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**Article**

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Economic Sociology: European Electronic Newsletter

**Provided in Cooperation with:**

Max Planck Institute for the Study of Societies (MPIfG), Cologne

*Suggested Citation:* Vincent, Julien (2002) : British "agencies of enlightenment"? Some remarks on the recent historiography of economic thought and policy, Economic Sociology: European Electronic Newsletter, ISSN 1871-3351, Max Planck Institute for the Study of Societies (MPIfG), Cologne, Vol. 4, Iss. 1, pp. 17-23

This Version is available at:

<https://hdl.handle.net/10419/155817>

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BRITISH 'AGENCIES OF ENLIGHTENMENT'?  
SOME REMARKS ON THE RECENT HISTORIOGRAPHY OF ECONOMIC  
THOUGHT AND POLICY

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There is a traditional difficulty in the way economists and historians have understood the place of Britain in modern European and world history. Whereas British economy is (or was) often considered the paradigm of all modern economic histories, by contrast historians have generally stressed the *peculiarities* of its policy and culture.<sup>18</sup> The question of how exactly to understand the influence of economists and economic science on policy raises difficulties not only for economic, but also for political and intellectual historians, and particularly to those interested in the sociology and history of economics. Although it is still unclear whether the role of British economists on policy should be considered paradigmatic or peculiar, it should at least be noted that this question has a long history as far as Britain is concerned. It is an old question, about as old as political economy itself, and it is a question that has sustained continuous interest since Adam Smith: in 1881, at a time when the whig interpretation of history left only few wonders about the link between political and economic progress, *The Times* referred to 'economists, [...]and similar *agencies of enlightenment*'.<sup>19</sup>

There has been a marked shift, in the last twenty years or so, in the way British historians understand the nature of this 'agency' and its supposed link to 'enlightenment'. A particularly successful model available in the 1960s and after to understand the relations between thought and policy in Britain came from American sociology, which was itself influenced by continental, mainly German, thinking on the way sociological factors shape the production and diffusion of ideas. A.W. Coats's groundbreaking work bears testimony to this complex influence. His program is summarized by the title of his collected essays, 'The Sociology and

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<sup>18</sup> There is a large literature on this topic. See particularly P. Anderson, 'Origins of the Present Crisis', reprinted in his *English Questions*, London: Verso, 1992 and E.P. Thompson, 'The Peculiarities of the English', reprinted in his *The Poverty of Theory*, London: Merlin Press 1978.

<sup>19</sup> Quoted in A. W. Coats, 'The Challenge to Free Trade: Fair Trade and Tariff Reform 1881-1914' in *On the History of Economic Thought*, pp. 268-83; my emphasis.

Professionalization of Economics'.<sup>20</sup> It is on the one hand a sociology of economic knowledge, and it is also, on the other hand, a study of the rise and recognition of professional authority within the community of economists, the political arena, and finally the public at large.

Coats's sociology of economic *knowledge* is such that, while distancing itself from any form of relativism or any 'imperialist takeover by presumptuous predatory sociologists',<sup>21</sup> it turns out to be a sociology of economics *profession* as well through the claim that economists 'cling to the ideal of scientific autonomy while at the same time seizing the available opportunities to participate in public policy discussion and decision making'.<sup>22</sup> Coats's case study of the 1903 tariff reform controversy illustrates his method. In Coats's view the 'Fourteen Professors' Manifesto', published in the *Times* in May 1903 against Joseph Chamberlain's tariff reform proposals, set off a chain reaction typical of the professionalization process. As other professors reacted to the Manifesto in the *Times*, and politicians such as Arthur Balfour warned against the dangers of partisan drifts, the controversy spread not only within, but also without the economics community. The public debate on free trade gained more self-reflexivity as it became linked to the question of where to draw the line between scientific and moral authority, while at the same time gaining more 'professionalism' in the handling of economic data. Professionalization can be described as a two-sided concept linking together the history of economics and economic history. As an 'agency of enlightenment' it consists in a virtuous circle in which competition for authority *within* the field improves economic debates *without*.

In spite of Coats's example, however, the sociological interpretation of economic thought and policy has been relatively neglected. In several important studies, British economic historians have rallied historians of political thought such as J.G.A. Pocock, Quentin Skinner and other writers associated with the 'Cambridge School'. They have stressed the importance of normative languages and explained how economic concepts can be incorporated in a broader political culture. What has variously been termed 'history of political languages', 'contextualism', or more simply 'intellectual history', insofar as it has been applied to economic thought and its influence on economic policy, can be described as a qualification of or even a reaction against the sociological approach to ideas and agency of which Coats's study of the 1903 controversy is a typical example. Here the emphasis is on language and culture rather than science and expertise. The 'agency' in question is one of construction of political meaning rather than 'enlightenment'.

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<sup>20</sup> A.W. Coats, *The Sociology and Professionalization of Economics. British and American Economic Essays*, Volume II, Routledge: London and New York, 1993.

<sup>21</sup> A.W. Coats, *The Sociology...*, op. cit., p18.

The case of Donald Winch, who has been a prominent historian of economics and of its role on policy for nearly four decades, illustrates well this historiographical evolution. After studying the role of classical political economy on government policy in the colonies, and then the penetration of Keynesian arguments on British and American Governments, he finally opted for a different approach. By the end of the 1970s Winch had started to be more interested in the historicization of economic ideas, putting Smithian arguments in the context of the languages of 'civic humanism' and 'natural jurisprudence' as defined by John Pocock and other historians of political thought.<sup>23</sup> Although his work on *Economics and Policy* of 1969, for example, was not explicitly sociological, it was perfectly compatible with Coats's view of the process of professionalization and of the growing interaction between economics and policy. By contrast, his later work on the late eighteenth and early nineteenth centuries, instead of discussing the influence of economic arguments on policy-making establishments, locates economic thought within a larger political and philosophical framework.

In marked contrast to the sociology of economics profession, which was never really influential outside the economists' community, this new approach to the history of economics has been notably popular among political historians. Starting from a rather conventional study of early nineteenth-century Tory governments, Boyd Hilton discovered the underestimated importance of evangelical social thought as a mediating agency between classical economists such as Smith or Ricardo and those nineteenth-century politicians who, for example, decided to put the scientific principles of political economy into practice with the 'New Poor Law' of 1834.<sup>24</sup> In Hilton's view the important question was not so much to trace the 'diffusion' of economic ideas as in some sort of centre/periphery model but to investigate the incorporation of notions of free trade and competition within the culture of the provincial middle class and Tory élite. His demonstration was based on a hitherto classic distinction between two notions of Free Trade:

*There were ... two discrete, if sometimes overlapping, models of Free Trade in the first half of the nineteenth century. The more familiar is that of the professional economists like Ricardo; the more widespread and probably more influential was that of*

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<sup>22</sup> *ibid.*, p24.

<sup>23</sup> Donald Winch, *Economics and Policy: A Historical Study*, London: Hodder & Stoughton, 1969; *Adam Smith's Politics: An Essay in Historiographic Revision*, Cambridge: Cambridge University Press, 1978. I. Hont and M. Ignatieff (eds), *Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment*, Cambridge: Cambridge University Press, 1983 is a systematic attempt to apply the method of the 'Cambridge School' to Adam Smith's political economy.

*evangelicals like Chalmers. The former was expansionist, industrialist, competitive, and cosmopolitan. (...) The alternative, evangelical, version of Free Trade may be characterized as static (or cyclical), nationalist, retributive, and purgative, employing competition as a means to education rather than to growth.*<sup>25</sup>

It is the latter, not the former, model that can help explain how economic theory shaped policy around the time of the New Poor Law. With his 'evangelical version of Free Trade' Hilton severed the study of early nineteenth-century economists (who are somewhat improperly referred to as 'professional economists') from the study of interactions between economic science and policy. Although he speaks of 'influential' economic ideas his suggestion is that this influence is really a function of how these ideas are interpreted and incorporated into an encompassing political culture.<sup>26</sup>

Such scholarly research, however, provides no sufficient proof that the 'professionalization model' as expounded by Coats is not still valid for at least part of the twentieth century. One possible answer to this objection is to consider a much longer period of time. Addressing the issues of the relationship between ideas and action and the changes in the politics of taxation between 1799 and 1914, Martin Daunton devotes only a few pages to the topic of professional economists. Instead, he concentrates on the 'language of taxation', which he sees as 'central to defining relationships between citizens and state, and to discursive construction of identities.'<sup>27</sup> Changing taxation policies are the spectacles through which Daunton examines the entire British political culture, and particularly the ways in which it was possible to 'trust Leviathan' in a country traditionally self-defined as liberal. This move away from sociology of knowledge and profession is justified at the beginning of his section on 'Economists and taxation':

*The language of economics could provide post hoc justification and authority. Above all, the debates over taxation referred to economists, using their language and concepts*

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<sup>24</sup> Compare Boyd Hilton, *Corn, cash, commerce : the economic policies of the Tory government, 1815-1830*, Oxford : Oxford University Press, 1980 ; *The age of atonement : the influence of evangelicalism on social and economic thought, 1795-1865*, Oxford : Clarendon, 1988.

<sup>25</sup> Hilton, *The Age...*, op. cit., p.69.

<sup>26</sup> As more recent research suggests, Hilton's notion of Free Trade 'culture' is a powerful tool that can be adapted and used by historians of the later period. Frank Trentmann has shown how local business communities helped shape a new culture of free trade in the late nineteenth century as classical political economy was replaced by 'economics' and the influence of evangelicalism started to wane. Frank Trentmann, 'The Strange Death of Free Trade: The Erosion of 'Liberal Consensus' in Great Britain, c. 1903-1932', in Biagini (ed.), *Citizenship and Community: Liberals, Radicals and Collective Identities in the British Isles, 1865-1931*, Cambridge: Cambridge University Press, 1996 ; 'The Transformation of Fiscal Reform: Reciprocity, Modernization, and the Fiscal Debate within the Business Community in Early Twentieth-Century Britain', *Historical Journal* 39 (1996) ; 'Political Culture and Political Economy: Interest, Ideology and Free Trade', *Review of International Political Economy* 5 (1998).

<sup>27</sup> M. Daunton, *Trusting Leviathan. The Politics of Taxation in Britain, 1799-1914*, Cambridge: Cambridge University Press, 2001.

*while often failing to grasp the logic of their argument, and frequently reworking the terms. The issue, therefore, is how the ideas of political economy enter into a more general political culture.*<sup>28</sup>

Daunton gives the example of Edgeworth's 'pure theory' of taxation of 1897, the influence of which 'was less in initiating change in fiscal policy than in removing the intellectual authority of the opponents of [progressive income tax]'.<sup>29</sup>

Whether Daunton's views on the subject are tenable as far as the twentieth century is concerned will remain an open question until the second volume is published. The 'Keynesian revolution' and the figure of John Maynard Keynes himself seem to encapsulate the whole range of questions asked by the sociology of economic thought and profession. After all, Keynes's inseparably theoretical and practical response to the Gold Standard and the Great Depression, his ability to go back and forth between academic and political circles, his influence as a polemicist, and above all his own self-reflexive thinking on the relationship between abstract thought and practical action, all these factors are undoubtedly part of the reason why historians believe there is a connection to explore between the economics profession and economic policy. In his 1984 article Coats, after complaining of the lack of serious research on Keynes' *General Theory*, concluded:

*If, as seems clear, there has been no comprehensive and systematic investigation of the historical and sociological, as well as the intellectual context of the most important single economics book published in this century, the case for the sociology of economic science requires no further support.*

This was just one year after the publication of Skidelsky's first volume of his biography of John Maynard Keynes. As was already clear at the time, Skidelsky did not follow the precepts of the sociology of economics. First, he had chosen the biographical genre in order to reconstruct the context of the *General Theory*, and second, he privileged the reconstruction of Keynes's philosophy and politics over the sociological conditions for the realisation of his incredible career and achievements.

What led Keynes to become one of the most influential economists of the inter-war years, in Skidelsky's view, is an idiosyncratic combination of Cambridge ingredients including Moorian ethics, Marshallian economics, and Keynes's own philosophy of probabilities, more personal ingredients including phenomenal persuasive powers and an ability to use his networks and

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<sup>28</sup> M. Daunton, *ibid.* p.138.

friends and finally, of course, the influence of contemporary events. Skidelsky arranges them into a rather unsociological recipe in which agency is explained both by personality and political philosophy. Central to his narrative is the analysis of Keynes's rejection of the evangelical or post-evangelical philosophy of time and ethics as described in Hilton and still present in the thought of Marshall or, later, of Robertson. Skidelsky's view of 'agency' is summarized in the way he characterizes the differences between Keynes and Robertson: '... in the end personality differences pulled their economics apart. [...] The sacrificial nature of Victorian economics -- 'Jam yesterday, jam tomorrow, but never jam today' -- was alien to Keynes's spirit [...]. For Robertson the struggle for a better tomorrow... was at the heart of the moral, as well as the economic, battle.'

Coats's sociology of economics was premised on the assumption that Keynes and Keynesianism were the terminus from which to consider the professionalization of economics. But studies of economic thought prior to the 1903 controversy seem to suggest that the professionalization paradigm is not always compatible with the exigencies of historical research. With Skidelsky the reaction to the sociological challenge, initiated by historians of the Scottish Enlightenment and of nineteenth-century England, seems to be complete: Keynes himself is considered from the point of view of intellectual history and political thought.

One way to explain the relative failure of Coats's program is to point out that it is in fact the influence of sociology altogether has been weak as far as Britain is concerned. In 1968 Perry Anderson claimed that the absence of a strong sociological tradition was the cause of a series of 'structural distortions' in the character of disciplines in Britain, including a political theory 'cut off from history', a history 'divorced from the exploration of political ideas', and an economic science 'dissociated from both political theory and history'.<sup>30</sup> It looks as if British scholars have found a remedy to these 'structural distortions' without having to sociologize the study of economic thought. Instead of seeing the history of all economic policy as the history of social and economic struggles, they have stressed, as ever, the importance of economic conversations and battles of ideas.<sup>31</sup> But another, more optimistic explanation, is that the sort of economic sociology advocated by Coats has become obsolete and that the history of political languages, together with the history of how economic ideas are assimilated and interpreted by key social groups -- such as political establishments and business communities --, leaves no room to the old

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<sup>29</sup> M. Daunt, *ibid.* p.145.

<sup>30</sup> Perry Anderson, 'Components of the National Culture' in *English Questions*, London: Verso, 1992, p. 103.

distinction between political and social history.<sup>32</sup> But, whatever explanation is privileged, the result is the same: as far as Britain is concerned, sociology is no longer a source of inspiration for historians of economic thought, economists, and similar 'agencies of enlightenment'.

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<sup>31</sup> On the nineteenth-century origins of this socio-economic reading of history see G. Stedman Jones's 'Introduction' to Karl Marx and Friedrich Engels, *The Communist Manifesto*, London: Penguin, 2002.

<sup>32</sup> See Gareth Stedman Jones, 'Une autre histoire sociale? (note critique)', *Annales HSS*, mars-avril 1998, n°2, pp. 383-394, particularly p.388-9.