

BOOK REVIEW

***The Great Persuasion: Reinventing Markets Since the Great Depression*, Angus Burgin, 2012, Harvard University Press: Cambridge, MA, 314 pp.**

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The Great Depression caused economic thought to rise in popularity as intellectuals, politicians, and the public grappled to understand the pressing crisis. The radical notion of government intervention, promoted by John Maynard Keynes, became the prevailing answer to such a severe economic downturn. However, throughout the 20th century, a heterogeneous group of economists advocated for trusting the self-correcting powers of the free market. This intricate history on the evolution of market advocacy in *The Great Persuasion* is Angus Burgin's attempt to remind academics of the influence economic thought can carry in the public and political sphere. Burgin explains how the ideology of these free market advocates went from being doubted and out of the public eye to being the prominent view of policymakers.

Burgin introduces his argument by giving an overview of the decades that led free market advocates to a number of ideological shifts, new ways of community organization, and ultimately public and political appeal. Market advocates had to tackle numerous obstacles to reach widespread appeal including how to define "liberalism," the tradeoff between academic excellence versus public appeal, and how to maintain an institutional framework across continents. Although, the most detrimental barrier of all was the frequent disagreement between these economists on how to resolve their obstacles. Occasionally getting lost in the historical details, Burgin explains the advancement of free market advocacy through the role of pivotal thinkers, such as Frederick Hayek and Milton Friedman, as well as the lesser known players such as Frank Knight, Henry Simons, Walter Lippmann, William Ropke, and Albert Hunold.

Burgin opens the first chapter by explaining the response of free market economists to the public and academic prominence of Keynes during the Great Depression era. This disconnected group of market advocates held a "deep skepticism" for the economic interventions called for in Keynes's works *The End of Laissez-Faire* and *General Theory of Employment, Interest, and Money* (pg. 46). These economists such as Hayek, Knight, and Ludwig von Mises were concentrated at the London School of Economics, the University of Chicago, and Vienna, respectively. With no formal meeting arrangements or framework of collaboration, these intellectuals separately agreed that market interventions would be detrimental to society. However, as Burgin notes "their allegiances with one another were attributable more to common intellectual opponents than to established theoretical or ideological programs" (pg. 43). This stemmed one of the many disagreements amongst market advocates which was the debate about the connection between economic thought and a social or political philosophy. Hayek believed he needed to think deeper about the intersection of philosophy and politics with economics in order to appease the "public and professional skepticism of his ideas" (pg. 50). Likewise, Simons

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² I am thankful for the guidance from Venus Bivar. Without her instruction this book review would not have been completed.

at the University of Chicago pushed for the establishment of an institute of political economy to explore “the economic and political foundations of the free market” (pg. 53). On the other hand, other foundational free market economists, such as Knight, were hesitant to tie their economic thought to political rhetoric fearing it would dampen its academic quality. However, during these years Hayek began his pursuit of a social philosophy, as well as a framework of collaboration for market advocates. Ultimately, Burgin argues Hayek’s intentions, along with Simons, laid a framework for free market advocates in future decades to advance their ideology in both the public and academic sphere.

In the second chapter, Burgin explains how market advocates came to agree upon a social philosophy and faced the barrier of building a framework of collaboration. Burgin argues the social explanations within the *Good Society* by Walter Lippmann became the “foundational text of neoliberalism” because it provided the groundwork of a social philosophy (pg. 67). Through these shared beliefs and the organizational work of Louis Rougier, 26 free market advocates gathered at what became known as “Colloque Lippmann” in 1936. At this conference the attendees aimed to reconstruct liberalism, however, faced debilitating disagreements regarding terminology and which aspects of liberalism should be their focus of revisions. While this began to build connections amongst free market advocates, the onset of World War II hindered the creation of an institutional framework and further limited collaboration throughout the first years of the 1940s. Nonetheless, Burgin notes that by the end of the decade, the entrepreneurial work of Lippmann, Rougier, Ropke, and Hayek had allowed collaborative relationships amongst market advocates to foster and solidify.

The ideas of market advocates grew closer to policymakers with the establishment of an institutional framework, as well as the public rise of Hayek after the *Road to Serfdom* and his role as a “public relations tool” for opponents of the New Deal (pg. 90). Hayek worked through the costly organizational barriers and the Mont Pelerin Society met for the first time in Switzerland in the Spring of 1947. At the first meeting, Hayek urged the members to reevaluate the morals of capitalism in order for free-market sentiments to be adopted by the public. While the attendees agreed upon the groundwork for liberalism and the questions they wanted to answer, disagreement continued as the members could not agree on a trajectory for the organization. Ultimately, Burgin explains how the establishment of the Mont Pelerin Society, along with Hayek’s continued push for a social philosophy, further positioned free market advocates to appeal to public and political debates in the coming decades.

The next development in the rise of economic liberalism came from the work and rhetoric of Milton Friedman. Friedman grew to prominence amongst market advocates following the controversy with Hunold. This controversy further exacerbated the disagreements within the society and ultimately led to Hayek stepping down as president and Friedman positioning himself to succeed Ropke. Burgin explains how these events represented a geographical shift in free market advocacy from Europe to America as Friedman stood to rise in popularity. Friedman came to be a well-known figure by academics and the public with the release of *The Methodology of Positive Economics* and his post as an economic advisor to senator Barry Goldwater’s 1964 presidential campaign. The rise of Friedman represented the failure of Hayek’s hope to ground free market advocacy in a social philosophy. Nonetheless, Friedman’s popularity aided Hayek’s original goal of encouraging popular support for market-advocacy.

In the end, Burgin argues Friedman’s rhetoric and ability to appeal to the public “tore down the barriers” that were built between economics and public policy debates by previous market advocates (pg. 213). Friedman’s public policy suggestions embodied the ideals of the free market. His suggestions, such as school vouchers and a negative income tax, encouraged abolishing the government oversight and intervention in the market economy (pg. 197).

Furthermore, Friedman met and built a relationship with Ronald Reagan early in their careers. The two shared a “mutual admiration” for the other's work and ideas (pg. 206). Come 1980, Burgin argues Friedman free market promotions and market advocacy were solidified into political thought with the presidential election of Ronald Reagan.

Over 50 years, market advocates went from being marginalized during the Great Depression and post-war boom to being the preeminent economic ideology. Burgin successfully details the events, intellectual works, and controversies that ultimately led free market thinking to be a dominant ideology in political thought. Burgin emphasizes the interdisciplinary influence economic ideology can have on society. He frequently references the many inquiries made into the relationship economics has on culture, democracy, social philosophy, and political philosophy. He details the viewpoints of market advocates on policy and philosophy as important aspects of their economic influence. Overall, Burgin’s detailed history on the evolution of free market thinking reminds academics of the interdisciplinary importance of economic thought.