

Review of Istvan Hont's *Politics in commercial society: Jean-Jacques Rousseau and Adam Smith*, eds. Béla Kapossy and Michael Sonenscher. Cambridge (MA): Harvard University Press, 2015, 138 pp.

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In the past decades scholars have come to revise the view that Rousseau and Smith were on opposite sides in their appreciation of commercial society. In *Politics in commercial society: Jean-Jacques Rousseau and Adam Smith* (posthumously published and edited by Béla Kapossy and Michael Sonenscher), Istvan Hont (1947–2013) takes the issue to a new level. He presents Rousseau and Smith both as theorists of commercial society, arguing that we still underestimate the extent to which they held similar aims and views. They were engaged in conversation with fellow contributors to the ongoing debate on how to balance self-love, growth and stability through politics in commercial society. Emphasizing their extensive common ground, Hont highlights the riddle of why they held such different views on politics. Aiming to solve this riddle, he reconstructs the political theories of Rousseau and Smith, arguing that the themes and concerns of their contrasting visions of politics in commercial society still define tensions in modern politics.

In the first two chapters Hont maps out the agreements and disagreements between Rousseau and Smith. He places them in the Hobbesian, selfish tradition, engaged in refining the moral foundation of selfish theory. While agreeing with Hobbes that humans have no inborn sociability, Rousseau and Smith rejected the Hobbesian claim that sociability only arises after sovereign power is established by contract to control the disruptive human desire for recognition and superiority. Instead they offered a conjectural history of law and government, explaining the rise of sociability and pre-political consensus out of need and utility. Sociability as well as morality are the natural outgrowth of development through which humans learn the benefits of cooperation and cohesion. Along the way, however, people also start to compare themselves, evoking envy and the desire for recognition and superiority

with the inevitable result of dissension and conflicts. Thus Rousseau and Smith sought to explain how passions and judgments linked to self-love became the building materials of a working moral enterprise.

Given their alternative view on the origin of sociability, Rousseau and Smith had no need for Hobbes's absolutism, which neglects pre-political consensus and commercial sociability. Commercial society, interpreted by Hont as a halfway house between Tönnies's 'Gemeinschaft' and 'Gesellschaft', reflects this tension between pride-based and utility-based sociability. Hont argues that the tension between these two types of sociability has been pinned on Rousseau and Smith as if they were in two minds. The well-known Adam Smith problem has a precedent in Rousseau. Both 'problems' concern the (in)compatibility of *amour-propre* and compassion in commercial society, and lead up to the question of how inherent tensions need to be complemented by government to arrive at a stable social order. If commercial sociability is a product of historical evolution, how does politics develop from pre-existing sociability and how can the rise of justice and government be plotted?

Despite all similarities, Rousseau's and Smith's sketches of the historical development of law and government bring to light that views diverge on law, liberty, property, and inequality. As a consequence, Hont shows in chapter three and four, Rousseau and Smith developed very different visions of politics. One bone of contention is the question of what comes first: judges or the law? Rousseau, arguing from a contractual perspective, claimed the primacy of the law, taking his cue from Locke. Locke had argued that natural authority based on trust was bound to be corrupted with economic development. The institution of private property and the invention of money allowed accumulation of wealth, which increased inequality and created conflicts, only to be solved by establishing a legalized regime by social contract. Economic development fuelled by *amour-propre*, Rousseau concurred, inevitably leads to corruption. Following Hume in rejecting contract theory, Smith took the opposite view. First, societies created judges out of necessity. Coming to fear their (arbitrary) power, people aspired to make judges accountable to certain principles of law. The resulting security and liberty allowed the long run benefits of commercial society—more equality and material well-being—to materialize.

Here we meet with the second author (besides Hobbes) by whom Hont frames his comparison of Rousseau's and Smith's views:

Montesquieu. In Rousseau's view, Montesquieu got it all wrong in his theory of modern monarchy. A monarchy can be a *res publica*, but not if it is based on inequality. Such a system of inequality does not square with the rule of law, while commerce, *amour-propre*, and a culture of honour cannot be relied upon to stabilize such a system. On the contrary, Rousseau argued that the social contract, superimposed upon the poor, established an unsustainable legal equality because it legalized inequality of property at the same time. Socio-economic inequality, Rousseau asserted, breeds legal inequality and results in despotism. Reform would not help as long as the basic culture and underlying economic system of inequality remained intact. Hence Rousseau's search for a way to escape this culture in *The social contract* and his claim that a republican culture must be able to harness *amour-propre* through a collective "I".

With his alternative history of *amour-propre*, sympathy, law, and liberty, Smith tried to show that it might work. Answering Locke and Rousseau, Smith painted a different history of political authority. He sketched the rise of authority from power as the spirit of conquest gave way to the spirit of commerce, with law and liberty following in the wake of commerce. Wealth is part of this process in becoming an important source of authority and legitimation. Instead of greater inequality, the rise and growth of commerce and cities fosters greater equality. History revealed that this was not a linear process. Despite their advanced state of development, the Greek and Roman urban republican states fell victim to shepherd societies when they failed to upgrade their communal mode of defense and mode of warfare. Instead, the wealth and luxury acquired by conquest caused a struggle for recognition and power, undermining conditions of equality and Roman's civic nature and military prowess.

Why were the ancient republics destroyed by luxury if they knew its destructive power? Hont uses this question in chapter five and six to inquire into the differences in the views of Rousseau and Smith on political economy. Neither wanted to ban luxury. The question is how to benefit from the imaginative passions and its culture of artificial needs in terms of civilization, without becoming enslaved by one's needs and without being lured into (self)destruction.

Hont argues that Rousseau proposed a theory of balanced growth to redress the imbalances that developed with the growth of cities, luxury, and industry. Despite the fact that it is private property that allows

needs to expand beyond basic requirements, taking the sting out of luxury does not require that private property be abolished. Although resulting inequalities do set relations between rich and poor on edge, the rich need the poor: who would satisfy the need for superiority of the rich if it wasn't for the poor? Imbalances result first and foremost from the unjust operation of markets and economic enslavement or dependency. Moreover, he criticizes the dominance of industry over agriculture (and of cities over the country) following from the invention of metallurgy, escalating the growth of artificial needs and resulting in demographic crises and social collapse. Rousseau called for a taxation state to correct these imbalances and to avert the threats of luxury. Far from crusading against growth or innovation and certainly not arguing the need to have a backward, self-sufficient country that turned away from competition, Rousseau aimed to replace the culture of artificial needs. True honour was to counterbalance *amour-propre*, creating a positive emulation, whereby people would try to distinguish themselves in a non-monetized way that produced collective improvement.

Smith agreed with the need for balance but interpreted balance differently. Growth of (artificial) needs should be seen in relation to the growth of productivity before it can be judged as corrupting or not. Likewise, imbalances between industry and agriculture are only damaging if terms of trade remain unfavourable. Moreover, exploiting these imbalances is what got Europe rich and powerful. Smith argued that the commerce and industry of the cities gradually reintroduced law and liberty after feudalism. Here Smith points out the dangers of theoretical history. What really happened may well be very different from conjecture. (Northern) Europe was a case in point, Smith contended in *The wealth of nations*, showing how the natural progress of opulence had been completely reversed. He linked the rise of commerce and the demise of feudalism to one causal factor: the same luxury that had destroyed the Roman republic states (and which lingered on in the surviving Roman towns). Feudalism self-destructed as feudal lords bartered away their position of power for baubles and trinkets, preparing the way for strong central governments.

Combined with the superiority of European shipping and military technology, Europe gained dominance in the world and secured a huge external market. It boosted economic growth as well as economic and military competition between states. Smith describes the mercantile system, founded upon national animosity and jealousy of trade, as a

symbiosis of power, commerce, and empire. Here Rousseau and Smith agreed. States seek recognition and, spurred by nationalism, a nation's *amour-propre*, engage in war to claim superiority in wealth and power. Conflicts turned into a zero-sum game. Putting commerce into the service of conquest, however, was a dangerous road to travel along and therefore government should withdraw from economic intervention. Smith argued that knowledge is always inadequate for government to realign Europe's economy according to a pre-conceived model of balanced growth. Consequently he disapproved of planning or (institutional) reform by absolute power based on theoretical fantasies to ensure balanced growth. At the same time, Hont claims, he tried to extend Rousseau's views on honour and competition to the international arena. Thus Smith argued the need for international emulation (competition without national animosity but based on the love of mankind) to eliminate the harmful effects of national prejudice and envy.

Visions of politics thus diverged between Rousseau and Smith given their different assessment of the consequences of the rise of commerce, their differences about the external and internal dynamics of commercial society, and in particular about political economy. Hont notes that Rousseau and Smith failed in their objective of clarifying what type of politics best fits a commercial society. Perhaps this was inevitable as there are no definite answers: the questions they struggled with are still with us today.

The book is a welcome addition to Hont's influential writings on eighteenth-century political and economic thought. Admirably surveying and putting the views of Rousseau and Smith in context, he offers challenging claims about their place, aims, design, and conclusions in the eighteenth-century debate on law, liberty, and commerce, once again broadening the scope of scholarship on the subject. Given the breadth of knowledge and comprehensive understanding required, such an undertaking means setting oneself up for a real challenge. Add the fact of Rousseau's and Smith's failure to finish their projected work on the history of law and government, whereby any attempt to write out their vision of politics is a reconstruction, extrapolating from the bits and pieces that we do have. Hont, moreover, was unable to finish his own project. The book is drawn from a series of six lectures on Rousseau and Smith that Hont gave at the University of Oxford in 2009. These

lectures were intended to be worked up into a larger study, which was to include Kant and Marx. As a consequence, the book is full of ideas, fascinating panoramas and sweeping statements, which are insufficiently worked out and substantiated.

Sparingly supported by argument, the way Hont develops his story keeps raising questions. He builds his reconstruction from rather imprecise and multi-layered concepts like commercial society, commercial sociability and an ill-defined Rousseau problem, unhelpful to give substance to the classifications and qualifications used in telling the story. It leads to non-conclusive arguments that leave the reader unconvinced. Was there really such a close resemblance in Rousseau's and Smith's views, as Hont asserts, or is he so eager to show a close resemblance that he ends up overstressing similarities? Or take the way he equates *amour-propre* with the desire for superiority, focusing on pride or *amour-propre's* excessive and disruptive side. Leaving out the innocuous form of self-esteem, which was often seen as an instrument of virtue, allows Hont to present a contrast between pride-based and utility-based sociability by which he frames differences between Hobbes and Rousseau/Smith. In addition, Hont's emphasis on the views of Hobbes and Montesquieu as the key points of reference in the development of Rousseau's and Smith's own views cries out for careful argumentation. It is certainly true that Rousseau and Smith built their visions by assembling useful parts from various authors, fitted to their own purposes. But why such a strong focus on Hobbes and Montesquieu? Why is for instance Mandeville left out of the equation? This is a serious omission because Mandeville's historical account of the rise of sociability in the second volume of the *Fable of the bees* is a more likely benchmark than Hobbes's absolutism.

These choices colour the story. History, whether taken in a theoretical sense or not, is to Hont's Rousseau and Smith a display of failures. The failure of the Roman republic to put its advanced economic state into lasting prosperity, the failure of the feudal lords to resist the temptation of luxury, the failure to achieve balanced growth between agriculture and industry. Only unintended consequences seem capable of giving the story a positive twist for Smith, whereas Rousseau remains unconvinced about the whole project of politics in commercial society. No wonder that Hont presents Rousseau and Smith as Epicureans, influenced by the dark overtones of Augustinianism, and as theorists of the selfish tradition. Without much ado, Hont wrests Smith away from

the natural jurisprudence tradition. Although wary of the way traditional categories are often used as labelling devices, clearly Hont does not eschew the use of such labels himself, but often he leaves us guessing about his reasons.

Renowned scholar that he was, Hont surely had his reasons and it is a great pity that he was unable to further substantiate the views and claims he provocatively painted with broad strokes in his lectures. However frustrating it sometimes is that we have to content ourselves with the text of the lectures, the presented views are breathtaking. Bringing the debate on Rousseau and Smith to a new level, the book is a must for everyone interested in eighteenth-century thought and the intellectual origins of today's political issues.

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