

Social Science: Making Visible the Invisible Hands

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Introduction: Our Text for Today

“But it is only for the sake of profit that any man employs a capital in the support of industry. . . . As every individual, therefore, endeavours as much as he can . . . to employ his capital . . . that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. . . . By directing . . . industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this as in many other cases, led by an invisible hand to promote an end which was no part of his intentions. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.”

In all *The Wealth of Nations* this motto passage (IV [ii]) must be the one to which reference is most often made. It can well bear all, indeed rather more than all, the attention it does in fact get. For very few even of those who have actually read it seem to become seized of its full significance. I myself met it first over thirty-five years ago, as an undergraduate in the University of Oxford. It was cited then in a popular series of lectures given by G. D. H. Cole, the then Chichele Professor of Political and Social Theory. Like most of us in his audience, Cole could see nothing more here than the occasion for a swift passing sneer. This was, after all, merely a piece of apologetics for those obviously outmoded and altogether indefensible arrangements called by Cole *laissez-faire* capitalism, the arrangements Smith himself knew only as “the natural system of perfect liberty and justice,” or “the obvious and simple system of natural liberty” (IV [vii] Part 3 and IV [ix]).

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To such principled secularists as Cole, this particular defense was made the more repugnant because it was misinterpreted as a suggestion that these ongoings are benevolently guided by the Invisible Hand of an All-wise Providence.

Certainly Cole and the rest of us were right to see in this passage some defense of pluralistic and competitive capitalism. For it does indeed offer, for that and against monopoly socialist alternatives, an argument for more powerful than anything Cole was able to recognize, or, I will now add, to meet. But where we were utterly wrong was in suspecting Smith of making some sort of antiscientific appeal to supernatural intervention. On the contrary, this text is a landmark in the history of the growth of the social sciences. For—almost a century before Darwin—Smith was uncovering a mechanism by which something strongly suggesting design might come about, indeed, must, quite spontaneously and without direction.

I. What Adam Smith Really Meant

Like so much else in Smith, the argument here begins from an uncynical yet coolly realistic appreciation of our human nature. Any political economy for this world must treat people as we are, not as we might become, yet will not. As George Stigler said in a volume of bicentennial essays: *The Wealth of Nations* is a stupendous palace erected on the granite of self-interest."¹ It is indeed—Scottish granite, and erected also on Scottish self-reliance. "It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow-citizens" (I [ii]).

Put in marginally more modern terms, the nub of Smith's argument is that the most productive, the most wealth-creating, the most economically efficient investment decisions are likely to be made by persons who have some large and direct personal interest in achieving the most satisfactory combination of the maximum security of, and the maximum return on, the capital employed. Of course there is no guarantee that all such persons will get all their decisions right. Even those who do turn out usually to have spotted winners will sometimes pick losers. It is indeed precisely because things are so difficult, and so apt to come unstuck, that anyone concerned to increase the wealth of nations has such an excellent reason for wanting to have the crucial initiatives made, the crucial initiatives taken, always and only by directly and appropriately interested parties.

Also, where and insofar as people are—as Smith nicely has it—"investing their own capitals," the unsuccessful will, to the extent that they have made bad investments, necessarily be deprived of opportunity to make further costly mistakes, while the successful will by a parallel necessity be enabled to proceed to further and hopefully greater successes. Smith himself appears not to have seized this further point about feedback, although it must be of the last importance in any

consideration of alternative ways of providing for the taking of economic initiatives.

The going alternative to having investment decisions made by persons harboring direct individual interests in the security of the capital and the maximization of the returns is an alternative that we British have in recent decades seen all too much of in our now economically crippled country. This alternative is to have such decisions, but especially the biggest, made by (or somehow emerge from the interactions of) various individuals and groups whose common characteristic is that they are not merely not expected to have, but are often even expected and required *not* to have, any individual—or indeed any—stake in achieving the maximum return on the capital employed.

Being human—like the definitionally grasping capitalists of socialist demonology, and like the rest of us as well—all such persons are inclined to strive to maximize their own utilities; or, for those who prefer the jargon of Mr. Damon Runyon to that of the economists, to do the best they can for themselves and for their families.² The trouble is that the utilities of such persons are very little connected with, if not more or less directly opposed to, the direction of tax moneys into whatever investments will prove maximally wealth-creating.

This is no place for detailed documentation. It should be sufficient, before referring to other sources, to mention two or three specially flagrant British examples: first, the building of the longest single-span bridge in the world, undertaken to buy victory in an especially crucial parliamentary bye-election; second, the continuation of the Concorde program, when the particular Minister most directly responsible just happened to represent the constituency³ of those employed, at unusually high wages, to produce that beautiful piece of economic nonsense; and third, successive decisions to invest still more in various loss-making nationalized industries, decisions reached under pressure from the relevant labor unions and made always without unbreakable guarantees that those unions would then permit the working practices and manning levels which might enable these investments to become profitable.⁴ Certainly none of the various civil servants, politicians, and union barons involved in any of these decisions would have been prepared to subscribe to the equity from their own private pockets or even from any trust funds for which they were individually accountable, though those unions and their political party have recently become eager to raid (other people's) pension funds in order to find further resources to pour into similar economic black holes.

II. Adam Smith and the Other Scottish Founding Fathers

So far we have been giving general consideration to Smith's argument that a free capital market, with all the individual owners of capital seeking the best possible return on any investment made, must tend to maximize the gross national product. It is time to concentrate upon one particular sentence: “. . . he intends only his

own gain and he is, in this as in many other cases, led by an invisible hand to promote an end which was no part of his intentions." It is on his attention, "in this as in many other cases," to such unintended consequences of intended action that we rest Smith's claim to have been one of the founding fathers of the social sciences.

1. To understand that claim is to realize how totally wrong it must be to construe Smith's invisible hand as an instrument of supernatural direction. To do this would be as preposterous as to interpret Darwin's natural selection as being really supernatural selection. For Smith's invisible hand is no more a hand directed by a rational owner than Darwin's natural selection is selection by supernatural intelligence. As we suggested earlier, both Smith and Darwin were showing how something that one might be very tempted to put down to design could and indeed must come about: in the one case without direction, in that direction; and in the other, without any direction at all. By uncovering the mechanisms operative in the two cases, they each made supernatural intervention superfluous as an explanation. Adam Smith's invisible hand is not a hand, any more than Darwin's natural selection is selection. Or—to put the point in a somewhat more forced and technical way—*invisible* and *natural* are in these two cases just as much alien adjectives as are *positive* and *people's* in the expressions "positive freedom" and "people's democracy."

Nor, to return, would it be right to accuse Smith, as he so often is accused, of assuming or asserting that the results of the operations of all such unplanned and unintended social mechanisms are always, if only in the long run, Providentially happy. It is, rather, the Hegelian historicists Marx and Engels who are forever assuming that the universe is so ordered, while all the while contemptuously denying what could alone provide a rational warrant for harboring any such conviction. That sole warrant is a faith that that universe is the creature of the God of Mosaic theism. For is not the prophetic vision of the *Communist Manifesto* the secularized offspring of the Christian historicism of Augustine's *City of God*? Is not the promised classless society, guaranteed conflict-free and truly human, a surrogate for the Kingdom of God on Earth?⁵

The most elegant refutation of the charge against Smith is to be found in his treatment of the division of labor. Certainly, Smith writes, this "is not originally the effect of any human wisdom, which foresees and intends the general opulence to which it gives occasion. It is the necessary though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility: the propensity to truck, barter, and exchange one thing with another" (I[ii]). But Smith himself goes on to describe and lament the dehumanizing consequences of extreme developments in this occasion of opulence. It is these purple passages that Marx himself quotes in *Capital* to support his own polemic on this count, although neither there nor anywhere else does he even attempt to show how and why socialism can be relied on to make an end of these evils.

Another example of a social mechanism producing results not merely other than but even flatly contrary to the intentions and best interests of the participants is what Garrett Hardin has labeled “the tragedy of the commons.”⁶ In this “tragedy” access to some resource is common to several persons without the restrictions of private property. Those sharing that access will all be inclined (and rationally so) to make the most use they can of that resource, which will therefore tend to be wastefully and rapidly exhausted or destroyed: a result universally unintended and unwanted. In our contemporary world one appalling token of this type is the ruin of Sahel. There, as Kurt Waldheim has warned, “the encroachment of the desert threatens to wipe four or five African countries from the map.” Certainly other causes, such as protracted drought and the activities of high-paying and tax-exempt UN agencies, have exacerbated the problem. But the basic trouble is that on unenclosed land, no one has an individual interest in doing what stops, or not doing what starts, desertification.⁷ Notoriously, as philosophers should have learned first from Aristotle’s critique of Plato’s *Republic*,⁸ everyone’s business tends to be no one’s. By contrast, as one of Smith’s own younger contemporaries was wont to say: “Give a man the secure possession of a bleak rock and he will turn it into a garden: give him a nine year’s lease of a garden, and he will convert it into a desert.”⁹

Nor was it only Smith who, “in this as in many other cases,” was systematically developing a naturalistic approach to social phenomena. He was in fact one of a small group, a main part of the “Edinburgh Enlightenment.” This group also included, among others, the sometime Chaplain to the Black Watch and later Edinburgh professor Adam Ferguson, William Robertson, and—slightly older and starting to publish much earlier—David Hume.

It is to the point here to recall that Hume presented his own first published work not as an essay in conceptual analysis but as *A Treatise of Human Nature*, “an attempt to introduce the experimental Method of Reasoning into Moral Subjects.”¹⁰ Even where he is dealing with what is in the narrowest modern sense most strictly philosophical, Hume’s characteristic contentions open the way to the open-minded discovery of causes altogether unlike their effects: “If we reason a priori,” he argues in the first *Inquiry*, “anything may appear able to produce anything” (XII [iii]), whereas the contrary assumption “is the bane of all reasoning and free enquiry” (IV [i]).

The same undogmatic and naturalistic approach to “Moral Subjects” was equally typical of the others, too. Thus, in a long methodological note to the Proofs and Illustrations of his *History of Scotland*, first published in 1759, Robertson compares the institutions and customs of the Germans, as seen by Caesar and Tacitus, with those of the North American Indians, as studied by Father Charlevoix and Monsieur Lafitour: “A philosopher,” Robertson concludes, “will satisfy himself with observing, that the characters of nations depend on the state of society in which they live, and on the political institutions established among them; and

that the human mind, whenever it is placed in the same situation, will in ages the most distant and in countries the most remote, assume the same form, and be distinguished by the same manners."¹¹

Later, in his *History of America*, first published in 1777, one year after *The Wealth of Nations*, Robertson unwittingly staked a claim to have anticipated Marx in formulating what came to be called the materialist conception of history: "In every inquiry concerning the operations of men when united together in society, the first object of attention should be their mode of subsistence. Accordingly, as that varies, their laws and policy must be different."¹²

2. A second point to emphasize is that what Smith was offering was evolutionary as opposed to creationist. A sophisticated capital market is not put together overnight, to open on a statutorily determined Vesting Day; and the division of the labor "is not originally the effect of any human wisdom. . . . It is the necessary consequence of a certain propensity in human nature. . . ." Nine years earlier Adam Ferguson had made the same point quite generally:

Mankind in following the present sense of their minds, in striving to remove inconveniences, or to gain apparent and contiguous advantages, arrive at ends which even their imagination could not anticipate. . . . Every step and every movement of the multitude, even in what are called enlightened ages, are made with equal blindness to the future; and nations stumble upon establishments, which are indeed the result of human action but not the execution of human design.¹³

(a) The same seminal passage at once proceeds to enforce the point that—at any rate in default of sufficient independent evidence of their particular existence—there is no longer any call to postulate great creative culture heroes to explain the origin of such "establishments":

If we listen to the testimony of modern history, and to that of the most authentic parts of the ancient; if we attend to the practice of nations in every quarter of the world, and in every condition, whether that of the barbarian or the polished, we shall find very little reason to retract this assertion. . . . We are therefore to receive, with caution, the traditionary histories of ancient legislators, and founders of states. Their names have long been celebrated; their supposed plans have been admired; and what were probably the consequences of an early situation is, in every instance, considered as an effect of design. . . . If men, during ages of extensive reflection, and employed in the search of improvement, are wedded to their institutions, and, labouring under many inconveniences, cannot break loose from the trammels of custom; what shall we suppose their humour to have been in the times of Romulus and Lycurgus?

Durkheim once said in this connection, in his essay "Montesquieu and Rousseau, Precursors of Sociology," that the myth of the inspired and revolutionary legislator had, more than anything else, been the hindrance to the development of his subject. Notice too that there are parallel, indeed still more forceful objections to

the hypothesizing of creation not by an individual but by a collective. Already in the *Treatise* Hume had deployed many of these objections to dispose of suggestions that the actual origins of all governments must have been in historical contracts: "Philosophers may, if they please, extend their reasoning to the suppos'd *state of nature*; provided that they allow it to be a mere philosophical fiction which never had, and never cou'd have any reality" (III [ii] 2).¹⁴ Later he speaks in precisely parallel terms about the legend of historical social contracts made to end that state of nature (III [ii] 8).

(b) Hume's insight here is that not only government but also other fundamental social institutions neither in fact arose nor could have arisen through a contract from a presocial state of nature, if only because the very act of promising already essentially presupposes the social institution of language.

Hume's own solution to this problem of actual origins is subtle, hardheaded, and profound—notwithstanding that some of the terms in which he states that solution must, unfortunately, suggest the sociologically unsophisticated crudities he himself is striving to reject. Where his less enlightened opponents tell tales referring back to deliberate foresight and contractual agreement, Hume argues that the fundamental social institutions could not have originated from this sort of planning. What *is* possible is that recognitions of common interest will lead to the regulation of conduct in ways that are not, and often could not be, derived from prior contracts:

Two men, who pull the oars of a boat, do it by an agreement or convention, tho' they have never given promises to each other. Nor is the rule concerning the stability of possession the less deriv'd from human conventions, that it arises gradually, and acquired force by a slow progression. . . . In like manner are languages gradually establish'd by human conventions without any promise. In like manner do gold and silver become the common measures of exchange (III [ii] 2).

To the philosopher, and not to the philosopher only, that penultimate illustration is the most impressive of all. To think that the natural languages, formations the richness and subtleties of which it is so hard even faithfully to delineate, must be in the main evolved (and not planned) byproducts of the actions and interactions of people who were themselves, whether individually or collectively, incapable of designing anything of comparable sophistication! (In what language, after all, would the Select Committee charged with the task of designing the first natural language have conducted its deliberations?)

It is no wonder that Ferguson became lyrical: "this amazing fabric . . . which, when raised to its height, appears so much above what could be ascribed to any simultaneous effort of the most sublime and comprehensive abilities." Indeed, he goes on, "The speculative mind is apt to look back with amazement from the height it has gained; as a traveller might do, who, rising insensibly on the slope of a hill, should come to look from a precipice of almost unfathomable depth,

to the summit of which he could scarcely believe himself to have ascended without supernatural aid."¹⁵

The eccentric and studiously old-fashioned Lord Monboddoo, who surely knew as much about linguistics as any of his contemporaries but who was not so fully seized of the evolutionary possibilities, takes up Ferguson's hint of some supernatural aid. He "can hardly believe but that in the first discovery of so artificial a method of communication, men had supernatural assistance." So he is "much inclined to listen to what Egyptians tell us of a God, as they call him, that is an intelligence superior to man, having first told them the use of language."¹⁶

3. The third main comment consists in developing a distinction that seems not to have been made either by the Scottish founding fathers themselves or by their most sympathetic modern interpreter, F. A. Hayek. In a posthumous masterpiece published a year or so later than *The Wealth of Nations*, Hume recognized that something which had not been designed either by one individual or even by a committee might nevertheless be the ultimate product of innumerable more or less intelligent initiatives. In Part V of the *Dialogues concerning Natural Religion*, Philo is scripted to say:

If we survey a ship, what an exalted idea we must form of the ingenuity of the carpenter, who framed so complicated, useful and beautiful a machine? And what surprise must we entertain, when we find him a stupid mechanic, who imitated others, and copied an art, which, through a long succession of ages, after multiplied trials, mistakes, corrections, deliberations, and controversies, had been gradually improving?

The distinction needed is the distinction between (1) social mechanisms producing results unintended by, and even contrary to the wishes of, those whose actions constitute the operations of these mechanisms, and (2) the generation of what may suggest brilliant individual or collective design through the not intentionally and collectively coordinated initiatives and responses of various persons or groups of persons, most of whom cannot have been directly acquainted with one another. It is often said that no great work of art ever emerged from a series of committee meetings. (But what about that masterpiece of translation, the King James Bible?) yet some of the greatest—*The Iliad* and *The Odyssey*, for instance—surely were the ultimate achievements of successive generations, with many individual bards making their several anonymous contributions piecemeal.

The contemplation of either of the two kinds of phenomena just distinguished should teach us how fallacious it is to argue that if something is the product or result of conscious human agency, then it must always be in practice possible radically to redesign and reshape that product or that result in such a way that it shall the better accommodate the wishes of the persons concerned. The cases for the very possibility of overall central planning and control, to say nothing of the further cases for the superior effectiveness of such planning, have to be argued separately in every different context; and, at least in the most complicated,

the presumption must be strongly contrary. Descartes was thus quite simply wrong when, in Part II of the *Disclosure on Method*, he made his characteristic claim that there is, typically, “less perfection in works composed of several portions, and carried out by the hands of various masters.”¹⁷ So, too, and consequently, is the entire tradition that echoes a cry of that early French socialist Etienne Cabet: “Nothing is impossible for a government which really wills the good of its people.”

III. Marx and Engels as Poor Hegelian Pupils of the Great Humean Scots

Not surprisingly, Marx, who certainly studied both Smith and Ferguson, missed most of the present message. On another occasion I would argue that neither Marx nor Engels ever mastered the secret of the incomparable success of competitive capitalism in advancing economic growth—despite the involvement of Engels throughout his working life in the development of that mini-multinational corporation, Ermen and Engels, and notwithstanding that in the *Communist Manifesto* they together composed one of the most eloquent of all tributes to the world-historical impact of this success. (I refer, of course, to the section on the rise of the bourgeoisie: “The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls . . .” and so on.)

1. The trouble with Marx and Engels, and, in consequence, the trouble for us here, is that they were concerned not so much with understanding as with making an end of “the obvious and simple system of natural liberty.” Nor, we may perhaps add, does there appear to be any evidence that Engels in his business career was ever involved in the taking of any major initiative, either deciding to start up one entirely new operation or deciding to shut down another complete operation. The enormous labors of Marx in the British Museum were directed toward the discovery of empirical support for the historicist predictions of the *Communist Manifesto*, predictions that had in the first place been derived from abstractly philosophical rather than concretely sociological analyses. But be all that as it may. For now and for us, it must suffice to indicate only their failure to appreciate the full significance for social science of the investigation of the unintended consequences of intended and individual actions.

In a nutshell my suggestion is that, under the continuing influence of Hegel, albeit a Hegel long since stood on his head, they were unwilling to accept, always and consistently, that the main subject matter of these sciences must be the mechanisms producing such consequences, their chief business the making visible of such invisible hands. Instead they both hankered after materialist analogues of the transcendent Cunning of Reason, directing people to achieve collective ends other than and independent of whatever their own individual purposes might happen to be: These were to be transcendent and offstage ongoings rather than immanent and onstage transactions.

By far the most striking and important example of this unwillingness, and of this hankering, it provided by their insistence that always and everywhere the state is the mere creature of a ruling class or classes, and hence that politics must always be secondary to economics. Consider, for instance, two claims from the *Communist Manifesto*: first, that “the executive of the modern state is merely a committee for managing the economic affairs of the whole bourgeoisie . . .”; and, second, that “political power, properly so called, is merely the organized power of one class for oppressing the other.” But now, if we are thus to be assured that those who seem to be the rulers, the men of power, really are the independently powerless creatures of various outside interests, then we have to demand, not only as social scientists but also as practical people, accounts of the effective checks and pressures by which those external collectivities contrive always to keep these merely seeming rulers subordinate to their own actual control.

If Marx had ever tried to provide such accounts, then he could scarcely have failed to discover that it is not by any means true that the manipulators of political power are always and everywhere the subservient creatures of outside class interests. No doubt cabinets in Britain, from the Glorious Revolution until the great Reform Bill, were devoted to the interests of—indeed then very largely consisted in members of—the landowning class. But elsewhere, and in other periods, it is all too easy to find examples of civilian rulers or military commanders pursuing ends of their own, ends quite independent of an even flatly contrary to any interests attributable to economic classes outside the state machine.¹⁸ After all—to put things at what is at the same time not only the simplest but also the most fundamental level—it is only insofar as, and to the extent that, there are men with guns able and willing to maintain and defend the property rights of the rich that rich people can possess that access to political power, which, allegedly, riches always offer. Those major industrialists, for instance, who financed the rise of Hitler’s National Socialists soon discovered, once he was secure in office, that they were the suppliants now.

This Marxist failure—indeed, more truly, this Marxist refusal—to investigate actual and possible social mechanisms through which rulers may be made accountable to those whom they rule has, among the faithful, continued to this day; and this despite the ever accumulating evidence of how totally parties of the new Leninist type can exercise autonomous and arbitrary rule over a whole society—not least over the class of which they profess to be the devotedly representative leading cadres. Consider, for instance, Poland, and how Solidarity, the ten-million-strong union of the Polish workers, was destroyed almost overnight by the state machine of army, police, and party.

In the face of all this—or even without all this, and given only the most modest experience of institutions and affairs—how preposterous it is, and how scandalously frivolous, for anyone to speak of the state necessarily “withering away,” and that for no other or better reason than that it is supposed that it is going to lose the function which, it is alleged, the first states were originally established to

fulfill. This thesis, and the whole supporting argument in *Anti-Dühring* and wherever else, is high-flying Hegelian metaphysics or a secular revealed religion-substitute; it is not down-to-earth, this-worldly social science.

2. Already paradigm cases of (would-be) wholesale utopian social engineers, Marx and Engels thus also became equally paradigmatic methodological holists. Those who have had difficulty identifying this kind of beast from the descriptions provided by Popper in *The Poverty of Historicism* will value the gloss offered by J. W. N. Watkins in a previously private letter:

Social scientists can be roughly and crudely divided into two main groups: those who regard social processes as proceeding, so to speak, under their own steam, according to their own nature and laws, and dragging the people involved along with them; and those who regard social processes as the complicated outcome of the behaviour of human beings.¹⁹

One source from which all this emerges with tolerable clarity is that retrospective review, *Ludwig Feuerbach and the End of Classical German Philosophy*. Engels there contrasts prehuman biological evolution with “the history of the development of human society.” In the latter “the actors are all endowed with consciousness, are men acting . . . working towards definite goals; nothing happens without a conscious purpose, without an intended aim.” Nevertheless, Engels insists, “the course of history” is governed by necessitating laws, “where on the surface accident holds sway, there actually it is always governed by inner, hidden laws. . . .”

“Men make their own history,” the following paragraph begins, boldly. Yet there is a but: “But . . . we have seen that the many individual wills active in history for the most part produce results quite other than those intended—often quite the opposite. . . .” So far so good. The moral Engels draws, however, is not that the social scientist needs to study the mechanisms through which particular intentions produce alien or even contrary results. In his view the proper objects of investigation are hidden, transcendent causes, rather than anything immanent in the activities themselves. For Engels “the further question arises: What driving forces . . . stand behind these motives? What are the historical causes which transform themselves into these motives in the brains of the actors?”²⁰

Soon it emerges that history is not, after all, really made by innumerable individual men acting and interacting. The ultimate historical causes are instead largely unconscious and collective: “It is a question of investigating the driving powers which—consciously or unconsciously—lie behind the motives of men who act . . . and which constitute the real ultimate driving forces in history . . . classes. . . .”²¹ Where the idealist Hegel had discerned direction by the invisible and cunning hand of presumably conscious Reason, the still Hegelian materialists Marx and Engels saw individual men as the for the most part unwitting creatures of direction and control exercised by the necessarily unconscious collective intentions of hypostatized classes.

Certainly there is a great deal, especially in *Capital*, about how certain social consequences are bound to follow, consequences the individual agents themselves surely do not intend, while the entire argument, above all in Volume I, is supposed to show that the capitalist mode of production cannot but develop in one particular direction. It supposedly cannot but so develop, inasmuch as all capitalists find that, whatever their own individual preferences, they nevertheless and willy-nilly have, if they intend to remain capitalists, to behave in ways that must inevitably lead to the consummation foretold by Marx—a consummation that is, of course, neither desired nor intended by the capitalists themselves. For example, Marx claimed: “Capitalist production involves conditions which, independently of good or bad intentions, permit only a temporary relative prosperity of the working class, and always only as a forerunner of a depression.”²²

In his summary in *Anti-Dühring*, a work read to and approved by Marx before his death, Engels puts this thesis of *Capital* more fully and more emphatically:

In other words, even if we exclude all possibility of robbery, violence and fraud; even if we assume that all private property was originally produced by the owner's own labour; and that, throughout the whole subsequent process, there was only exchange of equal values for equal values; even then the progressive development of production and exchange would necessarily bring about the present capitalist mode of production; . . . the whole process is explained by purely economic causes: robbery, force, and the assumption of political interference of any kind are unnecessary at any point whatever.²³

It is precisely with that insistence upon the sufficiency of economic causes that we pass from what is at least trying to be social science into mystification and magic. In dealing with these supposedly sufficient supposed causes themselves, Marx sees himself as studying essence as opposed to accidents, reality in contrast to mere appearance, material foundations rather than insubstantial ideological superstructure. Here he does have some claim to be rated among the founders of economic sociology.²⁴ But that claim cannot be allowed to extend to his prophesyings of the supposed truly magical effects these supposedly all-powerful economic causes are, on his sheer authority, guaranteed to produce: that the class to end all classes will, in very short order and irresistibly, introduce a secular version of the Kingdom of Heaven on Earth; that in this new order “the free development of each will be,” in some more than merely tautological sense, “a condition of the free development of all”; and so on.

Contemporary Marxists love to accuse the rest of us of mystification and to claim that they and they alone are the “Critical Sociologists.” The truth is, of course, that their own bigoted insistence on the magical subordination of military, political, and police power to supposedly ruling economic classes is itself quintessential mystification. Since this thesis is manifestly false, it can only be, and therefore by our self-styled “Critical Sociologists” is, defended by pretentious obfuscation:

The members of the state apparatus belong, by their class origin, to different classes, they function according to a specific internal unity. Their class origin—*class situation*—recedes into the background in relation to that which unifies them—their *class position*—that is to say, the fact that they belong precisely to the State apparatus and that they have as their *objective function* the actualization of the role of the State. This in turn means that the bureaucracy, as a specific and relatively “united” social category, is the “servant of the ruling class, not by reason of its class origins, which are divergent, or by reason of its personal relations with the ruling class, but by reason of the fact that its internal unity derives from its actualization of the objective role of the State. The totality of this role itself coincides with the interests of the ruling class.²⁵

Well, thanks for the explanation. Now it is all perfectly clear!

Notes

1. A. S. Skinner and T. Wilson, eds., *Essays on Adam Smith* (Oxford: Clarendon, 1976), p. 237. On several occasions when I have read an earlier version of this paper to largely socialist academic audiences, desperate opponents have denounced the supposedly parochial assumptions allegedly made here about a universal human nature. Whatever may or may not be true about the hairy Ainu or any other darling tribe of the anthropologists, the constant denunciations of ‘speculators’ in the press of the Soviet Empire make it obvious that citizens there are still not adjusted to or worthy of a supposedly selfless, collectivist utopia.
2. See almost any contribution to the recent, rapidly growing literature on the economics of public choice. There are, for instance, three introductory collections, all from the Institute of Economic Affairs and all, presumably, edited by A. Seldon: *The Economics of Politics* (1978); *The Taming of Government* (1979); and *The Emerging Consensus* (1981). Compare D. Runyon, *Runyon on Broadway* (London: Constable, 1950).
3. Constituencies are equivalent to congressional districts in the United States; and, in Canada, to ridings.
4. On the general record of the British nationalized industries, see G. and P. Polanyi, *Failing the Nation: The Record of the Nationalized Industries* (London: Fraser Ansbacher, 1976); J. Redwood, *Public Enterprise in Crisis* (Oxford: Blackwell, 1980); and R. Pryke, *The Nationalized Industries: Policies and Performance since 1968* (Oxford: Robertson, 1981). For more particular cases, see F. Broadway, *Upper Clyde Shipbuilders*; C. Jones, *The £200,000 Job*; J. Bruce-Gardyne, *Meriden: Odyssey of a Lame Duck*; and J. Burton, *The Job Support Machine* (London: Centre for Policy Studies, 1976, 1977, 1978, and 1979 respectively).
5. For a development of this theme—the Providential utopianism of Marx and Engels—see my ‘Prophesy or Philosophy, Historicism or History,’ in C. Wilson and R. Duncan, eds., *Marx Refuted* (Bath, Eng.: Ashgrove Press, 1987), pp. 68–88.
6. Garrett Hardin, ‘The Tragedy of the Commons,’ in G. Hardin and J. Baden, eds., *Managing the Commons* (San Francisco: Freeman, 1977). For accounts of other similar and sometimes similarly unfortunate social mechanisms, see Thomas Schelling, *Micromotives and Macrobehavior* (New York: Norton, 1978).
7. This is an excellent example for bringing out the importance of having a legal framework giving incentives to enterprises to take account of *all* the costs of production, both direct and indirect, both immediate and long term. If, for instance, someone has property rights in clean air, then industrialists have the most effective of reasons not to pollute. If they do, their production costs will be increased by the costs of compensating those property owners, or otherwise buying out their rights. See, for instance, J. Burton, ‘Private Property Rights or the Spoliation of Nature,’ in S. N. S. Cheung, ed., *The Myth of Social Cost* (London: Institute of Economic Affairs, 1978), pp. 69–91 and especially 83–89.

8. Ernest Barker, ed., *The Politics of Aristotle* (Oxford: Oxford University Press, 1952), book 2, chaps. 1-5.
9. Arthur Young, the first great agricultural journalist.
10. The word "moral" is here roughly equivalent to "human," as in the fossil phrase "moral sciences," only very recently—and regrettably,—abandoned by the University of Cambridge.
11. William Robertson, *Works*, vol. 1 (Edinburgh, 1890), p. 372.
12. *Ibid.*, vol. 2, p. 104.
13. Adam Ferguson, *An Essay on the History of Civil Society*, ed. D. Forbes (Edinburgh: Edinburgh University Press, 1966), pp. 122-23.
14. This is, of course, a very different thing from banning any reference to some hypothetical or fictitious social contract from discussion of the very different question of the legitimacy or otherwise of the actions of present-day governments.
15. Adam Ferguson, *Principles of Moral and Political Science*, vol. 1 (London and Edinburgh, 1792), p. 43.
16. James Burnett, Lord Monboddo, *The Origin and Progress of Language*, vol. 4, 2nd ed. (Edinburgh, 1774), p. 484.
17. For criticism of this whole disastrous tradition of "constructivistic rationalism," see F. A. Hayek, *Studies in Philosophy, Politics and Economics*, and *New Studies* (London: Routledge, 1967 and 1978).
18. It was, of course, because the phenomenon of oriental despotism clearly threatened his most treasured hypothesis that Marx was so reluctant to try to come to terms with that phenomenon. The classic source for the whole debate is now Karl Wittfogel, *Oriental Despotism* (New York: Vintage Edition with a fresh Foreword, 1981).
19. Cited in A. C. Danto, "Methodological Individualism and Methodological Socialism," in John O'Neill, ed., *Modes of Individualism and Collectivism* (London: Heinemann, 1973), pp. 335-36. The Editor's Introduction to this collection contains—along with some prize paragraphs of as-near-as-makes-little-matter senseless sociologese, appearing to have escaped from Peter Simple's satirical column in the *Daily Telegraph*—various unfriendly and perhaps appropriately distant references to the historical activities of such holist hypothetical entities as "imperialism" and "monopoly capitalism." See, for example, pp. 5, 17, and 25.
 Almost needless to say, the term "imperialism" is never applied to the activities of the USSR in Afghanistan or of China of Tibet. Nor is any attempt made to show that any of the individual firms not mentioned do in fact enjoy and exploit a monopoly position. Like so many socialists, and especially Marxist or *Marxisant* socialists, Editor O'Neill appears resolved to characterize corporate capitalism as monopoly capitalism, quite regardless of whether or not it is in truth monopolistic, while being even more firmly resolved not to draw attention to the fact that his own preferred alternative is socialism, that is, total monopoly for the state.
20. Karl Marx and Friedrich Engels, *Basic Writings on Politics and Philosophy*, ed. L. S. Feuer (London: Collins, Fontana, 1969), pp. 270-71.
21. *Ibid.*, pp. 272-73.
22. Karl Marx, *Das Kapital*, vol. 2 (Hamburg: O. Meissner, 1867-1894), p. 406. Marx, however, did not himself see any of this as his real contribution to social science: That lay rather in his supposed demonstration that apparently free exchange relations under capitalism are, really, essentially exploitative; and he thus seems to have become committed to maintaining that under socialism, where social relations will always be what they appear to be, there will be no room for social science! See G. A. Cohen—surely the most philosophically sophisticated of all the Marxist devout—"Karl Marx and the Withering Away of Social Science," *Philosophy and Public Affairs* 1, no. 2 (Winter 1972).
23. Karl Marx and Friedrich Engels, *Historischkritische Gesamtausgabe*, ed. D. Rjazanov (Frankfurt a. M., Germany: Marx-Engels-Archiv, 1927-), special volume, pp. 160-67.
24. Nonetheless, Popper is, surely, much too generous in his tribute to the sincerity of Marx, both in "a burning desire to help the oppressed" and in "his search for truth and his intellectual honesty" (*The Open Society*, p. 82). For Popper himself goes on to note that "Marx lived long enough to see reforms carried out which, according to his theory, should have been impossible. But it

never occurred to him that these . . . were . . . refutations of his theory (*ibid.*, p. 154).

Well, perhaps he just did not notice, and perhaps no one told him. What, however, was utterly flagrant and quite disgraceful was his suppression of data showing that the central and crucial immiserization thesis is false. See, for instance, Bertram Wolfe, *Marxism: One Hundred Years in the Life of a Doctrine* (London: Chapman and Hall, 1967), p. 323, where it is shown that in the first edition of *Das Kapital*, various runs of statistics are brought down to 1865 or 1866, but those for the movement of wages stop at 1850. In the second edition, all the others are brought right up to date. But those on wage movements still stop at 1850.

25. This prize piece, which is reproduced here exactly as originally printed, comes from Nicos Poulantzas, "The Problem of the Capitalist State," in R. Blackburn, ed., *Ideology in Social Science* (London: Collins, Fontana, 1973), pp. 246–47. Many of the Schopenhauer's remarks about Hegel, so caressingly quoted by Popper in *The Open Society*, could well be deployed against this stuff—and its author.