

Review of Kenneth R. Hoover, *Economics as Ideology: Keynes, Laski, Hayek, and the Creation of Contemporary Politics*, Lanham, MD and Oxford: Rowman & Littlefield, 2003.

In this complex book Kenneth Hoover sets his sights ultimately on reform of contemporary democratic politics. Although this aim is not on display through most of the book, becoming evident only at the book's conclusion, it is useful to keep it in mind as we examine the book's several facets. What we find through most of the book is historically situated intellectual biography of three twentieth-century intellectual figures: Harold Laski, J. M. Keynes, and F. A. Hayek. Each of the three contributed to political ideology and thereby influenced the practice of politics. In this account they represent the left, centre, and right of twentieth century political ideology. Photographs of the three are on the book's cover, with Laski and Hayek to the left and right of Keynes, whose photograph is the largest of the three. Laski represents the democratic socialists' vision of socialism replacing capitalism, a vision that has been rejected by history, political parties, and intellectuals. Hayek represents the conservative libertarians' celebration of markets and deprecation of government intervention, a vision still very much in play, but not favoured by Hoover. And Keynes represents the progressive ambition for an intelligent regulatory state, also still alive and well.

In writing biography Hoover follows the path tread by the social psychologist Erik Erikson. He draws explicitly on Erikson's theory of the formation of individual identities, which is a theory of mutual causality between the development stages in the individual psyche and the individual's social environment. According to Erikson people develop their personalities by confronting a series of crises arising from exchanges between the dynamics of their internal development and their communities. A paradigmatic example of this approach is Erikson's psychobiography of Martin Luther (1958). Erikson interpreted young Luther's rebellion against his father in joining the Augustinian Friars as preparation for his revolt against the Vatican. One

gets the flavour of Hoover's approach to the lives of Laski, Hayek, and Keynes from the introductory chapter of Erikson's *Young Man Luther*.

I have called the major crisis of adolescence the *identity crisis*; it occurs in that period of the life cycle when each youth must forge for himself some central perspective and direction, some working unity, out of the effective remnants of his childhood and the hopes of his anticipated adulthood; he must detect some meaningful resemblance between what he has come to see in himself and what his sharpened awareness tells him others judge and expect him to be (ERIKSON (1958), p. 14).

Hoover's aim is to explain the development of the ideas of the three figures and how their ideas were transformed into ideologies which, in turn, played an important role in the development of the left, right, and centre of twentieth century politics. Hoover's psychohistory is not politically neutral. He brings to the project a preference for the political middle way, variously known as the third way, identity politics, and strong democracy. These terms refer to the contemporary search for a middle way between the ideologies of socialism and capitalism. This forms the basis for Hoover's political analysis, which appears late in the book. But not until the reader gets there does Hoover's third way search come apparent. It is explicit in Hoover's work previous works, including for example, *The Power of Identity: Politics in a New Key* (1997).

Hoover provides a dramatic account of the lives of the three figures, intertwining their stories decade by decade from the 1920s on. Drawing liberally from the substantial literature on their lives and ideas, he makes a fresh contribution by setting each protagonist in the context of the other two as well as in their evolving familial, social, and political surroundings. Following Erikson's lead, he seeks to identify events and relationships that shaped their identities, and through their identities their ideas, and the ideologies that formed from their ideas. There is a dialectical tension in the narrative between each of the three and the outside world, as indicated

by the chapter titles such as “The Prewar World: Seeds of Struggle,” “World War I: Unresolved Conflicts,” “The Twenties: Government and Market in Combat,” and “The Thirties: Dual of Allegiances.” This tension carries over to the production of ideology from ideas, as seen in another chapter title, “The Oppositional Bind of Ideology.”

From the psychohistorical perspective Hoover’s aim is to explain why Harold Laski became a “theorist and advocate of socialist government,” F. A. Hayek “of the capitalist market,” and J. M. Keynes “of the wise elite that could mediate between them” (p. 6). From a sociological perspective his aim is to explain the effects the three had on British and American political ideology. As a work in political science, which as noted is where the book ends up, Hoover’s aim is to reform politics.

How does the psychohistory proceed? Hoover uses the terms competencies, communities, and commitments as markers of identity formation.¹ Consider Keynes. Hoover suggests that the key outcome of a complicated set of competencies, communities, and commitments in Keynes’s identity development was confidence in his and his fellows’ ability to use intellect to improve upon a world that was bound by religious faith, custom, and convention, a world whose course too often was set by stupidity. Over the course of his development Keynes was imbued by a sense of power of intellect and of the superiority of his own. This happened in several communities, in his parents’ Harvey Road home, then at Eton, Cambridge (the Apostles), and above all, among the Bloomsbury set. At Cambridge Keynes and his fellow Apostles confronted the conflict between Victorian morality and the pursuit of pleasure, from which emerged a morality based on aesthetics. “Keynes had learned to prize intellect above all, and the ‘all’ included conventions of morality, behaviour, political ideology, and deference. His apostasy from conventional morals was the fulfilment of his upbringing. Intellectual competence trumps community values” (p. 14).

¹ The terms for these markers in *The Power of Identity* (1997) are competence, integrity (integral-ity), and mutuality.

Hoover summarizes what is to be gleaned from the formation of Keynes's identity through his youth and early adult life:

The tug of war between Bloomsbury and British society was to have intriguing consequences for his developing competence as a theorist and policy maker.

Meanwhile, the unsettled nature of his intimate commitments left him restless and tentative in his connection to the surrounding society. The war would finally break open the tie that bound him to the conventions of the political establishment (p. 21).

Keynes's competencies allowed him to join the government policy communities in the India Office after Cambridge, and in 1915, the Treasury. These communities in turn enhanced and validated his competencies. His community at the Treasury affirmed his competence in financing Britain's World War I campaigns, opening for Keynes the world of public policy. Clashes between innovation and conventionality are a recurring theme in the account of Keynes's development. Hoover writes that in the 1920s Keynes began to synthesize these forces in his personal and professional lives. A shift from sceptical insider to assertive outsider in his professional life paralleled a change in his personal commitments from homosexual paramour to heterosexual husband. And so it goes.

This is compelling and lively biography, as are the accounts of Laski's and Hayek's lives. But aside from serving the necessary role as a frame of reference for telling the three figures' stories, I find little added insight from the psychohistorical themes of competencies, communities, and commitments. Put differently, one does not have to claim Erikson as predecessor in order to land on these themes in writing biography. They come naturally to biographers of public intellectuals. We can read Moggridge's (1992), and Skidelsky's (1983, 1992, 2000) biographies of Keynes using competencies, communities, and commitments as mental folders. Doing so we would miss little that is in Hoover's account, other than his synthesis and criticism. For the psychohistorical approach to yield fruit, we would expect insights along the line of Erikson's

claim that Martin Luther's rebellion against his father prefigured his break with the Pope, a rebellion with very important historical consequences. There is nothing so substantial in the psychohistory of Laski, Keynes, and Hayek.

Still another ambition for the book is to show how the ideas of Laski, Keynes, and Hayek contributed to political ideology. This large task is suggested in the title, *Keynes, Laski, and Hayek, and the Creation of Contemporary Politics*. The difficulties are several. Ideologies are ideas, but not all ideas, even all political ideas, are ideologies. What distinguishes the two? Also, we can ask about an individual person's ideology, but this ideology will have no power to shape politics unless it is widely shared by others. To be widely shared, ideas have to have their edges smoothed and their incompatibilities obscured. Ideas and ideologies can be visualized within a two dimensional space. Along the horizontal axis array, at one end, sets of ideas held by a single person alone, and, at the other end, held by every inhabitant of a community: single person ↔ entire community. Along the vertical axis array the ideas from, at one end, complex, abstruse, and idealized ideas to, at the other end, simple, evident, and concrete ideas: abstruse ↓ concrete. Ideologies of which practical politics are made fall in the quadrant holding sets of widely-held, concrete ideas.

The analytical tasks, in terms Hoover sets out, are to show how the ideas of each of the three figures are entwined with their personal development, and how their ideas were formed into political ideologies. Unfortunately the analysis is skimpy and not particularly convincing. For the three figures together analysis of connections between their personal development, ideas and ideology is confined to sixteen pages (chapter nine). Laski's ideas are products of rebellion, the first of which was rebellion from his family. Hayek's ideas are the product of conflicts including his desire to break the bonds of an unhappy marriage. Keynes's ideas are the product of a personal life without firm and constant moorings. The analysis verges on trite. For example, of Keynes we learn that:

He shared England's profound desire for a better, more certain path to security. It became his mission to create the assurance that intellectual mastery of economic forces was indeed possible. Living, as he did in the earlier half of his life, outside the norms of conventional society and within a community of dissidents, he was poised to press the search for a more promising "general theory" that embraced a larger moral and practical universe than "little England" allowed (p. 221).

Of Laski:

His life experience broadened the base from which he could mount his assault. The many communities that influenced his identity included his Manchester origins, an Oxford education, American and Canadian universities, his Jewish roots, as well as his early Liberal affiliation, the conversion to Labour, and his lifelong affinity for elite councils (p. 226).

Of Hayek:

A life experience of an irrational war, an ill-founded marriage, and a doctrinal disaffection with the dominant socialism of his time must have constantly reinforced the feeling of being subjected to forms of coercion that seemed arbitrary for not fitting with Hayek's own intellectual perspective and personal desires (p. 228).

The final part of Hoover's analysis is to draw implications for contemporary politics.

Which of the three ideologies is fertile ground for political progress in the twenty-first century? Laski's socialism died a half century ago and was finally interred with the collapse of the Soviet Union and removal of the socialist plank from the Labour Party constitution. So, for better or worse, it is off the table. In Hoover's view Laski's rebelliousness, in the end against his own Labour Party, did him in. Hayek's ideology is depicted as founded on a desire to justify his personal unfaithfulness in marriage as much as on ideals of liberty. On the level of practical politics Hoover finds Hayekian liberalism deficient for promising ever greater benefits from the

expansion of markets and reduction of government services. Politics grounded solely “on the assumption that the market is better than government (or vice versa) are likely to run the ship aground precisely because they are motivated by desire rather than practical navigation” (p. 266). Hayek’s ideological followers are extremists, and will suffer the same fate as the socialist extremists of Laski’s day.

This leaves only Keynes’s middle way standing. Situated safely between left and right, Hoover claims that the middle way is not after all an ideology. (It turns out that for Hoover ideology is the bane of politics.) The middle way calls for abolishing neither the market nor government. The middle way provides hope for good government, while the ideologies on the left and right do not. This hope for good government comes not from sorting out appropriate roles for public and private institutions. It is based instead on a call for wise, courageous, and public-spirited people like Keynes, who “understand the need for a complex interweaving of institutions, processes, and constitutional safeguards so that the excesses of any one institution may be limited, while its virtues are brought to the service of society” (p. 270). This conclusion is disappointing at best. Why would anyone need to read 270 pages on identity formation of three twentieth-century figures to come to the conclusion that good government requires wisdom, courage, and public spirit?

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