

SYMPOSIUM

Slouching towards Utopia. An Economic History of the Twentieth Century

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J. Bradford DeLong's *Slouching towards Utopia* is a history of what he terms the "long twentieth century," spanning the period from 1870 to 2010. DeLong argues that this period was the most consequential century of human history, and that it is best understood through an economic lens. During this time, the global economy grew at an unprecedented rate, creating the possibility of achieving utopia. He attributes this to three key factors that emerged in the late nineteenth century: the industrial research lab, the modern corporation, and full-scale economic globalization. These provided the infrastructure for invention at a scale necessary for the spectacular growth that took place. Thanks to this infrastructure and the growth that it sparked, DeLong contends that there was finally enough production to satisfy human needs, but the political question of how all that was produced would be distributed was never adequately answered. As a result, humanity never achieved utopia; at best, we slouched toward it.

In this symposium, based on a session at the 2022 Social Science History Association meeting in Chicago, an interdisciplinary group of four scholars discuss the book. From my own economics lens, I find great value in DeLong's grand narrative, but I also urge more attention to the African and South American continents, to the history of economic ideas beyond those of Hayek and Polanyi, to environmental damage caused by the industrial revolution and to demographic factors that were consequential. Similarly, economic historian Jari Eloranta juxtaposes the grand narrative of the book with findings from the history of the last 200 years, and he questions whether the development of twentieth century governments is fully reflected in the story. Historian Emily Merchant examines how DeLong's story might look different with more attention to recent scholarship in science and technology studies. Sociologist Barry Eidlin appreciates the broad sweep and ambition of DeLong's argument but takes issue with the lack of attention to the politics and organization that shaped the ideas and events that the author describes. In DeLong's response, he grants many of the discussants' criticisms but maintains that the grand narrative he outlines in the book remains the "least-false one we can tell about history between 1870 and 2010."

Reception of book

This book has been much and long anticipated. Clearly, Professor DeLong has been thinking about the subject of twentieth-century economic history for decades. What he has produced is the kind of work that has been percolating for a long time. Evidence of this long period of gestation is Brad's National Bureau of Economic Research paper from the year 2000 titled "The Shape of 20th Century Economic History" (DeLong 2000: 3–4) a precursor to this book. Around the same time, Paul Krugman (2000) wrote an opinion piece in the *New York Times* in which he refers to Brad DeLong's book in progress, *Slouching Towards Utopia*, inferring that he had already read a part of the book.

At the time of this conference, November 2022, *Slouching Towards Utopia* had made it onto the *New York Times* best seller list for non-fiction books in September 2022 and their October best seller list for books in business. Amazon.com listed *Slouching Towards Utopia* as 5th in macroeconomics books and 13th in economic history books the week of the 2022 SSHA conference; as of this writing in mid-March 2023 its ranking in audible books is particularly noteworthy, as it sits at second place for macroeconomics books and seventh place in economic history books.

Mathematical equations, complicated economic models, and fancy erudite econometric estimations are notably absent in this work. There is nothing about instrumental variables, identification strategies, difference-in-difference estimations, etc., the use of which is standard fare for applied economic and economic history seminars these days, but which would bore non-economists. Still, that Amazon describes the reading age as 13 years and up (or grade 11 and up) is either a mistake or false advertising. Au contraire, *Slouching Towards Utopia*, at 605 pages, is dense with facts, stories, and analysis. The breadth of the economic and political events, across both time, space, and complex economic and political issues is wide ranging. This work requires careful and deep reading. Actually, the book lends itself well to an audible format, as one can rewind and repeat, something necessary with such dense material. Brad has a gazillion stories to tell, and he tells them well. Every other page Brad brings up some fact or describes some interesting socioeconomic relationship or uses a turn of phrase that is clever and adroit. This all keeps the reader reading and engaged and eager to get to the next page. Brad's book reminded me somewhat of David Landes' (1998) *Wealth and Poverty of Nations*: both authors engaged with the topic of economic growth and why it was higher in some places than in others; while Landes' book covered more centuries, Brad's covered more political economic issues.

Important themes in *Slouching*

DeLong focuses on the twentieth century because the huge increase in world per capita GDP occurred after 1870 and mostly in the twentieth century. What he cares most about are the political economic conditions under which the well-being of humanity thrives best. He wrestles with many of the "isms" of the twentieth century, including communism, fascism, socialism, and neoliberalism. A main message in *Slouching Towards Utopia* is that societies or social planners need to think about what kind of government or state structure they want to live with.

Brad takes us on a sobering journey, and we are reminded of the many millions of people who suffered in the twentieth century across the world. His main point is as follows: lest we surrender to chaos or to the risk of a dangerous dictator ruling the roost, we need a particular kind of government to make our lives better. A main question arises: if we want a government to work on making our lives better, what kind of government structure works best? His answer is that we need a benevolent state that can provide a safety net that insures us against poverty, provides a system of defense, and works on solving or better yet, preventing market failures.

Brad will argue that a government needs financial resources to provide all of these benefits. However, the style of government that he prefers and that could pay for the extra benefits only emerged mid-century. Even though the increase in output and income in the early twentieth century in many nations was accompanied by an increase in the amount of tax revenues collected, it was not enough. In the United States, for example, the 1913 passage of the 16th amendment that established an income tax produced a stable stream of federal tax revenues, but these remained under 10 percent of GDP. This changed toward the tail end of World War II, when federal tax revenues shot up to above 15 percent of US GDP and have remained there ever since. So, the era of bigger government started in the mid-1940s.

Slouching Towards Utopia describes twentieth-century history overwhelmingly and unabashedly in terms of political economy. Brad has written this book from his perspective as an economist and as a historian, so you get his flavor of political economy. It is clearly an interdisciplinary point of view, with Brad drawing from economics, history, and political science, a perfect work for a book session at the Social Science History Association meetings and a review in *Social Science History*.

Brad chooses two Austrian scholars, Friedrich Hayek and Karl Polyani, as oppositional thinkers to create the intellectual tension of his grand narrative. The setup works for the most part, but it is not perfect. Hayek is known for his classical liberalism, his work *Road to Serfdom*, and his 1974 Nobel Prize in Economics. DeLong (2022: 5, 90) summarizes Hayek's thinking in a memorable way: "the market giveth, the market taketh away; blessed be the market." Hayek's glorification of markets is juxtaposed with Karl Polyani's skepticism of them. Polyani did not think that markets could deliver all of the goods that people across the income distribution needed and wanted, and he did not think that markets were self-regulated and could instead be harmful to the well-being of members of society.

I am not convinced that these are the only two theorists we should be thinking of, and I kept wondering why these two and why not others. Economists, for one, are not very familiar with Karl Polyani, who is better known among sociologists and political scientists. A more obvious choice, but perhaps the boring and expected one, would have been to pit Hayek against Keynes, two contemporaries known for their intellectual duels in the 1930s and 1940s. Other critics of capitalism were Thorstein Veblen and Karl Marx. Should he have added these two and even Max Weber or Emile Durkheim, giants in the field of sociology, to this intellectual economic and political thought feast?

I think it is an issue that needs a bit more attention, especially if the author wants to convince economists that drawing on the ideas of Hayek and Polanyi is the optimal package. In the interest of pleasing economists, *Slouching Towards Utopia* could

have used some more explanation of how to think about Hayek and Polanyi in a context related to the intellectual history of economic thought. This is partly due to the state of the history of economic thought subfield within the economics profession. With the heavy emphasis on data, statistical techniques and mathematical theories, economists have their hands full, and their average knowledge of the intellectual history of their profession is, at this point in time, to be kind, rather weak. The subject is also not required in graduate programs. As a result, the intellectual origins of economic ideas, pre-1960 or so, are underemphasized and increasingly underappreciated in the economics profession. Today, except for Brad DeLong and a few others, economists are not engaging very much with the older intellectual history of economic ideas. It is of no surprise that the subject of political economy is thus thoroughly dominated by political scientists.

A future challenge remains as to whether undergraduate or graduate students could use *Slouching Towards Utopia* in the classroom. Possible fertile ground for this book at the undergraduate level are students taking political economy courses. How could one teach *Slouching Towards Utopia* or some part of it to students interested in political economy? If DeLong were to produce a second edition, I would advise the editor to insert subsections into each chapter so that the ideas of each chapter have more organization which would provide more structure to the 600+ page tome. I would also add a timeline graph that is particular to this book. An editor might want to consider an abridged version that would be easier for students to digest.

Brad's writing is compelling and intuitive, which makes it easy for an instructor to convey the purpose and relevance of his grand narrative. In many parts of the book, Brad provides a simple but effective explanation of a complicated economic or political theory or phenomenon, which can work well with students. For example, Brad describes the degree of globalization, a measure of Smithian growth so to speak, by providing the percentage that imports and exports make up of a nation's GDP. While before 1700 global trade made up perhaps 3 percent of global economic activity, on the eve of the World War I it was 17 percent; DeLong (2022: 47) estimates it at 30 percent today. This is an easy-to-digest theme in the book, that there were periods, 1870 to 1914 and then the three decades after World War II, when international trade exploded. It should be noted too that the earlier one occurred with small governments and the later one with larger governments added to the mix.

A natural question to ask is what would one change about this work? This is a useful question to consider in the event DeLong ever wants to write a second edition at some point, or if someone else wants to improve on this grand narrative. Obviously, no book can be everything to everybody, but that does not prevent me from creating a wish list.

Brad covers a lot of territory across the globe in his new book. In particular, he provides extensive coverage on the big events of the twentieth century and the various actors, good and bad, including Hitler, Lenin, Zedong, Stalin, and others. Still, more thought is needed to explain economic development on the continents of Africa and South America. To his credit, Brad does broach the subject of why Argentina was so rich a hundred years ago and then declined, a fascinating story from economic history and one to give many social scientists pause. Brazil, Chile, and Peru and other South American nations do not show up in this grand

narrative. While some minor attention is given to African nations like Egypt, Nigeria, and Zambia, readers might want to know a bit more about economic and political changes in the twentieth century on the African continent.

Also missing from Brad's narrative is any discussion of demographic history, first and foremost the fall in mortality and fertility rates, basically the demographic revolution, which started in France in the late eighteenth century and happened everywhere else in the nineteenth and twentieth centuries. Surely, the changes in the relative sizes of age cohorts, as well as the growth in national population sizes affected important aspects of economies. More too could be said about the increase in international migration before the mid-1920s and its fall-off thereafter.

Similarly, there is much to be learned in Brad's books about wars and the suffering of many millions of people from these events, but there is not much on pandemics. With the rise in global trade and travel and the increase in the sheer number of people in the world, everyone is in some ways at higher risk of being exposed to new infections and diseases. I would have wanted to learn more about the 1918 flu pandemic.

In various countries, including the United States, wealth and income inequality has increased a lot since 1980. I do not think this topic is explored extensively enough in *Slouching Towards Utopia*. The causes are multifactorial, not all of which is perfectly understood yet: some of the increase in inequality has to do with how workers are paid and how firms are structured (including their corporate boards), but there are other reasons.

Economic growth over the last two centuries is in many ways a wonderful feel-good story. In particular, we live better lives than our ancestors, and the rate of poverty has fallen precipitously. It is a story that we explain in macroeconomics through the increase in productivity, attributable to increases in physical and human capital and even more so to technological progress. Our way of producing and living, however, all depends to a great degree still on sources of power that we developed in the nineteenth and early-twentieth centuries, namely fossil fuels. This involves our manufacturing industries, our supply chains, our modern way of life in terms of transportation, heating and air conditioning, skyscrapers, the multitude of plastic products, and so forth. Climate scientists and environmental economists are presently telling us that we must adapt further and cannot continue with the status quo. How high are the costs of industrialization in terms of pollution and the warming of the planet? Will it have been worth it all a century or two centuries from now? Younger generations, in particular, are eager for an answer.

Brad's experience, specifically working in the Clinton Administration in the mid-1990s as deputy assistant secretary of the US Treasury, pays off in spades in this book in the sense that he understands bureaucracies and how politics affects or does not affect the government policies that get enacted and enforced. It is no surprise that Brad's assessment of the Great Depression is thorough and insightful as is his assessment of other periods of modern US political history. In terms of the Great Depression, and with regard to the interests of business historians, I would add more about how the United States equities market changed with the Securities Exchange Acts of 1933 and 1934, which set up the basis of regulations for the stock markets and required that all listed companies have their financial statements audited by independent certified public accountants. While bonds and preferred stock

had dominated the markets before the Great Depression, these new regulations allowed investors to put trust in earnings reports and thus opened the door to active and thick markets in common stock (Baskin 1988). It really represented a sea change in financial markets. Lastly, Keynes is a kind of hero to many economists, including Brad DeLong. It would be great to add a story about Keynes walking out of the Versailles Treaty, which would be another engaging story for readers and one that made Keynes look like the John Wayne or the Muhammed Ali of economists.

Congratulations to Brad DeLong on the publication of this very thought-provoking book, a book that leaves one pondering many important issues of our modern day! Readers will appreciate that he did not rush it.

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Comments on J. Bradford DeLong’s *Slouching Toward Utopia*

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DeLong’s long-awaited book offers a sweeping narrative of the period 1870–2010, presenting a story of moderate progress with periods of crises, yet of great promise not quite fulfilled. His book is very much in the tradition of macro interpretations of certain periods, like that of Eric Hobsbawm that the author mentions as having had too narrow of a focus on the twentieth century. However, DeLong does express some similar pessimistic sentiments about the twentieth century due to its horrid