

BOOK REVIEWS

Book Review: *Slouching towards Utopia: An Economic History of the Twentieth Century*

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Slouching towards Utopia: An Economic History of the Twentieth Century
J. Bradford DeLong
New York: Basic Books; viii + 624 pp.

This is a frustrating book to read. Brad DeLong's 600-page tome admirably aims to provide the grand narrative of economic growth in the United States and the rest of the world from 1870 to 2010. DeLong should be commended for undertaking such an important and ambitious subject. Ultimately, however, it is a missed opportunity and a disappointment. Shrouded in bias and opinion, DeLong's argument downplays the role of the capitalist system, vaguely defines crucial terms, goes on tangents irrelevant to the narrative, and skimps on sources. Sadly, this book does not deliver good economic history or rich factual detail that researchers may sink their teeth into. For these reasons, I cannot recommend *Slouching towards Utopia*.

DeLong's thesis, in so many words, is this: From 1870 to 1914, technological innovation and the rise of the modern corporation caused many parts of the world to enjoy unparalleled increases in living standards and ushered in a march toward the promised land (utopia). Yet this economic growth wasn't good enough, because it wasn't equal and wasn't fair. Only after World War II were markets, aided by the helping hand of governments, able to approach utopia. Even then, it wasn't good enough: it was only a slouch, not a sprint, toward the cherished ideal.

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DeLong never adequately defines what he means by utopia—a serious deficiency since the word is at the heart of his narrative. Initially, I assumed that he might be using utopia to refer to the never-never land of general equilibrium that neoclassical economists often invoke to criticize real-world markets for not being “perfect” enough (even though they can never be in general equilibrium). Instead, DeLong seems to use the term as a catchall for any society that satisfies his own ethical positions on fairness and equality. It is true that everyone’s vision of utopia incorporates beliefs about what is fair and equal; however, as with utopia, DeLong never defines these terms except as things markets don’t provide enough of. As a result, he sounds more like an ethicist who criticizes markets than an economic historian who uses empirical data and sources to back up his claims.

DeLong as ethicist is especially apparent in his overview of 1870 to 1914. He explains how technology and the corporation caused an explosion in economic growth and quality of life over that forty-four-year span. This is accurate, but he pays very little attention to the underlying capitalist institutions key to those innovations: private property rights, rule of law, laissez-faire policies, and classical liberal ideology. In short, DeLong gives short shrift to the importance of free markets for economic growth. Additionally, despite the tremendous rise in living standards for the average person in industrializing countries, DeLong doesn’t find his utopia. He believes that the market valued property rights above all else, produced only what the rich wanted, and distributed goods in an unequal or unfair manner. To defend this position, DeLong relies heavily on the “moral philosopher” Karl Polanyi, his foil to the “right-wing economist” F. A. Hayek. According to DeLong, Hayek was an apparent believer in a mantra DeLong criticizes ad nauseam: “The market giveth, the market taketh away; blessed be the name of the market” (90). Anyone who has read Hayek’s *The Constitution of Liberty* knows that he was no free-market proselytizer.

I was hopeful that there would be some explicit analysis of capitalism in chapter 3 because it introduces the term “political economy” and the rules that govern exchanges (85). I was disappointed. DeLong’s interest is in the progression of democracy, how people perceived markets as unfair, and how governments intervened to rectify the perceived injustice. His prime example is the union movement’s fight for a shorter workday in the 1880s and 1890s. Never mind that the American Federation of Labor, American Railway Union, and other labor cartels were racist restrictionists eager to coercively block immigrant and black competitors who undercut their demands for better wages and working conditions. At best, DeLong only begrudgingly mentions these facts without discussing how they severely weaken his ethical position. In reality, union laborers had no right to a given wage or working condition if others were willing to work for less because it was better than, say, the wages they could get in the country from which they emigrated. The unions understood this, which is why they spent a great deal of time

portraying their competitors as belonging to inferior races that could be excluded from society's fairness and equality norms (Arnesen 1994, 1614–16; Leonard 2016, 133). But DeLong, who wants everyone to know that he is a firm believer in the advancement of minorities and women, obviously must downplay the discriminatory union tactics. Thus, DeLong's union example rings hollow as support for government intervention to correct perceived market injustices.

The chapters on World War I and subsequent decades are equally disappointing. DeLong does not analyze one of the most consequential political decisions of the twentieth century—namely, President Woodrow Wilson and Congress's decision to intervene in World War I. This portentous event—which tipped the balance of power against Germany and set the stage for the eventual worldwide empire of the US and its dominance over the world economy—is only briefly mentioned in the chapter on the 1920s. There is no discussion of whether the decision to enter the war helped or hindered economic growth in the US and around the world. There is also little discussion of how Wilson's intervention empowered Britain and France to demand punitive reparations from Germany at the Paris Peace Conference, the same reparations that DeLong rightfully condemns.

DeLong's narrative becomes harder to read as the timeline progresses because he substantiates his arguments less and less. His discussion of 1920s monetary policy is especially weak. Even though he refers to Milton Friedman and Anna Schwartz's thesis that the Federal Reserve was contractionary in the 1920s, he only cites John Kenneth Galbraith's *The Great Crash, 1929*. In his overview of the Great Depression, President Herbert Hoover is portrayed as a liquidationist who tries to balance budgets by slashing expenditures and not by raising taxes (see the Revenue Act of 1932). In his summary of fascism in the 1930s, DeLong can't resist mentioning how “economist and darling of the far right” Ludwig von Mises and “libertarian darling” Hayek made comments that could be interpreted as favorable toward fascism relative to socialism—downplaying the fact that their comments were comparing it favorably to socialism and not the free market (277–78). DeLong offers no similar uncharitable interpretation of John Maynard Keynes's remarks about his macroeconomic policies working well in totalitarian countries (Keynes 1978, xxvi). DeLong, once again, picks favorites. In the chapter on World War II, DeLong seems to go on tangents about military tactics not because they are relevant to his economic growth thesis but because he just wanted to talk about them.

DeLong's value-laden analysis does not even contain the treasure trove of citations that scholars might expect of so weighty a subject and so heavy a volume. He admits that his references “are grossly inadequate” and tells the reader that additional citations and discussions can be found on his blog

(539). This comes off as a slouching cop-out. Rather than cut out tangents and opinions to make room for scholarship, DeLong put his sources online where the vast majority of readers will never look.

Everyone should read about the events and tendencies that brought immense progress to the world from 1870 to 2010, but DeLong's *Slouching towards Utopia* is no authority on the subject. Readers of the *Quarterly Journal of Austrian Economics* will not find it enlightening or a useful source of information.

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