
PREDECESSORS

Thomas Hobbes, Political Economist

His Changing Historical Fortunes

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Most of the major political thinkers in the Western tradition have concerned themselves with various aspects of economic life. Plato founded his ideal republic on mankind's material needs, and its social structure is characterized by clearly defined economic arrangements. Aristotle, whose *oikonomike* is the source of our "economics," not only examined household management, but explored different types of economic activity, along with their political implications. Cicero wrote on the sanctity of property and against schemes of redistribution. Aquinas gave the medieval doctrines of usury and the just price their classic gloss. Machiavelli had little to say about economics, but he did advise the prince to respect his subjects' property, avoid excessive taxation, and practice frugality. Locke wrote a famous chapter on property as well as lesser-known essays on money and interest. Hume penned influential essays on trade and commerce that anticipated Adam Smith's work. Rousseau contributed an article on political economy to the *Encyclopedia*, and Burke wrote a notable tract on scarcity. Madison and Hamilton, the practical statesmen who authored the bulk of *The Federalist*, also wrote on finance, taxes, and trade. J. S. Mill wrote a famous treatise on political economy, and Hegel integrated economic life into his dialectical politics. In our own age, renowned

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political philosophers such as Rawls and Nozick placed economic considerations at the heart of their analyses.

An Ambiguous Legacy

Although few of these thinkers were economic theorists, most contributed something to what is commonly called *political economy*. Locke, Hume, and Mill are perhaps the only political writers of the first rank to make *major* contributions to economic thought, but all recognized that neither politics nor economics exists in a vacuum. They understood that the science of politics, whether as the statesman's practical concern or as the philosopher's theoretical subject, encompassed economics. Thomas Hobbes (1588–1679), whose *Leviathan* stands among the canonical texts of political thought, shared this understanding, but he occupies a highly ambiguous place in the history of economic thought. At one end of the spectrum, Hobbes is either ignored altogether or mentioned only in passing. Near the middle, he is acknowledged for his indirect influence on subsequent pioneers of political economy, such as William Petty and the French Physiocrats. Near the other end, Hobbes is recognized for initiating a debate over *self-interest* and *public welfare* that culminated in Adam Smith's work and the classical economics it initiated. A variant of this reading sees Hobbes as the champion of middle-class values and the herald of bourgeois society. And finally, at this other end of the spectrum, Hobbes is flatly declared "the father of political economy."

What accounts for this wide range of opinion over Hobbes's status as an *economic* thinker when his legacy as a *political* thinker is marked largely by consensus? Hobbes was an absolutist who favored monarchy, but the foundations of his absolutism were "liberal" and supplied the materials for the philosophy of individual rights and limited government pioneered by Locke and Jefferson. For this reason, Hobbes is often, if paradoxically, called "the father of classical liberalism." Does his alleged association with *classical economics* also involve a paradox? What is Hobbes's true place in the history of economic thought?

Although a definitive answer to this question might be welcome, I cannot provide one here. I propose the more modest, preliminary goal of *clarification*. As we shall see, much of the ambiguity surrounding Hobbes's reputation as an economic thinker involves a failure to distinguish what he actually *said* about economics from the economic *implications* of his political philosophy. This ambiguity is also a function of the lack of agreement over the scope of "economics," which as an academic discipline tended to narrow over the course of the twentieth century. Finally, Hobbes's status is complicated by his depiction of human beings as dominated by self-interest, on one hand, and his subordination of economic liberty to political considerations, on the other. The former account may have started the debate that ended in classical economics, but the links in the chain ending in Smith were forged in reaction *against* Hobbes. Hobbes's subordination of economics to

politics may likewise be said to have more in common with mercantilism than with free-market thinking.

In light of these ambiguities, paradoxes, and complications, one might despair of ever clarifying Hobbes's place in the history of economic thought. One thing is clear, however: his *significance* turns on his alleged contribution to the development of classical economics and his ostensible adumbration of a full-blown market society. In the interest of clarifying his clouded reputation, let us turn to the literature of the past century to trace his fortunes as a political economist.

Hobbes and the Economists

As the social sciences were being established on a professional basis in the late nineteenth century, Hobbes received a modest entry in the first edition of *Palgrave's Dictionary of Political Economy* (Montague 1896). Acknowledging that Hobbes's writings are not "strictly . . . economical," the author does find some of his economic observations "very sensible" and even "ingenious," if not always "practical" (315, 316). There is no mention, however, of Hobbes as a preceptor of classical economics or bourgeois society. Indeed, the author minimizes Hobbes's contribution to economic thought and ascribes the origins of his politics to religious controversy.

Even this faint praise was denied Hobbes in *A History of Political Economy* (1888), where he receives but a few nebulous sentences. Although some "occasional traits" of the "new tendencies" are discernible in Hobbes's thinking, John Ingram argues, he was a philosopher, not a political economist. And yet he credits Hobbes with having given "a powerful impulse towards the demolition of the existing social order, which was destined to have momentous consequences in the economic no less than in the strictly political department of things" ([1888] 1967, 48, 49). He does not, however, link Hobbes to the fruition of these "tendencies" in the next century. Strange that such a "powerful impulse" should never be noticed again!

That "philosophy" and "political economy" are not mutually exclusive was illustrated a few years later in a volume that assigned Hobbes an entire chapter and recognized his seminal place in the history of economic thought. True, Hobbes did not cordon off economics as a distinct branch of civil philosophy, but his focus on self-interest and material concerns "has prepared us for the view of economics as a separate study" (Bonar [1893] 1991, 81). Moreover, Hobbes's interest in money, exchange, trade, and taxes suggests that "economical inquiry was beginning to include nearly all the points now embraced by modern economics" (84). Indeed, when viewed retrospectively, the English philosopher "furnish[ed] directly or indirectly many of the premises of what has been called the classical school of modern economics" (85).

On the basis of James Bonar's fin de siècle report, we might expect to find Hobbes afforded an honored place in twentieth-century accounts of economic

theory, in particular those tracing the origins of the classical school. In one such study, *Predecessors of Adam Smith* (Johnson 1937), the author harks back to such obscurities as Maylnes, Misselden, and Mun, but Hobbes is nowhere to be found. In another, *Before Adam Smith* (Hutchinson 1988), the author begins *after* Hobbes, with Sir William Petty, who had been Hobbes's research assistant for a short time. Hobbes, however, is recognized for having "broached, in passing, some fundamental ideas which were subsequently to wield a profound influence in English political economy, and perhaps most importantly on Adam Smith" (24). Yet the nature of these "ideas" is reduced to a single sentence from Hobbes's *De Cive*: "There are two things necessary for the enriching of subjects, labor and thrift." If, as the author avers, this sentence "summarize[s] *The Wealth of Nations* . . . better than any other" (24), then why begin with William Petty instead of with Hobbes? A third such survey, *Economic Thought before Adam Smith*, begins with the Greeks, but dispenses with Hobbes in a few sentences as the mere transmitter of Baconian science to Petty (Rothbard [1995] 2006, 297).

In some surveys, Hobbes has fared worse, usually not receiving even a single mention (see Robbins 1998; Roncaglia 2006; Vaggi and Groenewegen 2006). Even in Joseph Schumpeter's magisterial *History of Economic Analysis*, Hobbes is afforded only a mere note in which no connection is made to the development of classical economics (1955, 116–17). He fares little better in studies that focus on capitalism's ideological foundations. In *Economic Thought and Ideology in Seventeenth-Century England*, Joyce Appleby notes that the economic pamphleteers "laid the footings for the construction of a new social reality" by drawing on Hobbes's construction of self-interest, but, unlike Hobbes, they embraced the market, as opposed to the state, as the preferable instrument for regulation (1980, 190, 191). In *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph*, Albert Hirschman likewise hints at Hobbes's importance as an agent in the "astounding transformation of the moral and ideological scene," but he denies that Hobbes's "[d]enunciation of the heroic ideal was . . . associated with the advocacy of a new bourgeois order" ([1977] 1997, 11–12). In Hirschman's celebrated account, Hobbes's voice is but one among many, and he is never directly linked to the Physiocrats or to Smith, much less identified as the distant progenitor of classical economics.

Milton Myers makes a far stronger case for Hobbes in *The Soul of Modern Economic Man: Ideas of Self-Interest, Thomas Hobbes to Adam Smith* (1983). As the subtitle suggests, Hobbes is identified as the catalyst of the debate over the role of self-interest and its social consequences that ultimately led to Smith's "invisible hand." Hobbes was more specifically the first to frame the overarching social problem clearly as the conflict between self-interest and the public welfare, but it was Smith who finally resolved it. Ironically, those who advanced the solution were not typically economists, but moral philosophers and theologians, such as Richard Cumberland, Lord Shaftesbury, Joseph Butler, and Frances Hutcheson. Indeed, Smith himself was a moral philosopher before becoming an economist.

For Myers, Hobbes is a seminal figure in the *development*, if not the founding, of classical economics. His contribution was both “positive” and “negative.” On the positive side, “Hobbes is important for attracting serious attention to the principle of self-interest, and for inducing minds to come forth with new ideas about the principle” (1983, 28–29). Furthermore, his treatment of self-interest in both its material and its mental aspects gave rise to explorations into the economic as well as the psychological bases of human motivation. It was Hobbes, “more than any other [thinker,] who, originally, stimulated these discussions of self-interest” (27). Progress along these lines, however, came as a result of *opposition* to Hobbes—that is, opposition to his extreme formulation of self-interest and his draconian solution to the problem of public welfare. This aspect is his “negative” contribution. Strictly speaking, then, Hobbes cannot be numbered among the “philosophical anticipators of laissez-faire,” but he did supply the vital problem that “spurred” them on (3).

In support of his alternate reading of the origins of classical economics, Myers cites the work of Jacob Viner, “one of the rare twentieth century economic minds . . . [who] was aware that modern economics grew out of something more than only the work of economists” (1983, 6). That “something” was a body of writings by a group of “moral philosophers and theologians whose major objective often was to rebut Hobbes” (from a 1955 essay in Viner 1991, 213). According to Viner, these thinkers, not the economists, were primarily responsible for “the most important intellectual developments which finally prepared the ground for the formulation of an economic doctrine of laissez faire” in England. For this reason, Hobbes deserves a notable place in “the intellectual history of laissez faire” (from the title of one of Viner’s essays). Elsewhere, Viner documents Hobbes’s influence on the Physiocrats and other Continental thinkers, such as Mandeville, Nicole, and Domat. “All of them followed Hobbes in believing that the discipline imposed by positive law and enforced by government was essential if a prosperous and flourishing society was to be derived from communities of individuals vigorously pursuing their self-regarding interests” (from a 1953 essay in Viner 1991, 185). Viner also suggests that Hobbes inadvertently anticipated the *Homo economicus* of modern economic theory by abstracting the part of human nature that is concerned solely with self-interested transactions. In the mid-nineteenth century, the Frenchman Frédéric Bastiat made this idea explicit, thus distinguishing political economy from ethics (from a 1959 essay in Viner 1991, 76).

Hobbes, Smith, and Economic Freedom

Insofar as the separation of ethics and economics is a cardinal criticism of the laissez-faire doctrine, Hobbes’s “invention” of *Homo economicus* may be a dubious distinction. Indeed, even classical liberalism’s founders objected to an economics or a social science that proceeds exclusively on the assumption of pure self-interest or equates self-seeking behavior with “rationality.” In our day, Smith’s defenders often point to

passages in *The Wealth of Nations* that mitigate the harsh, if impersonal forces of the market or draw attention to Smith's reservations about laissez-faire's untoward side effects. Others point to the "other-regarding" ethics of Smith's *Theory of Moral Sentiments* as a corrective to the "self-regarding" *Homo economicus* portrayed in *The Wealth of Nations*. Far from being the founder of a heartless doctrine of selfishness and competition, materialism and greed, Smith was engaged in the honorable task of "designing the decent society" in which commerce and virtue can coexist (Muller 1993).

Smith himself sought to distance himself from Hobbes and devoted a chapter in *Theory of Moral Sentiments* to combating Hobbes's "whole account of human nature . . . which deduces all sentiments and affections from self-love" ([1759] 1984, 317). In *Wealth of Nations*, he cites Hobbes but once and only to disagree with him: "Wealth, as Mr. Hobbes says, is power. But the person who either acquires, or succeeds to a great fortune, does not necessarily acquire or succeed to any political power, either civil or military" ([1776] 1981, 48).

Smith clearly did not consider himself indebted to Hobbes for his own conception of human nature, wealth, or power, but this fact has not stopped some scholars from characterizing his thinking as Hobbesian. Joseph Cropsey, for example, reads Smith as a latter-day "Hobbean" who retained the earlier philosopher's morality of self-interest and materialism, of rights over duties, and of self-preservation over excellence. "In this, as in many fundamental respects, Smith is intelligible as the disciple of Hobbes, the translator of Hobbeanism [*sic*] into an order of society" ([1957] 2001, 34). In essence, Cropsey objects to Smith because he is a *modern* who, like Spinoza and Hobbes, proceeds "from an essentially mechanistic, materialistic natural philosophy; from a rejection of the classical doctrine that nature is the form or end rather than the matter of things" (x).

Cropsey's remarks on the Hobbesian character of Smith's thinking occupy only a few pages, but they have not entirely escaped notice. One scholar has challenged Cropsey's reading at length, pointing to the one-sidedness of an interpretation that "inverts what Smith actually says" and "miss[es] one of the most interesting ways in which Smith's work serves as a standing challenge to both the critics and the defenders of capitalism" (Fleischacker 2004, 101, 103). Another scholar, however, has placed Hobbes "at the opposite pole" from Smith in their respective visions of social dynamics and organization. Whereas Hobbes looked to "politics" or the "state," Smith looked to the "economy" or the "market" as providing the best set of institutions "to meet man's material needs and thus make his aesthetic, philosophical, and spiritual desires more satisfiable" (Spengler 1976, 37). Admittedly, "Smith did not touch upon justice in the classical-scholastic tradition in *The Wealth of Nations*" or endorse a classical-scholastic scheme of commutative and distributive justice in *The Theory of Moral Sentiments* (Spengler 1976, 44). Yet in their place he adopted a system of "natural liberty" that, unlike earlier systems, provided an impersonal and corrective feedback mechanism.

It would seem that the relation between Hobbes and Smith (and classical economics) depends on the observer's level of analysis and moral commitments. Hobbes scholars have unfortunately not given his economic thought (as opposed to the economic *implications* of his general philosophy) the kind of attention it deserves, which helps explain the great range of opinion on his significance as an economic thinker. Neither the *Cambridge Companion to Hobbes* (Sorrell 1996) nor the *Cambridge Companion to Hobbes's Leviathan* (Springborg 2007) nor the annually published *Hobbes Studies* contains a single article on Hobbes's economic thought. Curiously, one of the few discussions on this point appears in an unlikely place: a monograph titled *The Legacy of Scholasticism in Economic Thought* (Langholm 1998). Although the author does not address the Hobbes-Smith question directly, he does significantly clarify Hobbes's place in the history of economic thought.

At the broadest level, according to Odd Langholm, Hobbes is notable for a "complete rejection of the medieval paradigm," which makes him a one of the founders of "modern social science" and, indirectly, of modernity itself (1998, 139). Illustrative of this rejection is Hobbes's redefinition of justice along strictly *contractarian* lines: "justice" is merely performing what is agreed to. In essence, Hobbes empties justice of its substance and reduces it to the terms of exchange. *Distributive* justice (shares according to merit) is collapsed into *commutative* justice (shares according to what one is able and willing to give). As Hobbes writes in *The Elements of Law*, "Every man may dispose of his own and transfer the same at his pleasure" ([1640] 1938). Under such terms, Langholm observes, the "concept of a just price must lose its meaning" (1998, 147).

Do such "libertarian legal maxims" make Hobbes a harbinger of laissez-faire and by implication make Smith a latter-day Hobbesian? Yes and no. The notion that Hobbes *anticipated* the "negative *laissez aller* doctrine" is at least a century old (Taylor 1908, 101), yet he himself did not *adopt* the doctrine. As Langholm writes, Hobbes was preoccupied with a "major theme in social philosophy in the centuries prior to the triumph of capitalism . . . : how to guide human pride and greed from negative and destructive activity into positive and productive channels" (1998, 150–51). He also contributed to "the establishment of classical economics" by reducing human motivation to self-interest and redefining justice in market terms. "Hobbes did not [however] envisage an inherent benevolent mechanism that might turn a free economy, protected only against fraud and physical force, into such a channel" (151).

True, Hobbes did not anticipate Smith's "invisible hand," but this is not to say that he opposed the free market. Indeed, evidence suggests that he envisaged a considerably *smaller* role for government in the economy than was the practice of his day—for example, as can be seen in his opposition to state-chartered monopolies. In *Leviathan*, Hobbes also observes that the state should limit its concern to matters of "peace and common defense," and he carves out a large sphere of autonomy for individuals, who possess "a right to govern their own bodies; enjoy air,

water, motion, ways to go from place to place, and all things else, without which a man cannot live, or not live well” ([1651] 1994, 120). Men more generally have the right to do all that the law does not forbid. “In cases where the sovereign has prescribed no rule, there the subject hath liberty to do, or forbear, according to his own discretion.” Far from a grudging concession, this grant of liberty is for the *benefit* of the sovereign’s subjects, who may pursue “what their own reasons shall suggest, for the most profitable to themselves” (161). How far does such liberty extend? As the following passage suggests, the scope is quite broad: “[Men have] the liberty to buy, and sell, and otherwise contract with one another; to choose their own abode, their own diet, their own trade in life, and institute their children as they themselves think fit; and the like” (161).

Such solicitude for personal liberties, including economic freedoms, is hardly what one might expect from the high priest of absolutism. More to the point, Hobbes takes buying and selling, making contracts, choosing a trade, and traveling freely as fully compatible with an authoritarian political order. Individuals consent to divest themselves of natural liberty and enter into civil society not for mere physical safety, “but also [for] all other contentments of life, which every man by lawful industry, without danger, or hurt to the commonwealth, shall acquire to himself” ([1651] 1994, XXX).

Along with Hobbes’s “liberal” first principles—natural right, natural liberty, natural equality, and the social contract—these facets of his teaching have led some scholars to conclude that he was not a liberal *in spite* of himself, but simply saw no contradiction between political absolutism and a free society, including a relatively free market. “The surprise,” writes one observer, “is not at what Hobbes proposes to regulate in a way we might think obsessive, but at what he proposes not to regulate” (Ryan 1996, 235). Far from envisioning a police state, “Hobbes had in view a weak early-modern state lacking in the resources to interfere systematically in the lives of ordinary people” (Baumgold 1988, 135). *Leviathan*’s vision is not that of the commissar and the apparatchik, but “a vision of the commonwealth as a civilized society wherein citizens enjoy those things necessary for the living of a prosperous and peaceful life. Seen in this light, Hobbes’s subject is less an abject creature confined within a system of public rules than a prosperous and contributing member of society replete with commercial, cultural, and intellectual achievements” (Dietz 1990, 95).

Bourgeois Man and Market Society

That such observations are made in passing by scholars interested primarily in Hobbes’s *politics* helps to explain why his ideas on economics remain on the margins of scholarship. They do suggest, however, that his expansive view of economic freedom, in conjunction with his market-based conception of interest and justice, entitle him to greater consideration in the annals of economic thought. At a minimum, he was “a herald of laissez-faire,” but he also had a vision of man and society that was deeply

informed by economic values and practices. Again, whether this distinction constitutes an accolade or a detraction depends on the observer. For those who look on modernity and the rise of capitalism as essentially problematic, Hobbes's credentials are impressive, if less than ideal. Those who look *back*, as Cropsey and Langholm do, regard Hobbes's vision as the "antithesis" of the good and just society. In this account, Hobbes appears as a kind of evil genius who drained natural law of its moral content and denuded justice of its transcendent status. As Langholm writes, "Hobbes's natural law could not reach the marketplace, for, unlike the scholastics, he could not appeal to justice. He had stripped justice of all relationship with terms of economic contracts. . . . When the market is closed there is always charity. From Locke to the latter-day libertarians, charity will reappear as a means of distributing wealth justly gained, but justice as moral virtue, transcending civil law, disappeared with Hobbes from economic doctrine" (1998, 156–57).

For those who look *past* Hobbes to a postcapitalist order, the "beast of Malmesbury" is admired for his prescience, but not for the content of his vision. Karl Marx and the Victorian critics of capitalism had little more than contempt for Hobbes's *Homo economicus* and his Benthamite successor. For the most part, however, nineteenth-century students of economic doctrine simply ignored Hobbes. Given the massive expansion of scholarly activity during the twentieth century, one would expect more rather than less interest in Hobbes's economics. Such an increase, however, was not the case. Not even the notable controversy sparked by C. B. Macpherson's *Political Theory of Possessive Individualism*—a work that identified Hobbes as the intellectual father of "possessive market society" (1962, 48)—established Hobbes as a standard figure in the history of economic thought. As late as 1987, there was still an entry (written by Macpherson himself) on Hobbes in *The New Palgrave Dictionary of Economics* (MacPherson 1987), but when a new edition appeared in 2008 (expanded from four to eight volumes), the entry had been deleted.

In the 1987 entry, Macpherson recognized Hobbes's limitations as an economic thinker: Hobbes did not "do" political arithmetic à la Petty, much less political economy à la Smith. He did, however, "set down a few general economic principles . . . [such as] a supply and demand theory of exchange value" (1987, 664). He also recommended several policies all "designed to increase the wealth of the nation by promoting the accumulation of capital by private enterprisers." In fine, Hobbes viewed it as "the job of the state . . . to clear the way for capitalism," and his theory of political obligation provided "the legitimation of the early capitalist state" (664).

If Macpherson is correct, then a philosopher as prominent as Hobbes is certainly entitled to a place in the history of economic thought. But is he correct? Students of the history of *political* thought know that Macpherson's *Political Theory of Possessive Individualism* set off one of the most celebrated and long-standing debates in the discipline. His neo-Marxist reading of Hobbes was, however, ironically prefigured in *The Political Philosophy of Hobbes*, an influential study by Leo Strauss,

a German scholar who would later give his name to a school of political philosophy. Strauss recognized that Hobbes's first principles can accommodate a great range of economic systems, "the ideal both of the bourgeois-capitalist development and of the socialist movement" ([1936] 1957, 1). More important, he identified Hobbes as the prototypical *bourgeois* thinker: "the ideals set up in his political philosophy are precisely the ideals of the bourgeoisie" (118). In a chapter titled "The New Morality," Strauss depicts the essentially "middle-class" nature of Hobbes's vision at some length. Hobbes was openly critical of members of the English middle class for their conduct—in particular their greed and sedition—but not of the middle class per se. His principles and proposals all point to a society dominated by middle-class values, "the morality of the bourgeois world" (Strauss [1936] 1957, 121). For Hobbes, a society of individual enterprise, industry, commerce, trade, wage labor, and contracts is the natural order of things when peace and security prevail. "Private property and private profit are . . . the inevitable condition for all peaceful life" (118). In place of the aristocratic virtues of honor and excellence, Hobbes hailed the bourgeois virtues of "thrift" and "industry": "his political philosophy is directed against the aristocratic rules of life in the name of bourgeois rules of life" (121). As a prophet of the bourgeoisie, Strauss's Hobbes bears a striking resemblance to another famous philosopher and champion of middle-class virtues, Benjamin Franklin, "that snuff-colored little man."

When *The Political Philosophy of Hobbes* was published in 1936, Strauss was not yet the American émigré who would rekindle the debate between the Ancients and the Moderns, but his suggestion that Hobbes was the first great avatar of bourgeois society made a marked impression on a young Canadian scholar who would also distinguish himself in later years. As I have noted, Macpherson's *Political Theory of Possessive Individualism* (1962) set off a scholarly debate over the economic assumptions underlying seventeenth-century English political thought from Hobbes to Locke. With the possible exception of J. G. A. Pocock's *The Machiavellian Moment* (1975), it has generated more discussion and commentary than any other comparable work in the field of political theory. It was not, however, the first time Macpherson's neo-Marxist analysis of Hobbes had appeared in print. Much earlier, Macpherson had adopted Strauss's "bourgeois" reading of Hobbes and expanded it in a bold and novel direction. In fine, the man depicted in Hobbes's "state of nature"—vain, acquisitive, and competitive—is actually the man of *bourgeois* society. "Hobbes's analysis of human nature, from which his whole political theory is derived, is really an analysis of bourgeois man" (1945, 525).

Whether consciously or not, Macpherson argues, Hobbes read back into the state of nature the human attributes and social relations characteristic of the emerging capitalist order. What he took for the universal qualities of human nature are actually specific to market societies, where labor is only another commodity and a man's value is his "price." As Hobbes writes in *Leviathan*, "The *value*, or WORTH of a man, is as of all other things, his price; that is to say, so much as would be given

for the use of his power: and therefore not absolute; but a thing dependent on the need and judgment of another. . . . And as in other things, so in men, not the seller, but the buyer determines the price" ([1651] 1994, 73). Although scholars before Macpherson had cited this passage as an adumbration of the "economic man" of the classical school, Macpherson made it the locus of a full-blown, neo-Marxist account of the ideological foundations of early-modern capitalism.

In this account, Hobbes is hailed as the intellectual gravedigger of the precapitalist order and the intrepid herald of the new market morality. At the time Hobbes was writing, the new morality was well advanced in practice, but it had not found a clear, uncompromising voice to give it a philosophical sanction grounded in the new materialism. *Leviathan*, with its mechanistic account of human nature and social relations, laid the foundations for the new order. That Hobbes's vision did not extend to encompass the idea of a *self-regulating* market is hardly surprising in view of the transitional stage of capitalist development at the time. He did, nonetheless, foresee the anarchic consequences of a market-based society, which helps to explain the discrepancy between his "liberal" premises and his absolutist conclusions. In lieu of a self-regulating principle, Hobbes invoked the highly "visible hand" of the sovereign to bring order to a society of market-driven, masterless men.

If individuals are "free all of all relations of mutual personal dependence, and so constituted that they are not fit for society but only for the competitive struggle for existence," then "a coercive state built from a multitude of isolated wills is necessary" (Macpherson 1945, 533). Hobbes's drastic solution to the problem of political obligation, Macpherson argues, is best understood "as the result of his imperfect appreciation of the social relations of bourgeois society": he did not understand how such a society could cohere without an awe-inspiring sovereign. He did, however, clearly see that as men were increasingly freed from the customary ties of a traditional society, "a stronger state is necessary" (534). This insight was Hobbes's "supreme merit," according to Macpherson, rendering him "more relevant in the twentieth century than at any time since he produced *Leviathan*" (534).

Macpherson and His Critics

Perhaps owing to its prosaic title, "Hobbes Today," Macpherson's provocative essay failed to attract much attention among Hobbes scholars or students of political thought. The appearance of a companion piece on Locke a decade later generated moderate interest, but it was a poor predictor of the reaction to *The Political Theory of Possessive Individualism*, the culmination of Macpherson's intensive study of seventeenth-century English political thought. Nearly a half-century after its publication, this book remains essential reading and continues to be widely cited and discussed.

For Macpherson, "possessive individualism" is the leitmotiv that runs through "liberal" English political thought from the end of the Civil War to the Glorious

Revolution. In short, “liberal” thinkers from Hobbes to Locke took the individual as the basic social fact and unit of philosophical analysis. Beginning with Hobbes, the individual is viewed as having sole possession of his body and driven to secure the means of self-preservation in a world of scarcity. Foremost among these means is a man’s *labor*, which in civil society becomes a *commodity* to be bought and sold in the market. For Macpherson, this commodification of labor is the defining quality of a “possessive market society,” and Hobbes was the first to anticipate such a society in both his assumptions about human psychology (self-regarding, acquisitive) and his market-based notion of human value (a man’s worth is his price). “Hobbes saw, accurately, that in a possessive market society all values and entitlements are in fact established by the operation of the market, and all morality tends to be the morality of the market” (1962, 85–86).

Although Macpherson’s argument involves much more than I have presented here, he clearly casts Hobbes as the inventor of *Homo economicus* and an early architect of modern market society, in which “market relations . . . shape or permeate all social relations” (48). As such, Hobbes was “far ahead of any contemporary thinker in the depth of his insight” (96). His vision admittedly did not extend as far as the self-regulating society of laissez-faire capitalism—hence, the need he perceived for a powerful sovereign to check the acquisitive impulses unleashed by an emerging market society. Hobbes’s major oversight was that he omitted the concept of social class and failed to see how class cohesion could mitigate the anarchic tendencies of “market morality” (93).

As a critic of market society, Macpherson could not give Hobbes his full endorsement, but he did credit the English philosopher for his “penetrating vision” (14) that captured “both the freedom and the compulsion of possessive market society” (106). Macpherson does not attempt, however, to place Hobbes in the history of economic thought or political economy. Hobbes is clearly significant for his insights into his own society and the trends of the time, but Macpherson is somewhat ambivalent about the degree of his foresight. He tentatively states that Hobbes was “perhaps a little ahead of his time” and then affirms that this anticipation “turned out to be about two centuries” (86). If we take *Leviathan* (1651) as the starting point, two centuries carries us past Smith, Malthus, and Ricardo to Herbert Spencer, whose *Social Statics* was published in 1851. This comparison suggests that Hobbes was not merely the preceptor of classical economics, but the ancestor of modern libertarianism as well.

The Political Theory of Possessive Individualism was reviewed extensively upon its publication and continues to inform discussions of the roots of liberalism. Unfortunately, these responses have done little to clarify Hobbes’s status as a economic thinker. Most of Macpherson’s critics have sought simply to challenge or rebut his reading of Hobbes as a theorist of “possessive market society,” typically on historical and biographical grounds. In one notable account, Keith Thomas (1965) explores “the social origins of Hobbes’s political thought” only to find that Hobbes was far

more a traditional thinker than Macpherson's prophet of market society. In addition to qualifying many of Macpherson's claims regarding Hobbes's alleged bourgeois sensibilities, Thomas notes that Hobbes adopted a number of positions inconsistent with the emerging capitalist economy. Moreover, the pregnant passages Macpherson cites to support his interpretation (for example, "the WORTH of a man . . . is his price") are simply "too terse and too isolated to be capable of adequate clarification" (1965, 230). Ultimately, "it is the sovereign, and not the market, which determines differences of human worth," and the state, in its welfare function, "serves as a barrier against the unimpeded operation of the market" (231).

In conjunction with Hobbes's "noncapitalist" views on property, contracts, and money making, and with his equivocal attitude toward the aristocracy and the middle classes, these reflections lead Thomas to conclude that Hobbes was a "transitional" figure (1965, 191) whose thoughts on economics were "fundamentally ambivalent" (218). For example, in some passages Hobbes appears well in advance of his times in supporting economic liberties, yet fails to provide these liberties with any defense against an all-powerful state. His opposition to internal monopolies in the interest of consumers was "extremely advanced," but, like his other progressive economic positions, it was "not an indispensable part of his political thought" (229). In the end, Hobbes's economics, though at times suggestive of *laissez-faire*, is ultimately *indeterminate* because economic arrangements and liberties remain dependent on the sovereign's will.

Another notable response to Macpherson's thesis concludes with one of the few discussions of Hobbes's economic thought proper, as opposed to the economic implications of his politics. In "The Economic Foundations of Hobbes' Politics," William Letwin pins the scholarly neglect of these foundations on Hobbes himself: "Hobbes said little, almost nothing, about economics" (1972, 143). This judgment is not surprising insofar as Letwin began an earlier survey (1963) of pre-Smithean English economic thought *after* Hobbes. As for Macpherson, Letwin avers, each of his three major theses is "mistaken." This verdict would seem to leave Hobbes on the margins of political economy and would justify his deletion from the *New Palgrave Dictionary*. For Letwin, what is most notable about the little Hobbes does say about economic policy is its close correspondence with the actual practices of the time and its applicability to "almost any modern state" (1972, 161). The economic functions Hobbes assigns the state—levy taxes, protect private property, enforce contracts, create a coinage, dispense charity—are the functions of virtually all liberal states. "Adam Smith regarded these as normal and so does the Constitution of the United States." On the whole, "it is a fairly moderate program of economic intervention" and, except for the overlay of absolutism, is "remarkably neutral" (161, 162).

For Letwin, Hobbes is, with few qualifications, a conventional thinker on the subject of economics and a far cry from Macpherson's harbinger of bourgeois man and market society. Yet in concluding that Hobbes "was a liberal" in terms of the

“economic scope of government” (1972, 164), Letwin lends support to the very thesis he denies. This incongruity aside, Letwin was one of the few economists to enter the lists in the *affaire Macpherson*, which was a debate primarily among historians and political theorists. Jacob Viner was another. As noted previously, Viner recognized Hobbes as an important figure in the development of classical economics. Although disagreeing with Macpherson on two key points, Viner “accept[ed] most of Macpherson’s interpretation of Hobbes’s political theory not only as persuasive but as superlatively perceptive” (from a 1963 essay in Viner 1991, 362). Letwin and Viner’s disparate judgments recall the old adage about the difficulty of finding two economists who agree.

The experts clearly disagree on Hobbes’s importance in the history of economic thought. As I have suggested, much of the confusion stems from Hobbes’s “negative” relation to his successors and from modern scholars’ failure to distinguish his economic ideas from the economic implications of his first principles. Further clouding the picture is the tendency to view Hobbes’s thought as a product of the times, either as an avatar of emergent trends or as a faithful mirror of current conditions. In either case, it is treated as derivative of his material and intellectual milieu as opposed to an independent source of judgment. One might, for example, attribute Hobbes’s absolutism to his personal timidity and the experience of civil war, but the uniqueness of his response suggests more than mere psychological and historical causes. So, too, with his economic thinking, which, however paltry, is arguably more interesting and relevant than his politics.

Hobbes himself, however, would not have admitted such a distinction between politics and economics. He claimed to be the inventor of civil science, but for all his indebtedness to the scientific method, it did not occur to him to abstract economics from politics. In this sense, he was a greater methodological realist than many contemporary political scientists and economists are. He showed a clear preference for a market-based economy, but did not theorize economic freedoms in the abstract or elevate them to a position beyond the reach of the state. For him, economic policy will vary according to time, place, and circumstances. The state *should* encourage industry, limit extravagance, foster employment, and assist the needy, but the precise methods of doing so will depend on conditions. In normal circumstances, the state will guide and regulate, but not direct or control economic activity. As a general rule, Hobbes’s sovereign would allow the greatest amount of economic freedom consistent with the security of the realm and the maintenance of civil order. In practice, depending on these overarching goals, such freedom will be, as Hobbes writes in *Leviathan*, “in some places more, and in some less; and in some times more, in other times less” ([1651] 1994, 166).

From the standpoint of classical liberalism, Hobbes’s most grievous error was his failure to invest private property with immunity from arbitrary seizure. For him, property holding is not a natural right antecedent to and independent of civil society, but a positive right established by the sovereign. It is among the sovereign’s duties to

uphold this right impartially, but the subject is given no means of redress if his property is unfairly seized or distrained. This doctrine clearly flew in the face of English common law going all the way back to the Magna Carta. Why did Hobbes take such a reactionary stand? Macpherson suggests that he did so owing to his view of the principal cause of the English Civil War, “the new belief in unconditional property right” (1962, 65). Outside of self-preservation and physical liberty, Hobbes did not grant any unconditional rights because he had seen how rights might be invoked as a pretense to undermine the state. His denial of absolute property rights was a hedge against sedition.

Yet just as a number of exceptions and qualifications mitigate Hobbes’s political absolutism (Q. Taylor 2009), so too do they mitigate his reactionary view of property. His pre-Civil War works, *The Elements of Law* ([1640] 1938) and *De Cive* ([1642] 1998), contain claims that property rights exist prior to or outside the state. In *Leviathan*, written after the Civil War, property is emphatically the creation of the state. Yet even here there is a glimmer of a natural right to property, for at one point Hobbes declares that an unfair distribution of land by the sovereign “is to be reputed void” ([1651] 1994, 187). He does not, however, provide any means of redress. Nonetheless, his pre-Civil War writings point to a natural right to property that may be maintained against the state. On this basis, one scholar has placed Hobbes above Locke as “the father of British liberalism” (Lopata 1973, 218). Another has pointed to Hobbes’s views on taxation as foundational: “Hobbes can be regarded as starting a controversy on the ‘proper’ incidence of taxation which was to stretch through the centuries from Sir William Petty, David Hume, Adam Smith, Ricardo, John Stuart Mill, to Pigou and Kaldor” (Jackson 1973, 179).

The Father of Political Economy?

Can any or all of the foregoing observations justify crowning Hobbes as “the father of political economy”? An affirmative answer was given by the distinguished French political philosopher Bertrand de Jouvenel, for whom Hobbes is the precursor of Mandeville, Smith, and Pareto. “The thread of Hobbesian thought reappears in the entire web of economic science,” de Jouvenel asserted ([1957] 1997, 290). That thread is *Homo economicus*: Mandeville’s wealth-generating hedonist, Smith’s discernor of his own good, and Pareto’s utility maximizer are prefigured in Hobbesian man. Hobbes may have been an absolutist, but his sovereign’s basic purpose is not unlike that of the liberal state. His authority serves as “a filter which halts obnoxious actions and lets through those only which are neutral or useful. By means of this filter, freedom is steered away from anti-social courses and is even committed to those which are social” (de Jouvenel [1957] 1997, 291).

If this description is the essence of Hobbes’s political teaching and his “economic man” is the starting point for classical economics, the “father of modern absolutism” is entitled to a notable, if paradoxical, place in the origins of political

economy. One need not accept Macpherson's thesis in its entirety in order to appreciate its basic thrust. His case is certainly overstated and succumbs to many of the defects its critics have noted. Its principal flaw, however, is the contention that Hobbes and by extension "market society" reduce all values, including the value of persons, to a "market morality." A related defect is the association of Hobbesian justice per se with his views on *commutative* or economic justice. (In this error, Macpherson is joined by Langholm.) Hobbes also discussed *retributive* justice at some length and in a manner that "opened up the road to a liberal concept of criminal law" (Cattaneo 1965, 291). These faults aside, Macpherson (along with de Jouvenel, Myers, and Langholm) may be credited with uncovering the same "thread" that leads from Hobbes to Mandeville to Smith and beyond. Even if Hobbes's repeated use of market-based language was in part rhetorical and politically motivated, it nonetheless served to displace traditional modes of political discourse with tropes and language drawn from the market. As Amit Ron has written, in Hobbes "we can trace the beginning of a process by which the logic of the market took over and repressed (though never entirely erased) the classical interest in the institution of the forum" (2006, 237).

But what of Hobbes's explicit economic views? Do they entitle him to a place among of the founders of political economy? In the one sustained and nonpolemical summary of Hobbes's views, Aaron Levy assigns Hobbes the more modest but still important role of "performing the services of an intellectual *agent provocateur*" (1954, 589). Insofar as his economic views were subordinated to political imperatives and he failed to identify economics as a science (he does not mention it in his comprehensive classification of knowledge), he cannot be credited with making a seminal contribution to classical economics. As pure economics, Hobbes's views seem to be "rather pedestrian" and offer "no theoretical or practical insights" (Levy 1954, 590). In some respects, such as his theory of property, Hobbes stood in direct opposition to the leading assumptions of the classical school: "a natural harmonious order and a set of 'natural' rights and liberties that the state must recognize and protect" (595). Yet in placing natural law, the nature of property, and role of the state in economic affairs at the center of analysis, he established a set of problems that subsequent theorists—the physiocrats and the advocates of *laissez-faire*—were forced to grapple with. In his underlying premises and larger arguments, Hobbes "presented a challenge they could not ignore and had to meet" (589).

Conclusion

As noted at the outset, Hobbes's status as an economic thinker partakes of extremes. My purpose here has been to clarify that status as reflected in the scholarship of the past century. At least one thing is clear. Hobbes's "changing historical fortunes" as a political economist have not followed a linear trajectory, but have been marked by a lack of continuity and consensus. Only in the *affaire Macpherson* have Hobbes's

economic views (or, rather, the alleged economic implications of his politics) been subject to sustained scrutiny. After nearly a half century of debate, the disputants (primarily political scientists and historians) are no closer to agreement. The remainder of the literature is almost entirely episodic and often idiosyncratic in its treatment of Hobbes as an economic thinker.

In the course of this survey, I have attempted to account for the silence on the part of economists as well as for the great discrepancy of opinion over the significance of Hobbes's economic views. Let me add one final clarification. Just as Hobbes attributed confusion in politics and philosophy to the imprecise use of language, his status as an economic thinker remains confused for a similar reason. In the strict sense, Hobbes was not an "economist" or a "political economist" in the mold of William Petty or Adam Smith, which may justify his marginal status in recent histories of economic thought. He was, however, a "political economist" in the most literal sense of the term because he explored *the interrelations of government and economics*. That he did so in greater detail and realism than virtually any of his predecessors is no mean accomplishment. That he understood the vital importance of economic policy for the security and well-being of the commonwealth is also noteworthy. That he provided much of the language and concepts, including *Homo economicus*, that would be appropriated by the pioneers of economic science is even more impressive. For these notable contributions, Hobbes deserves more than silence in the annals of economic thought.

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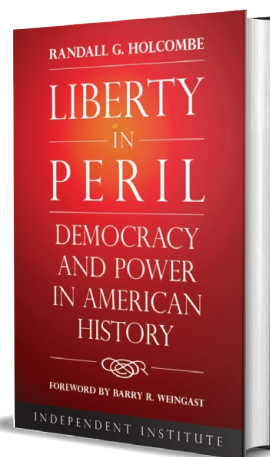
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