The “Body Politick” project: A Political Economy Reading of Bernard Mandeville

Sergios Tzotzes
PhD Candidate, Department of Economics, University of Crete.

Paper to be presented at the Second International Conference in Political Economy
SECOND INTERNATIONAL CONFERENCE IN POLITICAL ECONOMY THE INTERNATIONAL INITIATIVE FOR PROMOTING POLITICAL ECONOMY (IIPPE)
Neoliberalism and the Crises of Economic Science
May 20-22, 2011, Istanbul University, Beyazit

CONTACT DETAILS
Phone: 030697436253
e-mail: stzotzes@econ.soc.uoc.gr
ABSTRACT

This paper explores the work of Bernard de Mandeville with a view to critically reassess his standing as an important precursor of classical political economy and to elucidate the constitutive elements of his methodological legacy. Taking stock of the social and historical context that contained elements of crisis and framed Mandeville’s economic thought, our examination attempts to reveal the significance of his methodology in addressing the question of sociation: the formation of a socioeconomic system in transition. It is argued here that Mandeville by virtue of his explicit methodological individualism not only had a lasting impact in the evolution of the doctrine, but also provided the historically first articulate and comprehensive conception of *homo economicus* as the steam engine of social and economic development. New light is shed on core concepts in Mandeville’s work by demonstrating how his rigorous methodology is qualified by incorporating social and historical specificity.

Keywords: Paradox, sociation, methodological individualism, homo economicus

1. INTRODUCTION

“[..]by Society I understand a Body Politick, in which Man [..] drawn from his Savage State, is become a Disciplin’d Creature, that can find his own Ends in Labouring for others, and where under one Head or other Form of Government each Member is render’d Subservient to the Whole, and all of them by cunning Management are made to Act as one.”

(Fable I: 347, A Search into the Nature of Society)

Mandeville’s prismatic thought and his controversial work resist labelling and neat classification. Mandeville as an economist—when not enfolded in the satirist, the social critic, the doctor, the philosopher or the political thinker—has invited different interpretations and divergent readings. Mandeville’s biting and argued criticism against every ethical value and social convention compounded his notoriety and probably helped
obscure the significant economic insights of his work. In the history of economic thought, Mandeville’s acknowledged impact is mostly confined to his treatment of the division of labour, the defence of luxury and his contribution to the development of laissez-faire theory. The present paper explores Mandeville’s economic thought through a different lens and attempts a political economy reading of his work with a view to critically reappraise his standing as an important precursor of classical political economy in a methodological context. For Mandeville is situated in the period that according to Marx saw the birth of classical political economy “at the end of the seventeenth century with Petty and Boisguillebert” (Marx 1973:883). Along with William Petty, John Locke, Dudley North, Richard Cantillon and others, Mandeville is one of the economists who in diverse ways began to move away from mercantilism and set in motion “a revolution in thought” that in the second half of the 18th century delivered classical political economy (Screpanti and Zamagni 2005:44).

Our analysis takes stock of the social and historical context that framed Mandeville’s thought and particularly revisits the general crisis in European economy: “a period of difficulties that lasted for about a century—say from 1620s to the 1720s.” (Hobsbawm1954:44). Europe was stage to a “historic transition” that particularly in England and France “ushered in capitalist society” (McNally 1988:1). The stage was also being set for “the long-term success of financial capitalism” (Neal 2000:117). Capitalism brought along ills which resonate strangely familiar to our 21st century ears: the period was marked by the devastating financial blowouts of the South Sea and the Mississippi bubbles in 1720, by fraudulent stock companies, unmanageable national debt, corruption and the growing political influence of financiers presenting analogies with the current economic and financial crisis. This specific background that framed Mandeville’s project will be revisited with a view to illustrate that in contrast to the excision of social and historical specificity from economic analysis in modern mainstream economics
(Milonakis and Fine 2009) the social and the historical informs Mandeville’s work and is an integral element of his thought and his methodology. Our discussion of Mandeville is in fact sustained by the idea “it is and has been possible to incorporate a social and historical element in economic theory” (Milonakis and Fine 2009:12).

In this light, it will argued that beyond the paradox, the metaphor and the scandal, Mandeville in The Fable of the Bees: or, Private Vices, Publick Benefits¹ and in his—often overlooked—other works emerges as a political economist per se who accomplished a specific project: to address in a concerted manner the key issue of sociation²: the formation of a socioeconomic system at a time of epochal transition. To this end he embarked on a methodical examination of human nature that very clearly integrated social and historical considerations in his analysis. He set out his conception of the ‘Body Politick’ and using the beehive—the very paradigm of a complex social structure—he effectively advanced an integrated model of a working commercial pre-capitalist society including policy recommendations for a host of economic and social questions. Mandeville’s account of sociation starts from an inquiry into the origins and the evolution of social formation to emphasise the importance of “dextrous” political management as the lynchpin of a coherent society.

Mandeville’s lifelong project to account for the dynamics of a momentous transformation called for scientific integrity and a precise empirical method to which he proudly refers in many of his writings. By virtue of his methodology Mandeville, the

---


² A trans-historical concept defined as the abstract unity of necessarily social processes whereby human beings are determined by both the collective material prerequisites, and the natural necessities of existence in a continuous and systematic social whole/constellation (Reuten and Williams 1989:39, 56)
good doctor, set out from the individual and with exceptional thoroughness vivisected human nature to reveal human passions and in particular self-love as the steam engine of social and economic development. Mandeville's methodical analysis of the individual and his passions enabled him to deconstruct 'virtue' and to crucially contribute to the liberation of economics from the moral and religious precepts that hitherto had weighed upon economic thought. Mandeville by his individualist methodology that is a key—albeit overlooked—element of his lasting legacy also endowed economics with the historically most coherent prototype of *homo economicus* which can be named *homo Mandevillius* owing to his defining and particular type of self-love.

2. BERNARD MANDEVILLE: THE MAN, HIS WORK AND HIS TIMES

2.1. “A Man of Sense, Learning and Experience”

Mandeville’s biography, particularly as regards his later life in England, lacks details and what we know comes mostly from his writings (Kaye 1988 [1924]). Mandeville came from a well-established Dutch family of physicians and naval officers. Born in Rotterdam in 1670, he studied philosophy and medicine and received his doctor’s degree in medicine from the University of Leiden in 1691. Soon after, Mandeville travelled to London “to learn the Language; in which having happen’d to take great delight” lived there until his death in 1733. His departure from the Netherlands has been attributed to a Rotterdam affair known as the Costerman tax riots, in which young Mandeville and his father were implicated. In London he practiced medicine specialising in nerve and stomach disorders: the ‘hypochondriack and hysterick

---

3 Fable II: 221, Fifth Dialogue.

4 Treatise of the Hypochondriack and Hysterick Diseases Vulgarly Call'd the Hypo in Men and Vapours in Women by B. de Mandeville, M.D (1711), p. xiii.

5 The agitation and riot against the Rotterdam bailiff, which followed the trial and execution of Cornelis Costerman, a member of the city militia, for the killing of an agent of a tax farmer. For a detailed account see Dekker (1991).
passions’ or ‘diseases’ he examined in his Treatise (1711[1730]). He mastered English very quickly, was interested keenly in politics and he remained actively engaged in writing and intellectual debate all his life.

Mandeville was educated in one of the most progressive intellectual environments of the time. The eminent Mandeville scholar Frederick B. Kaye, who is responsible for the 20th century revival of Mandeville, emphasizes his broad intellectual heritage and erudition. He was well versed in the classics and the great philosophers of the seventeenth century. Fluent in several languages, Mandeville translated La Fontaine and was closely acquainted with the French skeptical tradition. Key elements of his thought have been traced to Erasmus, Hobbes, Spinoza, and Locke as well as the French moral philosophers of the seventeenth century particularly Pierre Bayle, Pierre Nicole and Jean Domat (Kaye 1988 [1924], Viner 1953, Horne 1978, Hundert 1994).

2.2. A time of crisis and transition

“In the Language of the World, the Age and the Time I live”
(A letter to Dion: 38)

At the dawn of political economy, the study of human nature and its relationship to the economy and social formation was guided by political, social, ethical, and cultural concerns and framed in historical perspective. In this light, the social and historical background that defined Mandeville is essential for any meaningful discussion of his work and thought. Mandeville attempted to account for an emergent society and address the crucial question of sociation at a time of epochal transition. Keenly interested in politics and the economy, he was direct witness to processes of change and to the emergence of important new economic institutions in Europe (Goldsmith 1977, Horne 1978, Schneider 1987, Hundert 1994). Transformation of such scale implied significant social polarisation that changed the existing systems of social classification (Earle 1989).
Europe was witnessing the emergence of the bourgeoisie and an embryonic proletariat: Mandeville’s “labouring poor” who occupied the bottom end of the new social order, totally devoid of ownership, land and capital and were “unacquainted with everything but their Work” (Fable I:76). Notably, the period is also scene to the general crisis of the European economy that lasted for about a century—from 1620s to the 1720s (Hobsbawm 1954:44). Mandeville’s work and thought came to full fruition and matured in the last decades of this crisis that according to Hobsbawm (1954) created the conditions that made industrial revolution possible.

In England, in particular, the decades that followed the Glorious Revolution of 1688 were marked by dramatic political and economic transformation. It was “one of the most intensely polarized and unstable periods in English and then British history” with “aborted rebellions in 1692, 1694, 1696, 1704, 1708 and 1722, and an all-out civil war in 1715” (Pincus and Robinson 2010:10). At the end of the 18th century England would emerge as a super power but during Mandeville’s productive years political uncertainty, wars and strong party divisions prevailed. At the same time the institutions required to sustain the nascent commercial capitalist economy emerged. The Bank of England⁶ was founded in 1694 to finance the national debt over nineteen years of wars (Goldsmith 1977:66–7). The South Sea Company was incorporated in 1711 and the East India Company consolidated with a merger in 1709 (Schneider 1987:30). Capitalism was settling in at a price to verify that:

[...] the methods, dealings, and tricks of the financial world were not born in 1900 or in 1914. Capitalism was familiar with them all, and, yesterday as today, its uniqueness and its strength lie in its ability to move from one trick to another (Braudel 1977:113–14).

---

⁶ The Bank established a public/national debt and depended on public credit ensuring to the governments of William and of Anne access to huge funding beyond taxation to finance the war against the France. The debt henceforth was secured as a parliamentary undertaking and did not depend on the whim of a king (Goldsmith 1977:6).
Financial “innovation” was underway in England and in France introducing unwholesome practices not without analogies to our present times: heavy speculation, fraud in stock companies, profiteering, corruption, the growing political power of financiers and government involvement in reckless financial schemes. While Mandeville was preparing the 1723 edition of the *Fable* two of the most dramatic incidents in the history of speculation occurred: both the Mississippi (1719-20) and the South Sea bubbles burst (1720). The devastating blowout of the South Sea Company in England caused great panic in the stock market and havoc in society. Extensive corrupt lobbying and falsified accounts were revealed by the ensuing investigation in 1721 and implicated persons of prominence in the affair. In Louis XIV’s near bankrupt France, John Law set out to ‘reform’ public finances and restructure the national debt. “Law’s System” involved, among others, fiat money, debt-for-equity swaps at wildly inflated share prices and political patronage as well as aggressive takeovers of French monopolies his ‘Compagnie d’Occident’ (Law 1705:3). The whole operation collapsed going down in history as the Mississippi Bubble, one of the legendary early bubbles (Garber 1990, 2000; Neal 1990; Velde 2007, 2009). Sharply aware of the financial crisis and its implications, Mandeville commented on the corruption that surrounded speculation:

The Year seventeen hundred and twenty has been as prolific in deep Villainy, and remarkable for selfish Crimes and premeditated Mischief, as can be pick’d out of any Century whatever; not committed by Poor Ignorant Rogues that could neither Read nor Write, but the better sort of People as to Wealth and Education, that most of them were great Masters in Arithmetick, and liv’d in Reputation and Splendor (Fable I:276).

The monetary and financial architecture of Europe and the monetary systems launched in Mandeville's day retain today their “main alternative structures that are available to countries for money and finance” (Neal 2000:117–140). The 21st century

7 “Mississippi” refers to the trade monopoly in the colonies, chiefly Louisiana. To finance the company, Law took subscriptions on shares to be paid mostly in government debt and partly in cash. For a thorough analysis of the early speculative bubbles (see Garber 1990, Neal 2000 and Velde 2007).
financial and economic crises cannot but evoke the financial disasters of 1720 that were not after all childbirth pains but the outcome of systemic deficiency. Mandeville was quite aware of corruption, dishonesty, mismanagement and other ills that accompanied the emergence of capitalism and its financial institutions. Lessons from the history of economic thought, however, easily forgotten. John Law ultimately died disgraced and penniless in Venice, but his ideas regrettably survive. They are also praised as a “vision of a monetary and financial system that was more of the twenty-first rather than the eighteenth century” (Murphy 1999).

To conclude, classical political economy was the intellectual product of such times and had a key role to play in terms of conceptualizing the inner dynamics of the historic transition “in order to shape and direct them” (McNally 1988:1). The times did call for a theory of Political Economy to account for the new emerging order and also reassure – against disconcerting change and uncertainty – that this order had a viable future. Hirschman emphasizes as that religious and moral precepts could no longer provide the rules required to sustain the emerging society, capitalist order was “adopted with the firm expectation that it would solve certain problems” (Hirschman 1977:66,128–35). In this context, Mandeville was historically at the right time and place for the project at hand: to account for the concerns and the contradictions of great transformation that ultimately led to the birth of a modern commercial capitalist society. Mandeville’s project inevitably required the dissemination of theory and shaping public opinion. He was famous—albeit notorious—and his works enjoyed a wide circulation. He had the intellectual and scientific formation as well as the literary talent required for the task. “No eighteenth-century writer, not even the most famous names, wrote more beautiful and persuasive English than Mandeville” Lionel Robbins remarked (1998:120). In his own unique manner, he was also equipped and motivated to propel economics away from the moral and religious theoretical framework that hitherto had dominated economic
thinking.

2.3. Beyond the beehive: A lifetime project

Mandeville put his skills to good use: he devoted some twenty-four years to fully develop his system of ideas which he continued to diligently elaborate and defend until his death in 1732. In 1705, Mandeville published anonymously *The Grumbling Hive: or, Knaves Turn’d Honest*, a pamphlet in doggerel verse. He used the beehive parable to satirise the classical or Christian values of virtue that prevailed in a hypocritical society which was thriving on morally uninhibited economic activity (Hundert 1994:7). The bees prosper in corruption, depravity and vice but grumble in discontent. Punished by Jove, the bees become entirely virtuous but the economy is devastated. The *Fable of the Bees: or, Private Vices, Publick Benefits* a far more accomplished work was published twice in 1714 including a prose commentary, the essay *An Enquiry into the Origin of Moral Virtue* and a set of *Remarks*. Fame–and notoriety–came with the 1723 edition where Mandeville’s mature thought is fully exposed and explained by further *Remarks* and two essays—*A Search into the Nature of Society* and the provocative *Essay on Charity and Charity-Schools*. The second part of the *Fable* published 1728, is a new work composed of the *Preface* and *Six Dialogues* further amplifying Mandeville's central themes with sophisticated arguments and examples.

Mandeville is primarily associated with the *Fable of the Bees* and its underlining paradox of ‘Private Vices, Publick Benefits’ that correspond to the first editions of the book. Nonetheless, Mandeville’s distinctive key themes are spread out and refined with

---

8 The *Grumbling Hive* contains the seeds of many Mandevillean ideas but it was barely noticed (Wilde 1898:222, Speck 1978) and was bypassed as a mere “political jeu d'esprit” and “impartial mockery”.

-10-
remarkable consistency over the years in his other writings\(^9\) in a way that attests to a maturing methodical thought and implies a project grander than his drive to expose social hypocrisy and attack the church. From the *Fable*’s first edition to his last work *A Letter to Dion* (1732), Mandeville’s thought is never detached from social and historical considerations. This perspective is not limited to his critical intervention in the intense public debates of his turbulent times. Mandeville’s focus of attention extends beyond the beehive to examine in a societal context man’s nature and his passions. He aims to reveal how human passions can be transformed to shape social behaviour, to account for the origins of man’s sociability and social formation. Additionally, Mandeville used a complex analysis of the social function of human passions to deconstruct morality and disengage it from social and economic analysis. As his work progresses, Mandeville’s preoccupation with social formation becomes increasingly prominent. The last two dialogues of *Fable II* concern the evolution of society and social norms throughout history. They articulate Mandeville’s account of the steps “toward Society” which explain “historically how savage man had become sociable” and illustrate how Mandeville’s thought had “come a long way from the account in *The Origin of Moral Virtue* (Robertson 2005:275). Mandeville’s discussion of his principal themes that is examined in this paper contributes to his overarching project: to provide an explanatory account which, beyond any “system of Ethicks”\(^{10}\), could consistently address the moral and political tensions that exist in a society in transition.

In this light, Mandeville in his writings operates at multiple levels. He critically explores a diverse subject matter which he skilfully interweaves with an argued

\(^{9}\) The website of the Bernard Mandeville project (Netherlands) provides a full list of Mandeville’s publications and recent biographical data at [http://www.bernard-mandeville.nl](http://www.bernard-mandeville.nl). Also see Irwin Primer (1975) and a *Selected Bibliography of Mandeville* by Charles A. Prior at [http://andromeda.rutgers.edu/~jlynch/C18/biblio/mandeville.html](http://andromeda.rutgers.edu/~jlynch/C18/biblio/mandeville.html)

\(^{10}\) *Fable I*: 405, *Vindication*
commentary for the social and economic reality of this day and an analysis of his key themes of human passions, social norms and sociation. In the Essay on Charity and Charity-Schools that epitomises his anti-clericalism\textsuperscript{11}, Mandeville advocates public education based on “Learning which is more immediately useful to Society” rather than theology (p.295–98).\textsuperscript{12} Mandeville uses charity schools to show “vanity masquerading as philanthropy” (Monro 1975:253). He analyzes the psychology and social function of charity, the “virtue by which part of that sincere Love we have for ourselves is transferr’d pure and unmix’d to others” (Fable I:253). Free Thoughts on Religion, the Church, and National Happiness (1720) is a critique of religion and clerical corruption and a forceful plea for tolerance and moderation. At the same time, Mandeville addresses intrinsic tensions in a society “increasingly governed by the market-place while professing Christian values” (Hopkins 1975:180). The book was published amidst the financial havoc that followed the collapse of the South Sea Company and the burst of the Mississippi bubble in France. Not by chance, Mandeville devotes the two final chapters of the Free Thoughts to reflect on good governance and on national happiness. In A Modest Defence of Public Stews\textsuperscript{13}(1724), Mandeville urges regulation for prostitution against potential hazards to society and public health. Social and economic concerns are again prominent in this discussion as he addresses prostitution in terms of a social and commercial practice to highlight the unpleasant aspects of commercial society and

\textsuperscript{11} Speck (1978:362) notes that as the Fable became notorious only after three editions, Mandeville himself believed that the Essay on Charity was responsible for the ensuing outrage and his prosecution but goes on to convincingly argue that the controversy should be examined in the context of the complex national politics of the period in general and in London in particular.

\textsuperscript{12} Mandeville argued that teaching children of the poor to read the Bible was not education and that it would give them ideas above their ‘Painful Station of Life’ depriving the country of a much needed cheap labour (Fable I:287). Such blunt views, Kaye observes, today may appear “brutal” but in a historical perspective they were not unusual: William Petty, among others, was “no friendlier” towards the poor (Kaye (1988)[1924]: lxx) who hardly received any consideration before 1750 even by the “avowed enemies of tyranny and corruption” (Gunn 1983:117).

\textsuperscript{13} “Stew” is defined in the Oxford English Dictionary as a brothel (or a compound of brothels) in a neighborhood. The term was used in this sense from the Middle Ages until the late 19\textsuperscript{th} century.
expose to the public their own relationship with a system hypocritically rejected or bypassed (Nacol 2008:2). Thus prostitution offers a prime ground for Mandeville to advance the idea that ‘vice’ inevitably coexists with social organisation. An Enquiry into the Origin of Honour, and the Usefulness of Christianity in War, published a year before Mandeville's death in 1732, exemplifies Mandeville’s meticulous deconstruction of virtues, particularly honour, that directly “discredits the compromise between honor and Christian morality” (Hopkins 1975:191). It is an important work that reaffirms a key Mandevillean idea: the societal transformation of passions to ‘virtuous’ or socially acceptable emotions. Honour and shame, Mandeville argues, are sentiments socially produced by the judgment of others and by the manipulation of passions such as pride and they fulfill a specific function in sustaining a wider social order (Schneider 1978:38).

Mandeville was vilified in every conceivable way by the clergy and the press and was bitterly attacked by his intellectual peers. The attack continued after Mandeville's death well into the 20th century: he was abused as recently as 1959 as “a tavern character whose malice sharpened his wit” (Monro 1975). Far from intimidated, Mandeville consistently defended his work reasserting his ideas until his death in 1733. As the successive editions of the Fable show, Mandeville did have an ample readership and he never stopped writing. Mandeville’s confident defense of his work attests to the importance he attributed to his lifelong project and to his ideas. Along with his intellectual exoneration Mandeville was also concerned about the proper dissemination of his ideas and about directly communicating with his readers. “Whatever is Publish’d” he wrote, “I take it for granted, is submitted to the Judgment of the entire World” but the

14 In Mandeville’s words “Nothing was ever more reviled from the Pulpit as well as the Press. I have been call’d all the ugly Names in Print, that Malice or ill Manners can invent (Letter to Dion:21). He was, among others, called Man-devil, a missioner from the kingdom of darkness, a buffoon and sophister of the alehouse in the Encyclopaedia Britannica (Robertson 1907:262, Hundert 2005:7). The Fable was “tried” by the Grand Jury of the County of Middlesex as a public nuisance on grounds of blasphemy and immorality and publicly burned in France (Speck 1978, Hundert 1995:577).
“Publick must be the Umpire” (Fable II:4).

3. INTERPRETING MANDEVILLE: BEYOND LAISSEZ-FAIRE AND MERCANTILISM

Indeed Mandeville has never been answered
John Robinson (1998:19)

The paradox of ‘private vices, publick benefits’ did ultimately evolve into one of the most infamous maxims of the 18th century with no historical precedent (Hundert 1995:578). Notoriety, however, came at a price which was defamation, gross misinterpretation and ultimately oblivion. Mandeville’s prismatic thought, his dense prose and his multi-layered approach did not contribute to a lucid appraisal of his proper place in the history of ideas. Literary criticism, political philosophy, religion and sociology frequently took precedence of economics in Mandeville scholarship. The significant economic insights that pervade Mandeville's work were overlooked or dismissed as arguments of no particular value or consistency that were way below the best of his mercantilist or anti-mercantilist peers (Rashid 1985). He was criticized for paying little attention to the analytical tools of economics (Chalk 1966). Even Hayek (1966) who elevated Mandeville to ‘master mind’ status and was instrumental in his reinstatement is cautious when dealing with Mandeville as an economist:

Although we owe to him both the term “division of labour” and a clearer view of the nature of this phenomenon, and although no less an authority than Lord Keynes has given him high praise for other parts of his economic work, it will not be on this ground that I shall claim any eminence for him (Hayek 1966:15).

Indeed, John Maynard Keynes (1936) in his Notes on Mercantilism, one of the Appendices to the General Theory discusses favourably the general thesis of the Fable. It is not hard to see that Keynes must have felt affinity with the following passage from Fable quoted in the General Theory:

The great art to make a nation happy, and what we call flourishing, consists in giving everybody an opportunity of being employed; [...] let a Government’s first care be to promote as great a variety of Manufactures, Arts and Handicrafts as human wit can invent; and the second to encourage Agriculture
and Fishery [...] It is from this Policy and not from the trifling regulations of Lavishness and Frugality that the greatness and felicity of Nations must be expected; for let the value of Gold and Silver rise or fall, the enjoyment of all Societies will ever depend upon the Fruits of the Earth and the Labour of the People; (Fable I:197).

In the Mandevillian paradox of ‘private vices, public benefits’ Keynes must have identified the antecedents of the paradox of thrift: the aggregate demand will fall as a result of excessive saving, particularly during an economic recession, and this decrease in consumption will eventually affect economic growth and lower the total savings in the economy. Karl Marx with a long quote from the Fable described Mandeville as “an honest, clear-headed man” who had not yet seen “that the mechanism of the process of accumulation itself increases, along with the capital, the mass of the wage-labourers, who turn their labour-power into an increasing power of self-expansion of the growing capital, and even by doing so must eternize their dependent relation on their own product, as personified in the capitalists.” (Capital Vol.I p.VII.XXV.5).

An important controversy in Mandeville scholarship concerns whether he should be categorised as a mercantilist or a laissez-faire theorist. One stream accentuates his impact on laissez-faire philosophy. In this respect F.B. Kaye's commentary to the definitive edition of the Fable has been instrumental in Mandeville’s assessment as a notable precursor of Smith's economic liberalism:

Mandeville maintains, and maintains explicitly, the theory at present known as the laissez-faire theory, which dominated modern economic thought for a hundred years and is still a potent force. The Fable of the Bees, I believe, was one of the chief literary sources of the doctrine of laissez-faire.’’(Kaye 1988 [1924]:53).

Owing largely to Kaye’s authority Mandeville was cast as an early prophet of laissez-faire political and economic liberalism. Mandeville’s analysis of ‘vice’ as self-love indicated a direct line to Adam Smith. Nonetheless, Mandeville directly identified self-interest with vice, whereas Smith discerned legitimacy in pursuing self-interest as a
moral task that ‘Nature’ assigns us (Khalil 2001:428). Smith criticised the “wholly pernicious” and licentious “system of Dr. Mandeville” for removing “the distinction between vice and virtue” even though he consented that particular aspects of human nature could at times be considered to favour Mandeville’s vision (Smith 2002 [1759]:363-648). Dr. Mandeville’s “great fallacy” to “represent every passion as wholly vicious”, Smith wrote, is but an “ingenious sophistry” to reach his “favourite conclusion, that private vices are public benefits” (Smith 2002 [1759]:367–68). Smith himself, however, was prepared to take a huge leap to make the idea “palatable and persuasive: he blunted the edge of Mandeville’s shocking paradox by substituting for “passion” and “vice’ bland terms such as “advantage or interest” (Hirschman 1977:18–19). Notwithstanding his criticism of Mandeville, Smith in The Wealth of Nations wrote: “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” (Smith 1904[1776]:16). The relationship between Mandeville and Adam Smith has been extensively discussed from various viewpoints (Macfarlane 2000, Forman-Barzilai 2000, Force 2003, Hurtado-Prieto 2004) and a full presentation is beyond the scope of this paper. Economists who recognise Mandevillean influences in Adam Smith but do not explicitly claim that he was a per se laissez-faire advocate, include Joan Robinson, McCulloch and Cannan (Landreth 1975:193) as well as Robbins16 and Schumpeter17. To conclude, despite Smith’s critique, important elements from Mandeville can be clearly traced in his work. Appraising Mandeville, however, merely as a primal laissez-faire theorist is a one-dimensional rendering that does injustice to his complex thought.

15 Theory of Moral Sentiments, Chapter iv: Of licentious Systems
16 “There can be no doubt at all that the effect of Mandeville on Adam Smith’s way of thinking is part of the background of the first chapters of Adam Smith” (Robbins 1998:121)
17 Smith sees in Mandeville’s thesis an argument for his own pure Natural Liberty, Schumpeter (1954:179 fn.16) remarked, which must have upset “the respectable professor–particularly if it should be the case that he learned something from the offending pamphlet”.

—16—
Other eminent scholars consider Mandeville an authentic exponent of the interventionist and mercantilist tradition (Heckscher 1934, Viner 1953, Landreth 1975, Horne 1978). Central to this evaluation of Mandeville are the instances where Mandeville qualifies his paradox by stating that private vices can be turned into public benefits “by the dextrous management of a skilful politician” (Fable I:369; Letter to Dion:36,42,45).

Jacob Viner (1953) in his Introduction to A Letter to Dion underlines Mandeville’s recurring emphasis on the importance of the role of government in contrast to Adam Smith and argues that ‘private vices, publick benefits’ should not be read as a laissez-faire dictum about the spontaneous harmony between individual interests and the public good. Viner classifies Mandeville as a convinced supporter of mercantilism—“at least of the English type” that prevailed in his time—who advocated “the role of government in producing a strong and prosperous society, through detailed and systematic regulation of economic activity” (Viner 1953:332–42).

These contrasting interpretations have been addressed, among others, by Rosenberg (1963), Chalk (1966) and Bianchi (1993) who position Mandeville between mercantilist thought and economic liberalism and highlight other aspects of his thought. Mandeville is assessed also as a transitory “subjective mercantilist” at the cross-roads of Restoration mercantilism and later eighteenth-century liberal thought (Moss 1987:167). For Goldsmith (1977, 2001) Mandeville is an early advocate of capitalism who embraced, if not invented, its very spirit. Hayek in his “Master Mind” lecture attributed to Mandeville the “definite breakthrough in modern thought of the twin ideas of evolution and of the spontaneous formation of an order” that were earlier submerged by 17th century rationalism (Hayek 1966:16). Rosenberg (1963) emphasizes the evolutionary

\[\text{Dr. Bernard Mandeville: Lecture on a Master Mind, delivered by Hayek on 23 March 1966 to the British Academy.}\]
perspective that underpins Mandeville’s thought and in particular his treatment of social
development and human institutions. He argues that apart from Mandeville's ideas on
foreign trade, terms such as ‘mercantilism’, ‘interventionism’, or laissez-faire’ do not
sufficiently encompass Mandeville's articulate treatment of the process of social change
and of the role of government in economic and social affairs which were significantly
more sophisticated and interesting than their counterparts in the laissez-faire tradition
(Rosenberg 1963:164).

Mandeville posed many questions that, as Joan Robinson remarked, may never
have been answered (Robinson 1963:19). Our discussion so far indicates that
Mandeville's system of thought is multi-layered. The scholarly debate examined so far
indicates the necessity to approach Mandeville with an open mind and allow more
readings of his work. It also highlights the difficulty of categorizing Mandeville’s
thought which is representative of a period when economics had not taken leave of the
historical, the social and of good sense as Mandeville himself would have said. In fact
Mandeville’s thought and writing can be better understood when considered in the light
of the following passage by Milonakis and Fine:

All classical writers wrote at a time when political economy was the only
identifiable social science, with the fragmentation of the latter lying far ahead
in the future. As such, most of them were able to range freely across the
economic and the non-economic, to incorporate the social and the
psychological into their analyses, and to move from historical narrative to
theoretical discourse without apology (Milonakis and Fine 2009:2)[Emphasis
added].

4. THE PARADOX: BEYOND SYSTEMS OF “ETHICKS”

Mandeville never meant to equate private vices with publick benefits yet his
complex thought was grossly oversimplified to mean that private vices are public
benefits. The underlying theme encapsulated in Mandeville’s elliptical paradox, contends
that self-love is the principal force that motivates individuals, activates the social whole
and generates benefits, provided that it is properly manipulated to do so. One year before his death, in his lucid reply to Berkeley, Mandeville reasserts that:

I have said, that I understood by it, that Private Vices, by the dexterous Management of a skilful Politician, might be turn'd into Publick Benefits. There is Nothing forc'd or unnatural in this Explanation; (Letter to Dion: 36–37)

Mandeville’s paradox cuts many ways. At one level, Mandeville uses the paradox to unfold his argued attack on the prevailing 18th century ideology of public and private virtue and to expose its petty and small-minded self-righteousness (Goldsmith 1977:81). Like Cleomenes, his alter ego character in the Fable, Mandeville “took uncommon Pains to search into human Nature, and left no Stone unturn’d, to detect the Pride and Hypocrisy of it” (Fable II: 18). At another level, the paradox provides the foundation for Mandeville to set out a consistent system of ideas to address questions of societal organisation, social norms, the economy, as well as moral philosophy. To serve this end, he embarks on a methodical examination of human nature in relation to society. Unlike “most writers” that are always “teaching Men what they should be” Mandeville wants to show them “what they really are” (Fable I:9). He wants to provide:

[…] an infallible Touchstone to distinguish the real from the counterfeited, and shews many Actions to be faulty that are palmed upon the World for good ones: it describes the Nature and Symptoms of human Passions, detects their Force and Disguises; and traces Self-love in its darkest Recesses; I might safely add, beyond any other System of Ethicks (Fable I: 404–5) [Emphasis added].

4.1. Deconstructing morality: of vice and virtue

“In Morals there is no greater Certainty”
(Fable I: 330, Nature of Society)

Man is “a compound of various Passions”, Mandeville wrote, but these are unequivocally the “great support of a flourishing Society” (Fable I:9). Mandeville

---

19 “Cleomenes is my Friend, and speaks my Sentiments, so it is but Justice, that every Thing which he advances should be look’d upon and consider’d as my own” (Fable II:21).
proposed to reveal— beyond a “System of Ethicks”— the selfish foundation of morality and social conduct that lies in the nature of man. To this end he set out, on the one hand, to prove that alleged virtues are motivated by self-love and, on the other, to show that vices – the self-regarding ‘Passions’— can benefit society. “All Passions center in Self-Love” (Fable I:75). Pride and vanity, love of luxury, fear, envy, avarice and even pity, the “most gentle and the least mischievous of all our Passions” are all part of the Mandevillean passion compendium (Fable I:56).

Mandeville’s analysis of human passions consistently pervades his work but as his thought matures, he discusses passions in an increasingly socio-political perspective. “Self-love” in terms of self-preservation is linked explicitly to the process of sociation: men initially forged social bonds to protect themselves from wild animals (Fable II:240–42) and then to protect themselves from other men (Fable II:266–68). At this point Mandeville distinguishes ‘self-love’ from ‘self-liking’ that “makes us so fond of the Approbation, Liking and Assent of others” (Fable II:129–130). The passions, including those associated with ‘self-liking’ such as pride, vanity and self esteem fulfill a significant social and economic function that is key to sociation and progress. They define social conduct and norms, Mandeville argues, and also provide economic solutions. Greed, vanity, pride, love of luxury and envy that traditional morality considered sinful flaws increase demand, help trade, generate production and promote the development of the division of labour:

[…] what a number of people, how many different trades, and what a variety of skills and tools must be employed to have the most ordinary Yorkshire cloth? (Fable I:169)

The passions of man are also essential to civilisation:

The restless Industry of Man to supply his Wants […] produced and brought to Perfection many useful Arts and Sciences, of which the Beginnings are of uncertain Æra’s (Fable II:128).
Thus in the beehive, as Mandeville writes, “every Part was full of Vice, Yet the whole Mass a Paradise” and the “worst of all the Multitude did something for the Common Good” (Fable I:24). No wonder, as Keynes ironically remarks, that such “wicked sentiments” were castigated for two centuries by “moralists and economists who felt much more virtuous in possession of their austere doctrine that no sound remedy was discoverable except in the outmost of thrift and economy both by the individual and by the state” (Keynes 1936:362).

What is then the place of virtue in the Mandevillean system? Regrettably, all the “Cardinal Virtues together won’t so much as procure a tolerable Coat or a Porridge-Pot among them” (Fable I:184). The prerequisite of true virtue is self-denial, Mandeville emphatically argued, but this is hard to find on this earth even among the clergy:

I see no self-denial, without which there can be no virtue […] I am willing to pay Adoration to Virtue wherever I can meet with it, with a Proviso that I shall not be obliged to admit any as such, where I can see no Self-denial, or to judge of Mens Sentiments from their Words, where I have their Lives before me (Fable I:152–56)

Mandeville considered virtue as relative to time and place and man as fundamentally irrational and self-loving (Kaye 1988[1924]:lxxiv). Truly virtuous are only the acts “by which Man, contrary to the impulse of Nature” seeks to benefit others or conquer his own “Passions out of a Rational Ambition of being good” (Fable I:48–49). There is no truly benevolent action that is not ultimately guided by self-regarding motives e.g. charity conceals pride and self-aggrandizement. In fact, Mandeville argued, the idea that “there can be no Virtue without Self-denial, is more advantageous to Society that the contrary Doctrine, which is a vast Inlet to Hypocrisy” (Origin of Honour: x). 20

20 Mandeville’s narrow definition of virtue could suggest moral rigorism. Scholars agree, however, that Mandeville uses rigorism superficially as a device to reveal hypocrisy and attack the moralists of his age (Kaye 1988 [1924]:xlvii, Viner 1953:11, Chalk 1966:6–8). Kaye’s idea that moral rigorism was
Mandeville’s inquiry into virtue is not confined to the premises of moral philosophy. As he did with vice, he outright asserts the social and political focus of his analysis: “The nearer we search into human Nature, the more we shall be convinced, that the Moral Virtues are the Political Offspring which Flattery begot upon Pride” (Fable I:51). To elucidate this assertion, Mandeville, brilliantly analyses the social and political process that transforms human passions which are natural but not immutable: “Lawgivers and other wise Men, that have laboured for the Establishment of Society” have induced over the ages the “People they were to govern” to rather “conquer than indulge” their passions in the public interest (Fable I:42). In this task they were skillfully aided by “Moralists and Philosophers of all Ages”. Virtue in social terms, Mandeville forcefully contends, is a construct artfully imposed on men in lieu of rewards for the “Violence that men must commit upon themselves” by self-denial. Thus of the human passions, pride, flattery and emulation were effectively transformed into the “Notions of Honour and Shame” and used to divide men. (Fable I:42–44). This complex argument is revisited in An Enquiry into the Origin of Honour, and the Usefulness of Christianity in War (1732) to reassert in Mandeville's last work how innate passions are changed by social, political and religious manipulation to produce different social outcomes: Throughout history moralists and politicians have exploited man’s self-liking or self-love by inventing notions such as virtue, honour and shame to make men more “tractable”, keep them in awe or send them to war (Fable II: 39–41). Hence virtues are “the Political Offspring” of passions such as pride. In a similar manner by skilful political management and laws (see 5.1) vices can be turned to public benefits. The societal process of transformation of the human passions that is central in Mandeville's thought is also historical:

It was not the Contrivance of one Man, neither could it have been the Business of few Years, to establish a Notion by which a rational Creature is kept in Awe prevalent in England at Mandeville's time has been convincingly contested (Rashid 1985, Viner 1953).
of fear of itself, and an Idol is set up that shall be its own Worshipper. (p.41)

Mandeville’s acute deconstruction of morality and his radical account of society stood in sharp contrast to the conceptual framework that prevailed in his time as illustrated by the controversy on the origin of human sociability between Mandeville, Shaftesbury and Francis Hutcheson. Mandeville’s outlook was materialist. He shared Shaftesbury’s naturalism but he did not endorse idealistic optimism. Shaftesbury advanced the concept of universal harmony where the good and the beautiful would coincide and ‘fancied’, as Mandeville wrote, that:

[...] as Man is made for Society, so he ought to be born with a kind Affection to the whole, of which he is a part, and a Propensity to seek the Welfare of it. In pursuance of this Supposition, he calls every Action perform’d with regard to the Publick Good, Virtuous; and all Selfishness, wholly excluding such a Regard, Vice. (Fable I:323–24)

Mandeville's broad theory of social order drastically differs from Shaftesbury’s neat system of “natural affections” such as benevolence and generosity which accommodate both the private and the public good and “unnatural affections” such as inhumanity, envy, etc. that lead neither to public nor private good (Hirschman 1977:4, Primer 1975). Mandeville contended that vice and virtue were not “permanent Realities that must ever be the same in all Countries and all Ages” as Shaftesbury proposed (Fable I:323–24) but concepts subject to change by time and custom:

I differ from My Lord Shaftesbury entirely, as to the Certainty of the Pulchrum & Honestum, abstract from Mode and Custom: I do the same about the Origin

---

21 Anthony Ashley Cooper, third Earl of Shaftesbury and his Characteristics of Men, Manners, Opinions, Times (1711) are Mandeville’s primary target in A Search into the Nature of Society. Shaftesbury’s ideas are “generous, refin’d” and “a high Compliment to Human-kind” but wholly untrue and utopic.

22 Hutcheson, a major exponent of 18th century Scottish philosophy, known chiefly for his work on moral philosophy and aesthetics, was a committed opponent of Mandevillean ideas and devoted much of his writing to repudiate Mandeville particularly in Thoughts on Laughter, and Observations on the Fable of the Bees(1758).

23 Primer (1975a) in his thorough discussion of the controversy notes concurrences in the thought of the two men and remarks that in Free Thoughts (p. 126–27) Mandeville refers approvingly to Shaftesbury’s moral and social philosophy.

24 The good and the beautiful “the pulchrum & honestum, the τὸ καλὸν that the Ancients have talk’d of so
of Society, and in many other Things, especially the Reasons why Man is a Sociable Creature, beyond other Animals. (A Letter to Dion: 47)

Man is sociable, Mandeville agrees, but idealistic “natural affections” have nothing to do with it: man needs “Ease and Security, and his perpetual Desire of meliorating his Condition, must be sufficient Motives to make him fond of Society; considering the necessitous and helpless Condition of his Nature” (Fable II: 180). To conclude Mandeville treats passions as naturally occurring but shaped by historic progress. Most importantly their workings and manifestations are subject to change and manipulation by their specific social context.

4.2. The “great End”: of society and happiness

[...] abstract from the Consideration of a future State (Origin of Honour:i, Preface)

As we already saw, the emergence of the 18th century commercial capitalist society exemplified the moral and political tensions that exist in a society in transition. The contradiction between the moral imperative to consider the good of others and the inevitability of self-interest put commercial society on an awkward moral basis which Mandeville sought to expose and address (Horne 1981: 552–53, 555). Mandeville’s analytical deconstruction of morality which meant to liberate society from morality – and economics from ethics – was an integral part of his project. To offer a reassuring account of society in turbulent and uncertain times, though, Mandeville needed both to present a credible alternative to morality and clearly spell out the ultimate purpose of his project.

This double task was accomplished by introducing happiness, an important concept in Mandeville’s thought. The notion of happiness and its pursuit pervaded Western thought since the Antiquity and is a central concept of the Enlightenment along much” (Fable I: 335).
with knowledge and freedom. Aristotelian in origin, the ‘pursuit of happiness’ in Enlightenment philosophy embodied “a state of being in which men could achieve their fullest potential as men” rather than a passing state of cheerfulness or satisfaction (Love 2008:92). The debate on public and private happiness was very much part of Mandeville’s intellectual background and was often grounded on moral and ethical considerations. Mandeville, however, had achieved the detachment of morality from social and economic action by showing how passions shape social conduct and provide economic results. He could then “make the telling point that what constituted happiness for any given individual was independent of officially sanctioned moral standards.” (Hundert 1997:76).

Mandeville explicitly conceives happiness as the ultimate goal of sociation: “mutual Happiness”, Mandeville wrote, is the “great End of Men’s forming themselves into such Societies” (Fable II:6). To this great end, the “Grandeur and worldly Happiness of the whole”, the “Vices of every particular Person” can be made subservient by skilful Management (Fable I:7). Mandeville’s writings leave no doubt on two accounts: that his conception of happiness is worldly and that it ultimately concerns the whole. Firmly anchored in his societal perspective Mandeville argues for worldly “temporal” happiness, the only kind that can be useful to men as members of society. Absolute ideal happiness is as utopic and elusive as the philosopher’s stone, Cleomenes cautions Horatio:

It is with complete Felicity in this World, as it is with the Philosopher’s Stone: Both have been sought after many different Ways, by wise Men as well as Fools, tho’ neither of them has been obtain’d hitherto. (Fable II:179)

In an intellectual context where happiness was primarily understood as an otherworldly reward for morality and virtue, Mandeville remains a realist steadfastly concerned with the real world. He dismisses moral examples of virtue that historically promised to elevate men to lofty spheres of abstract happiness and avoids ethical
prescriptions:

I could teach the way to his [Seneca’s] Summum Bonum as exactly as I know my way home: I could tell People that to extricate themselves from all worldly Engagements, and to purify the Mind, they must divest themselves of their Passions […] In the Theory of all this I am very perfect, but the Practice is very difficult (Fable I:166).

“Seneca, and all the Moralists may say what they please”, but according to Mandeville, “there is no general Definition to be given of Happiness, unless all Mankind had the same Aim, and agreed in their Wishes” (Essays in the Female Tatler:22). Happiness for each man is what makes him/her happy and there should be no guilt associated with pursuing this end:

[… ]in the Choice of Things Men must be determin’d by the Perception they have of Happiness ; and no Person can commit or set about an Action, which at that then present time seems not to be the best to him (Fable II:178).

There is “Happiness in knowing the narrow bounds of temporal Felicity, and the surest way to Content is to moderate our Desires” (Free Thoughts:355), Mandeville asserted, adding that when a person has “everything he desires, and nothing to Vex or Disturb him, there is nothing can be added to his Happiness” (Fable I:346). Having thus delineated happiness, Mandeville offers a reassuring material vision of society where men can enjoy happiness:

I would prefer a small peaceable Society, in which Men, neither envy’d nor esteem’d by Neighbours, should be contented to live upon the Natural Product of the Spot they inhabit, to a vast Multitude abounding in Wealth and Power, that should always be conquering others by their Arms Abroad, and debauching themselves by Foreign Luxury at Home (Fable I:12–13)

Above all Mandeville never strays away from his own paradoxical ‘moral’. Happiness cannot be attained without human passions and the “great End” comes at a price for society that also contains the ultimate test for both its desirability and accessibility:

[…] such a Felicity is not to be attain’d to without Avarice, Profuseness, Pride, Envy, Ambition and other Vices. The latter being made evident beyond
Contradiction, the Question is not, whether it is true, but whether this Happiness is worth having at the Rate it is only to be had at, and whether anything ought to be wish'd for, which a Nation cannot enjoy, unless the Generality of them are vicious (Fable II:106-7).

5. THE ‘BODY POLITICK’: SOCIATION AND MANDEVILLE

If correctly understood interest is the principle of all morality, man's private interest must be made to coincide with the interest of humanity (Marx and Engels, The Holy Family, p.176)

Mandeville considered the “worldly Happiness of the Whole” to be the “great End of Men’s forming themselves into such Societies” (Fable II:6, Fable I: The Preface). According to Hayek, Mandeville may not have contributed much in terms of answering particular questions but he did “show that there was an object for a social and economic theory” by asking the right questions (Hayek 1967:16). Nevertheless, our examination of Mandeville's work and thought has provided evidence that he methodically approached particular questions to provide what he saw as appropriate explanations. A central question that preoccupied Mandeville in his effort to account for the emergent society of his day was sociation. The definition provided by Reuten and Williams aptly accommodates Mandeville’s conception of how societies are formed. Sociation is defined as the abstract unity of necessarily social processes whereby “human Being is determined by both the collective material prerequisites, and the natural necessities of existence, as well as by free will and by reflection upon, and the active becoming conscious of, that Being” (Reuten and Williams 1989:39, 56). A trans-historical concept, sociation encompasses the “general-abstract notion of the constellation of social-human activities of creation and use of material objects, […] in a “potentially continuous’ social whole, that is, such that the constellation is systematic” (Reuten 2006). Mandeville's societal ‘constellation’ that we will attempt to elucidate in this section is encapsulated in his description of the Universe:

[…]that Infinity of luminous Bodies, however different in Magnitude, Velocity, and the Figures they describe in their Courses, concur all of them to
make up the Universe [...] which, tho' vastly differing from one another in their Nature, do altogether make up the Body of this terraqueous Globe (Fable II:45)

Mandeville studied the origins and the nature of society with a view to explain its workings and propose a functional model of the emergent capitalist society of his time. It is this purpose that lies at the heart of Mandeville’s project. Mandeville’s approach to his project was sustained remarkably well by a consistent methodological construction. His painstaking examination of the individual and his passions yielded a persuasive set of explanatory tools which Mandeville amplified by incorporating social and historical factors in his analysis. Historic and social specificity is anchored in Mandeville's explanantia just as firmly as self-love/selfishness is rooted in the individual. Passions represent the driving force which shapes and moves the social whole. Yet “nothing can be clearer, with regard to Mandeville’s punch\textsuperscript{25}, than that its individual ingredients are to be considered in relation to the whole” (Schneider 1987:46). To study the whole and complex interrelations and exchanges that are essential to any productive system, Mandeville set up his model by using the beehive that exemplifies industriousness and complex social structure. From this model to arrive at an integrated prototype of a “lasting Society” (Female Tatler:99) he needed to also account for the formation of his societal constellation. Mandeville approached the question of sociation cogently tracing the formation of society from the original condition of the ‘Brutes’ to the elevation of ‘Multitudes’ to form the ‘Body Politick’.

5.1 From ‘Multitudes’ to the ‘Body Politick’

“For if by society we only mean a number of people, that without rule or government should keep together out of a natural affection to their species or love of company, such as a herd of cows or a flock of sheep, then there is not in the world a more unfit creature for society than man” (Fable I:347)

\textsuperscript{25} Mandeville believed in down to earth similes and famously compared the “Body politick” to a bowl of punch. (see 5.1.)
Mandeville was very precise in remarking that it is not worthy of a philosopher “to say, as Hobbes did, that Man is born unfit for Society, and alledge no better Reason for it, than the Incapacity that Infants come in the World with” (Fable II:77). Men are sociable, argued Mandeville. They live in ‘Multitudes’ but become sociable, by living together in Society” (Fable II:189). Man is sociable because “it is manifest, that associating in Men turns to better Account” (Fable II:180). What we call evil “moral as well as natural, is the grand principle that makes us sociable creatures, the solid basis, the life and support of all trades and employments without exception” (Fable I:369). Can then multitudes evolve into a ‘lasting’ civil society with its institutions in place merely by the force of evil that Mandeville identifies with self-love? Is sociation the result of a spontaneous emergence in Mandeville's thought?

The good doctor once more tests the reader and requires a careful reading. Fable II and in particular the Fifth and Sixth Dialogues trace the evolution of society and social norms throughout history. Mandeville specifies three ‘steps’ in the development of society: Men at the outset organized to protect themselves from wild animals (Fable II:240–2) then to protect themselves from other men (p. 266–68). The third and last “Step to Society is the Invention of Letters” (p. 269). Additional elements such as social cooperation are required to ‘raise’ the multitudes into a ‘Body Politick’:

Multitudes of our Species may, in any habitable part of the Globe, assist one another in a common Defence, and be rais’d into a Body politick (Fable II:179).

[…] great Multitudes of us co-operating, may be united and form’d into one Body; that endued with, and able to make Use of, the Strength, Skill, and Prudence of every Individual, shall govern itself, and act on all Emergencies, as if it was animated by one Sod, and actuated by one Will. (Fable II:183).

While the need to protect oneself can be attributed to self-love, Mandeville qualifies self-love by introducing additional socio-cultural factors that in historical perspective contributed to the development of society: the invention of letters, the division of labour, language, the invention of implements, the discovery of iron and the
invention of money. The invention of letters, the third step in the evolution of society is of defining importance. Multitudes were raised to a coherent form of society embodied by the body politic only after they had written laws which were the prerequisite of government and peace.

Therefore the third and last Step to Society is the Invention of Letters. No Multitudes can live peaceably without Government; no Government can subsist without Laws; and no Laws can be effectual long, unless they are wrote down: The Consideration of this is alone sufficient to give us a great Insight into the Nature of Man (Fable II:269).

For Mandeville human institutions and achievements are not the product of divine or human inspiration but of the combined effort and experience of mankind (Rosenberg 1963:187). Mandeville’s conception of social formation is very different from the Hobbesian vision that saw the causes of the social compound residing in:

“men […] sprung out of the earth, and suddainly (like Mushromes), come to full maturity, without all kind of engagement to each other”.

Notably Mandeville in his social theory while retaining the individual and his passions as explanatory units he never loses sight of the historical and the social compass. His account of social progress is the combined outcome of material and pragmatic factors in a gradual historic process “to which we can assign no other Causes, than human Sagacity in general, and the joynt Labour of many Ages” (Fable II:128). Civilisation and knowledge evolve slowly in the context of long and complex processes: “Our Knowledge is advanced by slow Degrees” and it takes the “Experience of many Ages” to achieve tolerable perfection in the arts and the sciences (Fable II:187, Fourth Dialogue). Language too, first used by two “savages” to communicate, evolves by “slow Degrees” and “length of time” just as “Agriculture, Physick, Astronomy, Architecture, Painting” (Fable II:287). Skill, experience and time are required to perfect the crafts and

the professions e.g. “Soap-boyling, Grain dying, and other Trades” rather the “great Proficients in Chymistry or other Parts of Philosophy” (Fable II:144–45).

Similarly, the institutions that are essential to sustain society are also the outcome of evolution and effort. Laws evolve slowly over time through experience:

It is not Genius, so much as Experience, that helps men to good Laws. The wisest Laws of human Invention are generally owing to the Evasions of bad Men, whose Cunning had eluded the Force of former Ordinances, that had been made with less Caution (Fable II:319)

The “Government of a flourishing City, that has lasted uninterrupted for several Ages” depends on “Regulations, belonging to it” that were elaborated by “great Pains and Consideration […] as well as Length of Time (Fable II:323). Societal relations too, through a continuous historical progression develop in such a manner that “man's pursuit of his self-interest is rendered at least consistent with the larger needs of society” (Rosenberg 1963:188–189). Societies originate in man’s “Wants, his Imperfections, and the variety of his Appetites” but are raised to “vastly numerous” when pride, vanity and men’s all desires are enlarged. (Fable I:346–47).

Numerous passages in Mandeville’s writings attest to his historical and evolutionary perspective. Regarding spontaneous order, there is nothing in Mandeville's political economy to suggest that social and economic coordination is achieved spontaneously despite Hayek’s claim to the contrary (Petsoulas 2001). Hayek in fact contradicts himself because while claiming that Mandeville clearly envisaged order to form itself spontaneously, he adds that he did not “precisely show how” (Hayek 1966:15). Hayek’s enthusiasm to claim Mandeville as his own, Horne remarks, is characteristic of the strong trend in Mandeville scholarship to accommodate in Mandeville “the idea of an order which naturally and spontaneously reconciles individual self-love with the public good”(Horne 1978:72). Petsoulas convincing argues that
frequent use of mechanistic analogies such as the clock lack the three “defining elements of a spontaneous order, namely non-design, non-purpose and abstraction” (Petsoulas 2001:99–100).

To conclude, anchored in history and the material world, Mandeville's account of sociation, of man within society and the social function of passions is correctly captured by Marx and Engels in their discussion of French materialism:

If man is social by nature, he will develop his true nature only in society, and the power of his nature must be measured not by the power of the separate individual but by the power of society [...] The apologia of vices by Mandeville, one of Locke’s early English followers, is typical of the socialist tendencies of materialism. He proves that in modern society vice is indispensable and useful. This was by no means an apologia for modern society (Marx and Engels 1956 [1845]:176).

5.1. Revisiting the ‘Body Politick’

“\"Laws and Government are to the Political Bodies of Civil Societies, what the Vital Spirits and Life itself are to the Natural Bodies of Animated Creatures\"”

(Fable 1: The Preface [iii])

By the early seventeenth century the notion of the body politic that described analogically the “nature and composition of the civil state in terms of the human body”, was nearly an overused metaphor that was revived by Hobbes with renewed dynamism and significance (Attie 2008:97–98). The body politic metaphor, Attie observes, allowed Hobbes and his contemporaries to revive the conception of civic immortality that seemed irreversibly gone in an era of civil war but Hobbes’s use of the analogy was linked not to mortal but eternal life 27 (p.498–99). William Petty used the ‘political anatomy’ to denote

27 “But forasmuch as we speak here of a body politic, instituted for the perpetual benefit and defence of them that make it; which therefore men desire should last for ever, I will omit to speak of those that be temporary, and consider those that be for ever” (Thomas Hobbes, The Elements of Law Natural and Politic: Human Nature and De Corpore Politico, ed. J. C. A. Gaskin (Oxford: Oxford Univ. Press, 1994)p. 111 quoted in Attie 2008)
the study of the ‘body politick’ in terms of ‘structure, symmetry and proportions’ and to selectively account for the “complexities of the real world, focusing attention on what he considered as the essential characteristics of the functioning of the ‘body politick’” (Roncaglia 2005:56). Mandeville was indebted, among others, to Hobbes and Locke, but eternity or ‘the future State” was not among his concerns. In this sense, Mandeville's realistic vision of the ‘lasting’ society is more close to Petty's conception of the body politic.

Mandeville was keen to popularise his ideas and to reach a large public. “Authors are always allow’d to compare small things to great ones”, Mandeville wrote, and asked the readers permission to compare the ‘Body Politick’ to a bowl of punch where different ingredients that on their own would be insipid or sour combine to produce a refined liquor. The water in the bowl necessary to bind the whole was “the Ignorance, Folly and Credulity of the floating insipid Multitude” (Fable I:105). Buttressing his ease of writing with his solid methodology, Mandeville integrates into his analysis his sharp awareness of the social and the historical. He subjects the beehive model (or the bowl of punch) to a systematic analysis that encompasses social categories, professions as well as societal and economic relations. The new social stratification and all the productive professional categories are accounted for. Division of labour is essential to the new economic order as illustrated, among many others, by the famous passage about textile production from the essay on A Search into the Nature of Society:

[…] what Multiplicity of Trades and Artificers must be employ’d! Not only such as are obvious, as Wool-combers, Spinners, the Weaver, the Cloth-worker, the Scourer, the Dyer, the Setter, the Drawer and the Packer; but others that are more remote and might seem foreign to it; as the Millwright, the Pewterer and the Chymist, which yet are all necessary as well as a great Number of other Handicrafts to have the Tools, Utensils and other Implements (Fable I:356)

The Mandevillean model of society is not a utopian construction nor an introvert
microcosm but an “opulent, knowing and polite Nation” prominent in an international context of military power and trade. The setting is London, a metropolis of the period, but the ‘Body Politick’ model is globally applicable and diversely composed:

[…] of many Nations of different Religions, Forms of Government, Interests and Manners that divide and share the Earth between them, so the civil Society in every Nation consists in great Multitudes of both Sexes, that widely differing from each other in Age, Constitution, Strength, Temper, Wisdom and Possessions, all help to make up one Body Politick (Fable II:46).

Self-love and all the human passions are essential to understand society, but to arrive at a functional modern society calls for instruction, management and effective policy:

[…] teach ’em Commerce with Foreign Countries, and if possible get into the Sea, which to compass spare no Labour nor Industry […] Then promote Navigation, cherish the Merchant, and encourage Trade in every Branch of it; this will bring Riches, and where they are, Arts and Sciences will soon follow, and by the Help of what I have named and good Management, it is that Politicians can make a People potent, renown’d and flourishing (Fable I:184)[Emphasis added].

Ensuring the smooth functioning of society in a way that is harmonious and beneficial for all is important for the happiness of the whole. A legal system as seen already was essential for good governance. Laws qualify the rule of vice: “So Vice is beneficial found, When it’s by Justice lopt and bound” (Fable I:37). Similarly ‘the dextrous Management of a skilful Politician’, Mandeville emphatically reiterates, can transform private vices into public benefits. Mandeville's recurring references to skilful management and the skilful politician have been the focus of the controversy as regards his adherence to laissez-faire ideology as well as to the spontaneous order theory. In Hayek’s view, the skilful politician need not be considered literally but can be seen as a fictitious entity, a spontaneous mechanism to transform private vices to public benefits (Petsoulas 2001:95). Nonetheless, Mandeville's detailed and succinct discussion of the importance of effective management and the role of the skilful politician in manipulating
passions as well as ensuring governance, beyond doubt clarifies how he conceived their real nature and their essential function in society:

Good Politicians by dextrous Management, laying heavy Impositions on some Goods, or totally prohibiting them, and lowering the Duties on others, may always turn and divert the Course of Trade which way they please (Fable I:16).

Mandeville did not believe in the automatic harmony between private interests and public good but he thought that the welfare of the people and the general interest in a society is important:

[…] it is the Business of all Law-givers to watch over the Publick Welfare, and, in order to procure that, to submit to any Inconveniency, any Evil, to prevent a much greater (Letter to Dion: 42).

Mandeville's critical intervention to the social and political debates of his times demonstrates that his spirit was far from laissez-faire. Not by chance, Mandeville devotes the two final chapters of the Free Thoughts to reflect on good governance and on national happiness. The book was published in 1720 concurrently with the financial disaster caused by the collapse of the South Sea Company and the burst of the Mississippi bubble in France. We should not “expect ministries without faults, and courts without vices” (p.355), Mandeville warns, as we should not rely too much “upon the Virtue and Probity of Politicians” (Free Thoughts: 343–44). After all governments are good when everybody is honest and does his duty, Mandeville wrote, but in times of trouble, the ‘Body Politick’ needs the best and strongest of constitutions:

[…] which provides against the worst Contingencies, that is armed against Knavery, Treachery, Deceit, and all the wicked Wiles of human Cunning, and preserves itself firm and remains unshaken, though most Men should prove Knaves. It is with a National Constitution, as it is with that of Men’s Bodies; that which can bear most Fatigues without being disorder’d, and last the longest in Health, is the best (Free Thoughts:297)

Mandeville formulated an account of society based on his assessment of human nature and its passions as the central analytical tool. Mandeville's individualism while
effectively used as an explanatory tool never clouded his wider social considerations. He was interested in the ‘whole’ and retained the general interest as a central concern that is essential in any meaningful discussion of a ‘lasting’ society. In this respect, Mandeville’s idea of the passions that can be transformed to serve the general good is aptly mirrored in the opening quote to this section by Marx and Engels:

If correctly understood interest is the principle of all morality, man’s private interest must be made to coincide with the interest of humanity (Marx and Engels 1956[1845]:176).

Wise men, Mandeville asserted, “never look upon themselves as individual Persons, without considering the Whole, of which they are but trifling Parts” and they cannot rest satisfied with “Things that interfere with the Publick Welfare”:

This being undeniably true, ought not all private Advantage to give way to this general Interest; and ought it not to be every one’s Endeavour, to increase this common Stock of Happiness; and, in order to it, do what he can to render himself a serviceable and useful Member of that whole Body which he belongs to? (Fable II: 46, First Dialogue)[Emphasis added].

6. THE MANDEVILLEAN METHOD

“If we would know the World, we must look into it”
(Fable II: 10, Third Dialogue)

Mandeville took great pride from the empirical nature and the scientific integrity of his method: “the same unbiass’d Method of searching after Truth and enquiring into the Nature of Man and Society” (Fable II: 22). Mandeville’s method by referring “the norms to the observed facts” signified a major “break in the complete replacement of deduction […] by empiricism” (Dumont 1977:80). His approach was without doubt influenced by his medical training and background. As a dedicated empiricist Mandeville firmly believed that “all our Knowledge comes à posteriori, it is imprudent to reason otherwise than from Facts” (Fable II:261). He misses no occasion to emphasise the superiority of his empiricist viewpoint over speculation and flawed idealist approaches
(i.e. that of Shaftesbury). Mandeville’s professed aim is to demonstrate that useful knowledge:

[...] may be acquired from unwearied Observation, judicious Experience, and arguing from Facts à posteriori, than from the haughty Attempts of entering into first Causes, and reasoning à priori." (Fable II:64).

The empirical aspect of Mandeville’s thought pervades his writings. In the Fourth Dialogue (Fable II), the erudite Cleomenes displays an impressive command of the scientific method as well as medical practice and vocabulary. In fact, Mandeville makes full use of his empiricism to develop what eventually came to be called methodological individualism prompting Hayek to consider empiricism instrumental in the development of the “true” individualism that was exemplified by Mandeville (Hayek 1949 [1945]). Mandeville could not have accounted for social formation as effectively as he did without the solid methodology that constitutes a key element of his lasting heritage to economics. Through his methodological individualism, Mandeville endowed economics with an explanatory device that proved impervious to time. The historically most coherent homo Economicus that we could call homo Mandevillius is also part of this inheritance. Unlike methodological individualism, however, the conception of the economic man progressed through the history of economic thought mutated almost beyond recognition.

6.1. A lasting legacy: methodological individualism

“Every Individual is a little World by itself, and all Creatures, as far as their Understanding and Abilities will let them, endeavour to make that Self happy: This in all of them is the continual Labour, and seems to be the whole Design of Life.” (Fable II:178)

This emphasis on the individual in analysing socio-economic phenomena became prominent during the Enlightenment. The individualist approach to explanation was taken up by pre-eminent thinkers of the Enlightenment including Hobbes, Locke and Hume with a few important exceptions such as Vico and Montesquieu and
notwithstanding differences as to what and how much was included in the explanatory elements (Udehn 2001:7–8, Lukes 1968:119). The key ideas behind the concept, however, have a much longer history than the term (Hodgson 2007). After Schumpeter introduced the term in Der Methodologische Individualismus (1908) it does not appear in literature until the 1930s. Mandeville’s methodological individualism has been overlooked despite the tribute paid to him by no less an intellectual figure than Hayek (1966) who linked the term to the methodological position of the Austrian School. In his essay, Individualism: True and False, Hayek credited the insight to Mandeville whom he saw as an exponent of the true individualism (of the Scots) as opposed to the pseudo-individualism of the rationalistic tradition (Hayek 1945:10–11).

The main elements in Mandeville’s study of human nature can be traced in Erasmus, Hobbes, Spinoza, Locke and the French moralist thinkers (Kaye 1988 [1924]:35). Mandeville's methodological perspective is undeniably reductionist since every human action is ultimately reduced to open or concealed self-love. Nonetheless, reduction is not a priori but the result of observation. In each case examined with clinical precision, Mandeville registers the compendium of vices that range from self-love, pride, spending, vanity and folly, then uses his findings to analyse vice and virtue with an aim to annihilate morality and proceed to his societal account. Kaye discerns utilitarianism in Mandeville's outlook owing to his reference to the “Usefulness of Self-liking”: the public results (benefits) of private actions (vices) are beneficial to the extent that they are useful for the social whole. At the same time, however, Kaye notes, private actions (vices) are

---

28 Dr. Bernard Mandeville: Lecture on a Master Mind, delivered Hayek to the British Academy on 23 March 1966.

29 Methodological reductionism is defined in the Stanford Encyclopedia of Philosophy as the doctrine which denotes that an “understanding of a complex system is best sought at the level of the structure and behavior of its component parts” as opposed to methodological holism whereby “an understanding of a complex system is best sought at the level of principles governing the behavior of the whole system, and not at the level of the structure and behavior of its component parts” (Healey 2009).
examined under an anti-utilitarian perspective by focusing on the motive of the action rather than its outcome (Kaye 1988 [1924]:22–26).

In the Preface of the Fable, we read that the book aspires to show the impossibility for a nation to attain prosperity and power at the same time while retaining virtue and innocence. By way of explaining how he arrived at this conclusion, few lines further down the text, Mandeville reveals himself as a par excellence methodological individualist:

To do this, I first slightly touch upon some of the Faults and Corruptions the several Professions and Callings are generally charged with. After that I shew that those very Vices of every particular Person by skilful Management, were made subservient to the Grandeur and worldly Happiness of the whole (Fable I:7) [Emphasis added].

Systematically applying methodological individualism, Mandeville defines as the starting point of his analysis the individual and his passions: “by the same Method of reasoning from Facts à posteriori, that has laid open to us the Nature and Usefulness of Self-liking, all the rest of the Passions may easily be accounted” (Fable II:175–76). This methodological exercise aims to elucidate the motives of actions and to search for that force that under the hood has driven the actions of individuals. Dr. Mandeville, an accomplished physician and expert psychologist, in scientific empirical manner, under the lens of self-love dissects the individual to examine his nature and arrive at conclusions for the whole. The meticulous operation and his findings are described by Mandeville’s alter ego Cleomenes who had been:

[...]dipping into Anatomy, and several parts of natural Philosophy; [...] had study’d human Nature, and the Knowledge of himself with great Application [...] and making a right use of what he read, compared what he felt himself, within, as well as what he had seen in the World, with the Sentiments set forth in that Book, and found the Insincerity of Men fully as universal, as it was there represented (Fable II:16).

Mandeville applies his method systematically and then, by assembling individual cases, constructs his theory for the whole. His central idea was to “study the individual
and the whole will then look after itself” (Kaye 1988 [1924]:29). Mandeville, however, avoids the excesses of psychologism and elaborates another approach (Schneider 1987). He differentiated “the individual level of causation from the collective” seeing individual action as one thing and the “state of the hive as another” and avoiding to infer the features of society by adding up the individual characteristics of the persons that constitute it (Schneider 1987:17–18). In this respect, Mandeville’s methodological individualism differs from its modern day mainstream counterpart that ultimately led to conceptualising the economy as the aggregate sum of individuals.

Mandeville’s study of man and his passions was served a grander project: to explain how single individuals could be organised without design and divine intervention into a working society. He found the best explanatory device suited to his purpose in methodological individualism. As discussed in this paper, Mandeville’s explanatory toolkit is extended to include social interactions owing to his social and historical perspective. The Mandevillean unit of explanation is neither Robinsonian nor a one-dimensional rational agent. He is a composite compound of interests and passions who exists in a social and historical context in interaction with other individuals. In this respect, Mandevillean methodological individualism is a weak version\(^\text{30}\) of the doctrine in terms of allowing in the explanantia relations between individuals and ultimately social structures. Thus Mandeville firstly breaks away from atomism\(^\text{31}\), popular in his time, which sees man as the assumed atom and social phenomena as the aggregates of individual human beings and excludes explanations based on the interactions and relations between individuals. In fact, Mandeville’s “whole” is different both qualitatively

\(^{30}\) Udehn distinguishes several characteristic versions of the doctrine that differ significantly in strength (Udehn 2001, 2002:480). The degree of weakness or strength derives from the inclusion or not of supraindividual entities, or relations between individuals in explanation.

\(^{31}\) The “Atoms lose ground”, Mandeville writes, as “Sphinosis” neglected for many years prevails again (Fable II:312)
and quantitatively than the sum of the parts constituting it. Secondly, Mandeville’s methodology significantly differs from the reincarnation of methodological individualism in neoclassical and mainstream economics that set rigid boundaries to the explanantia excluding social and historical specificity to the detriment of the explanatory adequacy of the doctrine.

6.2 A legacy in mutation: Homo Mandevillius

How oddly are we manag’d by Self- Love!, and yet, to sooth a predominant Passion, obliges us to act against our Interest. (Fable I:258, An Essay on Charity)

The earliest reference to the term homo economicus is found in Maffeo Pantaleoni’s Principii di Economia Pura published in 1889 (O’Boyle 2007:322, 2009). Joseph Persky identifies the earliest explicit reference to economic man in John Kells Ingram’s A History of Political Economy (1888) and attributes the use of the Latin form homo oeconomicus to Pareto (1995:222). The antecedents of an axiomatically selfish human nature can be traced back to the thinkers of the Enlightenment albeit with different social implications. It is Mandeville, however, that first so comprehensively analysed human passions and their implications for social and economic phenomena and articulated a coherent conception of the self-loving individual.

Homo Mandevillius by his passions activates the social whole but he has particular characteristics that set him apart from his subsequent reincarnations. Far from being an abstract construction, the Mandevillean individual is contained and defined by a specific social and historical context. Man’s meaningful existence is achieved only in society when he is a member of the public:


33 Persky admits not having thoroughly researched continental sources (1995:222 fn.3).
[...] and when a Man is dead, he ceases to be a Member of the Society, and he is no longer a Part of the Publick; which latter is a collective Body of living Creatures, living upon this Earth, and consequently, as such, not capable of enjoying eternal Happiness (Letter to Dion: 39).

In his social and historical context then, innate passions are subject to change by political or other manipulation throughout history to produce specific social outcomes as previously discussed in this paper (4.1). “The nearer we search into human Nature, the more we shall be convinced, that the Moral Virtues are the Political Offspring which Flattery begot upon Pride” (Fable I:51). The Mandevillean individual is represented in material commonsensical terms, engages in real-life activities, participates in the economy and is involved in social relations. As Mandeville untiringly emphasised, man’s self-regarding qualities have a central role “in creating a smoothly functioning social system” (Rosenberg 1963:6). Men and women “widely differing from each other in Age, Constitution, Strength, Temper, Wisdom and Possessions, all help to make up one Body Politick” (Fable II:46). Thus if passions explain man’s behaviour, it is society that defines the Mandevillean individual. Men are to be firstly considered “as parts and members of the whole society” who have a social function to be accomplished with “the Usefulness and dignity of their callings, their capacities, with all Qualifications required for the exercise or performance of their functions”. Mandeville explicitly wrote in Free Thoughts. Consequently:

[...]In this view we have no regard for the Persons themselves, but only the benefit they may be of to the Publick if they please and their service is wanted (Free Thoughts: 253)

The passions that govern homo Mandevillius are an existing characteristic of human behaviour rather than an axiomatic assumption. “Men vary in their Tastes and Humours” (Fable I: 326). More importantly, in society both virtue and vice are relative: we should not look upon “Virtue and Vice as permanent Realities that must ever be the same in all Countries and all Ages” (Fable II:324). The absolute and ever prevailing
Mandevillean self-love is neither static nor abstract and if institutionally handled can lead to the welfare of the social whole.

Mandeville's conception of the individual was that of a “whole man” (Morgan 1996:1). Once formulated, Mandeville’s original conception took off on a remarkable trajectory through economics—and the neighbouring social sciences—undergoing continuous transformations. The Mandevillean individual perceptibly found his way into Smith albeit disguised by the linguistic trick Smith attributes to Mandeville to name as vicious all the passions that were merely natural (Maas 2004). Smith's man is also a complex compound of “propensities, preferences, talents and motivations, including self-interest” (Morgan 1996:2). Smith’s homo economicus pursues self-interest but “is not the single-minded and selfish utility maximiser of modern neoclassical economics” (Milonakis and Fine 2009:17). Homo economicus is first explicitly and consciously constricted to a “man restricted in his emotional range solely to economic motivations and propensities” by J.S. Mill (Morgan 1996:4). Homo economicus in Mill’s version desires to possess wealth and is abstracted from ‘every other human passion or motive’ (Milonakis and Fine 2009:32). This narrowed account of the economic man is sustained by Mill’s definition of economics in his Essays on some Unsettled Questions of Political Economy (1836) and in the Principles of Political Economy (1848):

[Political economy] does not treat the whole of man’s nature as modified by the social state, nor of the whole conduct of man in society. It is concerned with him solely as a being who desires to possess wealth, and who is capable of judging the comparative efficacy of means for obtaining that end (Mill 1836:321).

Like methodological individualism, homo economicus proved to be resilient and established himself firmly in the neoclassical toolkit. Smith’s conception of man as “blessed with multiple selves” and contrasting sentiments of altruism and selfishness, was distortedly transformed to the rational, self-interested and autonomous being that
through the dominance of utilitarianism—particularly the marginalist version—prevailed in mainstream economics (Screpanti and Zamagni 2005:78, 82). The conception of the ‘whole’ economic man that originated in Mandeville gradually eroded into a “stripped-down version” of the fully rational optimiser in the Arrow–Debreu extension of the Walrasian model (Bowles and Gintis 1993:84-85). The prevalence of this canonical version of the economic man implied that most economists routinely assumed that material self-interest is the sole motivation of abstracted/socially isolated individuals. Individuals that in real-world terms are complex, heterogeneous and differ from one another were gradually replaced in economic analysis by a supraindividual entity, the ‘representative agent’ of “New Classical Economists who forego using individual economic agents in their Walrasian general equilibrium models” (Davis 2003:33). The ‘representative agent’ construction defines the models that dominated New Classical macroeconomics after the early 1970s (Hoover 2008). From Mandeville to the modern times, a phase was reached where “it became fashionable in the neoclassical literature to decompose the rational agent into multiple warring selves” and use ‘impostor individuals conflated with firms, clubs, teams, families, and even nation-state’ (Mirowski 2002:449).

The evolution of the economic man fundamentally reflects the evolution of economics including any change or reorientation that results from interdisciplinary exchange. The exportation of the mutated homo economicus and its underpinning axiomatic assumptions across interdisciplinary boundaries may amplify the impact of Mandeville’s legacy. At the same time, however, it also denotes the alienation of economic analysis from society and reality.

6.3 Sorting out the legacy

Methodological individualism has been correctly described as one of the two factors which played a major role in the process of the desocialisation and dehistorisation
of economics (Fine and Milonakis 2009:8). In this light, it might seem counterintuitive to claim that Mandeville’s work encompassed social and historical factors, as well as addressed systematically the whole of the economy. Yet, Mandeville formulated and used his version of methodological individualism precisely in order to account for the whole. His version of the individual was defined by the society he lived in, so his paradigm of society included as explanatory elements relations between individuals (social division of labor), supraindividual entities (Government) and in final analysis structure (Body Politick). Mandeville used methodological individualism instrumentally, synthesizing it with other systematic and holistic factors to create his working example. This is exemplified by homo Mandevillius, and his apparent duality. If we were to put Mandeville's case in a nutshell, that would be that sociation necessitates vices to be governed. homo Mandevillius is the synthesis of man's naturally occurring and ever existing passions and the specific social and economical environment at hand which manages the passions and makes sociation possible. Self-love is at the centre of passions all beings, natural and ever existing. But vice and virtue are not “permanent Realities that must ever be the same in all Countries and all Ages” nor are they abstract from mode and custom (see 4.1 p.20). Homo Mandevillius then is forged by taking under account both these aspects, nature and social environment. It is important to note that Mandeville by constructing his theoretical edifice in a historical-evolutionary perspective (three stages of societal development) enables the synthesis of this duality in homo Mandevillius. One might be then tempted to ask whether Mandeville has reconciled the irreconcilable and achieved under methodological individualism an analysis that included historical and social factors. Does Mandeville present us with another paradox?

The question can be addressed by revisiting the typology of methodological individualism. Udehn distinguishes several characteristic versions of the doctrine that differ significantly in strength (Udehn 2002:480). The degree of weakness or strength
depends on the inclusion or not of supraindividual entities, or relations between individuals in explanation. Hodgson (2007a, 2007b) discerns in methodological individualism a “crucial ambivalence” that leads to a “labelling paradox” (2007b:220). He locates the ambivalence between option A) that social phenomena should be explained entirely in terms of individuals alone (strong version), and B) that social phenomena are explained in terms of individuals plus relations between individuals including social structures (weak version). When social phenomena are explained in terms of individuals and social structures, Hodgson argues, then the term methodological individualism becomes unwarranted and fails to “capture the meaning the concept should have in order to be consequential” (Hodgson 2007a:97, 2007b:8)[Emphasis added].

In this sense, there is no paradox in Mandeville's methodology. Mandeville visibly employed a weak version of methodological individualism that typifies Hodgson’s critical ambivalence and implies the ensuing labelling paradox when the term methodological individualism becomes unwarranted: Mandeville's methodological individualism can equally well be described as ‘methodological structuralism’ or ‘methodological institutionalism’ and so on. Mandeville surely could not anticipate such sophistication in methodological arguments. He was, however, very much aware that man is fundamentally a social being involved in social relationships, that history and culture are essential to his formation. The notion that an individual can exist in a social and historical vacuum devoid of all social relations was inconceivable in Mandeville's time and remains essentially absurd in modern times.

One must also note the pioneer nature of Mandeville's work. Mandeville specifically constructed and accordingly applied a methodological tool to serve a particular purpose but his influence as regards methodological individualism and homo
economicus was not linear. The heritage of Mandeville's synthetic thought seems to have found few recipients, since methodological individualism as a methodological principle-imperative, was instrumental in stripping economics from social and historical content. The economic man, freed from his passions became increasingly asocial, one-dimensional, unaffected by social and historical circumstance and with only one vice-function: to calculate and maximize his utility. The real question then would be to ask why committed adherents of methodological individualism hold on to the untenable strong version of the doctrine trying to arrive at adequate explanations based on an inadequate explanatory unit.

7. CONCLUDING REMARKS AND LESSONS FROM HISTORY

[...]for unhappy is the People, and their Constitution will be ever precarious, whose Welfare must depend upon the Virtues and Consciences of Ministers and Politicians” (Fable I:189-190, Remark Q)

As perhaps befits Mandeville's multifarious thought our discussion has been wide-ranging but several conclusions can now be drawn. Mandeville surely did not write economic treatises or employ technical economic terms as William Petty 34 and his other contemporaries did. Nonetheless, Mandeville grappled with problems that historically are placed at the core of political economy and his influence proved to be lasting. It has been firstly shown in this paper that Mandeville effectively accounted for a society in times of epochal transition. He handed down brilliant insights which starting with Smith grew into fundamental concepts of political economy. By showing that thrift and frugality were socially less valuable than their opposites and that spending creates employment he opened up new possibilities in economic thought (Screpanti and Zamagni 2005:49). At the same time, Mandeville addressed ethical questions and moral objections that

34 Unlike Mandeville, the importance and the contribution to economic theory of Sir William Petty—also a doctor with studies at Leiden – has been widely recognised.
potentially contested the values of the emergent capitalist commercial society (Goldsmith 1977, 1985, Horne 1981). In doing so, Mandeville critically contributed to the destabilisation of the moral and theological foundations that had hitherto restrained economic thought and to eliminating their claim to relevance in shaping policy. Mandeville's wide ranging project solidly establishes his place in the history of economic thought.

Secondly, as regards sociation, Mandeville anticipated the concerns of a new age by effectively addressing the emergence, the existence and the institutions that could sustain his societal constellation: the ‘Body Politick’. His timing as we saw was remarkable: in an essentially capitalist, pre-industrial period he attempted to explain tensions and suggest policies that would ease the transformation of England into an industrial capitalist power. While the earlier urban societies never quite accomplished the revolutions they forebode, “bourgeois society advanced without substantial checks from the early 18th century” (Hobsbawm 1954:33). Mandeville set the agenda for the 18th century attempts to understand modern commercial society (Maas 2004). His ‘Body Politick’ foreshadows Hume’s civilized society, Adam Smith’s commercial society and JS Mill’s industrious society. In this respect we can conclude that Mandeville’s account of transition and society was both relevant and useful also to the new audiences that succeeded his shocked contemporaries.

Thirdly, Mandeville's important methodological legacy and its defining particular features have been elucidated. While not properly acknowledged, the methodology that Mandeville first so concisely applied, did propel economics into distorted paths that would have been inconceivable for Mandeville and his contemporaries. Mandeville's use of methodological individualism as a concise concept which integrates individual action into the whole within a theory of social formation was the first systematic application of
methodological individualism but it represents the ‘weak’ type of the doctrine that integrates social elements in the explanantia. Methodological individualism still remains the central explanatory doctrine of mainstream economic analysis and may well be Mandeville’s most important, albeit under discussed legacy to economics. Part of Mandeville’s methodological legacy was the first succinct version of the economic man whom he conceived as a ‘whole’ man. Mandeville's vision of homo economicus, however, was subjected to significant mutations as the concept progressed from the Enlightenment individual to a mechanical one-dimensional stereotype in the 20th century. Ultimately, both the homo economicus concept and methodological individualism were embedded in the neoclassical toolkit as key theoretical and methodological devices and exported part and parcel across interdisciplinary boundaries serving the thrust of mainstream economics to dominate the social science field.

Finally, our discussion of Mandeville's thought and work has substantiated a central idea that frames this paper by demonstrating that “it is and has been possible to incorporate a social and historical element in economic theory” (Milonakis and Fine 2009:12). The feasibility of this critically important option is exemplified by Mandeville's analysis of society and human nature as well as by his methodology. Mandeville's account of the individual and society clearly takes into consideration social and historical specificity and by not bypassing significant analytical elements retains its relevance to the real questions it attempted to address. Our discussion of Mandeville's methodology has shown that both his methodological individualism and his conception of the individual far from being impervious to social and historical specificity were framed by Mandeville's social considerations. The social and the historical form part of Mandeville's explanantia thus enlarging the scope of his central explanatory unit that is the individual. Similarly homo Mandevillius is embedded in a social and historical context that transforms his passions. In mainstream post-marginalist terms, such a
methodological co-existence surely appears to be paradoxical. The detachment of economics from reality, however, and the excision of social and historical specificity from economic analysis brought about this grim state of affairs.

Lastly, Mandeville not only deserves a well-earned place in the history of economic thought, but also retains his relevance in our post-industrial global age that, like Mandeville's, is an age of profound transformation and uncertainty. As Mandeville was often misinterpreted some of his controversial views are used to justify modern day neo-liberal laissez-faireism. Mandeville sought to expose and explain the extreme inequalities that prevailed in the commercial pre-capitalist society of his time. He spoke in “the Language of the World, the Age and the Time” he lived in. Taken out of context some of his views today may seem harsh disregarding that “the prerequisite for a better society was surely taking seriously the social and economic setting of the existing one—including its abuses” (Gunn 1983:117). The attempt to import 18th century views into the 21st century with a view to justify the inequalities and challenges of our time cannot be conducive to progress. Mandeville was above all a man of his times and he should be appraised in that specific social and historical context. The advice of Viner (1953) should be heeded: it would be misleading to apply to 18th century writers modern ideas as to the dividing line between “interventionists” and exponents of “liberalism” or of “laissez faire”.

Lessons, however, are rarely drawn from the history of economic thought. In Mandeville's case one should note his relentless dedication on his work. But this is hardly ever enough. One must also apply himself to significant questions and be innovative and fearless enough to use the proper methods to address them. In Mandeville's case these qualities resulted in a historical, materialistic and pragmatic (positive) approach which took into account individual and social factors. The ball is in our court. What is happening in our 21st century global beehive?
REFERENCES

Primary sources

———.(1711[1730]) A Treatise of the Hypocondriack and Hysterick Diseases. 3d ed. London: Tonson. (First published as A Treatise of the Hypocondriack and Hysterick Passions).


———. (1720) Free Thoughts on Religion, the Church and National Happiness, the second edition. Revised, corrected and enlarged with many Additions by the Auctor, Printed, and sold, by T. Jauncy, at the Angel without Temple-Bar, and J. Roberts, in Warwick-Lane; London.


———. (1732) An Enquiry into the Origin of Honour and The Usefulness of Christianity in War, Printed for John Brotherton, at the Bible Cornhill, London avail. at http://www.gutenberg.org/ebooks/7819

———.(1954 [1732]). A Letter to Dion, Occasion’d by his Book Call’d Alciphron ed. Bonamy Dobree Liverpool

Secondary sources


———. (1948) Power and Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries. World Politics 1(1):1-29
