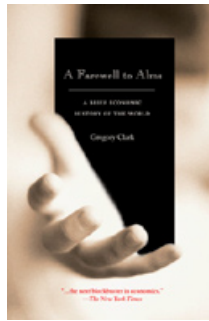


How humanity outflanked starvation

Sinclair Davidson reviews

A Farewell to Alms: A brief history of the world

by Gregory Clark
(Princeton University Press,
2007, 440 pages)



Sometime in the last 200 years there was a fundamental shift in the human condition. Our lives changed from being somewhat ‘nasty, brutish and short’ into the long prosperous lives we lead today. In one important sense we changed from living ‘brutish’ lives to living ‘British’ lives—the industrial revolution started in England.

It is a great irony that this change occurred during the life of Thomas Malthus (1766–1834) who had set out and explained the notion that gains in income were lost through population growth—an idea now known as the Malthusian trap. That humanity escaped the Malthusian trap cannot be doubted—how and why we escaped is an open and hotly debated issue.

Gregory Clark’s *A Farewell to Alms: A brief history of the world* is the latest book in a long line of tomes that attempts to explain what happened and why. A particularly important issue is why the industrial revolution happened first in England and not elsewhere; Clark makes a valiant effort to address that question. Overall, Clark has produced a massive book, brimming with facts and analysis; yet it is unsatisfying. Unlike previous books in the genre, most notably Jared Diamond’s *Guns, Germs and Steel*, Clark’s effort is written as a scholarly work and few lay readers are likely to struggle through the often mind-numbing detail.

Clark’s basic thesis is that high-income individuals had more surviving offspring than low-income individu-

als. In a Malthusian world this implied downward social mobility.

[T]he superabundant children of the rich had to, on average, move down the social hierarchy in order to find work. Craftsmen’s sons became laborers, merchants’ sons petty traders, large landowners’ sons smallholders. The attributes that would ensure later economic dynamism—patience, hard work, ingenuity, innovativeness, education—were thus spreading biologically throughout the population.

While Diamond argued geography is destiny, Clark has an argument somewhat familiar to Australians—demography is destiny. It appears the industrial revolution occurred in England and not in Japan, for example, because the English aristocracy had more children than elites elsewhere. Bourgeois values slowly permeated society as the downward mobility of the aristocracy displaced the vulgar values of the lower classes—who Clark tells were effectively dying out. Rather than the meek inheriting the earth, according to Clark the envious inherited the earth.

This is a very different story from that which economists normally tell in explaining economic growth in general and the Industrial Revolution in particular. Adam Smith famously wrote, ‘Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of

justice’. In this view, institutions matter. Private property, stable government, and the rule of law are important in the usual economic story. Clark’s argument is that these institutions are necessary but not sufficient conditions for economic prosperity. In particular, he argues that these institutional features have characterised England since at least 1300. In fact, he suggests on some indicators (low taxation, for example) that England did better in 1300 than at present.

There is, however, a fundamental difficulty with Clark’s thesis. He makes the argument that vices and virtues are reversed in a Malthusian world compared to our non-Malthusian world.

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Conflict, disorder and poor sanitary practices increased living standards, while peace and order, improved sanitation and personal hygiene lowered living standards. In particular he argues that hard work was a vice, while indolence was a virtue.

Where then does the work ethic come from? James Buchanan, the 1986 Economics Nobel laureate, has argued the work ethic expands the size and scope of the market and so contributes to prosperity. Yet Clark has us believe that this ethic was a vice, that it existed and slowly spread through society via the downward mobility of those people who had this ethic. Why would this ethic have evolved at all, at any point in human history, if it were a vice? Why would the upper classes have this vice,

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if it were a vice? Are we to believe that our current prosperity is due to the 'bad habits' of an ancient elite? Unfortunately, this question arises early in reading the book and is not answered. Clark provides copious evidence of his downward mobility thesis but, as Professor Tyler Cowen of George Mason University argues, he never proves his argument about the Malthusian trap.

A Farewell to Alms has been widely discussed and reviewed. *The New York Times*, for example, has published two reviews; the first by Tyler Cowen and the second by Benjamin Friedman. These reviews were mostly sympathetic, although Cowen published a more detailed critique on his blog *Marginal Revolution*. Deirdre McCloskey, however, is far less kind. She summarises Clark's thesis as 'rich people proliferated, and by a social Darwinian struggle the poor and incompetent died out, leaving a master race of Englishmen to conquer the world'. While Clark has failed to fully reference McCloskey's own work in this area, and they are academic competitors in some sense, her position is nuanced. McCloskey does admit that a large part of the book is 'uncontroversially good, a review for outsiders'. She does not, however, believe the central hypothesis at all. Nonetheless his argument is sufficiently important for McCloskey to take the time to refute the argument rather than simply ignore it.

The question that Clark never asks, is whether these changes were for the better. Clark's major contribution lies in the historical detail that he provides. His description of the pre-1800 world is both shocking and illuminating. The description of how filthy Europeans were relative to Asians is particularly shocking. In particular the notion that Europeans enjoyed higher incomes be-

cause they were less willing to spend economic resources on cleanliness. The implicit assumption is that changes that have occurred since 1800 are for the better.

This is in contrast to the change from hunter-gatherer society to agricultural society. Here Clark presents evidence consistent with the notion that human welfare declined over time. The hours of work in an agricultural society are higher with a lower-payoff than in a hunter-gatherer society.

What does it mean to have escaped the Malthusian trap? In short, rising population and rising real income. Some environmentalists, however, are unhappy with this state of affairs.

Rising income, with the associated rising consumption, and rising population is 'unsustainable'. Calls for the creation of a 'low carbon' society effectively argue that the industrial revolution was all a mistake—that escaping the Malthusian Trap has led to an unsustainable lifestyle.

Ian Dunlop, chairman of the Australian National Wildlife Collection Foundation (CSIRO), set out the principles of a sustainable lifestyle earlier this year in an *Australian Financial Review* article. Reduced mobility, reduced trade, local production, and no trade in energy are all hallmarks of an environmentally sustainable lifestyle.

The only difference between this and the Malthusian world is his call for high high-speed internet—but for what purpose? Demand for long distance communication would quickly collapse in a Malthusian world.

An even more blatant example of Malthusian nostalgia can be seen in a recent article by Ross Gittins in the *Sydney Morning Herald*. He writes 'in olden days, the rich regarded bathing as a sign

of their social superiority'. Clark indicated that cleanliness was a Malthusian vice and that Europeans, in particular, suffered little from this vice.

To combat climate change, Gittins tells us we need to bathe or shower less often. Yet, if we are to believe Clark we're descended from people who preferred more cleanliness to less and there may be a genetic preference to bathing in addition to social considerations. Mind you, historically, it was only Europeans who made a virtue of filthy living.

Of course, a return to a Malthusian world requires much more social engineering than that either Dunlop or Gittins imagine. As it is Dunlop imagines far more social engineering than a democratic society could ever undertake. To return to a world where all humans—except for a tiny downwardly mobile elite—live at a subsistence level is an impossibility given the number of people alive today. Cities would need to depopulate and the number of people rapidly decrease.

Our environmental friends have yet to articulate this aspect of their Malthusian philosophy. Thanks to Clark's book more people understand the Malthusian world and few readers will want to live there.

Clark has a fascinating thesis and produces a wealth of evidence. Ultimately however Clark raises even more questions than he answers. In scholarly circles that can be valuable, but the lay reader is likely to be frustrated. Even if his basic thesis were true, he doesn't explain why the English upper classes chose to have more children than those in other parts of the world.

We are back to the basic explanation for the industrial revolution; for some reason, something happened in England that totally revolutionised our world.

