Donald Winch

Economy and Polity

We shall not be able to avoid the term ‘political economy’ when discussing the two books before us, not least because it is an accurate historical label for the aspirations of many of the authors who form their and our subject matter. As both books show, the aspirations were shared across national boundaries, however much they may have given rise to rival claims to national priority later. But ‘political economy’ as a term has a contentious modern history, and it was the subject of verbal and other disputes during the period covered by Istvan’s book. Thus one of the emblematic figures who appears at the end of his introduction, Friedrich List -- alongside Alexander Hamilton, an archetypal theorist of economic nationalism -- believed that he was reinventing Colbert’s or Sir James Steaurt’s conception of ‘political economy’, rescuing it from Adam Smith’s perverted ‘shopkeepers’ individualistic science, the science List described, interestingly and misleadingly, as ‘denationalised’ or ‘cosmopolitical economy’. The title given to this session, ‘economy and polity’, provides us with a useful initial agenda for dealing with a central theme of both the books we are considering without these additional complications.

Clearly, the two books are the culmination of processes of gestation that have lasted over more than two decades. They are excellent illustrations of the virtues of early modern intellectual history as it has been practised in various academic locations during the past 30 years or more – a point I don’t need to labour before this particular audience. Both books provide interpretations of the work of some major figures of the European Enlightenment that are revisionist in the prominence they give to a dynamic relationship between ‘economy’ and ‘polity’ as the clue to modernity. The dynamic could be based on a comparative-historical study of the growth of opulence, or it could take the form of more or less idealistic projections into a hoped-for future. Both books are revisionist not only in the breadth and sophistication of the knowledge they bring to bear on the relevant texts and contexts, but also in the way they embed the economic dimension within the more familiar moral and political dimensions
of eighteenth-century intellectual life. Accomplishing this without giving it an overriding or deterministic character is still a difficult path to tread, though not perhaps as difficult as it was when Marx’s shadow was more prominent within the academy. The task of responsible revisionism has been to give proper recognition to the economic dimension without falling into the trap of believing that a politics that has limits set upon effective action by market forces is somehow emasculated, a form of anti-politics.

There are still political theorists who regard treatments of the economic dimension, especially ones as elaborate as that to be found in the *Wealth of Nations*, as fundamentally antagonistic to politics. Some North American academic factories, well known to Jim Moore and others here, continue to provide a regular supply of dissertations and books with this as their main theme. In this respect, if no other, they share a position with those upholders of ancient morality during the eighteenth-century who could see only ruin in commerce and the growth of urban luxury. Another tribe, the economists and those historians who cater for their tastes, reinforce this either by preoccupation with narrowly-gauged teleologies (asking how far eighteenth-century authors anticipate modern theoretical concerns), or by remaining wedded to an older, essentially nineteenth-century story of the rise of economic liberalism at the expense of the economic nationalism associated with mercantilism – a story that could also be told in reverse when *Merkantilismus* became firmly connected with the construction of the German nation state. We come close to ‘jealousy of trade’ here, the central theme of Istvan’s book on the political economy of inter-nation-state rivalry.

The background to this inquiry has been powerfully modified in recent decades by studies of fiscal-military states, especially the Hanoverian version of this. I am referring, of course, to the work of those political and economic historians who have revisited the zero-sum *Realpolitik* features of mercantilism with a view to showing how the brute facts of geopolitics and England’s comparative success in mastering the political economy of war and its financing played a major part in generating economic growth. Plenty and power are related to one another in ways that seem to conflict with the anti-étatist, anti-empire, and pacific priorities often associated with the name of Adam Smith.
Again, I don’t need to tell this audience, fresh perhaps from reading John and Istvan’s books, that this too is based on a nineteenth-century caricature of Smith that is almost as lopsided as the portrait of him that emerges from Friedrich List’s polemic. The cosmopolitan ideal of a free-trade world was an unattainable Utopia, the kind of speculation that was rightly expected of philosophers, but which did not relieve them of responsibility for engaging with the realities of retaliatory trade rivalry between large and small nations, monarchies and republics, and would-be empires in a world shot through with ambitions and enmities that had made war more common than peace in living memory as well as throughout history. Since we live, and live permanently, in a second-best world, we often have to use a lesser vice to curb a greater one; to make principled compromises, where possible, between the desirable and the possible. And since public opinion often and increasingly determined what was possible, any science of the legislator worthy of the name had to address those who were capable of influencing the conduct of legislators as well as the legislators themselves.

Mention of the public realm is as good a place as any to compliment John’s way of restoring determinacy to the Enlightenment. He has achieved this by combining a comparative study of Scotland and Naples with an approach that demonstrates intellectual cohesion by recourse to the constitutive ideas articulated in both historical locations. His reasoning is straightforward: since the Enlightenment, if it exists, has to be an intellectual phenomenon, its existence can only be proved via intellectual history. But those who prefer social and cultural approaches to ruling ideas and images will not be able to claim that these perspectives have been slighted. John’s detailed accounts of the politico-economic predicaments in which Scottish and Neapolitan ruling elites and their advisers found themselves, and his equally meticulous account of the respective ‘structures of intellectual life’ in both societies, provide a far more grounded historical account of the relevant contexts than those playful studies based solely on the indistinct notion of ‘discursive practices’. I don’t know of another comparative study that is as even-handed as this one, if only because it isn’t given to many to be as knowledgeable about two linguistic and politico-economic cultures as John has shown himself to be. Similarly with Istvan’s studies: I doubt if there are
going to be many readers who will be brave enough to accuse him of skimping over details when covering his chosen multinational territory.

But we haven’t gathered here simply to be nice to Istvan and John. My role is to suggest topics for further debate. I’d like to hear from others how they think that the interpretations on offer alter or fortify our understanding of various figures and issues connected with economy and polity. Let me go a little further in this direction by mentioning some figures. An instinct tells me that John’s pair of studies on Vico and Hume raises questions that could not be posed in any other way, though since they are theological rather than economic, I shall have to leave them to one side. But two other figures who are prominent in both books, as catalytic sources, Jean-Francois Melon and Ferdinando Galiani, certainly belong in any session devoted to economy and polity.

Let me ration myself to Galiani, whose provocative and not entirely unequivocal work, the *Dialogues sur le commerce des bleds*, defines the sceptical, anti-visionary, and pro-realist position. He certainly played this role in relation to the Physiocrats by arguing along *raison d’état* lines on the crucial subsistence question. On this he maintained that economics should always give way to politics; that policies should be adapted to local circumstances, and adjustments made according to time and place, meaning chiefly whether a state was small or large. So prominent a feature is this attention to the gap between theory and empirical reality that some have classified Galiani anachronistically as ‘a truly historical economist’. Other comparisons come to mind, the most familiar one being that with Mandeville’s amoralism. But I am not the first naive reader to sense the existence of *Das Galiani Problem* by asking how the later position of the *Dialogues* squares with the critique of economic Machiavellianism in Galiani’s youthful *Della Moneta*, a work whose entire discussion of value implies a degree of universalism that does not square with the later reputation for relativism in morals and much else. Do I have to follow Franco Venturi’s advice in saying that the realism of the *Dialogues* reflects the defeat inflicted by Galiani’s observations of the devastating effects of a famine that went well beyond regular *disette*? This makes it seem to be a problem of biography, which can often be an evasion for an intellectual historian.
I would rather approach it as a version of the problem mentioned in relation to Smith: that of striking the balance between the desirable and the possible, between what the ‘spirit of system’ dictates and the course a man of public spirit should follow. Having spent more time in Smith’s company than that of Galiani, I feel more comfortable with his compromises, those that fall short of frank acceptance of raison d’état and those problems that it should be left for a subsequent generation to solve. I think I know how many of Smith’s compromises were struck, especially when we have the lectures on jurisprudence and the Theory of Moral Sentiments to assist us.

John acts with modest responsibility as a historian by giving a terminal date to his work, 1760, though he has earned and cautiously allows himself some post-1760 remarks. Istvan drops a few more hints as to the enduring significance of the themes he has subjected to historical analysis. I would like to hear both of them speak with less inhibition about possible continuations or future implications of their argumentative narratives. Perhaps they could even tell us whether what they have done leads them to think of moving forward or backwards in future work. Let me see if I can provoke them by a further observation or two about possible forward moves.

I can think of at least four people in this room, one of them being myself, who have felt it useful to ask the question: what happened to the Scottish intellectual enterprise during the early decades of the nineteenth century? John and Istvan have both been attracted to the idea that Smith marks the point when some of the themes associated with civic humanism have come to an end. Post-Smithian political economy shows only a few degraded signs of such themes. Ricardo makes a brief appearance in Istvan’s chapters as an exponent of the doctrine of comparative advantage rather than for his contribution to the subsistence question that is central to the chapter on ‘Needs and Justice’. Shifting the scene to the English Poor Law debates of the first third of the nineteenth century gives Malthus a premier position; and I’d like to suggest that he presents promising ways of examining post-Smithian continuities and discontinuities.
This is plain in the case of Malthus’s use of the works of Steuart and Wallace, Hume’s opponent in the controversy about populousness in the ancient world, but I think it is more striking in the case of a feature of Smith’s position that does not get as much attention as I think it deserves in Istvan’s account of what made it stand out from that of his contemporaries. I am referring to the doctrine of productive labour, an essential part of Smith’s account of increasing opulence that was at least as peculiar to him as the stress on the division of labour. In shorthand terms, productive labour or productive consumption is another way of expressing the theme of Book II of the *Wealth of Nations* on frugality, prodigality, and capital accumulation; and it is a precondition for the processes of expansion via the division of labour analysed in Book I. It is what determines the proportion of the total labour force engaged in ‘useful labour’, the second of the two dynamic processes mentioned in the opening plan of the work.

Malthus is relevant here partly because, in 1798, he was the first to challenge Smith’s account of the unqualified benefits of capital accumulation; partly because in his later efforts to work out the political economy of what he called a ‘large landed society’, a society large enough to support a growing population from domestic sources, he was drawn back to a mixture of Physiocracy and Smith’s ideas on productive and unproductive labour, especially during the Napoleonic wars and the prolonged period of post-war depression. Faced with the smooth lines of teleological history constructed in the economists’ manner, I am normally drawn to hypotheses based on the capacity to discriminate difference and recognise intellectual discontinuity. But after reading such impressive accounts of the integrity of eighteenth-century or Enlightenment thinking, continuity begins to have its attractions. Or rather, if such complex structures of argument relating economy to polity had been erected by the 1780s and 90s, if not earlier, were they so fragile that they could not survive the French Revolution and the upheavals later (very much later) diagnosed as the Industrial Revolution? Perhaps this is a case where, as intellectual historians we should show ourselves to be less excitable than political and economic historians, less impressed by external events when dealing with the relationship of economy to polity.