

The Vested Interests and the Evolving Moral Economy of the Common People

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Abstract: The British historian E.P. Thompson (1971) developed the concept of “moral economy” to analyse the food riot in eighteenth-century England. The current paper aims at elaborating on the concept of moral economy of the common people, by combining the insights of Thompson and those developed by Veblenian institutional economists. It highlights the commonalities between Thompsonian history and Veblenian economics in terms of both questions addressed and methodological principles endorsed. Finally it emphasizes the complementarities between these two bodies of work and suggests some ways to exploit them, in order to better understand the evolution of the moral economy of the common people over time.

Keywords: Thompson, Veblen, moral economy, history, institutionalism

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In a 1971 paper, the British historian E.P. Thompson (1924-1993) develops the concept of “moral economy” to analyse the food riot in eighteenth-century England. His aim is to highlight the customary and cultural factors which defined the boundaries of legitimate economic behaviour in the eyes of the poor English people at that time and motivated them to start a collective action when the limits established by these norms were overstepped. While this notion has been reused and debated in various disciplines (anthropology, sociology, political science, etc.), it has surprisingly not been considered within institutional economics.¹

The paper aims at elaborating on the concept of moral economy of the common people, by combining Thompson’s insights and some arguments developed by Thorstein Veblen and the

institutional economists in his wake. Section 1 sums up Thompson's (1971) rationale on "moral economy". Section 2 puts this notion into a broader perspective on Thompson's history and reappraises it in the light of Veblenian institutional economics. It highlights the commonalities between Thompson's and Veblen's basic views on (neo)classical and Marxist economics, human agency and cultural evolution. Section 3 emphasizes the complementarities between Thompsonian history and Veblenian economics and suggests some ways to exploit them.

E.P. Thompson's (1971) approach of "moral economy"

Thompson's (1971) article is first and foremost a severe criticism of the historical approaches which analyse food rioting crowds in eighteenth-century England as "spasmodic" reactions of hungry masses to a lack of corn. Thompson (1971, 185-187) attacks both (neo)classical economists who promote "an abbreviated view of economic man" and the economic historians who have endorsed it, leading to reduce the explanation of food riots to a mechanical consequence (statistically established) of an increase in both unemployment rate and food prices, with hunger as the transmission belt. Thompson asserts that such "a crass economic reductionism" fails to highlight the actual motives which drove the behaviours of rioters, as well as the custom and culture which underlay them. He introduces the notion of "moral economy" to designate the set of moral principles which justify, to the eyes of the poor people and to some extent beyond, a collective action on their behalf to protest against the economic behaviour of other individuals or social groups. According to Thompson (1971, 188):

The food riot in eighteenth-century England was a highly complex form of direct popular action, disciplined and with clear objectives [...]. [T]hese grievances operated within a popular consensus as to what were legitimate and what were illegitimate practices in marketing, milling, baking, etc. This in its

turn was grounded upon a consistent traditional view of social norms and obligations, of the proper economic functions of several parties within the community, which, taken together, can be said to constitute the moral economy of the poor.

Thompson argues that this “moral economy of the poor” was rooted in popular custom and supported to some extent by an old body of Statute law and common law, which governed the marketing and manufacturing process of corn and bread. Riots started when the common people considered that public authorities were unwilling or unable to stop behaviour that infringed these moral principles, e.g. when bakers or millers were accused of practicing excessive prices and profits. Thompson emphasizes the tension which characterized the rise of capitalism in the eighteenth and nineteenth-century England between the traditional moral economy of the common people and the principles of the new political economy which promoted the liberalization of the corn trade. In this respect, Thompson (1971, 203; 1991, 273-275) argues against the economic historians who have uncritically subscribed to the classical economic theory which claims to describe the working of actual markets and demonstrate empirically the superiority of *laissez-faire* in the trade of grain to ensure economic efficiency and “the best good of all.” In his view, “if one considers these sections of [Adam Smith’s] *The Wealth of Nations* they impress less as an essay in empirical enquiry than as a superb, self-validating essay in logic” (Thompson 1971, 203).

E.P. Thompson’s history through the lenses of Veblen’s institutionalism

The criticisms Thompson addresses to (neo)classical economists and to the economic historians who have endorsed their views echo several arguments put forward within institutional economics by Thorstein Veblen and his followers. Veblen (1919, 56-251) already argues against the (neo)classical approach of human nature which claims to isolate the

analysis of economic behaviour from other social activities and to consider the utilitarian or hedonistic rationality of the business man as a universal model of behaviour, whatever the time and space. For Veblen (1919, 67), such a set of preconceptions can only produce “at its best [...] a body of logically consistent propositions concerning the normal relations of things – a system of economic taxonomy”.² Besides, both Veblen and Thompson link up their criticisms to the definition of a positive research program centred on the analysis of the evolution of institutions as Veblen (1899, 190-191) defines this concept. Thompson’s notion of “moral economy” indeed presents the main attributes of a set of institutions in Veblen’s sense. Just like Veblen (1914, 35) argues that “the institutional apparatus [is] the habitual scheme of rules and principles that regulate the community’s life”, Thompson shows that the traditional principles of “moral economy” were crucial in structuring the social interactions relating to the provision of subsistence of poor people in the eighteenth-century English society. Besides, Veblen’s (1919, 239) view that institutions are embodied within individuals, under the form of “settled habits of thought,” each of which consisting in “a propensity to behave in a particular way in a particular class of situations” (Hodgson 2004, 169-171), is broadly consistent with the definition of Thompson’s (1971) “object of analysis” as “the *mentalité*, or, as I would prefer, the political culture, the expectations, traditions, and, indeed, superstitions of the working population most frequently involved in actions in the market” (Thompson 1991, 260; see also *infra* Thompson’s view of class in the footnote 7).

Now, to fully appreciate the commonalities between Veblenian institutional economics and Thompsonian social history, it is necessary to replace Thompson’s views on “moral economy” within a broader approach of his work and to link this notion to two other key concepts, namely “experience” and “agency” (Boutier and Virmani 2015). This conceptual triplet constitutes the keystone of his work, including of his landmark book, *The Making of*

the English Working Class (Thompson 1963), as the very first pages of which (its preface actually) well illustrate:

This book has a clumsy title, but it is one which meets its purpose. *Making*, because it is a study in an active process, which owes as much to agency as to conditioning. The working class did not rise like the sun at an appointed time. It was present at its own making. *Class*, rather than classes, for reasons which it is one purpose of this book to examine [...] By class I understand an historical phenomenon, unifying a number of disparate and seemingly unconnected events, both in the raw material of experience and in consciousness. [...] The class experience is largely determined by the productive relations into which men are born – or enter involuntarily. Class-consciousness is the way in which these experiences are handled in cultural terms: embodied in traditions, value-systems, ideas, and institutional forms. If the experience appears as determined, class-consciousness does not. We can see a *logic* in the responses of similar occupational groups undergoing similar experiences, but we cannot predicate any *law* (Thompson 1963, 9-10).

This quotation is of major importance to understand the breakthrough Thompson's work has constituted in social history, rejecting two variants of economic reductionism: the quantitative history inspired from (neo)classical economics as already mentioned, but also the deterministic version of Marxism which claims to deduce mechanically all the cultural and political characteristics of a given society (its "superstructure") from its economic conditions (its "infrastructure"). Against these approaches, Thompson brings in the field of social history the question of agency, in a way which is close to the perspective developed by Veblen and the American Pragmatist philosophers in the first decades of the twentieth-century (Hodgson 2004; Brette, Lazaric and Vieira da Silva 2017). Both Thompson and Veblen argue that individuals are embedded in economic (material, technical and productive) conditions that shape their "experience" (Thompson) and "habits of life" (Veblen). These "experience" and "habits of life" affect their "consciousness" (Thompson) and "habits of thought" (Veblen) but do not strictly determine them, to the extent that individuals are endowed with an ability to

interpret the world on the basis of their intellectual capacities and of the habits they have developed in other spheres of social activities or which they have inherited (Veblen 1919, 39, 77; Thompson 1978, 230). As individuals share common experience and habits of life – at work and in several other contexts – they are likely to develop shared views and habits of thought, thus giving rise to bundles of institutions in Veblen’s sense – such as “the moral economy of the poor” or the “working class consciousness” – which will be transmitted to other individuals, including to subsequent generations. Here lies for Veblen and the Pragmatist philosophers one of the main foundations of the continuity between individual and society and of the (synchronic and diachronic) continuity of the society itself (Brette, Lazaric, Vieira da Silva 2017).³ In the same vein, Thompson (1978, 120) argues that “history is not only process but process with intelligible regularities and forms.” Both Veblen and Thompson stress that the acknowledgement of these social regularities and forms does not oppose the view that cultural evolution is an open-ended process, always subject to the arising of unpredictable outcomes – i.e. emergent effects (Brette 2003; Thompson 1978, 65-68, 113). Then, the ultimate objective of social sciences is to highlight the “self-continuing” or “self-propagating” historical “logic” which has characterized a given society over a certain period of time and to explain the causal relations which underlie it (Veblen 1919, 37, 77; Thompson 1978, 131-132). To this end, Veblen (1919, 238-243) and Thompson (1963, 9-11; 1978, 142-143, 229) respectively argue that the key task of economists and historians should be, in substance, to reveal and analyse the historical process of mutual interactions between agency and social structures. For both authors, this is the *sine qua non* of explaining the cultural evolution of any society without resorting to some *ad hoc* teleological imputation (Veblen 1914, 327-328; Thompson 1978, 114-138).⁴

Building on the complementarities between Thompsonian history and Veblenian economics

Given the commonalities between institutional economics *à la* Veblen and Thompson's social history, one would expect to find mutual references between these two bodies of work. This is not the case. Without claiming to be exhaustive, I have found very few, and only incidental, references to Veblen in Thompson's writings (Thompson 1961, 38; 1973, 23). Symmetrically, institutional economists have not paid significant attention to Thompson's work. An investigation within the whole collection of the *Journal of Economic Issues* led me to identify only one paper specifically devoted to Thompson, namely a favourable review Warren Samuels (1981) made of *Whigs and Hunters* (Thompson 1975).⁵ This mutual (near) neglect is all the more regrettable as, if Thompson and institutional economists share similar issues and methodological principles, their respective works do not put the emphasis on the same dimensions, so that there are significant complementarities to exploit in their crossing.

On the one hand, one must acknowledge that Thompson's conceptual apparatus presents some weaknesses regarding the definition and foundations of some key notions and their relations. For instance, Thompson (1991, 351) himself admits that:

Comparative enquiry into what is 'the moral' (whether as norm or as cognitive structure) will help us to understand these meanings. It is an agenda for forward research. It would be a shame to leave future historians with nothing to do.

In this respect, Thompsonian history could benefit from the major conceptual and theoretical advances that have been realized within institutional economics over the last decades. For example, the theoretical framework Hodgson and Knudsen (2010) have built up may help to specify the definition and foundations of such notions as "experience", "need", "culture", "institutions", "beliefs", "consciousness", "feelings" and many others, as well as their relations (Thompson 1978, 229-231). Given its multi-level nature, such a framework

could notably allow to give stronger foundations to Thompson's (1978, 229) insight regarding the development of "junction-concepts (such as 'need', 'class', and 'determine') by which [...] structure is transmuted into process, and the subject re-enters into history."

On the other hand, the theoretical advances achieved in institutional economics call for the development of "empirical studies that cover both the temporal and spatial dimension," in order "to understand how stable habits and routines are recombined to produce increasingly complex social organizations, how habits and routines become stable in the first place, and how consistency and stability are maintained and, sometimes, break down across multiple levels of analysis, including individual human actors, organizations, and institutions" (Hodgson and Knudsen 2010, 235). Thompsonian history could strongly contribute to this challenging but decisive part of the institutionalist agenda, thanks to the original perspectives it has opened in exploiting new empirical sources and reappraising already existing sources to better understand the historical process of interactions between micro and local actions and the cultural evolution of the society as a whole (Thompson 1995, ix; Passmore 2014, 44).

The complementarities between Thompsonian history and Veblenian institutional economics could be exploited to analyse the evolution of the moral economy of the common people over time, until the most recent stages of capitalism. Given the space constraints, I will only sketch some ways to be explored in further work, and will also neglect the important literature that has already built on Thompson's concept of "moral economy." While Thompson's (1971) article was centred on the analysis of the "moral economy of the poor people" in the eighteenth-century England, I suggest to enlarge the use of the "moral economy" concept to refer to any set of moral assumptions which underlie and structure the way everyday economic relations are negotiated between the different classes of a society in a defined historical context.⁶ This leads to consider that have (co)existed different moral economies, including what could be designated as a "market-based moral economy," that

have evolved, even hybridized, until now.⁷ In this perspective, one may interpret neoliberalism as a process of evolution of the moral economy of the common people, based on and promoting “the ethic of self-interest and personal responsibility” (Wrenn and Waller 2017). To understand the cultural effects of neoliberalism, we must analyse how its situated implementation (in time and space) has shaped the current experience of people – in work sphere and other fields of social activities – and how these evolving experience and habits of life have affected people’s habits of thought and finally their “moral economy”, “class-consciousness” and other elements of culture (Mirowski 2013; Duroy 2016). Moreover, paraphrasing Thompson (1963, 194), we should not think of neoliberalism as “an external force [...] working upon some nondescript undifferentiated raw material of humanity, and turning it out at the other end as ‘fresh race of beings’.” Individuals and social groups that have experienced neoliberalism, in one way or another, also embody various institutions, including some inherited from earlier time, even rooted in traditional (pre-capitalist) moral economies (Thompson 1965, 354). Grasping the comprehensive effects of neoliberalism implies identifying and linking up the processes it has induced at different levels of reality – from individuals to the society as a whole – the combination of which may have given rise to unpredictable outcomes.⁸ This notably calls for extending and adapting to the analysis of contemporary situations the original empirical perspectives Thompson has opened for the study of the eighteenth and nineteenth-century England. The implementation of various methods of empirical research – including qualitative methods – based on many different sources still appears essential to understand the moral economy of the common people and to oppose the economic reductionism Thompson (1971) has always denounced. This clearly challenges some ingrained methodological habits of thought. As Thompson (1978, 236) already argued four decades ago, “[t]he good old utilitarian notion that all facts are quantifiable and measurable (and hence can be ingested by a computer), and that whatever is

not measurable is not a fact, is alive and kicking.” It is more than ever true in current economics.

Notes

¹ Four decades after the publication of his seminal article, Thompson (1991) published another paper on “moral economy” in which he reviewed his own rationale, the controversies his 1971 paper had provoked and some of the works it has inspired in different disciplines.

² Veblen (1919, 82-179) shows that the preconceptions which underlie economic theories mirror certain institutions of the society in which these theories were developed. In the same vein, Thompson (1965, 354-355) argues that “[t]he very category of economics – the notion that it is possible to isolate economic from non-economic social relations, that all human obligations can be dissolved except the cash-nexus – was the product of a particular phase of capitalist evolution.”

³ Veblen argues that instincts are the other main foundation of the social nature of man, notably “the parental bent”, which supports “the parental solicitude in mankind” (Veblen 1914, 26).

⁴ Veblen (1919, 417-418, 436) and Thompson (1978, 97, 120) criticize the deterministic version of Marxism on the same grounds: first for its borrowing to utilitarianism and second for its teleological approach of history. Moreover, it is noteworthy that Thompson contrasts, though incidentally, Darwinism to the shortcomings of this version of Marxism, in terms which Veblen could have endorsed in his appeal for an evolutionary economics: “[W]hat is remarkable in [Darwin’s] work is the way in which he argues through rigorously, and in an empirical mode, the logic of evolution which is *not* a teleology, whose conclusions are *not* entailed in their premises, but which is still subject to rational explanation” (Thompson 1978, 86).

⁵ I have found around twenty papers published in the *JEI* which make incidental references to E.P. Thompson. An article of Keaney (2000) devoted to Douglas F. Dowd’s radical economics contains more substantial references, aiming at drawing some parallels between the socialist humanism of Thompson and that of Dowd.

⁶ Note that I use the term of “class” in accordance with Thompson’s (1965, 357) view: “When we speak of a class we are thinking of a very loosely defined body of people who share the same congeries of interests, social experiences, traditions and value-system, who have a *disposition to behave* as a class, to define themselves in

their actions and in their consciousness in relation to other groups of people in class ways. But class itself is not a thing, it is a happening.”

⁷Thompson (1991, 272) himself stresses that it would be “fat-headed” to assert that “there has been proposed an absolute segregation between a moral and a market economy.”

⁸ Let me suggest that the profound ambiguities that characterize the development of the “sharing economy” (Schor 2014) may reveal a tension between a “neoliberal moral economy” based on “the ethic of self-interest and personal responsibility” (Wrenn and Waller 2017) and a “community-oriented moral economy” based on the ethic of cooperation and collective responsibility. This tension should not be interpreted in terms of a strict opposition, since both logics may share some principles (e.g. a certain distrust of the State) and may have influenced one another over time.

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