



The European Journal of the History of Economic Thought

ISSN: 0967-2567 (Print) 1469-5936 (Online) Journal homepage: <http://www.tandfonline.com/loi/rejh20>

Liberalism and enlightened political economy

José Luís Cardoso

To cite this article: José Luís Cardoso (2015) Liberalism and enlightened political economy, The European Journal of the History of Economic Thought, 22:6, 934-948, DOI: 10.1080/09672567.2015.1088878

To link to this article: <http://dx.doi.org/10.1080/09672567.2015.1088878>



Published online: 01 Oct 2015.



Submit your article to this journal [↗](#)



Article views: 192



View related articles [↗](#)



View Crossmark data [↗](#)

Liberalism and enlightened political economy

José Luís Cardoso

1. Introduction

The emergence of political economy as an autonomous scientific discourse was an intricate process, with complex roots and a multiplicity of factors involved. It is not my purpose to deal here in detail with this process, though it is worth considering some of the major circumstances explaining the formation of a new kind of economic discourse.¹

First of all, it was necessary that economic phenomena and problems became established as an everyday reality that required comprehensive attention. In other words, it was necessary to isolate and identify a subject that came to represent a permanent motive for constructed knowledge. This condition was met from the late fifteenth century onwards, when the western economic world underwent gradual yet profound changes that led to the emergence of an abundant economic literature. Such writings were not only intended to justify new forms for the political reconciliation of the interests of different social groups connected with the revival of mercantile activities, but also sought to explain the theoretical, technical, and practical problems arising from these same activities. The formation of political economy as a science was largely the result of the advances brought about by (what we usually label as) the mercantilist economic literature produced in the sixteenth and seventeenth centuries and the first half of the eighteenth century.²

Address for correspondence

Institute of Social Sciences, University of Lisbon, Av. Professor Anibal Bettencourt, 9, Lisbon, 1600-189, Portugal; e-mail: jcardoso@ics.ul.pt

1 I have discussed these issues in Cardoso (2004, 2014). I borrow from these previous contributions, which serve as the starting point for linking together the arguments presented in the Presidential Address to the 2014 ESHET Conference, devoted to the theme of “Liberalisms: perspectives and debates in the history of economic thought”.

2 The secondary literature available on mercantilism is immense and dispenses with the need for specific references. Among the works from the established historiographical canon, Letwin (1963), Winch (1973), Appleby (1978), and Hutchison (1986) still offer insightful reading. More recent developments on

These economic transformations, associated with long-distance trade and new global trade routes, new patterns of internal and external demand, and new productive structures, also gave rise to different perceptions of a reality that was now being understood through numbers, calculations, measurements, statistical information, and political arithmetic. The development of double-entry bookkeeping suggested the acceptance of the principles of methodological exactitude, precision, credibility, and accuracy that represented the essence of the “modern fact”, all of which structured the innovative modes of reasoning used by the emerging sciences of wealth and society (Poovey 1998). Practical knowledge and the instruments and processes used for capturing the empirical world consequently represented the accumulated capital of a cognitive experience that was essential for the improvement of a modern economic perception of the world.³

Discussion of the foundations of modern political economy also inevitably implies making close contact with the developments of seventeenth and eighteenth-century European philosophical thought from Bacon to Hume. This theme has been the subject of regular investigation, not only from the point of view of the genealogy of the inductive and deductive methods of political economy and the processes involved in the construction of knowledge within this scientific environment (Redman 1997), but also in terms of the more general acceptance of the identification of the empirical and rational elements inherent in the formation of economic discourse (Coleman 1995).

Another important point I would like to emphasise is the close connection between the formation of political economy as a science that sought to explain the logic whereby trade operations and commercial relations worked out, and the understanding of these market procedures as the outcome of a natural order of things. Although the notion of a science of the market was still far from being clearly formulated, there were innovative approaches explaining the emergence of more complex market mechanisms. To explain this argument, two distinct, but complementary, paths can be followed.

The first one is the study of the framework provided by the philosophy of natural law for interpreting the foundations of social and economic organisation. The existence of universally accepted natural laws that are inherent in human nature, the belief in a natural, spontaneous, harmonious, and self-regulating order, were crucial elements for explaining the

this topic include Magnusson (1994), Ekelund and Tollison (1997), and Finkelstein (2000).

³ See also Perrot (1992) and Finkelstein (2000).

economic functioning of a commercial society. I shall develop this topic in the next section.

A second interpretation of the natural order refers to the physical world described by the natural and exact sciences. In the second half of the eighteenth century, the term *natural history* was the one that was most frequently used and which best expressed the concerns relating to this subject of study. Natural history occupied a crucial position in the genesis of political economy, insofar as it constituted a duly established and cultivated field of knowledge, providing links and heuristic connections that consolidated the discourse of the new science, not only in relation to the procedures involved in the formation of knowledge (observation and experimentation), but also in relation to the definition of fundamental interpretative principles (order, equilibrium, stability, harmony). Despite the relevance of this research avenue, I shall not deal with it in this presentation.

2. Natural law, sciences of society, and political economy

The study of the relationship between natural law and political economy is almost unavoidable in any analysis concerning the process by which political economy emerged as a social science in its own right. Among the many authors who could be quoted to illustrate this question, it is worth remembering J.A. Schumpeter, for whom the extent and importance of the study of natural law goes far beyond the limited scope of economic science:

The first discovery of every science is the discovery of itself. Awareness of the presence of a set of interrelated phenomena that give rise to 'problems' is evidently the prerequisite of all analytical effort. And in the case of the social sciences, this awareness shaped itself in the concept of natural law. (Schumpeter 1954, p. 107).

The natural law roots of the social sciences are grounded in the idea that there exists a natural system of universally accepted and applicable rules and norms, resulting from the attributes of human nature and the needs of the social organism. This means that there exists a natural harmony which excludes any type of transcendent design, and which enables man to simultaneously become aware of the order that governs him and to make himself responsible for his own destiny.

According to this new cognitive attitude – which can be traced back to the civic humanist literature of the Renaissance era (Pocock 1983) – man ceases to be thought of in one single dimension. Human action, considered in its different manifestations, becomes the object of specific, though fragmented investigation, thus producing the conditions required to

break down a large-scale knowledge into the multiple autonomous areas of learning that are the *raison d'être* of the variety of scientific fields claiming to promote the study of man and society.⁴ One of these objects of research underlines the fact that the fulfilment of individual natural rights implies the satisfaction of economic interests and objectives.

We are thus led to isolate the economic dimension of a natural man who struggles to satisfy his immediate, fundamental interests and who rationally premeditates the most efficient means to obtain expected goals. In order to survive, he/she must produce and exchange, and since the meaning each individual attributes to his/her action encounters either convergent or different meanings, complex economic relations are inevitably established, requiring an explanation, or, paraphrasing Schumpeter once more, the phenomena give rise to problems of which an awareness must be formed. The possibility that political economy develops its conceptual corpus autonomously is, therefore, the first meaning one may draw from this process of emergence of a science shaped from its early origins by the philosophy of natural law.

Another meaning to be borne in mind relates to the doctrinal burden associated with the idea that self-interest spontaneously favours the achievement of social welfare. Self-interest and social welfare are not to be regarded as two distinct, incompatible endeavours. First and foremost stands the individual, and it is precisely free, spontaneous, individual action that is felt to ultimately produce social harmony in society. Belief in a spontaneous social order is the doctrinal expression of the desire and will to overcome the obstacles preventing the full exercise of individual economic activity. In this sense, the individualist, liberal ingredient of natural law commands the analytical efforts of the rising economic science (see Force 2003).

The triumph of economic individualism implies the possibility that individual economic agents (or economic agents acting as a group) were able to rid themselves, in a first phase, of the moral and religious authority of the Church, which imposed strict norms of behaviour, and, later, of the political power and authority of the State, whose interventionist propensity prevented the natural order of things from acting for itself.

⁴ For a general account of the specificities of the leading natural law theorists, see Tuck (1979), Buckle (1991), and Haakonsen (1996). A brief outline of the principal distinctions, in which particular attention is paid to the economic implications of natural law theories, as well as to their relevance for the formation of the concept of human sociability, is provided by Hont and Ignatieff (1983), Brown (1984), Clark (1992), Larrère (1992), Young and Gordon (1992), and Hochstrasser (2000).

The emphasis given to justify a spontaneous process of socialisation as a natural outcome of the interaction of multiple agents becomes clearer with the increasing acceptance of the formula *laissez faire, laissez passer*, which apparently expresses the essence of a liberal vision of the world. This expression succinctly highlights the involvement and economic consequences of the role played by individuals, and it is through such a formula that a new mode of understanding takes shape, together with a new way of being aware of the phenomena and problems associated with private or public economic life. Individualism and *laissez faire* attitudes, therefore, become the key elements of an economic doctrine that is nourished by the legacy of the philosophy of natural law.

However, it should be noted that the impact of such ideas on economic literature began to come to light in some writings of the sixteenth and seventeenth centuries, produced at the height of the mercantilist era. This means that it is not only the renewed philosophy of natural law that provides a doctrinal framework conducive to the triumph of individualism. Moreover, in allowing for individual economic agents whose contribution to mercantile activities becomes more and more significant, the constantly changing economic world itself gives rise to the formation of a critical outlook vis-à-vis the extra-economic factors that determine their actions.⁵

The emergence of an autonomous discourse, which treats the economic dimension of human action as a proper category of analysis, is related, up to a certain point, to a belief in a spontaneous economic and social order. This belief, in turn, implied less State intervention in the economic sphere. Herein lay the different attitude of authors who broke free from the mercantilist tradition. However, the harmony of civil society may not prove to be an immediately attainable objective, which is why it would be advisable to accept the intervention of a correcting force in the natural order. In other words, the State is trusted with the task of preserving the stability of the natural order.

It was for this reason that authors who were acknowledged or regarded themselves as champions of individualism and *laissez faire*, voluntarily or otherwise, upheld the role of guardian of the temple, which the State should rightfully perform.

Finally, it is worth highlighting the essence of the question addressed: adherence to the principles of economic individualism and *laissez faire* (cast in the natural law tradition) was a doctrinal and dogmatic commitment that contributed to the autonomy of an economic object as a

⁵ The historiographical tradition is very rich in relation to these questions and goes back to Chalk (1951), Grampp (1952), Viner (1959), Dumont (1977), Horne (1978), and, above all, Appleby (1978).

category of analysis, but did not, by itself, establish the specific analytical procedures of a science aspiring to build up its own identity.

The problem at issue is, once again, how to account for the way in which the satisfaction of self-interest becomes the realisation of social welfare, how to account for the way in which private vices become public virtues, how, in short, to account for spontaneous social harmony.

A number of different reasons have been offered to explain these issues in the course of the seventeenth and eighteenth centuries: prospects that were somewhat catastrophic; an absence of faith in the socially constructive nature of individual passions and interests, which led to an appeal for the submission of civil society to a powerful State; more optimistic standpoints related to the benevolence inherent in human nature, which would act as a kind of preventive, controlling force in the face of possible individual excesses; standpoints which endeavoured to understand social order as subject to a moral attraction similar to that of gravitation, as observed in the physical world. However, in each case, we are confronted with (political, psychological or philosophical) explanations, in which the answer to the problem of the harmony between private interests and public benefits is provided by exogenous forces.⁶

Political economy still remained in a state of expectation, awaiting the moment when the actual economic explanation to the problem could be found. Several authors helped to anticipate that moment, offering different inputs to fix a coherent interpretation of a commercial society that should be conceived as a set of economic relations binding the autonomous interests of different groups and actors to a common project.

3. Enlightened political economy: liberal, *ma non troppo*

The second half of the eighteenth century showed signs of an economy and a society subject to a substantial process of transformation. Some of the changes were not yet perceptible by contemporary thinkers, though there was undeniable evidence of societal innovation, as well as of improvements in the standards of living. Clearly, moral philosophers and political economists alike were not absolutely aware of the extent and the far-reaching consequences of the changes taking place in Enlightened Europe, in the context of both the Industrial Revolution and the French Revolution. However, their claim was that both the economy and society could be improved and that material life would get better if changes were made in

⁶ For a detailed characterisation of these explanatory types, see Myers (1983, 11–89). Somewhat different (though to some extent complementary) standpoints are to be found in Hirschman (1977) and Teichgraeber (1986).

the way institutions were set up, according to the advice provided by enlightened ideas of reform.

In this section, I will discuss the relevance of a broad concept of enlightened political economy, based on three main ideas, which can easily be considered to be grounded in liberal elements, but which also extend beyond a conventional liberal programme: (i) the defence of the virtues not only of private wealth, but also of the opulence of nations as the result of a will to institute new rules of behaviour and instil new habits of life in society; (ii) the belief in the capacity to reach increased levels of prosperity – public happiness and the betterment of society; and (iii) the defence of the moral advantages of the commercial society as a model for the organisation of collective life.

By giving emphasis to common features linking together a diversity of approaches, one should not conclude that there is a single interpretation or sole vision of the issues under scrutiny. Debate and controversy were crucial to identify oppositions between authors who put forward different scientific economic discourses, as well as different doctrinal interpretations of the relationship between private interests and public good. It is precisely the acknowledgement of such differences and oppositions that make particularly relevant the assumption of a convergence of features contributing to a common ground labelled as enlightened political economy.

Enlightened ideas strengthened the role of useful knowledge applied to the study of social and economic problems and as an indispensable element in the education of the ruling elite. Acknowledgement of the maturity of the science of commerce as a field of intellectual inquiry and practical application to foster economic reforms – political economy as a science and art, as a theoretical exercise and as a practical field of problem-solving – was unconditionally welcomed. The critical stance adopted in relation to the Church's monopoly over cultural and educational affairs, the plea for a new type of lay ethics, the fight against the primacy of canonical law as incompatible with a modern, regalist notion of the State's sovereignty, were also issues clearly presented in the economic and political literature of the Enlightenment in different countries across Europe, as well as in overseas colonial territories.

The political economists of the second half of the eighteenth century were concerned with the physical and moral causes of economic backwardness, and were naturally receptive to policy measures that were driven by the need to enhance the population's skills, leading to the greater wealth and power of their nations. In some regards, there was an acceptance of the extended liberalisation of economic mechanisms and institutions, especially as far as the defence of free competition in the internal market

was concerned. But the typical enlightened disclaimers were also present: the submission of private property and individual economic agency to the rules of the common good and of public purpose; the constraint on individual actions determined by the rationale of civil society, and the trust in the role of the State as a factor of progress and development.

This new science of the commercial society and of the modern institutions that served the dynamics of the emerging industrial capitalism was also a science that was placed at the service of the legislator, with added responsibility in the design and implementation of the new functions granted to the State (see Haakonssen 1981). It was, therefore, crucial to spread the good news concerning the interpretation and monitoring of economic life.

According to the tradition inherited from Quesnay – which was also previously developed, among others, by Petty, Boisguilbert, and Cantillon – the economic process was conceived as a circular flow, in which the relations between the different classes are presented in the form of a circuit wherein landowners, producers, and consumers cross one another's paths in a given period of time and ensure the reproduction of economic activities in the following period. However, the notion of economic equilibrium that arises in Quesnay's writings was not fully endorsed by other contemporary economic thinkers, who were not motivated by the structural dimension of the functioning of the economic circuit and who, therefore, followed different strategies of argumentation.

Among the continental authors, there were certainly admirers of the English example, authors interested in explaining how England had reached its supremacy and economic power, and showing what the main English achievements had been in building up a commercial society. This was an approach that implicitly claimed that any other nation could follow the same steps and emulate England on its path to progress and growth. Such a process did not imply the enlargement of borders or the conquest of other territories. Commerce was a key element, but not the only way to catch up. It was also necessary to create industrial power and to reinforce the means to face economic competition on an international scale. Political economy was precisely the science that could help to understand how institutions could be reformed to create the conditions for mutual benefits in commerce. Free trade could not be supported abstractly, but only if it served the purpose of increasing the wealth of the nation.

Through the works of Forbonnais, Hebert, the Gournay group, Galiani, Genovesi, Necker, the physiocrats, Turgot, Smith, and many others, enlightened political economy conveys a notion of the commercial society that challenges the conventional reconstructed vision about the role of market mechanisms and the ability of *laissez faire* to foster economic

development. Increased production, innovative entrepreneurship, and technological change are key elements for understanding the path to economic growth, but should by no means be solely considered as the outcome of individual agency in competitive markets.⁷ Furthermore, economic interaction is not only a consequence of *doux commerce*, but also of the jealousy of trade (Hont 2005). Commerce is not always peaceful. Since economic development depends on competitive value-added export goods, conflict and war may be needed to reach such a goal and ensure hegemony. Rivalry is a natural outcome of the relationship between countries seeking to increase their material welfare. Therefore, emulation emerges as the other side of the coin, replacing jealousy as a means to attain the common good.

This approach is a way of dealing with the history of the emergence of political economy which challenges the reconstruction operated by historiographical traditions that do not always properly address the combination of individual action with the State's responsibilities in ruling the natural order of markets and society. It also challenges the usual way of dealing with the liberal ideal as the sole building element of the science that explains the functioning of markets.

Starting from the assumption that individuals know perfectly well how to satisfy their own interests, both as producers and consumers, and assuming that such satisfaction corresponds to a defining feature of human nature, enlightened political economy is keen to admit that the participation of individual agents in the market leads to optimal results for the community as a whole. Private interests are seen not as vicious, but as virtuous ingredients of the natural order. In this way, self-interest is no longer an end in itself, but rather an intelligent mechanism that generates actions and institutions converging to create the common good and public happiness.

Yet the private area of personal relations and individual interests should not be regarded just as a factor of further sociability. In a certain way, its existence is only conceivable in a public context related to the world of commercial relations, contract systems, universal rules of administration and justice, and above all, the very existence of moral sentiments which move individual action towards human improvement.

Therefore, this search for happiness is the object of policy decisions, under the rule of an enlightened legislator. The adherence to the political programme of enlightened despotism, grounded in the philosophy of natural law, in the light of a broader conception of the role of the legislator in the promotion of wise civil laws, as well as the demand for State

7 On this topic, illustrated with examples from French economic discourse, see Faccarello and Steiner (2008).

intervention in strategic economic affairs, are not conceived against the competitive backdrop of a market economy. On the contrary, they serve to argue in favour of the right balance between civil life, human wellbeing, social welfare, and public happiness.

Hence, the search for self-interest obeys a set of norms established by the ruler, which individuals freely accept because they know that this is the way to best satisfy their objectives. This leads to the concept of the functions of the State, which include the explicit recognition of its role in regulating the commercial society.

This corresponds to the first common feature of enlightened political economy that I would like to point out: the merging of private interests and public virtues that cannot be conceived of as separate or antagonistic elements in social life.

The defence of the virtues of both private wealth and the opulence of nations is the result of a desire to institute new rules of behaviour and new habits of life in society that allow for the blossoming of economic life and the attainability of increased levels of prosperity, i.e. the defence of the moral advantages of the commercial society, of an ethics responsible for the triumph of the future of capitalism as a model for the organisation of collective life (Mokyr 2009).

This point resembles a second common feature of economic discourse throughout the age of the Enlightenment: the claim for the need of improvement, advancement, evolution, betterment, and the progress of society. Although progress is contingent, in terms of the uncontrolled circumstances that may, or may not, determine the success of reforms, there seems to be an agreement in considering that improvement in society largely depends upon the intended encouragement and promotion of objectives and instruments to achieve economic prosperity.⁸

The increased levels of consumption and the widespread access to goods that had previously had a superfluous connotation illustrate the construction of a decent society, where social status is set through a new standard of public prosperity. Luxury is no longer judged by moral conceptions, but now incorporates the virtuous attributes of an instrument for the creation and circulation of wealth. The flourishing of commerce generates the additional trust of individuals in the capacity of governments to provide freedom, equality and justice. The pursuit of commerce engenders virtues (prudence, honesty, frugality, industry, inventiveness, etc.),

8 On the relevance of the development of the modern commercial society and on the interpretation of its meaning and distinctiveness in different national and enlightened contexts, see Clark (2007), Kessler (2007), Stapelbroek (2008), Nakhimovsky (2011), and Berry (2013).

and there exists a universal disposition of the human mind to understand and accept the reforms that will speed up the attainment of progress, as well as the scrutiny of one's actions by others: the role of sympathy (Rothschild 2001).

This is the third idea to be singled out: the moral advantages of the commercial society, given its trust-building capacities for the creation of a new political order. This allegedly superiority means that the old prejudices and constraints imposing limitations upon economic agency should be replaced with new normative arrangements and motivations favouring the development of commercial activities.

4. Epilogue

The notion of enlightened political economy presented above may be controversial, in particular as regards the claim of the existence of *the* political economy of Enlightenment, instead of different varieties or approaches.⁹ However, the arguments presented allow for a global and broader vision that does not deny the differences, but rather emphasises the convergence of elements shaping enlightened political economy as a building structure of modernity.

Political economy grew as a science of modernity in the first liberal age. It was forward-looking and aimed at attaining progress and betterment, trying to solve contemporary problems and to promote relevant innovations. The capacity of political economy to inform the discussion of pertinent public issues was vital to its growth. By reaching a broader public sphere, it was able to show both its permeability to a plurality of perspectives and the incompleteness of its responses, thus encouraging the development of its own research agenda. Such a capacity for creativity, as well as the awareness of plural perspectives, contributes to the advancement of science in its relation with the public interest.

The public relevance of a science that aimed at fostering the roads to modernity was also a crucial element featuring the development of the public purpose of political economy throughout the nineteenth century, especially within the framework of classical economics. However this progressive mood was, in a certain sense, lost when we look at the current liberal views on the functioning of the economic world. The Enlightenment debate on the limits of self-interest seems to make little or no sense in

9 This discussion goes back to Venturi (1972), and has been recently updated by Robertson (2005), Edelstein (2010), and Reinert (2011). Concerning the relevance of national contexts to explain the particularities of the European Enlightenment, see Porter and Mikulás (1981) and Withers (2007).

today's public debate. The wisdom of enlightened political economists from Hume to Smith, from Cantillon to Turgot, from the physiocrats to Genovesi, can hardly be recovered now. The notion that private interest is good, provided that it coincides with public interest, is condemned to oblivion and the idea of the common good is no longer cherished and seems to have vanished as a unit of analysis.

It is, therefore, crucial to emphasise the public role of economics as a social science committed to understanding the problems of current economic and social life. With this purpose in mind, aiming at the renewal of the public role and social relevance of our broad area of academic research, it is also fundamental to take into account the historical contexts and conditions that explain why economics has reached its present situation and its inner difficulty in maintaining a fruitful dialogue with the problems of the real world. The *métier* of the history of economic thought plays an undisputable and irreplaceable role here, effectively contributing to both a more accurate understanding of, and a more innovative approach to, public issues that social sciences should supposedly address. If mainstream economists are no longer able to address the problems of the betterment and advancement of society, it is our reinforced role – as active historians of economic thought – to act as defenders of a noble discipline that was once rightly considered as the science of modernity.

Acknowledgements

Previous drafts of this paper were presented at the 8th Iberian Meeting on the History of Economic Thought (Lisbon, December 2013) and at the Annual Conference of the European Society for the History of Economic Thought (Lausanne, May 2014). I am grateful to the comments received from participants at these conferences. I am also particularly thankful to the recommendations of revision offered by two anonymous referees of this journal.

References

- Appleby, J.O., 1978. *Economic thought and ideology in seventeenth-century England*. Princeton, NJ: Princeton University Press.
- Berry, C., 2013. *The idea of commercial society in the Scottish Enlightenment*. Edinburgh: Edinburgh University Press.
- Brown, R.T., 1984. *The nature of social laws: Machiavelli to Mill*. Cambridge, MA: Cambridge University Press.
- Buckle, S., 1991. *Natural law and the theory of property. Grotius to Hume*. Oxford: Clarendon Press.

- Cardoso, J.L., 2004. Natural law, natural history and the foundations of political economy. In: J.B. Davis, A. Marciano, and J. Runde, eds. *The Elgar companion to economics and philosophy*. Cheltenham: Edward Elgar, 3–23.
- Cardoso, J.L., 2014. The political economy of rising capitalism. In: L. Neal and J. Williamson, eds. *The Cambridge history of capitalism*. Cambridge, MA: Cambridge University Press, 574–599.
- Chalk, A., 1951. Natural law and the rise of economic individualism in England. *Journal of political economy*, 59: 330–347.
- Clark, C.M.A., 1992. *Economic theory and natural philosophy: the search for the natural laws of the economy*. Aldershot: Edward Elgar.
- Clark, H.C., 2007. *Compass of society. Commerce and absolutism in old-regime France*. Plymouth: Lexington Books.
- Coleman, W.O., 1995. *Rationalism and anti-rationalism in the origins of economics. The philosophical roots of 18th-century economic thought*. Aldershot: Edward Elgar.
- Dumont, L., 1977. *Homo Aequalis: Genèse et Épanouissement de l'Idéologie Économique*. Paris: Gallimard.
- Edelstein, D., 2010. *The Enlightenment. A genealogy*. Chicago, IL: Chicago University Press.
- Ekelund, R.B. and Tollison, R.D., 1997. *Politicized economies. monarchy, monopoly and mercantilism*. College Station, TX: Texas A&M University Press.
- Faccarello, G. and Steiner, P., 2008. Interest, sensationism and the science of the legislator: French 'philosophie économique', 1695–1830. *The European journal of the history of economic thought*, 15:1–23.
- Finkelstein, A., 2000. *Harmony and the balance. An intellectual history of seventeenth-century English economic thought*. Ann Arbor, MI: The University of Michigan Press.
- Force, P., 2003. *Self-interest before Adam Smith. A genealogy of economic science*. Cambridge, MA: Cambridge University Press.
- Grampp, W.D., 1952. The liberal element in English mercantilism. *Quarterly journal of economics*, 66:465–501.
- Haakonssen, K., 1981. *The science of a legislator. The natural jurisprudence of David Hume and Adam Smith*. Cambridge, MA: Cambridge University Press.
- Haakonssen, K., 1996. *Natural law and moral philosophy. From Grotius to the Scottish Enlightenment*. Cambridge, MA: Cambridge University Press.
- Hirschman, A.O., 1977. *The passions and the interests: political arguments for capitalism before its triumph*. Princeton, NJ: Princeton University Press.
- Hochstrasser, T.J., 2000. *Natural law theories in the early Enlightenment*. Cambridge, MA: Cambridge University Press.
- Hont, I., 2005. *Jealousy of trade. International competition and the nation-state in historical perspective*. Cambridge, MA: Harvard University Press.
- Hont, I. and Ignatieff, M., eds., 1983. *Wealth and virtue: the shaping of political economy in the Scottish Enlightenment*. Cambridge, MA: Cambridge University Press.
- Home, T., 1978. *The social thought of Bernard de Mandeville: virtue and commerce in early eighteenth-century England*. New York, NY: Columbia University Press.
- Hutchison, T.W., 1986. *Before Adam Smith. The emergence of political economy, 1662–1776*. Oxford: Basil Blackwell.
- Kessler, A.D., 2007. *A revolution in commerce. The Parisian merchant court and the rise of commercial society in eighteenth-century France*. New Haven, CT: Yale University Press.
- Larrère, C., 1992. *Du Droit Naturel à la Physiocratie: l'Invention de l'Économie au XVIIIe Siècle*. Paris: Presses Universitaires de France.
- Letwin, W., 1963. *The origins of scientific economics*. London: Methuen & Co.

- Magnusson, L., 1994. *Mercantilism. The shaping of an economic language*. London: Routledge.
- Mokyr, J., 2009. *The enlightened economy: an economic history of Britain, 1700–1850*. New Haven, CT: Yale University Press.
- Myers, M., 1983. *The soul of modern economic man. Ideas of self-interest: Thomas Hobbes to Adam Smith*. Chicago, IL: The University of Chicago Press.
- Nakhimovsky, I., 2011. *The closed commercial state. Perpetual peace and commercial society from Rousseau to Fichte*. Princeton, NJ: Princeton University Press.
- Perrot, J.-C., 1992. *Une Histoire Intellectuelle de l'Économie Politique (XVII^e-XVIII^e Siècle)*. Paris: Éditions de l'EHESS.
- Pocock, J.G.A., 1983. Cambridge paradigms and Scottish philosophers: a study of the relations between the civic humanist and the civil jurisprudential interpretation of eighteenth-century social thought. In: I. Hont and M. Ignatieff, eds. *Wealth and virtue: the shaping of political economy in the Scottish Enlightenment*. Cambridge, MA: Cambridge University Press, 235–252.
- Poovey, M., 1998. *A history of the modern fact: problems of knowledge in the sciences of wealth and society*. Chicago, IL: The University of Chicago Press.
- Porter, R. and Mikulás, T., eds., 1981. *The Enlightenment in national context*. Cambridge, MA: Cambridge University Press.
- Redman, D.A., 1997. *The rise of political economy as a science: methodology and the classical economists*. Cambridge, MA: The MIT Press.
- Reinert, S.A., 2011. *Translating empire. Emulation and the origins of political economy*. Cambridge, MA: Harvard University Press.
- Robertson, J., 2005. *The case for the Enlightenment. Scotland and Naples 1680–1760*. Cambridge, MA: Cambridge University Press.
- Rothschild, E., 2001. *Economic sentiments. Adam Smith, Condorcet and the Enlightenment*. Cambridge, MA: Harvard University Press.
- Schumpeter, J.A., 1954. *History of economic analysis*. Oxford: Oxford University Press.
- Stapelbroek, K., 2008. *Love, self-deceit and money: commerce and morality in the early Neapolitan Enlightenment*. Toronto, OH: University of Toronto Press.
- Teichgraeber, R., 1986. *'Free Trade' and moral philosophy: rethinking the sources of Adam Smith's Wealth of Nations*. Durham: Duke University Press.
- Tuck, R., 1979. *Natural rights theories: their origin and development*. Cambridge, MA: Cambridge University Press.
- Venturi, F., 1972. *Italy and the Enlightenment: studies in a cosmopolitan century*. London: Longman.
- Viner, J., 1959. The Wabash lectures: five lectures on economics and freedom. In: D.A. Irwin, ed. *Essays on the intellectual history of economics*. Princeton, NJ: Princeton University Press, 37–81.
- Winch, D., 1973. The emergence of economics as a science, 1750–1870. In: C.M. Cipolla, ed. *The Fontana economic history of Europe. The industrial revolution*. Glasgow: Fontana/Collins, 507–573
- Withers, C.W.J., 2007. *Placing the Enlightenment. Thinking geographically about the age of reason*. Chicago, IL: The University of Chicago Press.
- Young, J.T. and Barry G., 1992. Economic justice in the natural law tradition: Thomas Aquinas to Francis Hutcheson. *Journal of the history of economic thought*, 14:1–17.

Abstract

The emergence and development of political economy in the Age of Enlightenment is a complex process that shows the richness of a new science able to explain the functioning of a commercial society. The roots of political economy in the philosophical traditions of natural law help to explain its individual and liberal elements, but also its further implications for the development of the notions of human sociability, the common good, public happiness, and the betterment of society. The convergence of these different elements is crucial for understanding the common features of the variety of approaches belonging to the broad categorisation of enlightened political economy.

Keywords

Enlightenment, liberalism, natural law, commercial society, political economy