

Charles M.A. Clark, *Economic Theory and Natural Philosophy. The Search for the Natural Laws of the Economy*. Aldershot: Edward Elgar, 1992, x-198 pp. ISBN 1-85278-445-8. £ 39.95.

This book bears a somewhat odd title. In fact, the Latin 'philosophia naturalis' (a translation of the Greek word *physiké*) and its equivalents in modern European languages were used, up to the first decades of the nineteenth century, to indicate the natural sciences. The reader will not find in this book primarily a treatment of the relationship of economics and physics or other natural sciences, The focus of the book is instead the legacy of the natural order doctrine in economic theory The author labels this doctrine the 'Natural Law Outlook'.

The target of Clark's argument is the mainstream conception of the method of economics. The conception he wants to question is summarized in Maurice Allais's Nobel lecture, according to which the 'thorough analysis of many economic phenomena' displays the existence of regularities which are just as striking as those found in the physical sciences' (p. 171). A related target is provided by the politically conservative implications of this conception, in so far as it allowed the social theorist, as well as political leaders, to escape from taking responsibility for their actions' (p. 178).

The positive contribution of the book is an argument for more historical analysis to be brought into economics, much in the spirit of Marshall and, I would add, of Polanyi. In fact, the latter's conception of the market as an 'instituted process' is echoed in the very last paragraph of the book, without (oddly enough) any mention of this author in the whole book.

The main thesis is that 'economic theorists' search for the natural laws of the economy has caused them to treat economic phenomena as if they were natural phenomena and thus caused by natural forces, and not social phenomena, the result of social institutions' (pp. 3-4). Obviously enough, the precise meaning of the above thesis depends on how the *social* and the *natural* are characterized. Clark's characterization of the social refers to Werner stark's writings and to his idea that society is 'what we create' (pp. 14-15), while Nature is 'what we find' (the remark is not out of place that this idea has a strong Idealistic flavour running counter to what Durkheim and most of his followers had to say).

The book is composed of a first part, where the role of modelling in theorizing (chapter 1) and the natural/social opposition (chapter 29) are discussed. Three case studies follow: Adam Smith (chapter 3 and 4); John Stuart Mill (chapter 5), and Jevons, Menger, Walras, and Pareto (chapter 6). Two final chapters outline Clark' s diagnosis of the present state of economic theory with a

convincing argument for history and against (physical) models.

Let me briefly comment on the basic concepts in the book: Nature, naturalism, the Natural Law Outlook. Clark closely follows the characterization of 'nature' by Collingwood, a neo-Idealist philosopher (pp. 19-25): the Greek conception of Nature as organism was followed by the Renaissance conception of Nature as a machine and finally by the modern conception of Nature as a process, allegedly derived from historical studies. What is wrong with economics – according to Clark – is that it originated in the Enlightenment period, when the 'Renaissance' (this means here Descartes and Galileo, not Bruno and Campanella) mechanistic view of Nature still held sway, carrying along the 'Natural Law Outlook', that is, the view allegedly held by the seventeenth-century natural law philosophers of the social laws as fixed and invariable, strictly analogous to the laws of the physical world, embodying a stable and harmonious order, and having at once an ontological and a deontological status. Such a 'Natural Law Outlook' lies at the root of economic science, via Adam Smith's work (which also contained the seeds of the opposite vision) and is still the basic presupposition of mainstream economic science.

What strikes me, in this sweeping generalization, is the identification of all natural law thinking with its crudest and most dogmatic version, a version that may be found in the followers of Quesnay but that is far from being shared by Pufendorf and other natural law philosophers. In fact, the notion of *natural law* conveyed the key-idea of a meta-positive right, whose foundation had been traced by the various authors either in universal human reason (like Kant and Pufendorf), or in a *lex aeterna* inscribed in the universe (like Aquinas and the Stoics, who held an 'immanent' view of the law of Nature, quite the opposite of the idea of an 'imposed' law which was held by the proponents of the Design Argument - which is overlooked by Clark on p. 31), or on the workings of sub-rational faculties in trans-individual processes (like Hume and Adam Smith). According to Clark, the Natural Law Outlook is common 'to all theorists of this age', and is based on the idea that 'the social universe is ordered and regulated in a manner similar to that of the natural' (p. 30). The elements of this outlook are: 'a belief in a social physics; naturalism; and the derivation of a natural moral theory' (p. 30). Strikingly, the term 'naturalism', to which Clark repeatedly resorts in his reconstruction of Adam Smith (pp. 64, 65, 66, 67, 69), is never defined. Provided that it seems not to have its primary (Kantian) meaning of 'primacy granted to common-sense beliefs', it cannot mean anything else than belief in the existence of a natural order, which makes it coextensive with 'Natural Law Outlook' (and the definition of the latter somewhat circular).

The most controversial claim by Clark is that 'till this day much of modern economic

theory is implicitly based on the 'Natural Law Outlook' (p.30). I would say that the claim is difficult to assess, in so far as, if by 'Natural Law Outlook' the crude Physiocratic view is meant, it is clearly false; if it means the heritage of whatever doctrines the natural law philosophers held, it is trivial; and finally if it means merely the use of analogies drawn from physics, it contradicts what Clark states on the basic role of metaphors as 'displaced concepts' in all theory building (pp. 9-13).

The discussion by Clark of the role of models and metaphors for economic theorizing following David Schon and Mary Hesse is both seminal and puzzling. In the first chapter, he seems to adhere to Schon's idea that displacement of concepts is basic to theorizing, and always legitimate as a heuristic device: in the final chapter, he follows Mary Hesse in what I believe is her slip back into one of the dogmas of empiricism, namely the need for a previously observed material analogy as a justification for using something as a model for something else. On this basis, any analogy between physics and social sciences is ruled out by Clark, because there is no objective pre-theoretical similarity between society and the physical world. The later Thomas Kuhn and Marx Wartofsky should have been taken into account as an alternative to Mary Hesse: their suggestion is that any modelling relation is always legitimate because we never observe any similarity *previous* to some metaphorical relation, or because our seeing is always *seeing as*. Thus, also Clark's case against modelling and for history is taken too far: he might argue, at most, that models have been (up to now) irrelevant to the explanation of social phenomena, not that they are illegitimate because society is in its *essence* different from the physical world.

For lack of space, I am unable to comment in any depth on Clark's case studies. I shall limit myself to a brief comment on his reconstruction of Adam Smith, noting that on the crucial topic of natural theology he misses the role of Hume's *Dialogues*, which are the basic source for Smith; he does not suspect the significance of important changes between various editions of TMS precisely on this point, and accordingly does not suspect that Smith's natural theology may have been closer to Philo's position than to that of Cleanthes, or, in other words, that it consists in conjectural speculation into the possible existence of an Author of Nature, further corroborated by the sentiments of mankind; besides, he constructs an opposition of Newtonianism / natural theology on the one hand and Montesquieu evolutionary approach on the other, which is flawed by lack of an understanding of what the Scottish tradition of empiricist Newtonianism was. Should this be granted, then Newton and Montesquieu cease to be contrasting sources of inspiration for Smith, and both Smith's approaches, which I have labelled in previous publications the natural history approach and the 'system' approach, did actually yield such diverging developments in the history of economics as instantiated by Say and Malthus but are not merely juxtaposed in Smith, deriving from the same anti-

essentialist and anti-deductivist legacy of Newton, inherited via MacLaurin and Hume. Had Clark taken recent British literature more carefully into account (firstly Andrew Skinner, but also Raphael, Forbes, and the other contributors to *The Origins and Nature of the Scottish Enlightenment*), as well as authors such as Freudenthal, Dickey, Moscovici, Hetherington, Lindgren, instead of favouring recent American literature (while occasionally referring to such an obsolete commentator as Leslie), he would have had a better grasp of the background against which Adam Smith's work should be placed.

One may add that better editing would not have been out of place. For example, Bittermann is printed throughout with one n; a certain Marxist named Nicholi Bukhuran is mentioned on p. 32 but fails to show up again in the Index (one may assume he is, in fact, Nicholaj Bukharin); on pp. 58 and 59 the titles of two Latin works are mentioned, both incorrectly spelt; in the Index, a quotation from S.C. Brown is listed under the heading R. Brown: in the bibliography, Parsons is printed as Parson, and Leslie's *Essays* are dated 1969, while on p. 46 they are dated 1967; Skinner, Hetherington, and Lindgren are included in the bibliography for inexplicable reasons since no use is made of these authors (whose picture of Smith sharply contrasts with that of Clark) in the two Adam Smith chapters,

To sum up: first, many readers will, to a certain extent, be favourably inclined towards the *pars destruens* of Clark's argument, but few will accept his positive argument; second, Clark's characterization of the Natural Law Outlook is inconsistent, in that he makes it include almost everything; third, his discussion of the role of (physical) models and analogies leads to contradictory claims; fourth, in the Adam Smith case study, the historical reconstruction is flawed by a serious misunderstanding of basic items of the eighteenth-century Scottish scenario.

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