



# CAIUS EXPLORE

## Economics

### Question

Write an essay of around 1,000 words on the following prompt:

*'Is human dignity a factor of production?'*

### Background

This question challenges you to think about economics as a *social* science in the full meaning of the word. Much of the economics you may have studied up to this point has had you apply various models to answer questions of how scarce resources are (or should be) distributed. One question you may have wondered about is why the world today is richer in material terms than it was hundreds of years ago: why there is radically *less scarcity* today (in many parts of the world) than there was. In England, for instance, real GDP per capita has risen from an estimated \$1128<sup>1</sup> in the year 1000 to \$37,334 in 2016: per head of the population, Britain today is over 33 times richer than a thousand years ago!

The sort of models you are likely to have seen to date—ones that try to explain economic outcomes as a function of material factors such as land area, the size of the labour force, and the stock of physical (and even human) capital—struggle to explain this 33-fold increase. (And, conversely, the lack of a comparable increase in other parts of the world!) Because physical factors of production suffer from diminishing returns, we would need an increase of much, much more than a factor of 33 in, say, physical capital to explain the observed rise in output—and while the capital stock *has* increased dramatically since the Middle Ages, the increase is nowhere near big enough to explain the full rise in output. It is clear that what matters is not only the *stock* of factors of production but the *efficiency* with which they are used: what economists call *total factor productivity* and you may know as innovation.

Why has total factor productivity risen over time? Indeed, why has it risen much more in certain countries than in others, and why are some parts of the world that previously had low total factor productivity (for instance: East Asia, and increasingly parts of Sub-Saharan Africa) beginning to catch up? One idea that has been proposed is that there is an ethical dimension to economic growth: that it was the extension of dignity to wider and wider circles of society (for instance, as serfdom, the subordination of women, and racism has been and is being challenged) that unlocked their creative potential and drove innovation.

Your task in this essay is to explore the idea that human dignity is a fundamental cause of innovation over the very long run. This is a broad—and challenging!—question, and there is no single 'right answer'. Creativity and original insight is the main thing we are looking for. The suggested readings below will get you started, but reading and above all thinking beyond them will make your work stand out. In one word: innovate!

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<sup>1</sup> The data is from the Maddison Project, an excellent resource to explore economic growth over time across a wide range of countries. The units in which their estimates are given are US 'international dollars' (essentially a purchasing power adjustment), using 2011 as a base year.

## Guidance

This is a big question: one of the biggest in historical economic development and one that is fiercely debated. You will need to go beyond your comfort zone and bring together insights from the very frontier in economic research.

I give you three readings to start off with, by Deirdre McCloskey, Lisa Cook, and Caius' own Victoria Bateman. Start with the McCloskey one, as it will give you a set of ideas that should help you orient yourself in what the question is asking. Then go through the others. Don't get bogged down trying to get your head around every last point.<sup>2</sup> Read through quickly first to get the main ideas, and then go back and read more carefully the parts that you think might be useful for framing an argument.

In order to access these readings, you will need to [sign up using this link](#). We will then send you the readings by email.

Once you've read the papers, put all your outtakes on a sheet of paper—the larger, the better—and think about how they fit together. You may want to draw lines connecting them. Make sure to also include your own thoughts and responses. This should give you the raw materials to write the essay.

You should also think about the definition of a factor of production and whether it can include sociological factors as well. For instance, entrepreneurship is sometimes suggested as a factor of production. Do you think it makes sense to have non-physical things like entrepreneurship and dignity in the same category as physical stuff like land, labour, and capital? This does get philosophical. Remember: there is no single correct answer.

Then step away, at least to sleep on it but preferably for a few days. Keep coming back to your mind map and noting down new ideas that come to you. If there is any particular direction that's suggesting itself, do more reading and especially more thinking in that direction! The more creative your answer, the better!

Once you've let the ideas sit, it's time to formulate a *thesis statement*, which is a one-sentence answer to the question. For instance: "In this essay, I argue that being treated with dignity is necessary for innovation, and therefore dignity deserves to be called a factor of production." But this is just an example: feel free to disagree with the prompt, or to introduce your own angles to the discussion!

Then you will want to pick out three main points to anchor your body paragraphs. Each of these should be one argument in support of the overall case you're making. For instance, Point 1 could be that Cook's study of Black patent holders shows a large negative effect of violent racism on innovation by African-Americans. Point 2 could be your take on Bateman's argument that female emancipation was key to Britain's industrial revolution—and so on.

Once you've got your three points, it's time to start writing. Start with an introduction paragraph that puts the question in context and presents your thesis statement (that's your one-sentence answer to the prompt).

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<sup>2</sup> McCloskey in particular is intimidatingly well-read and throws it all in. Don't let that daunt you. You just need the main points.

Then create *topic sentences* that explain how the argument you will be making in each body paragraph provides evidence for your thesis. Use each topic sentence as a starting point for the body paragraph, and then spend the rest of the paragraph backing up your point with evidence and your own critical discussion. (Again, you are very welcome to bring in views and perspectives from outside the readings!)

Finally, bring everything together in a concluding paragraph that summarises what you have argued and ideally takes everything one step further. For instance, if you found that expanding dignity has historically mattered a lot for economic growth, it might be worth speculating about what this means for the civil rights movements we see around us today.

A note about referencing: *you will need to cite sources*. The most usual way to do this in economics is to use a footnote referencing system such as the Chicago style, with a bibliography at the end. [This](#) resource walks you through the process of using footnotes to reference material, and [this](#) page shows you how to make a bibliography. Using a citation manager program like Endnote, Mendeley, and Zotero is a major time saver and can automate much of the work for you. There is no reason for you to have to write out the bibliography entries by hand!

And there you go: that is how you write a Cambridge essay! It requires a lot of creative and independent thinking, but I've found the end result to be very rewarding. I hope you feel the same way when you're finished!

Good luck, and I heartily look forward to seeing what you come up with!

### Suggested Readings

*Three readings that argue that the expansion of dignity was essential to long-run economic growth...*

\*McCloskey, Deirdre. *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. Chicago and London: The University of Chicago Press, 2010. **Chapters 1-4.**

Bateman, Victoria. *The Sex Factor: How Women Made the West Rich*. Medford, MA: Polity Press, 2019. **Chapters 1-2. (Both available by [signing up here.](#))**

Cook, Lisa. 'Violence and Economic Activity: Evidence from African American Patents, 1870 to 1940'. Working Paper. Michigan State University, 2013. [https://lisadcook.net/wp-content/uploads/2014/02/pats\\_paper17\\_1013\\_final\\_web.pdf](https://lisadcook.net/wp-content/uploads/2014/02/pats_paper17_1013_final_web.pdf).

*And one that argues that 'conventional' factors of production, like labour and (human and physical) capital, are enough to explain growth in the long run.*

Mankiw, N. G., D. Romer, and D. N. Weil. 'A Contribution to the Empirics of Economic Growth'. *The Quarterly Journal of Economics* 107, no. 2 (1 May 1992): 407–37. [https://eml.berkeley.edu/~dromer/papers/MRW\\_QJE1992.pdf](https://eml.berkeley.edu/~dromer/papers/MRW_QJE1992.pdf).

Task prepared by Dr Thea Don-Siemion