleges and universities that have the biggest problem with interdisciplinary talk and creativity. Insecure, they seldom venture out until another university is already doing the same thing. So they are almost never the educational entrepreneurs. But any good college or university can break new ground. I report to you the achievements of the University of Iowa before World War II, when a graduate dean named Carl Seashore was the guiding spirit.

During Dr. Seashore's years, Iowa was among the most innovative universities in the world. Iowa invented the Master of Fine Arts (M.F.A.) degree for creative art and performance, as well as the department of theatre arts. It created a pencil-and-paper test for school children, the "Iowa Test of Basic Skills" your children take in school; the public opinion poll; the department of speech (now communication); and the first state-financed school of religion. The University also established the Writers' Workshop, which we at Iowa always call "The Famous" Writers' Workshop.

Like the University of Iowa, more of today's education planners and leaders need to shed their 1965 vintage model-building, mathematical projections, and statistical stocktaking and dare to invent a higher education appropriate for the 21st century.

But what, oh wise futurologist, what?

### **The centrality of talk**

I suggest that the field of the future is communications—for three reasons.

First, we are again a nation of immigrants, after decades of a turning inward in the academy. A nation of new minorities needs better communication, not more significance testing à la 1965. It needs fresh inquiries into community, not more models of monads. And we need discussions about

the virtues more than about behavior, about political language more than about voting booths.

Second, we are living in a communications revolution comparable to the invention of printing. The behaviorist mode of the postwar decades (in which I participated) was more than anything a retreat by social scientists from language. Don't tell me what

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people say, said the behaviorist economists, psychologists, and political scientists; just tell me what they *do*. Jerome Bruner reports in his autobiography that in the 1940s and 1950s you had to express nearly every psychological idea as a rat experiment. Now, in the midst of computers, 100-channel television, Dick Tracy telephones, and satellite transmission, it seems almost idiotic to continue the flight from language, to ignore the new centrality of communications.

Third—and for me as an economic historian most interesting—we are nearly all bourgeois now, and the bourgeoisie earns its living from talk. Economists of the past few decades have regarded talk as cheap and culture as insignificant. Yet humans are talking animals, speaking a great deal in their marketplaces.

For economists to take notice, however, talk would have to appear as a big expense. Well, talk now is big. Two economic historians, John Wallis and Nobel laureate Douglass North, have argued that transaction costs—that is, expenditures to negotiate and enforce contracts—rose from one quarter of the U.S. national income in 1870 to over half the national income in 1970 (Wallis and North 1986, Table 3.13). Information is one part of the increased talk; issuing orders is another. Both are well understood by economics.

But a third part of economic talk is persuasion, or sweet talk. And to filter persuasive talk, as well as to select from the informa-

tion flow, judgment is essential. The English political philosopher Michael Oakeshott once said that knowledge is "information plus judgment." Traditional quantitative economics tends to suppress judgment, to emphasize information alone, as if humans were telephone operators.

Persuasion has become astonishingly important. Take the categories of employment, and guess the percentage of time spent

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by each category on persuasion. I have done so in a preliminary way in Table 1. The preliminary results are startling. Weighted sums suggest that more than 28 million out of 115 million people in civilian employment—one quarter of the U.S. labor force—may be heavily involved in persuasion in their economic life. The finding can be confirmed in other ways. The secretary shepherding a document through the university bureau-

cracy is often called on to exercise sweet talk and gloved threats. Or notice the persuasion the next time you buy a suit.

### **What now for economics?**

Is persuasive talk empty, merely comforting chatter with little economic significance? If so, the economy is engaging in an expensive activity to no purpose. A quarter of our national income is a lot to pay for mere warmth and fuzzies. Actually, economics is rediscovering the importance of words. Experimental economics, determined to carry out 1965-style social "science," has recently found what any department of communications with a small-group field could have told it: that people cooperate better when they talk.

Adam Smith, as usual, put the issue well. To him the division of labor is the

consequence of a certain propensity...to truck, barter, and exchange...whether this propensity be one of those original principles in human nature...or whether, as seems more probable, it be the necessary conse-

**TABLE 1**

Guesses about the Share of Marginal Product Attributable to Persuasion in Selected Occupations in the United States in 1988

90%	75%	50%	25%
Social, recreational, & religious workers (1.05 m)	Executive, administrative, & managerial (14.2 million)	Health assessment & treating (2.15 m)	Natural scientists (0.395 m)
Actors & directors (0.100 m)	Construction trades, supervisors (0.617 m)	Social scientists & urban planners (0.343 m)	Legal assistants (0.203 m)
Lawyers & judges (0.757 m)	Teachers (4.77 m)	Teachers' aides (0.423 m)	
Public relations specialists (0.260 m)	Counselors (0.206 m)	Authors & technical writers (0.140 m)	
	Clerical supervisors (0.174 m)	Adjusters & investigators (0.949 m)	
	Editors & reporters (0.117 m)	Police & detectives (0.755 m)	
	Sales occupations, less cashiers (11.4 m)		

SOURCE: U.S. Bureau of the Census, *Statistical Abstract of the United States, 1990* (110th ed.), GPO: Washington, D.C., 1990, Series 645.

quence of the faculties of reason *and* speech. (1776 [1981], I, p. 25, italics added.)

Smith, who began his career as a teacher of rhetoric, elsewhere gives the faculty of speech a foundational role; but the other faculty—reason—became the obses-

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sion of economists. Economic Man is non-speaking, not a Smithian character. He is the invention of later economists, especially Paul Samuelson, who reduced economics to the reasoning of constrained maximizers.

To contemporary economists—and advocates of decision science—a person acts by and for himself. That is what utility functions are all about. There is no need to speak with others. In his *Lectures on Jurisprudence*, however, Smith reminds us, "Men always endeavor to persuade others...[and] in this manner everyone is practicing oratory through the whole of his life." The talk that makes for friendships, contracts, sales, or political culture is not cheap. It is expensive, and essential to the work of a complex society.

Some economists are beginning to explore the economics of this talk. They are beginning to see that persuasion is vital for the exchange of goods, services, and monies, and some are becoming students of communications. It is another reason for urging higher education to move away from what Richard Feynman called Cargo Cult Science, imitations of the procedures of science without the substance. Education planners should flee from old-style want-to-be sciences like management science, decision science, or the folly of "scientific" forecasts and textbook planning schemes. Planning should be largely an exercise in talk, imagination, and persuasion, with judgment at its core.

#### **Enter communication studies**

That's why I think communication studies might well be central to colleges and uni-

versities in the 21st century. It is a growing and neglected sector of the economy, and electronics will transform communication as we know it. There's a conservative reason too: communications scholars study the wordcraft that was the basis of Western education for 2,000 years.

The pioneering efforts in this interdisciplinary field are for once not coming from the East Coast or California research universities. The Midwesterners have stolen a march on the coasties. Departments of communications are peculiarly American, a product of the big midwestern universities. They are a creation of the Jeffersonian democratic tradition of the Midwest, where high school debate programs still attract the brightest young people, where there are still farms, small towns, small retail stores, medium-sized manufactories, and open governance. The American character of communication studies puzzles scholars trained in the Germanic tradition on the coasts. Political scientists seem especially puzzled: "Why isn't this like it was at Yale? How can a subject not taught at Stanford be a real science?" The answer is that in the

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non-English sense it may be the science of the future.

Why then a department of communication? The answer is: that colleges need a group of scholars to study the whole elephant of communication in society. Sociology looks at audiences, but more as populations than as listeners. The English department looks at texts, but chiefly as texts. And so it goes with psychology, law, linguistics, political science, philosophy, and the rest.

Communications is where the academic fields meet, overlap, and converse. Communications people analyze the discourse of learning and life, the *trivium* of grammar, rhetoric, and logic. A law professor uses precedent, as does a professor of mathematics. A

computer engineer uses metaphors as much as a psychologist does. Stories figure in the rhetoric of paleontology, and of history.

Rhetoric and communication have doubters especially among philosophers, who learned from Plato that there is something evil about trying to persuade someone, that we do not need democratic discourse but aristocratic proof. But we have learned in recent years that the philosophical vision of certitude is fanciful, even in mathematics. As two mathematicians admit:

The myth of totally rigorous, totally formalized mathematics is indeed a myth. Mathematics in real life is a form of social interaction where "proof" is a complex of the formal and informal, of calculations and casual comments, of convincing argument and appeals to the imagination. (Davis and Hersh, p. 73)

So education planners would be wise to pay less attention to the demands for more "scientific" management, formal strategic planning, and numerical forecasts and more attention to the vital role of great talk in coaxing persons to make necessary changes. In an age of increasing talk, it's wiser talk we need most. ■

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