

Race & Nation in Marshall's Histories*

We can no longer afford to take that which was good in the past and simply call it our heritage, to discard the bad and simply think of it as a dead load which by itself time will bury in oblivion.

Hannah Arendt, *The Origins of Totalitarianism* (1950)

Introduction

A. Prefatory

1. One of the less charitable reviews of my book began by pointing out that I am not an historian of economic thought.
2. And it is certainly the case that several years working on Alfred Marshall have led me to identify myself as an intellectual historian.
3. This is partly because my interest in Marshall's ideas extends far beyond his purely economic thought.
4. But it is also – and more importantly – because I have always found myself arrested by the seemingly obscure and unpalatable ideas that in the past have been regarded as mainstream opinions.
5. And this, I think, leads to very different perspectives and very different inquiries to those adopted and pursued by most historians of economics.
6. My purpose in drawing these distinctions is not simply to warn you that this lecture will wander far from tracks normally beaten by historians of economics...
7. I also want to suggest to you that:
 - (i) When so much of the intellectual history of the last two centuries leads through one unpalatable ideology or another...
 - (ii) We will fail to grasp the meaning of that history if we simply “take that which was good in the past and call it our heritage”.

* I would like to dedicate this lecture to Patricia Crone, whose gift of a desktop computer at the commencement of my doctoral studies started me off on the slow and at times meandering steps that has led to it.

- (iii) And so an excursion into intellectual history, leading through politically and even morally obnoxious ground, may prove of value to the history of economics.

B. The Racial Quotation ...

1. Let me introduce the quotation that I will make the main business of this lecture to explain, or at least illuminate:

The chief leadership of progress has fallen to the successive waves of Aryans that have spread over Europe and Asia from their early homes in lands of frost and snow.

2. This sentence is from the introductory historical chapter of the first edition (1890) edition of Marshall's *Principles of Economics*. In the passage that this sentence begins, Marshall proceeds to explain how:

- (i) After conquering and ruling the civilisations of the Orient, the early Aryan conquerors were corrupted by luxury and the warm climate.
- (ii) But eventually a group of Aryans maintained its racial vigour: these were the ancient Greeks, who founded Western civilisation.

3. At first sight, this looks like the kind of racial history we associate with the Third Reich.
4. And it is hard to see that it has *any* relevance whatsoever to modern economic ideas...
5. So it is perhaps understandable that historians of economics have given such statements a wide berth.

C. Argument and Nationality

1. In this lecture I will trace the intellectual steps that led to the composition of this account of Aryan history.¹

¹ The argument developed in this lecture draws on what has by now become a long-standing and extensive research project aimed at interpreting Marshall's historical writings, both published and unpublished, and placing them within the wider context of the use and conception of history within political economy. Ultimately, it would have been preferable to present this research on its own terms before developing from my conclusions an argument of the kind that is done here. Such a presentation, however, would have been too far removed from the interests of an audience of historians of economics, and after some initial hesitation I decided to present some of the fruits of this research prior to presenting a summary of the research itself. Of course, I hope that such a summary will soon be published.

2. Specifically, I will look first at the two sides of Marshall's dualistic philosophy of mind, and then turn to his engagements with contemporary historical scholarship.
3. The result, I hope, will be something of an anticlimax.
4. For what we shall find is that Marshall's thought, while surely not politically correct by today's lights, was nevertheless *not* a variety of the biological racial determinism that we associate with National Socialism.
5. *But ...* in so tracing the development of Marshall's idea of race we shall – along the way – also discover the genesis of his thinking about the *modern nation* and the *modern spirit of nationality*.
6. And *these ideas do* have a direct bearing on modern economic thought:
7. For the ideas of the 'economic nation' and of the 'spirit of belonging to a place' stand at the very heart of the current 'Marshallian revival' and its pluralist challenge to both Marxist visions of class-conflict and the individualism of neoclassical economics.²

Part I: Philosophical Dualism

1. Mechanical Mind: **Inheritance versus Cultural Learning**

A. Introduction

1. To begin at the beginning of Marshall's academic career:
2. In 1868 he began lecturing in the 'Moral Sciences' faculty of Cambridge University.
3. His primary interest at this point was 'mental philosophy', or psychology.
4. Two decades ago, Tiziano Raffaelli published 3 of Marshall's manuscripts from this period.
5. These manuscripts show Marshall developing a dualistic philosophy of the mind:

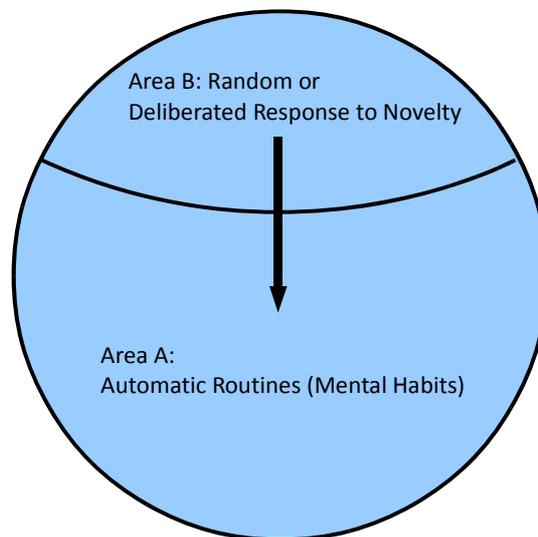
²To avoid any misunderstanding: I am *not* claiming that Marshall's ideas on nationality (or, for that matter on race) were a *central* strand of his thought. But I do agree with Giacomo Becattini that such ideas constituted one strand of Marshall's thought, and in this lecture I attempt to discover the origin of this particular strand.

6. Such that: on the one hand, self-consciousness is posited as an irreducibly *spiritual* dimension of human experience;
7. While, on the other hand, in a manuscript entitled 'Ye Machine' Marshall develops a *mechanical* model of how the brain generates other mental phenomena.

B. Mechanical Mind

Let's turn first to this mechanical model:

Mechanical Mind



Area A

1. The basic idea is that most of what we do is automatic (as represented by the lower region of the circle):
2. Marshall posits a circuit, such that inputs from the external world, in the form of impressions, generate automatic responses, in the form of actions.
3. The most obvious illustration is probably our automatic response on seeing a red traffic light whilst driving a car.
4. And Area A might be thought of as a sort of proto-unconscious;
5. Which in physiological terms consists of a series of reflex nervous connections of the kind that the experiments of Ivan Pavlov will subsequently illuminate ...

Area B

1. But what if a novel situation arises? Here this initial circuit pauses and a second, upper circuit comes into action.
2. Marshall posits two modes of operation of this upper circuit:
3. Initially, and following Darwin's idea of random variation, the upper circuit generates purely random responses.
4. But Marshall then posits a more evolved human brain, in which the upper circuit allows 'the machine' to represent to itself possible consequences of various actions: he calls this 'deliberation'.

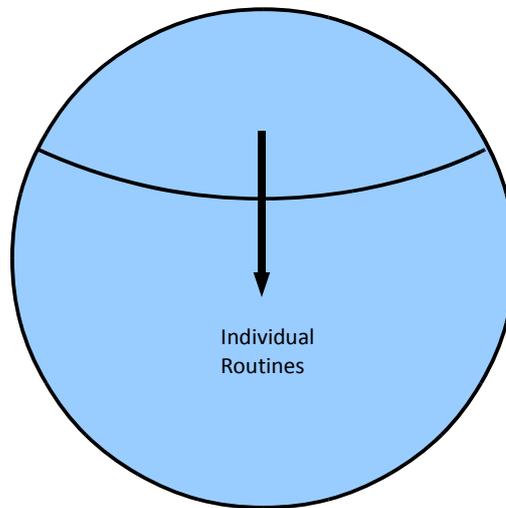
Ye Machine

1. In *both* cases: successful (or at least non-fatal) reactions are repeated, and continued repetition generates a new lower level automatic circuit – or 'mental habit'.
2. Note how the dynamic nature of this mental machinery – the capacity to grow as new innovations become old routines – presents a stark contrast to the logical model of the mind constructed around the same time by Marshall's contemporary, William Stanley Jevons.
3. For Jevons, George Boole's new logic described the very mechanisms of thought: in this model all human minds are essentially the *same*.
4. Marshall did not look to logic, but to a fusion of physiology and associationist psychology: the result was a model suggesting that individual human minds will be *different*.

C. 'Ye Machine' and Group Characteristics

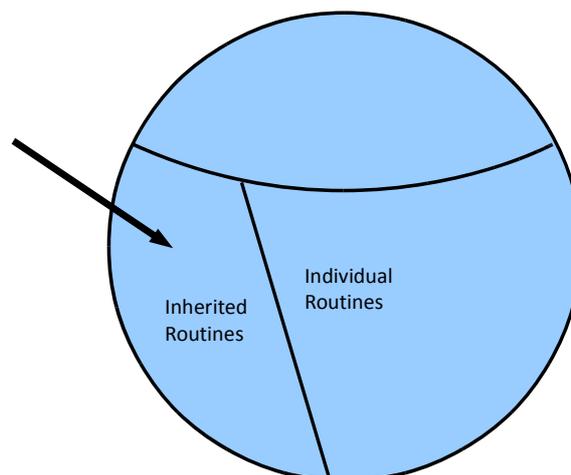
1. Marshall's mechanical model of the individual mind also lends itself to an account of differences between human populations.
2. Assume two societies, inhabiting different environments: over time, different environmental challenges will lead **Individuals** within the societies to generate different automatic routines.

Social Mechanical Mind: Individual Development



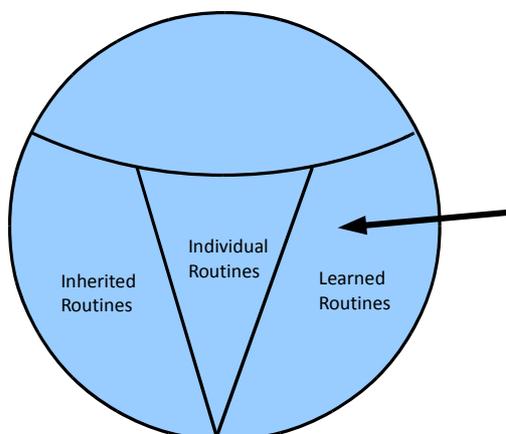
3. Now (implicitly following Lamarck), Marshall suggests that an individual developing new automatic routines may pass them on to offspring, which we may call **Inheritance**.

Social Mechanical Mind: Inheritance



4. But he also makes clear that humans are likely to mimic the successful behaviours of others, which we may call **Learning**.

Social Mechanical Mind: Learning



5. *In one way or another*, these **Individuals** will then pass on the new behaviour to other members of their societies.
6. Thus, over time the members of the two different societies will end up with different brains, and therefore different minds.

D. 'Ye Machine' and Race

1. But can we identify these different mind-sets as racial characteristics?
2. I think there is no clear-cut answer to this question.
3. Certainly, Marshall does *not* employ a biological *language* of race at this point in his academic career.
4. It is true that we have a model in which behaviour *may* be inherited;
5. But then education may undermine inheritance...
6. And the simple fact is that Marshall does not discuss either inheritance or learning in any detail...
7. And so I think that we must conclude that:
 - (i) While this *psychological model* has the *potential* to generate an idea of race;
 - (ii) At this point Marshall has not developed from this model any clear *idea* of race.

2. Historical Mind: **Mechanical Necessity versus Moral Freedom**

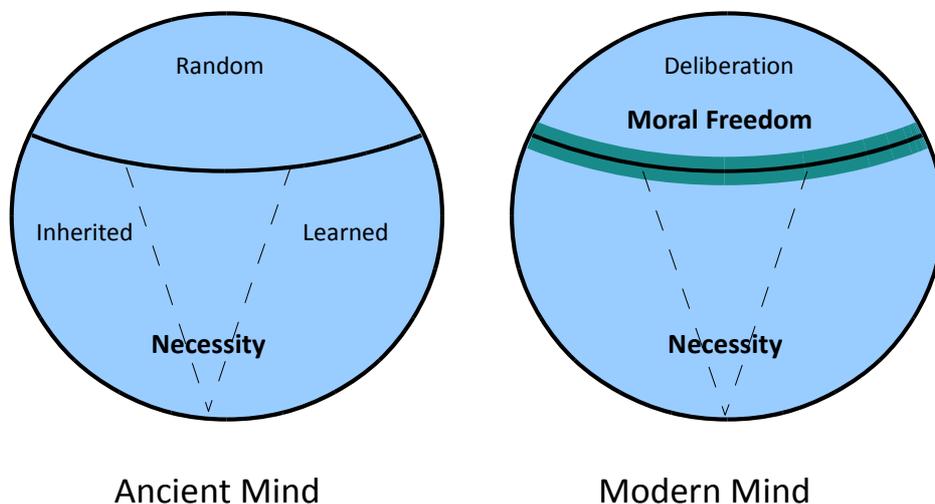
A. Introduction

1. We shall find this conclusion reinforced, or at least illuminated, when we turn from the physiological to the idealistic side of Marshall's dualistic philosophy of mind:
2. In order to do this we need to turn to his engagement with Hegel's *Philosophy of History* in the early 1870s.

B. Long Essay

1. Around 1872 Marshall composed a long essay on the history of civilisation, which drew heavily on the first parts of Hegel's book.
2. In brief: the essay begins with ancient Chinese and Indian civilisations, and charts the development – as an East to West movement – of what Marshall had identified as self-consciousness, but which he now *also* terms 'freedom'.
3. Note that freedom for Marshall *means* self-determination; and freedom cannot exist if there is no consciousness of self.
4. Marshall is here placing his dualistic model of the mind within history, and in doing so refining its workings.

Ancient & Modern Minds



C. Ancient History

1. The earliest civilisations are composed of humans who operate entirely under the governance of established habits and who – in novel situations – act randomly.
2. Marshall compares these civilisations to beehives and anthills: their inhabitants are *not* possessed of self-consciousness, and so they are not free to determine their own actions.
3. Such primitive humans regard all social rules (the caste system, or slavery, for example) as “ordinances of Nature”.

D. Modern History

1. Now: each stage in the history of civilisation involves a development of self-consciousness.
2. And these stages – we may infer – run parallel to the development of the upper machinery of the mind.
3. In this history, the advent of Christianity marks a particularly significant turning-point. From this time onward [I quote]:

A deliberate appeal to conscience was recognised as the proper commencement of any course of action; custom was dethroned...

4. Marshall is here insisting that to deliberate upon our actions – to choose to employ the upper machinery of the mind – is itself a moral action.³
5. But his long essay as a whole also suggests that self-consciousness or moral freedom is a *precondition* of higher level mechanical thought. → Without it, only random responses to novel situations are possible.

E. Marshall’s Victorian Dichotomy

1. This philosophical engagement with history brings to light the underlying conceptual opposition that informs Marshall’s thinking:

³ This philosophical refinement of the mechanical model of the mind is pregnant with implications: just to begin with, Marshall is here establishing that political economy is not a natural but a moral science (and, indeed, he will now set out to reform those economic doctrines that appear to him to be rooted in assumptions of a ‘natural order’). And it is upon these grounds that, in the 1870s, Marshall will proceed to criticize – and then reformulate – key doctrines of classical political economy. In a word, anything that smacked of an identification of economic reality with the natural order was in need of reformation: be it the terminology of ‘natural values’ or an implicit assumption that the existence of an uncultivated working class was somehow ‘natural’.

→ A dichotomy between nature (as necessity) and (moral) freewill

2. This is a distinctly Victorian dichotomy (which in fact derives from the organizing principle of the Cambridge moral sciences).
3. And it is important to recognize that this dichotomy is not reducible to the conceptual opposition that became paradigmatic to 20th century Western social science:

→ The dichotomy between (biological) race and (anthropological) culture

4. To be clear on this point: Marshall does not employ a notion of 'culture', but if we were to search for it within his model we would encounter it in the form of *both* learned and inherited *physiologically* based mental routines.
5. In other words, Marshall does not have an idea of culture as something distinct from biology;
6. And what he opposes to the body is not culture but self-consciousness and moral freedom.
7. And so now, I think, we can see why it was that Marshall's mechanical model of the mind did not at first suggest to him a physiological idea of race:
 - ⇒ For his overall philosophy of mind directed his attention toward the significance of moral freedom as opposed to physiological routine;
 - ⇒ And the question of possible divergences among various populations of standard physiological routines was, at best, very much a secondary concern.

E. Primitive Society and Race

1. But by the same token, we can now see that in his idea of primitive society Marshall was confronted with a straightforward opposition between learned and inherited behaviours...
2. And this, of course, is *because* in his historical model there is *no moral freedom* within primitive society.
3. And I will now suggest that it was through the elaboration of his initial model of primitive society that Marshall developed an idea of race ...

Part II: Comparative Historical Scholarship

In fact, by around 1874 Marshall had arrived at a more sophisticated conception of primitive society.

This was the product of an engagement with contemporary English historical scholarship...

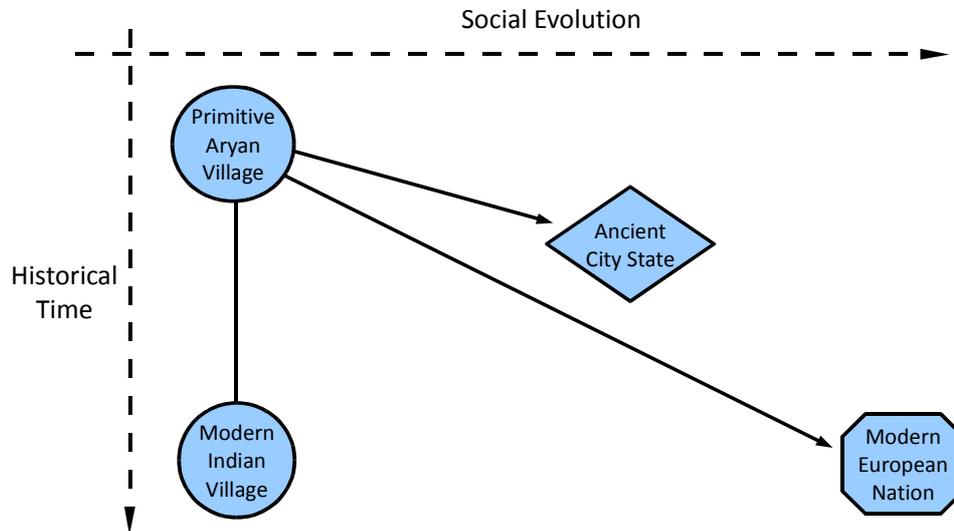
A. To Comparative History

1. ... Most importantly, the historical jurisprudence of Henry Maine and the comparative scholarship of the Oxford historian, Edward Freeman.
2. The starting-point of this model was Maine's assertion of a similarity of form between, on the one hand:
 - (i) The early village communities of the Germanic tribes that had overrun the Roman Empire
 - (ii) And the village communities of present day India, on the other.
3. This connection allowed the historical model as a whole to be presented as a political or institutional genealogy of the Aryan peoples, constructed in the image of comparative philology and mythology.⁴
4. As such, Aryan history begins with an original village community located somewhere in Asia → which subsequently evolved along different paths as it diffused westward.⁵

⁴ While I was led to this model by examination of Marshall's early historical notes, it is found in only embryonic form in the early essay. What seems to have happened is that his initial interest in the history of religion led Marshall to Max Müller's genealogical investigation of Aryan mythology, and that once a genealogical model of Aryan history had become a central object of his historical studies, he subsequently discovered Maine and Freeman's genealogical models of Aryan political institutions.

⁵ This self-sufficient Asiatic village was, as with Marx, the non-trading basis of early despotic Oriental civilisations. Freeman identified the ancient Greeks, Romans, and the moderns Teutons or Germans as the three chief branches of the Aryan family; an identification that Marshall would repeat in his 1879 book, the *Economics of Industry*.

Evolutionary paths of the original Aryan village community



B. The Comparative Model of Aryan History

1. Let us begin with the primitive Aryan village community itself...
2. Which, according to Maine, has 3 key characteristics:
 - (i) It holds its property – or at least the land that it works – in common;
 - (ii) It is organized according to a system of kinship;
 - (iii) It is governed by a network of fixed customs.
3. The idea of primitive communal property originated in the early 19th century with the German Historical School of Law.⁶
4. But in England by the 1860s property relations had become but one facet of a wider conception of primitive social relationships → historical jurisprudence gave way to social anthropology.⁷
5. Now, Maine and Freeman argued that: when tribes bound together by ties of kinship and holding possessions in common settle down to till the soil, two key changes were liable to occur:

⁶ In mid-century Karl Marx gave this historical model his own distinctive twist by relating form of ownership – i.e. 'relations of production' – to the means of production.

⁷ The birth of social anthropology may be located in the protracted argument of these years, as to whether the *original* kinship system is patriarchal or matriarchal.

- (i) The gradual transformation of the social bond – from ties of kinship to ties based on shared territory (from being a Frank to being a citizen of France);
 - (ii) And the gradual transformation of common into private property.⁸
6. Freeman went on to argue that in the ancient world a *precocious* civic or urban development had arrested the natural movement from status to contract:
- Citizenship in the ancient city-state had remained a matter of hereditary descent and shared blood. Historically this was a dead end.
7. By contrast: after the Germanic tribes had overrun the Roman Empire, the village community continued to evolve:
- By a process of gradual incorporation and assimilation it had absorbed other villages, alien individuals, and even entire peoples
 - Thereby creating the modern nations of Europe⁹

C. Aryan Nation: a comment

1. This last point needs to be emphasized, not least because it will be totally eclipsed by the subsequent history of the Aryan idea.
2. Freeman is claiming that the ancient city-state remained an ethnic grouping, in which the bond of citizenship is a tie of blood.
3. But what is distinctive about modern national life is precisely that citizenship is *not* defined by blood and race, and that the modern nation is therefore able to assimilate different ethnic groups.
4. This is *possibly* a very British rendering of the Aryan idea:
5. Inspired not only by 19th century imperialism – in which the Aryan idea served to establish a paternalist bond of kinship between Englishmen and Indians;

⁸ This connection between agricultural life and social progress potentially reconciled economic modernity with its romantic critics; for the underlying claim was that the individualism of modern Western industrial society was the gradual creation of countless generations working on the land; *contra* both Adam Smith and Karl Marx, the medieval city could be seen as a natural outgrowth out of the feudal countryside.

⁹ Marshall's vision of history as a whole is well captured by Freeman's declaration that Teutonic social development was slower, but surer than that of the ancients: "what we have lost in brilliancy we have gained in permanence" (Freeman 1874: 115).

6. But also by an internal history in which Celts, Saxons, Vikings and Normans were all understood to have contributed to the 'national history' and the creation of a single 'national character'.

D. Marshall on Race

So: what impact did all this have on Marshall's thinking on race?

1. Marshall adopted wholesale Maine's account of the primitive village community...
2. ... Which now replaced his initial identification of the starting-point of social evolution with beehives and anthills
3. What really interested Marshall was the "network of customary rules" that was said to govern both production and relative prices.¹⁰
4. But, he also accepted that such customs rested upon a social organization based upon a system of kinship.
5. Now, the very idea of primitive society as organized by ties of blood lends itself to the idea of race as an organizing principle of primitive society;
6. And such an idea was of course strengthened by Marshall's physiological model, which suggests that, over time, marriage within the community will amplify the effects of behavioural inheritance.¹¹
7. → And so... I suggest that Marshall's embryonic idea of race was given concrete shape when his model of the primitive mind was placed within this model of primitive kinship.

E. Marshall on Nation

→ But I *also* want to suggest that this emerging idea of race was shaped by way of the simultaneous conception of its opposite – modern nationality...

¹⁰ And with this starting-point social evolution became for Marshall an account of how a network of custom gave way to the system of voluntary exchange of the modern economy (with the historicist methodological lesson that any particular region of the modern world was likely still to embody various and numerous more or less archaic customs, and so the economist must be sensitive to context in the application of the machinery of economics).

¹¹ This is not to say that there was anything like a complete fit of psychological and social model: following Maine, Marshall emphasized the significance of adoption, which means that the meaning of blood tie is to be found in legal custom rather than racial biology.

1. Marshall had no need of Maine and Freeman's idea of the progressive effects of agriculture → he could explain the same social evolution directly by way of his account of mental and moral development.¹²
 2. The resulting historical model may be found in very condensed form in the 1879 *Economics of Industry*: → It relates different paths of development out of an original village community to different stages of moral and mental development:
 3. So, for example, the genesis of the modern nation is associated with [I quote] the Teutonic "reverence for man as man".
 4. This self-consciousness of a common humanity is the *precondition* for that assimilation into the social group that Freeman had hailed as a distinguishing characteristic of the modern nation.
 5. → So where the social bond of the archaic village community is established by the blood ties of a kinship system, something **internal** to the mind provides the modern social bond.
 6. Marshall comes to call this internal principle "the spirit of nationality"
 7. In other words:
 - (i) Primitive – and also ancient – societies *are* racial units, in which a system of kinship establishes the social bond as a blood tie.
 - (ii) Modern nation are precisely *not* racial units, and the modern social bond is not imposed by the community upon the individual, but is rather established within the individual by the recognition (or construction) of identity.
- ⇒ The *idea* of race thus emerges into view by way of a contrast with its opposite: nationality.

Interlude

Let's step back for a moment to see where we are:

¹² This is in fact a key to various divergences between Marshall on the one hand and Maine and Freeman on the other with regard to feudalism: for Marshall looks to Hegel and the idea of private property emerging in Rome as a correlate of the development of spirit, and so has no need of Maine and Freeman's idea that feudalism is the crucial step in the development of private property.

- ⇒ We have now covered *all* the ground that we need in order to understand Marshall's *ideas* of both race and nation
- ⇒ But these ideas do not illuminate those statements about early Aryan invaders of the Orient, with which we began this lecture...
- ⇒ So before returning to these *ideas* in my concluding comments, we need first to understand the gap between these ideas and what is written in the *Principles*...

Part III: The Naming of Race

1. Collapse of the Comparative Model: **Nationalism & Feudalism**

1. Actually, the reader of the introductory historical chapter of the *Principles* is not likely to recognize much of the model of social history that I have just outlined.
2. To explain briefly: in the 1870s, first French and then English scholars rejected the idea that *French* and *English* feudal manors had evolved out of early *German* village communities...
3. ... Thereby undermining the very idea of a path of *continuous evolution* from village community to the nations of modern Europe.
4. → Marshall in 1890 was evidently *anxious not to appear out of date*:
5. In the *Principles* he *does* discuss both the custom-bound village community and the modern nation composed of free individuals;
6. → But the relationship of these social forms to one another is not made clear;
7. → And there is *no suggestion* that the Germanic village community evolved into the feudal manor.¹³

¹³ Note that Ashley's declaration that economic history cannot start before the Norman Conquest (because there is no consensus as to the origins of feudalism) in effect marks the end of serious scholarly interest in universal history within England: henceforth different specializations will study different periods of history – ancient, medieval, and so on. And what this means is that the contrast of ancient race with modern nation that we have found in Marshall's early writings will disappear from English scholarship. Contrast this situation with the work of the German historical economists, culminating in Weber.

2. The New Aryan: Conquest replaces Evolution

1. Then, in the 1880s, a further development drove the last nail into the coffin of the idea of the village community as the seed of all Aryan civilisations...
2. ... As witnessed by the quote with which we began:

The chief leadership of progress has fallen to the successive waves of Aryans that have spread over Europe and Asia from their early homes in lands of frost and snow.

3. Over the course of the 1880s a new Aryan began to appear in the pages of English scholarly writing; very different to the old Aryan, whose history had been told by Maine and Freeman:
 - (i) The old Aryan was a construction of comparative philologists: his identity was established by his language; and his original homeland taken to be somewhere in Asia.
 - (ii) The new Aryan was defined by biological criteria such as skull measurements, and he was taken to be the descendant of the reindeer-hunting cave-artists of Ice Age Europe.
4. Of a number of important factors at work here, here are two:
 - (i) The claim that the measurement of prehistoric and modern European skulls reveals a continuity of population in Europe;
 - (ii) And the realization that, in comparison to the records of hunting expeditions painted on cave walls in the South of France, the “records on Babylonian tablets ... or in Egyptian tombs” appear “altogether modern”.¹⁴
5. Crucially, the new prehistoric Aryan was supposed to have originated in Europe, not Asia:
 - ⇒ Therefore, the presence of Aryan languages across Asia must be explained by a dissemination of the Aryans *from West to East*.¹⁵

¹⁴ Isaac Taylor, *The Origins of the Aryans* (1890).

¹⁵ The newly discovered tombs of Mycenae, for example, were taken to hold Aryan warriors who had entered Greece through Thrace, founded ancient Greek civilisation and laid siege to their fellow Aryan inhabitants of Troy.

6. Now, where the comparative philologists had posited a movement from Asia into Europe of *entire peoples (and their languages, mythologies, and social institutions)*...
 - ⇒ The new claim was that bands of Aryan *warriors* had headed out of Europe and *conquered* already existing Eastern civilisations.
7. And the point of this new doctrine of conquest was that it supposedly explained why dark skinned Asiatic peoples spoke Aryan languages – the language of their ancient conquerors – but were not of the same Aryan blood as their conquerors.

3. Conclusion on Race: Marshall's **Lamarckian Aryans**

1. In terms of *models of history*: a *revolution* separates Marshall's thinking of the 1870s and the historical chapter that he composed for the *Principles* in 1890.
2. But in terms of his *thinking on race*: → I would suggest that there is little to separate his ideas of the mid-1870s and his writing of 1890...
3. ... Except that Marshall has now named this idea, and begun to deploy a new *language of race* (evidence of which is in fact scattered throughout his *Principles*).
4. Let us return again to Marshall's account of waves of conquering Aryan warriors:
 - ⇒ Prior to the ancient Greeks, it will be recalled, these waves had conquered older Oriental civilisations, and then lost their racial vigour.
5. But this loss of racial strength is *not* attributed to some dilution of pure Aryan blood as a result of inter-racial mixing;
6. Marshall's explanation is rather:
 - (i) The time-honoured republican idea that luxury corrupts virtue;
 - (ii) And the Lamarckian idea that race is shaped by environment (that is, the Aryans wilt under a hot sun – presumably as did many of the British in the India of Marshall's day).
7. → Marshall's language of race is new; and it follows from his adoption of a *newly fashionable* account of the origins of civilisation:

- ⇒ But what he actually says about race is based upon the same old ideas of physiological character as mutable, of Lamarckian inheritance and of primitive kinship.

Part IV: Nationality

1. I'd like to conclude by relating Marshall's ideas of race and nationality.
2. In Marshall's thinking: race and nationality are related both historically and philosophically:
3. Historically: **nationality arises out of race:**
 - ⇒ That is: over time, a social identity based upon blood tie and common descent comes to be replaced by a social identity based upon shared nationality.
 - ⇒ So, from the historical perspective: nationality might be considered the modern child of a primitive race
4. Philosophically (however): **nationality is independent of race.**
 - ⇒ For the categories of race and nation derive ultimately from Marshall's philosophical dualism, and as such reflect his metaphysical hierarchy.

Put simply:
 - (i) Race is of the body, and so is physically given or determined;
 - (ii) While nationality is of self-consciousness, and so in some profound sense is a free choice.
5. Now, this independence of nationality entails that the *spirit of nationality*, while born of ancient ideas of race, nevertheless becomes in the modern world **a general principle of social identity:**
 - (i) For while it may connect together as a nation various individuals who feel themselves to share an ethnicity;

- (ii) It may equally well connect as a nation individuals who feel themselves bound together because they inhabit the same territory – that is, share a *regional* identity;¹⁶
 - (iii) And it may even bring together as an ‘economic nation’ individuals who believe that they share a class or other form of industrial identity.
6. Now, the ways in which such national identities form within modern society cannot be predetermined:
- ⇒ That is, historical circumstances may *facilitate* the formation of this or that ‘economic nation’;
 - ⇒ But the actual formation of a national identity – at least according to Marshall’s way of thinking – is never *determined* by such factors.
7. Nevertheless, this ‘spirit of nationality’ will itself shape key economic and social factors:
- ⇒ For example: the decision to invest capital in one place rather than another;
 - ⇒ And – by one means or another – the dissemination within the nation of key mental routines as may be constitutive of particular local skills and knowledge.

Concluding Observations

And so, I’d like to conclude with two observations:

1. Firstly: that Marshall fashioned an extremely powerful idea of nationality, which remains of profound relevance in the early-21st century.
2. And secondly: what has allowed us to illuminate Marshall’s idea of nationality has been an engagement with his late-19th ideas of race – ideas that we ourselves would no doubt like to discard as a dead load, and see time bury in oblivion.

¹⁶ As Marshall explained in *Industry and Trade* (1919), if certain local conditions prevail then “the people” of a particular place constitute an “[economic] nation within a [political] nation” (Marshall 1919: 14).