

Passion, Interest, and Restrictions on Absolute Power in Albert Hirschman's *The Passions and the Interests*

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Albert Hirschman's *The Passions and the Interests: Political Arguments for Capitalism Before Its Triumph* traces the origins and evolution of the modern concept of economic interest (beginning with its binary opposition to the malevolent and destructive passions of men,¹ moving to its economic narrowing and conceptualization as the central driver of social life,² and concluding with its appropriation by Adam Smith, who collapsed all passions – avarice, lust for power, etc. – under his formulation of economic self-interest³). As primarily a work of historical narrative, Hirschman's book strives to maintain critical distance from his sources, and is thus largely devoid of its own inferences. Largely devoid – but not completely. Brief though they may be, empirical evaluations recast the arguments expounded by the subjects of his inquiry, and thus the reader is invited to critically appraise the ideas presented in his historiography. In this spirit, this review seeks to illuminate how various social theorists posited that interests may be leveraged to restrict absolute power, and to then briefly square these theories, with Hirschman's help, against the historical record.

¹ We first see the possibility that malevolent passions (avarice, in particular) may somehow be transformed or harnessed for the public good in Bernard Mandeville's *The Fable of the Bees* (pg. 18). But it was Francis Bacon, according to Hirschman, who first proposed the idea of countervailing passions: "how (I say) to set affection against affection and master one by another" (pg. 22). David Hume similarly found that avidity was so potentially destructive a passion "that the only way of checking it is to have it countervail itself" (pg. 25), as did Publius in *Federalist 51* in discussing how to minimize the destructive impact of factionalism in the young American republic (pg. 30). Helvetius took the final step: defining interest as "those passions that are assigned the countervailing function" (pg. 28). Thus the final formulation was "opposing the interests of men to their passions and of contrasting the favorable effects that follow men who are guided by their interests to the calamitous state of affairs that prevails when men give free rein to their passions" (pg. 32). In the words of Hirschman's first section of the book, the interests had been "called upon to counteract the passions" (pg. 7).

² According to Hirschman, Francois de La Rochefoucauld "dissolved the passions and almost all the virtues into self-interest," as did Thomas Hobbes (pg. 42). Claude Adrien Helvetius went so far as to declare: "As the physical world is ruled by the laws of movement so is the moral universe ruled by the laws of interest" (pg. 43). The 3rd Earl of Shaftesbury similarly argued that "[i]nterest governs the world" (pg. 46), and David Hume posited that such a world would be much improved over one governed by passions (pg. 47). Hirschman argues that as preoccupations with social and institutional engineering diffused, the idea of a world governed by interest gained much appeal because of its predictability and constancy (pgs. 48-56).

³ In his *Theory of Moral Sentiments*, Smith collapses avarice and other passions under a single umbrella phrase: "augmentation of fortune" (pg. 108). Here, "noneconomic drives, powerful as they are, are all made to feed into economic ones and do nothing but reinforce them, being thus deprived of their erstwhile independent existence" (pg. 109). Smith thus undercuts the binary opposition of interest vs. malevolent passions by treating the passions and the interests as synonyms (pg. 111). Hirschman argues that it was the publishing (and subsequent popularity) of *The Wealth of Nations* by Smith, where he further expounded this view, which explains the disappearance of the binary opposition model of interests vs. passions from the intellectual memory.

Hirschman's detailed genealogy of the concept of interest is too lengthy to recount here (I provide a partial summary in footnotes 1 – 3). I will instead focus exclusively on the two principal theories Hirschman illuminates regarding how interests can curtail absolute power. The first strand conceptualizes interests as serving a countervailing function in checking the vicissitudes of malevolent passions (for more, see footnote 1). The political implications of this formulation are best articulated in *Federalist 51*, where Publius combines the notion of the binary opposition of interests with the Montesquieuan principle of the separation of powers. “[T]he ambition of one part of government” is, in this view, “expected to counter that of another [...] It may be a reflection on human nature that such devices should be necessary to control the abuses of government” (pg. 30). At this stage in his historiography, Hirschman is principally concerned with highlighting how *Federalist 51* fits within a broader social theory that views interests as countervailing passions, and as such he does not dwell on how Publius perceived this formulation as central in preventing the centralization of power. Yet clearly the desirability of the principle of checks and balances rests on the assumption that despotic rule is best avoided not by eliminating interests altogether, but by pitting interests against one another and thus preventing a single interest, in its authoritarian manifestation, from overpowering the rest.

A second means of checking absolute power arose once interest was no longer associated with the concept of countervailing passion (as in *Federalist 51*), but with a relatively aseptic drive for capital accumulation as manifested by the practice of commerce. This approach saw the expansion of commerce by *homo economicus* as taming an otherwise passionate wild beast. Hirschman begins with Samuel Johnson, who argued that “[t]here are few ways in which a man can be more innocently employed than in getting money” (pg. 58), and shows how the idea that commerce rendered men gentle was crystallized by Jacques Savary (“commerce makes for all the gentleness (*douceur*) of life” (pg. 60)), by Montesquieu (“Commerce...polishes and softens (*adoucit*) barbarian ways as we can see every day” (pg. 60)), by William Robertson (“Commerce [...] softens and polishes the manners of men” (pg. 61)), and by Francis Hutcheson (who speaks of the “calm desire for wealth” (pg. 65)). Hume similarly favored the expansion of commerce and industry because, in Hirschman's words, “it would repress and perhaps atrophy the more destructive and disastrous components of human nature” (pg. 66). For Montesquieu and James Steuart, capitalists are tamed into gentle men by engaging in their innocuous commercial enterprise – stimulating their benign economic interest suppresses their otherwise malignant

passions.⁴ Further, the expansion of commerce motivates sovereigns, themselves subjects of the gentle caress of economic interest, to contribute to the nation's prosperity (pg. 88). John Millar takes this notion to its logical extreme by arguing that "[t]he spirit of liberty appears, in commercial countries" (pg. 88). In short, the violence and barbarism of despotic rule is the product of passionate men, men who have yet to experience the civilizing effect of commerce.

Of course, there is nothing trivial regarding the association between economic interest and liberty, which Hirschman demonstrates by devoting some attention to the Physiocrats' authoritarian perversion of Millar's view.⁵ He further highlights how Adam Smith was "not nearly so ready as Montesquieu and Steuart to hail the new era of trade and industry as one that would deliver mankind from ancient evils, such as abuses of power" (pg. 104). But one need not turn to the theories of Smith and the Physiocrats – one need only consult the historical record, as Hirschman does before concluding his intervention, to be convinced that Montesquieu, Steuart, and Millar got it wrong. "[I]t is hardly surprising," writes Hirschman, "that [Montesquieu and Steuart's] ideas on the political effects of expanding commerce and industry did not survive the age of the French Revolution and the Napoleonic Wars" (pg. 113). Hirschman thus concludes that this theory is nothing more than a "feat of the imagination in the realm of political economy" (pg. 117). Indeed, one need only witness how imperialist enterprises by the European powers wore the garments of commercial expansion, and how the most economically interdependent region in the world (that is, Europe) was simultaneously the stage for the rise of totalitarianism culminating in two destructive world wars, to realize that there is little validity in the notion that *homo economicus*, pursuing his 'gentle' commercial enterprise, will be impervious to the lust for power. Perhaps it is precisely because Adam Smith saw economic self-interest as subsuming the passions and their associated vices that he questioned whether interest-driven men would not be prone to abuses of power. Indeed, Adam Ferguson, a fellow Scottish economist, feared that individuals driven solely by economic-self interest would gladly support an authoritarian ruler so long as the ruler promised to protect their capital accumulation (pg. 121).

⁴According to Hirschman, Montesquieu argues that "the passions of the sovereign are tamed by his interests," and thus bills of exchange and arbitrage are seen as "auxiliaries of the constitutional safeguards and as bulwarks against despotism" (pg. 78). Perhaps it is a constructivist argument – the innocuous nature of commerce eventually spills over and tames the passions of those who engage in it. Jean Francois Melon, in a similar vein to Montesquieu, argues that "The spirit of conquest and the spirit of commerce are mutually exclusive in a nation" (pg. 80).

⁵The Physiocrats, according to Hirschman, "oddly advocate both freedom from governmental interference with the market and the enforcement of this freedom by an all-powerful ruler whose self-interest is tied up with the "right" economic system" (pg. 98). This is the curious argument in favor of what is termed "legal despotism."

On the flip side, we witness the success of the American experiment, which institutionalized the interest vs. interest view via the constitutional separation of powers. Here, though illiberal acts have certainly abounded, absolute power has never seriously threatened to usurp principles of limited government. The diffusion and constitutionalization of the concept of separation of powers outside the United States only seems to reaffirm the view that interests can serve as an effective check on the concentration of power only when they are in binary opposition to each other. And if any conclusion can be derived from this one, it is that to prevent absolute power we must first accept that *homo economicus* is no less passionate, and no more gentle, than his supposedly uncivilized and barbaric counterparts.