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0521828481 - Fiction, Famine, and the Rise of Economics in Victorian Britain and Ireland

Gordon Bigelow

Excerpt

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Introduction

In the world of the twenty-first century, the study of economics has taken over the burden that once fell to the concept of empire. In contemporary global relations, power and privilege are thought primarily within an economic rhetoric; empire's frank assertions of hierarchy in race, class, and gender have been replaced in foreign policy by the sanitized terms of development, growth, and free trade. Public discourse on social and political policy, liberal and conservative, rests at every turn on an economic imperative of one form or another.¹ At the same time, the last decade has brought an expansion of financial institutions, consumer credit instruments, and capital investment programs, which can make citizenship appear only a matter of personal investment strategy and wealth creation. As an academic discipline and as a practice of public policy, economics is a crucial tool for sustaining the view that distribution of resources, either at the level of the household or of the international agreement, is today nonviolent and non-coercive. The discipline's explanatory power, its ability to theorize the expansion of markets as a form of social progress, was consolidated in the middle decades of the nineteenth century. This book studies that process of consolidation, examining the cultural and philosophical preconditions of the discipline's difficult birth.

The nineteenth century witnessed the failure of one set of economic concepts, known today as classical political economy, and the birth of a new one, now called "neoclassical" economics. The period between the demise of the first and the rise of the second was remarkably short, consisting roughly of the twenty years between 1850 and 1870. In this period the concepts provided by political economists to explain the functioning of capitalism, its force in history, and its impact on society, were in turmoil, and this turmoil is visible not only in debates among theorists themselves, but in governmental policy, and in popular discussions of factories, wages, agriculture, and stock shares.

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What enabled the reemergence of economic theory as a widely accepted justification of capitalism, by the end of the nineteenth century, was the figure of the consumer. The consumer is a “figure” in that it represents an idealized and schematized model of human subjectivity, an outline of a universal human character. A particular modern avatar of *homo economicus*, rational economic man, the consumer is a rational actor, but one whose primary motivations are understood in metaphysical, even occult terms. But it is also correct to say that the consumer is a “figure of speech,” since the model of consumer behavior neoclassical economics adopted derives significantly from the study of language in the Victorian period. While eighteenth-century philosophers of language were often interested in systems of writing and their history, Victorian philology focused on the spoken word as the paradigmatic form of human communication, and it sketched its model of human perception and human community based on this focus. In neoclassical economics, the consumer “speaks” in the language of commodities. Purchases are understood as expressive acts, in which the commodity forms a perfect representation of the consumer’s desire; consumer behavior in the market, charted over the long term and in aggregate, is interpreted as the expression of popular will.

The philological approach to language gained influence in England in the 1830s. Its roots were in German idealist philosophy, and in the broad artistic and cultural movement we now call romanticism. The English writers of the romantic period, as currently understood in literary history, are a somewhat disparate group, from Blake to Keats, writing from roughly 1790 to 1820. But the assumptions and attitudes associated in English culture with these writers reverberated powerfully in the early Victorian novel of society, and they continued to exert a belated influence in other arenas of modern life: education, work, leisure, gender, politics, and, I will argue in this book, economics.² In chapters that follow on Charles Dickens and Elizabeth Gaskell, I trace an emerging romantic vision of markets and market factors which would ultimately become part of modern economic theory. To argue that economic theory is romantic, however, requires us not only to look beyond the rationalist paradigm of modern economics, it requires us to revise long-held assumptions about the literary and intellectual history of the nineteenth century.

The most important of these assumptions is that with the growth of industrial and market society over the course of the nineteenth century, there arose an increasing division between the economic and cultural spheres of human life. This assumed separation is perhaps nowhere more clearly to be

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seen than in the modern history of the word “economics” itself. For most of the nineteenth century, writers interested in what we now call “economics” used the term “political economy” to designate their field of study. By the 1840s and 1850s, however, political economists had been drawn into bitter disputes over government economic policy and had emerged the worse for it. In 1879, writing in the preface to a new edition of his epochal *Theory of Political Economy*, William Stanley Jevons urged “the substitution for the name Political Economy of the single convenient term Economics.”³ A growing consensus on this name-change eventually cleansed the discipline of its original involvement with “politics” – that is, with moral philosophy and social theory – and restricted it to the positive description of market behaviors alone. Jevons wrote in the same preface that “the Theory of Economy thus treated presents a close analogy to the science of Statical Mechanics, and the Laws of Exchange are found to resemble the Laws of Equilibrium.”⁴ Following Jevons and others of his generation, economists patterned their work increasingly after emerging theories in optics and thermodynamics, believing that the phenomena of production and exchange conformed to clear mechanical laws, which functioned apart from cultural or psychological or political considerations.⁵

The emergence of economics as a social science was in this way predicated on the separateness of a thing called “the economy” from other forms of human judgment. This economy must have its own laws and ordering principles, which could be isolated and studied in themselves. But it is important to recognize here that Jevons’s retreat into the laboratory, and out of the drawing rooms of culture and politics, in fact represents a concession to the romantic critique of political economy in the first half of the nineteenth century. It was the romantic reconstruction of the social landscape which, in Raymond Williams’s famous formulation, posited a “practical separation of certain moral and intellectual activities from the driven impetus of a new kind of society.”⁶ These “moral and intellectual activities” – poetry, philosophy, religion – were distinct from commercial life and could not be understood in commercial terms. Wealth was not life, and its pursuit was not the pursuit of truth. It was this plane of ethical and aesthetic considerations, superior to the calculations of the marketplace, which the word “culture” would come to denote. And “culture” in this sense would function “as a court of human appeal, to be set over the processes of practical social judgment and yet to offer itself as a mitigating and rallying alternative.”⁷ Jevons’s name-change represents then a belated victory of the romantic critique, conceding a field of inquiry called

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“culture” and confining itself to one called “economy.” From this perspective the object of study which modern economics developed was itself a product of a romantic hegemony.

Part of the crisis of political economy in the 1840s was its narrow political and sectarian base. Political economy was the terrain of liberals and evangelicals almost exclusively. Linked not with Adam Smith but now with the work of Malthus, this narrow vision amounted to what Boyd Hilton has called “soteriological economics,” a popular theory of poverty as atonement for sin and wealth as a sign of personal rectitude.⁸ In this evangelical system, work and profit were understood as spiritual duties, steps toward salvation rather than signs of social good. The politics of this early Victorian position were Whig and radical: freedom of trade, and abolition of all public relief to the poor. This was the political economy Coleridge, Carlyle, and Ruskin loved to hate. The antipathy between the advocates of culture and those of political economy was deep and lasting; a highly partisan Arnold Toynbee, looking back from as late as 1884, characterized the debate as “a bitter argument between economists and human beings.”⁹ However, by the point when Toynbee was writing, the “human beings” already controlled the terms and premises of this debate. By the end of the century, a romantic understanding of culture had already been accepted and absorbed by the economists, as Jevons’s example makes clear. Indeed, this book will argue that the earliest glimpses of the neoclassical approach in English economic thought originated from the harshest critics of liberal political economy in the early Victorian period – romantics and Tory traditionalists. Although Thomas De Quincey had parted company from his Lake Poet friends by the time he began to write on political economy, his essays on Ricardo apply a Coleridgean and quasi-Kantian sensibility to the theory of value. These essays of De Quincey’s date from the 1820s and 1830s, but, as I argue in chapter 2 below, the metaphysical reorientation he proposes for political economy would form the foundation of the system Jevons would eventually call economics.

The other odd precursor of neoclassical economics in the early Victorian period is the so-called Dublin School, a coterie of Anglo-Irish intellectuals including Mountifort Longfield, Issac Butt, and Archbishop of Dublin Richard Whately. The former two were organic intellectuals not of the English commercial classes (like Ricardo) but of an Irish colonial settler class.¹⁰ The latter, Whately, was appointed Archbishop of Dublin in 1831 and left a chaired position in political economy at Oxford to accept the post. Dependent as they were upon the traditional distinctions of church and class, they were at best ambivalent to the liberal and radical strains of

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English political economy, often deeply opposed. Out of their defense of the paternalist state and the established church, these thinkers developed a theoretical stance close to De Quincey's.

The extraordinary durability of economics in the twentieth and twenty-first centuries can be traced to its complex origins in the nineteenth century, origins that can be found partly within the history of positivism and the experimental sciences, but partly within the romantic reconception of human subjective experience. The romantic roots of neoclassical economics are what I set out to examine here, both within the central tradition of British economic thought, and in early Victorian fiction and non-fiction prose. The hegemonic staying power of economics can be clarified through such an approach; so can its particular limitations and blindnesses.

Serious students of economics today learn that the discipline offers them a model not of how the world should be, but a model of how it is. That is, neoclassical economics attempts only a positive description of the capitalist market, without presuming to evaluate the injustices that the marketplace may permit, or foster. In popular discourse, however, in the rhetoric of politics and journalism, the modern theory of market expansion amounts to a total vision of the good. Economics provides a relatively stable vocabulary for describing social processes, limiting the historical narrative that explains contemporary arrangements of power, and offering a range of solutions to social ills. But while neoclassical economics and its popular avatars hold sway in the academy and in public rhetoric, there is an increasing body of scholarship which questions the universality of the neoclassical categories and advances alternatives. Though a distinct minority among academics, and virtually invisible in government and commerce, there are subsets of economists determined to question the neoclassical theory of market behavior. Their work falls into three general and overlapping categories.

Those economists interested in language and rhetoric stress the always metaphorical nature of economic reasoning and economic discourse, challenging the realist assumptions of economics as a quantitative discipline. This is an approach pioneered by Deirdre McCloskey in her *The Rhetoric of Economics* (1985),¹¹ a book which borrows from structural linguistics and continental philosophy to foreground the narrative and figurative aspects of economic arguments.¹² Alternatively, feminist economists have begun to investigate the normative masculinity of the discipline's analytical tools, pointing out its blindness to unwaged work (like childrearing) and to the impact of cultural codes (like gender) on economic behavior. Since 1995 the journal *Feminist Economics* has provided a forum for debates in this field.¹³ Finally, an ongoing tradition of Marxian political economy has continued

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to subject the neoclassical paradigm to rigorous critique, sometimes borrowing tools from other disciplines in the humanities and social sciences. The journal *Rethinking Marxism*, centered at the Economics Department of the University of Massachusetts, Amherst, has been especially important in encouraging this sort of interdisciplinary work, especially for dialogue between Marxist economists and poststructuralist scholars in other fields.¹⁴

The current debate over the globalization of capital and international free trade has also been the occasion for a good deal of critical work on contemporary economic theory and discourse. There is a variety of popular press literature that questions the ascendancy of neoliberal trade theory around the globe.¹⁵ The most innovative academic work on globalization issues, however, has come from the discipline of anthropology. Following on from the work of figures like Clifford Geertz, James Clifford, and Michael Taussig, the gaze of anthropologists has turned back to examine its own institutional locations, producing critical work on urbanity, modernity, and “whiteness,” for example. As a result of this new set of interests, the attention anthropologists have always given to systems of exchange and codes of value has evolved into a critique of economic concepts like “development” and “debt,” which structure the First World’s perception of the Third as powerfully as the lingering tropes of nineteenth-century orientalism.¹⁶

Much of the interdisciplinary work in literature and economics can be traced in some way back to a set of provocative theoretical statements in the 1970s from two writers: Jean-Joseph Goux and Marc Shell. Both Goux and Shell posit a formal similarity between money, as a medium for the exchange of resources, and language, as a medium for the exchange of concepts.¹⁷ Literary scholars operating in the wake of these arguments have shown relatively little interest in economic thought and its history since, for Shell and Goux, money and language exist not so much as objects of culture but as concrete phenomena of human cognition.¹⁸

My approach in this study views the homology between language and money less as a concrete feature of human consciousness than as the product of a certain historical experience. In the eighteenth and nineteenth centuries, European economic thought developed in close connection with the philosophy of language. I attempt to describe some of these connections in Part 1 below. However, I compare the similar approaches taken by early linguists and political economists in order to reveal the historical trends at work in the shaping of knowledge. To put the issue another way, I am interested here not in a structural link between money and language, but in what people in a given place and time *wrote* about both money and language, markets and texts, commodities and words, values and meanings.

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A trend toward historical approaches of this sort, where literary texts, market conditions, and economic theories from a given era are considered together, can be seen in a number of recent studies. Significant new work has appeared on the literary marketplace, the publishing industry, and the question of intellectual property.¹⁹ Other critics trace the treatment of economic concepts like value, exchange, and debt within literary texts, often in connection with changes in market infrastructure and shifting conceptions of wealth and capital. The best work of this kind in nineteenth-century studies has focused on the connection between Victorian narrative and the commodity form. Jeff Nunokawa's *The Afterlife of Property* (1994) begins with the premise that, within the worlds of Victorian fiction, property only exists in an imaginary circuit of capital that moves inevitably between profit and loss. In the age of capital, the possession of a thing indicates always the possibility of dispossession, and Nunokawa watches this double logic at work in a series of elegant readings.²⁰ In *Novels Under Glass* (1995), Andrew Miller begins by noticing a new logic of display that emerges with the exhibition of goods behind broad shop windows, and he traces this changing status of objects in the work of novelists from Thackeray to Eliot.²¹

The greatest concentration of scholarship linking economic and literary discourse has emerged in eighteenth-century studies, where, in the careers of polymaths like Defoe, Swift, or indeed Adam Smith, it is clear to see that the marketplace was certainly not understood as a distinct and self-contained field of inquiry. Most notable here is James Thompson's book *Models of Value* (1996), which aims at an unusually careful reconstruction of the relationship between eighteenth-century fiction and the emerging theory of political economy itself. Rather than focusing on a particular economic concept – like exchange, the general equivalent, or the commodity – Thompson is interested in political economy as a historical and cultural phenomenon, and he argues that political economy and the novel grew in parallel, as interpretive tools for the analysis of new social landscapes.²²

Still, interest in the history of economic theory itself is relatively uncommon among literary scholars. Perhaps because of the continuing influence of Shell's and Goux's innovative work, current interdisciplinary studies in economics and literature can tend toward a particular application of post-structuralism and semiotics, one that emphasizes the arbitrariness of signs and the limitlessness of their circulation. Christopher Herbert's *Culture and Anomie* (1991) remains an instructive example of this sort of work, where any non-immanent conception of economic value (from Smith to Milton Friedman) is equated with the Saussurian theory of the signifier.²³ The risks inherent in this particular application of poststructuralist thought to

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economics, which arises from the money–language comparison, can be best illustrated in a recent exchange between economists and cultural critics in the anthology *New Economic Criticism*. In a shrewd and far-reaching essay, radical economists David Ruccio and Jack Amariglio argue that an economics which borrows from poststructuralist theories of language might loosen the hold of the neoclassical school and open the way for more inclusive and potentially democratic ways to understand the distribution of resources in a given society. They offer a case for broadening the categories of economic thought, in order to conceive value, commodities, and prices, in conjunction with other forms of social and symbolic capital. “While symbolic economy, libidinal economy, and some of the other formulations [of poststructuralist theory] have little direct connection to academic economics,” write Ruccio and Amariglio, “. . . they are indeed productive of economic knowledge and, as such, provide yet additional ideas and theoretical formulations that are largely alternatives, self-consciously or not, to the neoclassical orthodoxy that rules the academic economic roost.”²⁴ They suggest that “for economists who are dissatisfied with the standard neoclassical dictum that the determinants of taste (culture, for example) have no importance for economic theory, such investigations into the deep ways in which symbols and meanings are produced, represented, and/or performed in economic transactions are potentially of great importance.”²⁵

In a lucid response to this article, literary critic Regenia Gagnier and philosopher John Dupré remind us that a poststructuralist emphasis on the endless circulation of the signifier and the lack at the center of the desiring subject can, when transplanted into economics, end up paradoxically affirming the subjectivist and radically individualist stance of neoclassicism.²⁶ Signifiers that wander unhindered (by indexical relation to the signified) should not be confused with commodities and capital that move unfettered (by government regulation). It may be the case that in a deregulated market certain consumers are more free to make certain choices. However, as Gagnier and Dupré put it, “the *desire* to consume or to express one’s individuality through consumption is not the same thing as the power to consume.”²⁷

My aim in this book is to understand the relationship between economics and other forms of social discourse and description in the nineteenth century. It is for this reason that I stress not the similarity of words and coins, but the similar projection of a subjectivity within nineteenth-century economic thought and nineteenth-century linguistics. Indeed, my argument

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in Part I begins with the observation that throughout the modern period, money and language have been understood as fundamentally and crucially *dissimilar*. In European philosophy, the phonetic alphabet has been seen as the standard and normative form of written communication; written words always represent sounds produced by the human body. But since the first financial institutions of the seventeenth and eighteenth centuries, money has been understood as a language of numbers, a *non-phonetic* system of writing. Numbers are signs not of the human voice but of abstract concepts themselves. Europe's focus on the phonetic alphabet as the most advanced and civilized form of writing has resulted in a peculiar fixation on spoken language as the immediate expression of human intentionality. The rise of a non-phonetic world of financial information in the last 300 years reverses this established order of things: in the mathematical language of money, writing comes before speech, and the subject of European history is obscured.

The inhuman agency of money has been a central problem of the modern period, and the history of European economic thought can be understood as a long effort to resolve this problem. The most secure resolution – one that is, however, still imperfect – came with the theory of marginal utility of the 1870s. This is the theory of economic value that placed the consumer at its very center. But the problem of the subject, the question of its immunity to the material agency of signs, is also at the center of European romanticism, with its emphasis on the organic over the mechanical, the expressive over the imitative. It is an organic and expressive subject – mysteriously whole, behaviorally fragmented – that still inhabits neoclassical economics today.

The anomaly of non-phonetic writing in the early eighteenth century is the starting point of Part I below. Caught up in the writing of financial numbers, I argue, are all the real and symbolic dangers of an emerging financial system. It was the romantic approach to language, philology, that eventually offered a way for economists to represent capitalism not as an autonomous and potentially threatening machine, but as a neutral medium to express human wishes.

Part I of the book begins in the 1740s, charting Adam Smith's early encounters with the philosophy of language, and moves rapidly to the 1870s, when the theory of marginal utility emerged. Part II returns to a pivotal era in this long transition, the 1840s and 1850s. Chapter 3 focuses on the work of Charles Dickens in the early 1850s. While outrage against the cold rationality of political economists is often discussed in relation to Scrooge in *A Christmas Carol* (1843) and to Mr. Gradgrind in *Hard Times* (1854),

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I argue that Dickens's most sustained consideration of economic questions comes in *Bleak House* (serialized 1852–53). Rather than punishing cruel men of business, or mocking the practical ignorance of scholarly pedants, *Bleak House* offers a complex response to the commercial crises of the 1840s. The encounter of the individual consumer with the marketplace is retold in this novel as the struggle of the main characters with the English courts. Where the court represents a threatening and shifting system of meanings and values – like the stock market and currency systems in the 1840s – home and family connections seem to offer the solidity and self-identity of things which the court cannot provide. I argue, however, that in the novel “home” serves the same metaphorical function that the Bank of England serves in the financial discourse of this period: both promise an end to circulation, an immanence of meaning, a stilling of value.

The writing of the Irish Famine (1845–52) is the subject of chapter 4, which deals with newspaper accounts, review essays, polemical pamphlets, and travel narratives. The critique of British economic policy in these texts relies, as with *Bleak House*, on an image of home. But home in the Irish debate is the spiritual homeland of the nation. These commentaries stress the uniqueness of the Irish race, in order to critique the free-trade theory that had justified such widespread starvation. However, while these books and pamphlets protest against the cruel excesses of the free market, they each share the same fundamental assumptions of the later Victorian economists. They see character as essential and desire as occult, in the same way that economists after Jevons would see each consumer's choice of commodities as a secret expression of selfhood.

The romantic linking of language, economy, and national character, which is everywhere visible in commentaries on the Irish disaster, is the starting point for Elizabeth Gaskell's first novel, *Mary Barton* (1848), and it is Gaskell's work I turn to in the book's final section. *Mary Barton* takes a philological approach to the problems of industrial poverty. Gaskell transcribes the Manchester dialect of her working-class characters and compares it in a series of footnotes to the language of Chaucer and Wyclif. The book's narrative of class reconciliation thus springs from a theory of the linguistic, and therefore racial, unity of all Britons. However, I argue that in later work Gaskell, alone among writers of the 1850s, identifies the limitations of an economics based on identity and self-expression. *North and South* (1854–55) critiques the liberal assumptions inherent in the emerging figure of the consumer, and it presciently indicates the particular blindnesses of the modern economic paradigm.