

CHARLES DICKENS'S EBENEZER SCROOGE WAS THE ULTIMATE JOB CREATOR

There is probably no figure more emblematic of the greedy, penny-pinching capitalist than Ebenezer Scrooge in Charles Dickens's *A Christmas Carol*. Dickens is often seen as the chronicler of the injustices of the Industrial Revolution, including businessmen's cavalier attitude toward the welfare of their employees. Yet Scrooge, like many of Dickens's other archetypal characters, was a product of an earlier era, and in that context merits some defense.

By the tale's account, Scrooge was honest and frugal—perhaps excessively so. But there is something missing from Dickens's picture. The Scrooges of the world were the stewards of the scarce capital—the seed corn prosperity—of that earlier industrial age. Ensuring that it was used wisely and honestly was critical to the wealthier England in which Dickens lived.

In today's much wealthier age, Scrooges in the Dickensian sense are rare. Yet, some do persist in many of the world's poorer tribal enclaves. In fact, I knew one such "Scrooge" in my childhood home in Louisiana's St. Tammany Parish. The community, "Sixth Ward," was an isolated rural community some 50 miles north of New Orleans. It was a closely-knit community with a few major families and a small number of non-native residents. Like many "tribal" communities, Sixth Ward enjoyed a strong sense of egalitarianism based on kinship.

That communitarian spirit extended even to my family, even though we were "outsiders" with no local family connections. Moreover, we were Catholics in a community where everyone else was Evangelical

Christian. Still, our family quickly put down roots. My Daddy was the lockmaster at Lock # 1 on the Pearl River Corps of Engineers system, which brought him into contact with many of the locals. When my mother died, women from throughout the community brought us hot dishes and provided solace.

The comfort of community had a downside, however. Adam Smith's admonition that, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest" seems not to have gained many adherents in Sixth Ward, whose egalitarian and communitarian values made it hard for entrepreneurs to flourish and contribute to economic growth.

Every so often, a talented and enterprising individual would launch a new business, such as a sawmill, gravel pit, or butcher shop. Sometimes these endeavors would flourish, and the impoverished Sixth Ward (where many still lacked electricity and running water) would become a little less poor. But in this closely-knit community, success placed cultural demands on the entrepreneur. He would be expected to make place in his business for an out-of-luck Uncle Bill or Aunt Sally.

Often, that entrepreneur would give in to such cultural pressures and add these individuals to his payroll and the operation's efficiency would decline, often leading to its collapse. And with that collapse, the additional wealth that the entrepreneur had created would disappear, leaving the Sixth Ward a bit poorer and a little less prone to other entrepreneurial ventures. Some in the community would generally sympathize with that failure but still believe the entrepreneur had done "the right thing."

But there was one entrepreneur in Sixth Ward, “Old” Mr. Singletary, who resisted these cultural norms. He ran the local store and hired only those who worked hard and would accept the wages he offered. His store rarely offered credit and his prices were higher than those in the more remote city. Still, his store was one of the very few for miles, and thus essential to our community.

Not surprisingly, Mr. Singletary was widely regarded as selfish, as tight, a “mean” man. He was our local Scrooge, an individual who believed in the value of what he was doing and was willing to accept the social stigma of ignoring the cultural demands of others. He wasn’t admired, but his enterprise survived when many of others who gained greater cultural approval failed.

Dickens, I believe, in *A Christmas Carol*, was reaching back to the small communities of an earlier England, where the guilds took care of tradesmen, nobles took care of their lands and serfs, and everybody had a station in life, even if not much in the way of freedom or riches. He seemed not to have understood how the breakthroughs made by the Scrooges of that earlier age had helped transform England from a stagnant feudal society into the industrial powerhouse of his day. Certainly, he found nothing heroic or admirable in such individuals.

That is understandable. Indeed, from a Victorian perspective, Scrooge’s actions seem inexplicable. As F.A. Hayek recognized, our long tribal prehistory exerts a continuing influence on our views toward markets. The communitarian tribal mores “which are essential to the cohesion of the small group,” Hayek noted, continue to hold greater emotional

appeal than that of the market, even though they are “irreconcilable with the order, the productivity, and the peace of a great society of free men.” Civilization’s challenge, he believed, was to legitimize the morality of economic liberty, to move beyond the limited kinship-based exchanges of the past.

In that context, Scrooges may better be seen as symbolizing those transitional figures who were critical to the creation of a wealthier England—and a wealthier, fairer world. By demonstrating that markets better address the concerns of mankind than do the restrictive covenants of localized communities, these individuals paved the way to our modern world.

We have forgotten how much sweat, sacrifice, and painful cultural change occurred in our own history. The often painful steps out of poverty are more easily defended after the fact. We have come to realize that wealth cannot be given away until it is created, and that to criticize a practice because it falls short of what can be imagined gets us nowhere. Now, having escaped the poverty and cultural traps of Sixth Ward, I have much more sympathy for Mr. Singletary ... and for Mr. Scrooge.

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