

Introduction

What's wrong with capitalism? In the twenty-first century, the answer seems simple: inequality. Material disparities between the rich and the rest are widening.¹ Prosperity has become the preserve of too few. This emphasis on material inequality seems unremarkable in our own time. But in historical perspective it is extraordinary. It represents a radical truncation of the parameters of the critique of capitalism. An alternative critical tradition focused less on material outcomes than on moral or spiritual consequences has fallen into disuse. This book explains how that happened, and why it matters, and what might be done about it.

The term "capitalism" was coined by social critics in nineteenth-century Germany and Britain apprehensive about the nature and tempo of social change in the era of the French Revolution and the Industrial Revolution.² It described the new form of society in which acquisitive instincts long deemed vicious and countermanded by legal and cultural strictures came to be seen as virtuous and beneficent. Concerns about inequality have always been part of the argument against capitalism. But until very recently they were never the whole or even the major part of that argument. For most of the nineteenth and twentieth centuries, poverty mattered less to capitalism's critics than moral or spiritual desolation. In the twenty-first century, economic arguments take precedence. Vivid moral argument has given way to calculations of advantage and disadvantage fortified with anger and indignation.

Considered from some angles, this replacement of moral argumentation with an emphasis on material outcomes is an improvement. It enables reasonable, empirical discussion of the problem, which in turn promises to identify rational, practicable reforms: woolly, inscrutable polemic has given way to exacting analysis. Written from this perspective, an account of the means by which moral argumentation yielded to a focus on material inequality might play out as an upbeat story, a whig history for technocratic progressives.

But from another perspective there is a more sobering story to tell here. If this predominance of material reckoning over moral argument in the contemporary critique of capitalism represents a triumph for certain forms of rationality, it also bespeaks the decadence of an alternative approach, the demise of another way of engaging with social problems, the failure of an attempt to open up deeper questions of liberty and solidarity—questions which the narrower economism now prevailing systematically excludes.

The purpose of this book is to reconstruct the development and demise of this alternative moral critique of capitalism in twentieth-century Britain. This critique was a success before it was a failure. Between the twentieth century's two great crises of capitalism the ideas recovered here inspired and informed a sustained push for reform. No precise quantification of the popular penetration or purchase of this critique is offered in this book: it is not a "reception" history, and readers interested in the diffusion of learned discourse into everyday life during this period should look elsewhere. Nor is any causal or correlative relationship between the vitality of this moral critique and the career of social reform and the construction of the welfare state in Britain specified here. Party politics is discussed in some passages of the book, but readers will likely be more impressed by the indifference of the major parties to these ideas and their exponents than by the degree of interest they attracted. But readers will I hope be content to accept on the basis of the evidence compiled here that the books and ideas upon which I focus had much the same effect on debate about capitalism in their time as Thomas Piketty's *Capital in the Twenty-First Century* or Anthony Atkinson's *Inequality* are having in our own time.³

My point is not that there were not books like Piketty's *Capital* in this earlier moment.⁴ My suggestion is that in this earlier moment another suite of books developed a different line of argument against capitalism, complementing the work of the critical economists. We are the poorer intellectually, culturally, and even politically for the disappearance of that alternative approach. That is not to say that inequality is immaterial, or that we should concern ourselves with moral or spiritual questions alone. It is only to suggest that a preoccupation with material inequality which leaves no room for the considerations this moral critique brought up for discussion leaves contemporary debate diminished.

What then are these books and ideas constituent of the moral critique of capitalism, once ascendant and now abandoned in favor of an emphasis on material inequality? *The Moral Economists* focuses primarily on three books, published at intervals of two decades between the 1920s and the 1960s. They are R. H. Tawney's *Religion and the Rise of Capitalism* (1926), Karl Polanyi's *The Great Transformation* (1944), and E. P. Thompson's *The Making of the En-*

glish Working Class (1963).⁵ These are landmarks of modern intellectual history and recurrent reference points for writers on the contemporary left. Each is complemented now by extensive historiographical commentary. But the closeness and intensity of their interaction has not yet been fully appreciated. Thompson emerges here as a successful innovator within a critical tradition pioneered by Tawney. More surprisingly, Karl Polanyi stands revealed as an intermediary between Tawney and Thompson.

Some of the synergies between these books will be obvious to readers familiar with their arguments. Each attempts to understand the relationship between ethics and economics in the form of society that emerged in Europe at the end of the Middle Ages—a form sometimes called “commercial society,” sometimes “market society,” mainly “capitalism.” Each focuses on a crucial moment in the emergence of that form of society, a moment when tensions between old ethical injunctions and new economic imperatives became acute. Each book—taking the form of history—underlines the novelty and dynamism of the new form of society, reminding readers that arrangements some contemporary writers made to seem natural and inevitable were in fact mutable and contingent, making social forms and economic norms malleable, facilitating debate about reform. Each—first Tawney, then Polanyi and Thompson after him—approached “capitalism” as a legitimate object of scholarly analysis. (Earlier it had been overlooked as a by-product of socialist polemic; lately it has been set aside by many historians as too heavily freighted with polemical significance to function as an instrument of analysis).⁶ Each book was able—with varying degrees of success—to speak to specialist and popular readerships in tandem.

Other synergies between these three books are less obvious. They all belonged to a tradition of social criticism with roots in Victorian moralism—in the writings of Thomas Carlyle and more particularly John Ruskin and William Morris. What lent this older tradition coherence was its antipathy toward utilitarianism—the “pig philosophy” of *laissez-faire*, in Carlyle’s memorable rebuke—understood as the tendency of Victorian political economy to privilege the pursuit of pecuniary gain over all other human motivations in envisaging social order, reducing society to a matrix of economic transactions. The moral economists certainly maintained this antipathy toward utilitarianism. This is part of what helps us to distinguish between this mid-twentieth century critique of capitalism and the focus on inequality in the twenty-first century: even capitalism’s staunchest twenty-first-century critics fall back on utilitarian arguments to justify their concerns about inequality.⁷ Utilitarianism was anathema to Tawney, Polanyi, and Thompson as it had been to their Victorian predecessors. The moral economists’ was an indiscriminating conception of utilitarianism, a holdover from the Edwardian polemics of A. V. Dicey

reinforced by the influential scholarship of Elie Halévy.⁸ A slowness to recognize real differences between figures encompassed within these inherited constructs would become a hindrance to the development of the moral economists' critique, as we shall see. But the moral economists were not wrong to believe that political economy in a certain iteration had reconstructed human persons "solely as beings who desire to possess wealth," an outcome achieved (in the words of the young J. S. Mill) by the "entire abstraction of every other human passion or motive."⁹ They were wrong if they believed that every liberal from 1825 to 1870 followed this analytical practice unerringly. But they were not wrong to believe that the practice became commonplace and survived into the twentieth century as a kind of commonsense heuristic through which to think about social problems.

If there was some degree of continuity between the moral economists' critique of capitalism and the writings of Morris and Ruskin and, looking further back, Carlyle, there were also crucial departures from and refinements of earlier anti-utilitarian arguments. The distinctions between the critique of capitalism formulated by Tawney and reiterated by Polanyi and Thompson set these moral economists apart from their Victorian antecedents. Tawney's description of the norms and sentiments affecting and limiting conduct in economic life that had fallen into disuse in the seventeenth century recalled the mellow rhythms of Elizabethan England: he talked of "tradition" and "custom" and "lore." Polanyi retained Tawney's terminology while trying to project the same sentiments and norms intact into an epoch of technological revolution: mixing antique and modern in this way made his arguments less plausible. In both men's work the sense of reverence for a distant past was misleading. What they were trying to describe was not a recoverable past but an emergent present: the power of tradition and custom to stabilize social life in medieval England was the best analogy Tawney could find for the forms of solidarity he had discovered in north-west England, for the forms of life closer than individualism admitted but freer than collectivism allowed. Polanyi followed Tawney's lead by retaining this terminology even as he sought to bridge the gap between remote past and quickening present by making dissolution and regeneration simultaneous—in the conjecture of the "double movement."

Those distinctions emerge most clearly in the comparison between late Victorian conceptualizations of the "social problem" and the ways in which Tawney and after him Polanyi and Thompson would approach that problem. The Victorians had conceived of the social problem primarily in terms of poverty and aesthetic degradation. But to Tawney, and for Polanyi and Thompson, poverty and squalor were symptomatic of deeper failures of coordination. The Victorians had complained that the triumph of capitalism and the

spread of utilitarianism attenuated social feeling, diminishing the quality of social life. The twentieth century's first great crisis of capitalism—encompassing economic depression, constitutional crisis, and world war—escalated those concerns: for Tawney and his successors, the spectacle of degradation yielded to fears of disintegration. Agitation over the Irish question, industrial relations, and women's suffrage in the late Edwardian period brought Britain to the brink of civil war. Utilitarian thinking had helped to bring on this instability by leading people to think that little more than freedom of contract was necessary to sustain social order. It exacerbated the problem by making it difficult to imagine more durable principles of cohesion. Poverty and squalor were indicative of more deep-seated problems. There was no sense trying to manipulate material or aesthetic outcomes without attending to the deeper questions of liberty, solidarity, and order which constituted the real "social problem."

Tawney and his successors were neither the first ones nor the only ones to recognize this more entrenched social problem as the underlying cause for concern. Pervasive talk in the Edwardian period of a pivot from "individualism" to "collectivism" was an index of growing awareness of those deeper issues.¹⁰ Such talk also conveyed some sense of the solution to the social problem so understood toward which many people gravitated. The Idealist movement in moral philosophy—the movement of T. H. Green and Bernard Bosanquet—is an important part of the context in which the moral economists' critique of capitalism took shape. So too is the movement in jurisprudence and political theory known to posterity as pluralism—the key figures in which were F. W. Maitland and Ernest Barker. But both movements mattered mainly because they failed, invalidating certain approaches to this problem, encouraging new innovations. The moral economists' critique of capitalism quickened in the moment when Idealist and pluralist solutions to the social problem reformulated for the twentieth century proved abortive. Idealism leaned too heavily on a vision of the state as an instrument for constructing social harmony: fears of authoritarianism sharpened by encounters with a German "god-state" during the First World War made those Idealist visions harder to sustain. Pluralism had sought concepts of group life at variance with Hobbesian jurisprudence, but these also proved too volatile for safe use in the hostile political climate of twentieth-century Europe: it was difficult to find formal terms to foster edifying associations that did not also encourage extremism. The problem with individualism was that it compromised social cohesion, forestalling the coordination necessary to sustain an increasingly complex social and economic life. But collectivism tended toward authoritarianism—the subject of deep-seated and broad-based hostility in Britain. The failures of Idealism and pluralism exhausted the means of formal innovation within the

extant terms of social and political thought. Markets and states were necessary components of stable order. But how the two could combine to foster liberty and solidarity—a society closer than individualism admitted yet freer than collectivism allowed—remained to be seen.

The moral economists' critique of capitalism emerged in the attempt to get beyond this impasse. Tawney, Polanyi, and Thompson each found inspiration in quotidian interactions as teachers and neighbors. The headline dramas of the "death of Liberal England" put fears of social disintegration in Tawney's heart. This spectacle of social collapse was consistent with what he had seen when he went to work in the settlement houses of East London as a young university graduate: here he found people demoralized beyond relief. But then Tawney moved north to teach history to working people in the Potteries of Lancashire and north Staffordshire. Here he saw something different. If social life in Whitechapel realized the worst fears of those worried about a declension from *Gemeinschaft* to *Gesellschaft*, the neighborhoods in which he found his students harbored different possibilities. Here as throughout England the state kept order and markets created prosperity but there was something else in play, some other kind of solidarity neither individualist nor collectivist in tenor, a social dynamic for which words were hard to find. Here among his students and neighbors Tawney found solidarities that confounded individualism without risking collectivism.

Karl Polanyi had a similar experience. Born in Vienna and raised in Budapest, the eldest son of a ruined railway entrepreneur who had seen his family cycle through grand wealth into relative penury, Polanyi bore sensitive and astute witness to the collapse of the Habsburg Empire. Then he saw the aspirations of Wilsonian peace—liberalism redeemed in the wreckage of empire by the principle of self-determination—devolve into a cacophony of reactionary nationalisms. And he saw many of his friends and contemporaries won over by the rival appeal of Lenin's strong-arm collectivism. The antinomy of individualism and collectivism seemed just as intractable to Polanyi when he fled Budapest for Vienna at the end of the First World War as it looked to Tawney in England. But postwar Vienna showed Polanyi new possibilities. A radical experiment in municipal socialism elicited distinct forms of solidarity. Meanwhile Tawney's book—*Religion and the Rise of Capitalism*—was published in 1926, falling into Polanyi's hands as part of a flood of English socialist ideas carried to Vienna by relief workers between the wars. Polanyi came to understand the significance of what he saw developing in "Red Vienna" in part by reading Tawney's reflections on his epiphany in northwest England.

E. P. Thompson belonged to a younger generation. Radicalized by the fight with fascism, inspired by the Soviet Union's part in it, Thompson was even surer than Tawney had been that individualism was over, but he was slower to

see the pitfalls of collectivism as generic rather than specific to Hitler's Germany. His eventual disillusionment with Stalin's Soviet Union after 1956 left Thompson in a situation similar to that which Tawney and Polanyi had faced before him, in which available doctrines seemed equally untenable. But like Tawney and then Polanyi before him, and with the benefit of both of their books, Thompson also discovered unheralded promise in everyday settings. He had moved his young family to West Yorkshire in 1948 to take a job teaching literature and history in adult education. The solidarities he encountered among his neighbors and students affected Thompson deeply—in the same way that Tawney in the Potteries and Polanyi in Red Vienna had earlier been affected. New possibilities materialized. Ways beyond the sterile antinomies of contemporary social thought became discernible.

The moral economists argued that the solidarities they found in Lancashire, Red Vienna, and Yorkshire harbored unique promise: here social interaction was more meaningful than utilitarian analyses allowed, without becoming regimented in the way of so many contemporary social experiments. What made these places different? To find out, Tawney, Polanyi, and Thompson concentrated on non-economic norms affecting commercial interactions. They were not economists. They were theorists of everything economics left out. And in Thompson's writings their venture finally acquired a luminous but imperfect terminology: the intermediate domain that Tawney and Polanyi had been trying to delineate became at Thompson's hand the "moral economy."

A more precise grasp of the nature of the social problem—as a failure of social coordination, of which problems of poverty and aesthetic degradation were symptomatic—distinguishes the moral economists from Victorian antecedents. But another hallmark of their writings is perhaps even more distinctive, and equally crucial to this task of reconstructing their arguments. The centerpiece of Tawney's critique of capitalism and of Polanyi's and Thompson's after him was a concept of human personality. Belittlement of utilitarian conceptions of humanity—of the idea of economic man—was common in the Victorian literature. But Tawney and then Polanyi and Thompson carried this a step further, making this criticism of utilitarian concepts of the human more constructive, destabilizing utilitarian orthodoxy by insinuating alternative understandings of what it means to be human in its place.

In an early critical engagement with Fabian Society founders Sidney and Beatrice Webb over the issue of sweated labor, Tawney made his position clear: because it made considerations of economic expediency pivotal, utilitarianism (to which Tawney saw that the Fabians were in thrall) could not condemn exploitative labor practices; if the misery of the few enriched the many, it was defensible. Tawney insisted that each "human personality" was

invaluable, irreducible to the terms of the utilitarian calculus. There was “a law higher than the well-being of the majority,” namely “the supreme value of every human personality as such.”¹¹

The impetus for Tawney to define the human and particularize the attack on utilitarianism in this fashion came from his Christian faith, parsed by a particular theological moment—the emphasis on the doctrine of the Incarnation characteristic of the Anglo-Catholic movement that rose to prominence in Britain in the late nineteenth century. It was in theological argument, drawn from his engagement with the writings of cleric Charles Gore first and foremost, that Tawney grounded his “higher law” of “the supreme value of every human personality as such”: because God became man in the person of Jesus Christ, “the personality of man is the most divine thing we know.” Utilitarians held that human beings were self-interested, utility-maximizing agents, so that their needs and desires were fungible, and such that promoting the well-being of the majority makes for the best of all possible worlds. Tawney held that since each human being in some sense embodies the divine, their needs and desires are radically “incommensurable,” so that “no amount of convenience” to the majority “can justify *any* injustice” to the minority.¹²

For Polanyi and Thompson, in turn, the concept of human personality remained pivotal. Neither was unaffected by the theological significance of Tawney’s anti-utilitarian precept that “human personality” holds “infinite value.” Polanyi had converted from Judaism to Christianity; Thompson was the son of a second-generation Methodist missionary. But neither man was content to let Christian theology remain the basis of that precept. This was partly a matter of personal conviction. But it was also a question of contemporary relevance: as a discourse of secularization intensified in postwar Britain, the type of “restatement of Christian social ethics” that Tawney had attempted became less and less viable.¹³ First Polanyi and then Thompson re-worked the proposition that “human personality” held surpassing value—confounding utilitarian calculations—to supplant Christian theology with secular ideas. Both men looked first to the writings of Karl Marx, discovering there a natural theology to replace the Christian teachings upon which Tawney had relied. Both men eventually found fault with that Marxian alternative. Each carried on with the search for a secular substitute for Tawney’s Christian moral imperative, with varying degrees of success.

Secularization forced exponents of this moral critique of capitalism to adapt, driving its development through Polanyi’s and Thompson’s writings, bringing alternative secular renderings of the importance of the human to the fore. But there was more to the difficulties that Tawney’s intellectual successors encountered in sustaining this moral critique of capitalism than the passing of protestant fervor in Britain. The precept that human personality held

infinite value became difficult to sustain on the basis of Christian teachings as those teachings lost their purchase over public discourse—a process that quickened after 1950. And in due course the basis in the early writings of Marx to which Polanyi and then Thompson had looked for a secular alternative was also compromised—seemingly disproved by the course of contemporary history. But it was not only the specifically Christian and Marxian bases of the value of human personality that eroded over the course of the twentieth century. A more profound problem loomed. In the second half of the twentieth century social and political thought in Europe and America turned systematically hostile to the kind of claims about what it is to be human around which the moral economists' critique of capitalism revolved. A new philosophical anti-humanism emanating from France engendered skepticism toward the idea of the centered subject.¹⁴ Post-colonial writers scorned Europe's discourse on "Man" as naïve and hypocritical.¹⁵ Postwar liberals advised that where previously there had been affirmative conceptions of human personality around which constituencies for reform could mobilize, it was now safer—after totalitarianism—to leave a "destructured vacancy," a "nonscheme."¹⁶ Polanyi's and Thompson's innovations had proven that the critical tradition Tawney had established could survive secularization. But this anti-humanist turn in postwar social and political thought was another matter. It made that critique's fundamental anti-utilitarian proposition—that human personality held infinite value and was thus irreducible to the terms of the utilitarian calculus—increasingly difficult to sustain.

The challenge had been to describe and articulate forms of solidarity for which contemporary social theory had no name. The idea of the moral economy rose to that challenge. But the "moral" core of that idea was the kind of essentialist conception of human personality toward which the intellectual climate had become deeply hostile by the end of the twentieth century. What success Tawney, Polanyi, and Thompson had found in their endeavor hinged on their capacity to insist that human personality held infinite value, and thus stood beyond utilitarian reckoning. Only thus could they insinuate a human figure animated by non-economic considerations into the domain of "economic man." But that capacity turned on the credibility of the basis upon which that claim to infinite value was raised. And by the end of the twentieth century, with Christian theology outmoded, Marxian sociology discredited, and every conceivable alternative to those bases seemingly undermined by anti-humanist skepticism, such credibility had become scarce.

Thus did the moral critique of capitalism reconstructed in these pages lose coherence and then recede into obscurity. We focus on material inequality because opening up these deeper questions of liberty and solidarity involves violating the new strictures against argument about what it is to be human.

Fragments of the old moral critique of capitalism still circulate.¹⁷ The career of the concept of the moral economy has been erratic.¹⁸ Without some basis in an understanding of what it is to be human—a cornerstone for constructions of the moral—there is no limit to the variety of its uses. Some of these faintly recall the power of the original critique, inspiring a kind of nostalgia. But the books in which this critique was developed remain on shelves, unread, and successors in the same tradition reworking and redeveloping the moral critique as Polanyi and Thompson did to Tawney's ideas have yet to materialize.¹⁹

So much for what happened to the moral critique of capitalism, and why it matters. What might we do about it?

My proposal in this book is certainly not that we might revive the moral economists' critique unmodified. The yield of some recent efforts to do that has not been encouraging.²⁰ My suggestion is rather that at a certain point in the development of the moral economists' critique of capitalism, a way around the impasse at which its career would arrive by the end of the twentieth century seemed discernible. For various reasons peculiar to the personalities involved here and the events and arguments in which they were implicated that avenue has remained unexplored. But it might repay renewed attention now.

Karl Polanyi's attempts to translate Tawney's proposition that human personality as such held infinite importance into secular terms focused initially on the early writings of Karl Marx. Christian teaching needed "further elucidation" in modernity because the division of labor and the advent of commercial society—a fundamental departure from the cyclical rhythm of earlier human history, to Polanyi's mind—confounded the commandment to "love thy neighbor": the scale and complexity of commercial societies replaced face-to-face interactions with anonymous transactions, making the "neighbor" principle impracticable, generating novel social and political dynamics. This was the basis upon which Polanyi justified his departures from Tawney. In the mid-1930s, it was in large part from readings of the newly published early works of Karl Marx that Polanyi drew inspiration in this endeavor. By the early 1940s, Polanyi had grown more critical of Marx, in part as a response to revelations about Stalin's crimes. In criticizing Marx, Polanyi drew nearer to one of the authorities Marx had consulted in his own early attempts to see how the advent of commercial society outmoded religion. That authority was Adam Smith.

It might at first seem strange to many readers that a moral critique of liberal political economy could be reinvigorated with reference to the writings of a man now widely regarded as the originator of the "dismal science." But as Emma Rothschild has made clear, Smith's reputation for calculating economism owes more to the reconstruction of his legacy amidst alarm about the

French Revolution in Britain than it does to his own writings: he was made to seem interested in efficiency and not equity, in commercial freedom but not in political liberty, at the behest of anti-Jacobin reaction.²¹ The injustice of Smith's recreation as zealous free-marketeer preoccupied with pecuniary motives was remarked upon by progressive writers in Britain at intervals through the late nineteenth and early twentieth centuries, with little corrective effect.²² In *The Great Transformation*, Polanyi rewrote the intellectual history of political economy to make the separation between Smith and his successors sharper. In the writings of Smith, Polanyi insisted, political economy had rested on "humanistic foundations"—on a conception of the human akin to that which Polanyi had tried to elicit from the early Marx, and comparable to the notion of human personality Tawney took from Christian theology. In the writings of Smith's successors—Malthus, David Ricardo, James Mill—those "humanistic foundations" had been repudiated. Economics had become willfully blind to the nature of human being; it proposed to deal with people "solely as beings who desire to possess wealth." Successive exponents of political economy so conceived would insist that Smith was their intellectual forebear. Polanyi now challenged that claim. Smith—he suggested—sided more readily with the moral critics of political economy so conceived than with its champions.

In the most detailed reconstruction we have of the stages by which Smith's recruitment for a narrow economism proceeded, Rothschild emphasizes the transformative effect of anti-Jacobin reaction in Britain. Under political pressure, Smith's writings were re-read as arguments for commercial freedom as the means to which material prosperity was the end, sifting out Smith's humanitarian concerns, radically adulterating his meanings. Polanyi's approach to the recovery of an antediluvian Smith was different. He focused not on apprehensions raised by the French Revolution but on the advent of a new naturalism among Smith's younger contemporaries. In the years after the publication of Smith's *Wealth of Nations*, Polanyi averred, writers on food, population, and poverty had begun to imagine human society in terms interchangeable with anatomies of nature.

The evocative detail in Polanyi's account was the spread of an apocryphal story about a South Sea island and its resident populations of goats and dogs. Spanish authorities concerned to provide for maritime traffic had landed a pair of goats on the island of Juan Fernandez. The goats multiplied, but upon finding that the food source sustained privateers, the Spanish authorities resolved to eradicate the supply. To that end, they landed a pair of greyhounds on the island. The dogs then feasted on the goats and themselves became superabundant. But at length something curious happened. The stronger goats retreated to rocky outcrops where the dogs could not reach them. The

weaker dogs starved. An equilibrium established itself, dogs and goats in sustainable number. Townsend told this story to dramatize an argument for the reform of the Elizabethan Poor Law, seen increasingly in the late eighteenth century as a cause of as much as a cure for poverty. The moral of Townsend's story was that hunger could be a salutary check upon population growth. But what interested Polanyi most was the implication of the success and spread of this apocryphal story, later retold by T. R. Malthus and Charles Darwin. It bespoke a new willingness to think about human society as a natural system, regular and self-regulating as the animal world. Analogies had always been drawn between humans and animals. But to *identify* humans with animals was new.²³

The significance of this reading of the intellectual history of political economy is at first difficult to see. But consider its implication for the twentieth-century discourse on "human personality"—the discourse in which the cornerstones of the moral critique of capitalism were cut. If Polanyi was right—if it was indeed at this late eighteenth-century juncture that modern-day economics and the utilitarianism upon which it rests were established—it follows that until very recently the proposition fundamental to the moral economists' critique of capitalism (namely that human personality is strictly irreducible to terms suitable for the utilitarian calculus) was uncontentious. The need to impute an infinite value to human personality is not a timeless necessity of social criticism. That need is only as old as the paradigm in political economy earmarked by the appearance of Townsend's fable. And it is only as inevitable as that paradigm is durable. If that is true, then the supposition that the only viable anti-utilitarian critique was one which ascribed infinite value to human personality was simply an artefact of utilitarianism itself: in believing that they needed to make such strong prescriptive claims about what it is to be human to get their critique going, Tawney and Thompson were tacitly agreeing to conduct the argument on their opponent's terms. Polanyi's history of political economy suggested a way of subverting those terms *without* making strong claims about what it is to be human. It might be enough simply to insist that however much "*like* beasts" men and women may appear, the similarity is superficial. It might be enough to insist upon a radical discontinuity between human affairs and the natural world, precluding the extrapolation of norms for the one from the regularities of the other.

Albert O. Hirschman anticipated something like this argument when he noticed how strange the twentieth-century social critic's complaint that capitalism inhibits "the development of 'full human personality'" seemed in light of arguments advanced for capitalism before its inception.²⁴ Inhibiting the "full development of human personality" was in some sense precisely what capitalism was *supposed* to do: it was a means of diverting vice into harmless

or productive pursuits, keeping the avaricious and ambitious away from political power. Those arguments were framed by writers who felt no need to insist upon human virtue, the modeling of human affairs on the dynamics of the natural world being as yet unheard of. Polanyi's intellectual history of political economy opened up a portal through which twentieth-century anti-capitalism might have reverted to that earlier paradigm, delegitimizing utilitarianism *ab initio*, and making old ideas about the dynamics of association—ideas upon which their efforts to augment contemporary social theory might have drawn—new.

We no longer have anything like the moral economists' critique of capitalism because we harbor new doubts about whether it is wise to make strong claims about what it is to be human. Polanyi's gesture toward Smith introduces the possibility that a version of that critique might be reformulated without a conception of "human personality" or "notion of the 'fully human'" comparable to those around which Tawney's and Thompson's writings revolved. Polanyi was an important source for Thompson—at any rate that is my argument here. But Thompson's own readings of eighteenth- and nineteenth-century political economy display much less of the perspicacity and subtlety evident in Polanyi's writings. That is not to side with commentators who dismiss Thompson as an innocent out of his depth in his readings of political economy. As we shall see, there are specific reasons why it was harder for Thompson to see the relevant authorities arrayed in quite the way Polanyi had found them.²⁵ It is only to say that for reasons peculiar to his situation, Thompson may well have been blind to the prospect Polanyi's writings raised. And it is also to suggest that it may be to our advantage now to return (free of Thompson's foibles) to the same juncture to see what appeal the relevant prospect holds for us.

The structure of this book is relatively simple and needs little introduction, except in one respect. Tawney, Polanyi, and Thompson command one chapter each. But there is a fourth chapter, inserted between Polanyi and Thompson in the progression of the argument, and it may help the reader to make sense of that interruption if I explain its purpose at the outset. One indication of the influence wielded by the moral economists' critique of capitalism was the degree to which social critics of seemingly incompatible persuasions—writers and critics identifying themselves with utilitarianism, like Evan Durbin, or with relevant innovations in the human sciences, like Karl Mannheim—sought to align themselves with the critical tradition Tawney had inaugurated. Both Durbin and Mannheim styled themselves as innovators within this critical tradition. They justified their recourse to seemingly incongruent ideas by reference to the then-current notion that some process of "transcending capitalism" was in train, warranting the reformulation of the moral critique and

the concept of human personality for a new age. Innovations like Durbin's and Mannheim's have commanded great interest among historians of social and political thought. Both would be central to any whig history of the emergence of modern progressivism like that which I envisaged earlier. My aim in this chapter is to justify my own view that Durbin's and Mannheim's and cognate innovations stand outside the mainstream of the critical tradition reconstructed here. My purpose is to concentrate attention on the prospect of innovation within the tradition that I see (following Polanyi) as most promising. Articulating the relationship between the moral economists and relevant contemporary ideas and movements will give skeptical readers further opportunity to test my claims. In addition to Evan Durbin and Karl Mannheim, this fourth chapter encompasses Anthony Crosland and "revisionism" within the Labour Party, T. S. Eliot, the Moot, and reconstruction planning in the Conservative Party. It addresses the moment of planning in the 1930s and 1940s in Britain. It articulates a relationship between the moral economists' critique of capitalism and contemporary developments in the human sciences, especially psychology, sociology, and economics—with a particular concern to clarify the relationship between the emergence of this moral critique of capitalism and the genesis of welfare economics.

Finally, the relationship between the moral economists' critique of capitalism and the development of the discipline of economics bears further comment here—less to round off this introduction than to anticipate the book's concluding chapter. If the moral economists were theorists of everything economics excluded, one way to interpret their enterprise was as an attempt to reform that discipline from without. Economics became increasingly technical during the twentieth century, especially after the Second World War. One might presume that the translation of economic principles into mathematical formulae and the intensification of econometric expertise should carry the discipline still further away from the humane concerns and problems of the moral economists. But in fact the second half of the twentieth century gave rise to an influential movement within economics to make the same concerns about failures of social coordination that animated the moral economists central to the discipline of economics.

The key figures in that initiative were Kenneth Arrow and Amartya Sen.²⁶ Sen assimilated a version of the "social problem" framed by Tawney for Polanyi and Thompson in reckoning with Arrow's 1951 book *Individual Values and Social Choice*.²⁷ Arrow's impossibility theorem in effect restated in abstruse mathematical terms the same fundamental social problem that Tawney had framed during the late Edwardian constitutional crisis: individualism seemed untenable, but every conceivable alternative seemed to tend toward even more undesirable forms of collectivism. Social order could not be

achieved by the aggregation of individual preference. And since social order really did obtain in some places in the flux of commercial society *without* tending toward dictatorship, there must be some “scheme of socioethical norms” at work unseen beneath the utilitarian formula which contemporary economic theory applied to simplify its analyses.²⁸ But how to articulate those norms? Sen’s Nobel prize–winning innovations were attempts at such articulation. Following Arrow, Sen used difficult mathematical language to that end. But that should not hide the affinities between Sen’s enterprise after Arrow and that conducted by Tawney and his successors. Indeed, Arrow cites *Religion and the Rise of Capitalism* at the outset of his discussion.²⁹ Sen traced the origins of the social choice theory with which he associated Arrow’s impossibility theorem and his own innovations back to the eighteenth-century writings of the Marquis de Condorcet, one of Adam Smith’s interlocutors.³⁰ This parallel line of inquiry into the uncertain domain between individualism and collectivism also led back to the same moment in eighteenth-century political economy over which Polanyi had paused. In this convergence of the moral economists’ critique of capitalism with the course of economic science since the Second World War, a means of combining the emphasis on material inequality characteristic of contemporary anti-capitalism with a complementary critical approach grounded in moral imperatives becomes discernible. Again, my argument is not that we should focus on moral or spiritual considerations to the exclusion of material concerns. It is that we should not settle for the former without the latter. The concluding chapter of this book pinpoints a conjuncture between history and economics to show how complementing an emphasis on material inequality with some version of a moral critique of capitalism might work. It need not be one or the other. We can and should have both.