FROM REASON OF STATE TO COORDINATION BY TRADE: HUME’S COMMERCIAL SOCIETY AS A MEANS OF ARRANGING NATIONAL AND GLOBAL POLITICAL ORDER

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Abstract. This paper takes on board the relationship of political and economic ideas in Hume’s essays. It wants to show that although Hume played a major role in preparing the ground for the would-be discipline of political economy, his interest in economics is linked to politics. He wants to make sense of the challenges posed and opportunities opened up by the recent global spread of long-distance trade. The thesis of this paper is that although Hume is aware of the risks of the jealousy or collaboration of commercial societies on a worldwide scale, he does not see any other alternatives (beside warfare), and in fact he is convinced, that it has positive effects on domestic and international levels as well.

The first part of the paper offers an overview of the relevant ideas of two key players in recent Hume-literature. First, it shows that István Hont in his volume Jealousy of Trade could convincingly show that some of Hume’s ideas are relevant if we want to make sense of international politics today. Then it presents two basic concepts of Andrew Sabl’s recent interpretation of Hume’s politics: coordination and convention, arguing that mechanisms of international trade can be analysed with the help of these categories.

In the second half of the paper the reader will find analyses of key concepts of Hume’s historically informed introduction to commercial societies and their interplay, including prudence, balance of power, balance and jealousy of trade, and refinement.

Keywords: Hume, Hont, Sable, convention, prudence, balance of power, jealousy of trade, refinement

1. Preliminary remarks

We hardly think of Hume’s economic essays as exercises in political theory. An obvious reason for this cautionary way of understanding is that the concept of political economy, born in Hume’s days, point to the opposite direction: towards the

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liberation of a science of economics from political tutelage. The following essay has the intention to lump together once again these two, by now separated fields of study, as they appear in Hume’s essays, his ideas on politics and commerce, in order to show that his analysis of how 18th century commerce effected interior politics as well as the interstate relations, can in fact be seen as his original reply to the problem of socio-political coordination of his own days on the national and the international level. To present the thesis in a nutshell, the paper wants to show that Hume must have been genuinely interested in economic issues of advanced commercial societies, but in the same time, through them he was also confronting the political issue of the socio-political coordination of the contemporary Western arena of monarchies and republics. His economic essays can also be taken as research into the field of modern national/international politics as it was hammered out by bellicose and more peaceful, but still competitive global commercial relationships in the 18th century. In other words, this interpretation of Hume’s political economy essays will have two foci:

1. it will try to answer how such an unstable phenomenon as commerce can help to maintain the internal order of a country, and how it can secure its competitiveness in international competition,

2. it will prove that commerce facilitates individual countries’ negotiations of enmities between each other and this way it can secure peace on the international level.

The paper will first refer to two influential recent readings of Hume, which had an impact on his interpretation. First, we shall see István Hont’s effort to connect Hume’s economic insights with the earlier literature on reason of state, and the Western debate on luxury and trade, arguing that through them he played a major role in the birth of what came to be called international politics. Second we shall have a look at Andrew Sabl’s analysis of the political theoretical importance of two, connected concepts, coordination and convention in Hume’s theory.

After these preliminary steps we shall turn to Hume’s interpretation of commerce in some of his essays. We are going to have a look at his understanding of human sociability, in his account of how and under what conditions European commerce was born, how it reformed society and what are the potential consequences of its international mechanisms. The paper is specifically interested in the domestic and the international dimension of Hume’s theory of commerce, arguing that in both cases one of Hume’s aims was to answer the question: how the harmonious coordination of the given – national or international – community can be achieved under the new conditions. Finally, we address the question whether Hume was in fact separating a discourse on economy from his general theory of politics, or whether he simply wanted to show that commerce as a kind of human activity has unintended – often benevolent, sometimes dangerous – political consequences on both levels.

2. István Hont on Hume and reason of state

István Hont caused much of a surprise with his final volume of collected essays, published under the title Jealousy of Trade. Although he was an influential history teacher in Cambridge, and one of the key protagonists behind King’s College Research Centre which reorganised the discourse on the Scottish Enlightenment, his
message was hardly heard beyond the small circle of experts and his Cambridge students before the publication of this thick volume of his substantial papers. Part of the surprise was caused by a more than 150 pages long brand new introduction to this volume, which presented a highly complex and yet highly persuasive master narrative of the book, helping the reader to make sense of the individual studies. We shall rely on this introduction to reconstruct Hont's interpretation of the connection between Hume and the discourse of reason of state.

In Hont's devious narrative the rise of the discourse of reason of state was due to humanist and republican doctrinal sources. He recalled the moment when Italian city state theorists (from Machiavelli to Guicciardini and Botero) widened up their interest to include monarchies as well, and turned towards a general theory of politics, or political prudence in particular. As Hont interprets it, when, sometimes later, reason of state was applied to international trade, a new term, jealousy of trade was born. As such, it was a rather late development. Hume kept emphasising: “Trade was never esteemed an affair of state till the last century (i.e. the 17th century, F.H.); and there scarcely is any ancient writer on politics, who has made mention of it.”

With this reference Hume himself uncovers the background of his own understanding of what is going to be called political economy and legal thought. No doubt, Grotius and Pufendorf are key authors in the early modern story which is reconstructed by Hont, and which culminates in what is called the Scottish Enlightenment. Hont wants to get rid of the simplified version of a bipolar system divided between civic humanism and natural law theory, as fountainheads of 18th century British political thought, so characteristic of the first generation Cambridge historians of political thought, Pocock and Skinner. Richard Tuck already tried to redesign the grand theory. This revisionist thinking is followed by Hont, too, who interprets Grotius as characterised by a humanist background and in the same time by an involvement in active republican politics. As opposed to the usual understanding of natural law theorists as moral universalists, Hont introduces him as the “legal codifier” of “the dominant international politics doctrine of his day, ‘reason of state’. “ This way, he repositions him in his own context, withdrawing him from among natural lawyers and socketing him into the group of advocates of “the politics of necessity that underlay ragione di stato” . This move is explained by Grotius’ efforts to use his talent in legal theorising to underpin Dutch political demands in international trade. In other words, to substantiate economic interests by legal claims (and even more importantly, of course by political power). In this sense, as Hont – relying on Hume’s essay on Of Civil Liberty – argues, Gortious’s project is part of that post Machiavellian moment, which was applied to the trading economy.

The other main reference point of this part of Hont’s story is Hobbes. He claimed that “jealousy of state is a post-Hobbesian development”. Hobbes was premodern in the sense that his theory of politics did not include any direct references to commerce, and in Hont’s reading of Hume, the British discourse on commerce was post-Hobbesian and modernist.

Beyond the legalist realism of the Dutch lawyer, Grotius, and the politics of post Hobbesian British theorists, we have to confront a third context to make sense
of Hume’s politics, that of the French legal, economic and political thinkers of the late 17th and of first half of the 18th century. Hont is eager to recapture the French debates, referring to the writings of such diverse authors as Colbert, “the chief economic minister of Louis XIV., Archbishop Fénelon, the Abbé de Saint-Pierre, Jean-François Melon, Montesquieu and Voltaire. From Voltaire he could jump to the German language intellectual scene, connecting Voltaire with Frederick the Great and him with J.H.G. Justi, the key player in mid-century German language political economy. After this bird’s eye overview of the field, Hont arrives at Hume’s essay Of The Jealousy of Trade.

3. Andrew Sabl on Hume on coordination and convention

Hont’s approach is admittedly that of the historian of early modern (17–18th century) political thought, although of one who is also interested in the big picture, and finally, in politics as an autonomous practice. Andrew Sabl, on the other hand, is a political theorist, who is interested in a particular past political thinker if and only if he or she has something to say which seems relevant even today. In this sense Sabl’s approach is admittedly a-historical – he thinks that studying Hume is not only of parochial interest, but it can directly add to our own knowledge of politics as such.14

To make the picture even more complicated, his ahistorical approach takes Hume’s Histories as its research object. This is because he thinks that Hume worked with two different concepts of social sciences. The first is the more familiar for present day students of political science: it is causal, and as Sabl characterises it, it is also “large-scale, large-N, hostile to proper names, data-driven, progressive” and perhaps most characteristically, generalised. The novelty of Sabl’s approach lies in the fact that he prefers to deal with Hume’s second understanding of social science, ‘the study of agency, strategy, or choice”, a ‘microscience’ of particular individual actions.15 To make this distinction between the two sciences is already a step forward towards a more realistic understanding of politics and tells a lot about Sabl’s own understanding of politics and its science. He seems to prefer a down to earth ideal of social science, than a high-flying, abstract political philosophy. He seems to find a similar kind of reluctance on Hume’s part to follow natural lawyers or social contract theorists, and this can be the reason behind his choice to prefer to talk about Hume’s views of society and politics by relying on the histories, instead of the Treatise or the Enquiry, which still try to give general laws on these fields, and use an alienated technical language. Hume’s early experiments with metaphysics turned out to be commercially unsuccessful, and that is the reason behind his preference to use the essay format, or to write political history later.

But let us get one step closer to Sabl’s approach! Contextualising him I would like to refer to three theorist who seem to have had an impact on him. The first influence on Sabl is Thomas Schelling, an economist by profession, but a strategic thinker of global politics as a practising author. Schelling was engaged in strategic advising during the cold war period, focusing on human behaviour under the stressful conditions of conflicts, it is therefore not surprising to find him reflecting on some of the seminal problems of international politics of his times. Sabl takes over Schelling’s insight that the issue of internal governability is basically a coordination
problem, one however, which cannot be always confronted face to face, but which can be solved by relying on spontaneously developed conventions.

Another major author for Sabl is the philosopher David Lewis. His masterpiece, *Convention: A Philosophical Study* (1969) is by now also a central piece of the philosophy of conventions. Lewis himself was admittedly influenced by game theory in general, and Thomas Schelling in particular. His one is called a “Humean perspective”. It is from him and Schelling that Sabl takes over the terminology of ‘coordination problem’, ‘common knowledge’, etc., although he does not make use of much of the technicalities elaborated by these authors in their argumentation. The interest for Sabl of Lewis’s theory is the parallel between Lewis’ solution to the problem of the birth of language as a convention and his own understanding of Hume’s solution of government as a convention. According to the usual understanding, a convention needs agreement, and agreements are formulated in language, which means that language is to be seen as prior to conventions. Lewis’ “response is to deny that conventions require anything like an agreement. Rather, on his view, conventions are regularities in action that solve co-ordination problems.”

Sabl will work out his interpretation of the Humean solution to ordering society along these lines, agreeing with Hume that it does not require a social contract.

Finally, there is a political theorist among Sabl’s favourites: Russell Hardin. His *David Hume: Moral and Political Theorist* (2007) is important for Sabl because, he, talks about Hume, the political theorist from the same perspective. It is perhaps because of his background knowledge of mathematics that Hardin works on Hume as a game theorist. As Sabl – relying on Hardin – puts it, „Hume’s account of convention and coordination anticipated theories only articulated two hundred years later and not yet fully worked out: in Hardin’s words, Hume’s ‘strategic categories of moral and political problems are still advanced beyond almost anything else in moral and political theory.” Sabl, however, breaks away from this game theoretical framework, and rather works out a strong point: in his view „Humean conventions are relevant, or most relevant, precisely where the simplifying assumptions of game theory, fully justifiable in many other circumstances, are essentially misleading”. Instead of the mathematical-logical phraseology of game theory, Sabl is more inclined to rely on the narrative account of how to solve social coordination problems, because as he sees it, Hume’s monumental *History* is nothing less than a narrative analysis of better and worse solutions to the actual coordination problems of British politics and society. Sabl’s explanation in favour of his choice and methodology is the following: „a qualitative, narrative account is likely to be more useful than formal models in understanding and explaining the kind of coordination relevant to the fundaments of political authority.” This is, because, as he earlier pointed out, Hume saw political authority as a dynamic convention. Disputes regarding state authority take place when the precarious balance which supports legitimate political authority is lost. This is only possible when balance is lost between the weight of those in power and of the “social and economic forces” over whom power is exercised. A radical misbalance can urge large segments of a political community to demand changes in power, it can “lead a great many people simultaneously to risk toppling an old equilibrium in the
expectation of finding a new one”. According to Sabl’s Hume “the big questions of politics are thus fights over dynamic conventions of authority, what Hume called ‘the confusions incident to all great changes in government’.”20 In Sabl’s reading Hume’s history is an inventory and commentary of examples of demands of political changes and procedures to have a better regime of political power.

The next part of this paper is going to try to carry on some of the findings of these two interpreters’ reading of Hume. It will concentrate on Hume’s understanding of the relationship between politics and trade in some of his essays trade and politics, including Of Commerce, Of the Balance of Power, Of the Balance of Trade, Of The Jealousy of Trade. The aim of these readings is to show that a close look at his explicit views of the connection between politics and commerce (or economy, in a more general present day term) proves that 1.) indeed national and international politics is dependent on the success and failure of national economy, but 2.) that sometimes it can be counterproductive to introduce direct ethical or for that matter political measures in economic affairs and 3.) human industry and self-interest, the conventions of civil society have indeed the potential to achieve a more humane social order.

4. Hume on reason of state and prudence

According to Viroli’s by now familiar thesis, the classical understanding of republican politics, as elaborated in the Renaissance, aiming at the highest perfection in human life, characteristically influenced by the high flying ideas of the ancient Greek philosophers, gave way to the idea of the ‘art of the state’ or ‘reason of state’.21 By the time Hume went on stage, the new doctrine had been for long an accepted axiom, personified by Louis the Great and guarded by his first minister, Richelieu. Hume, who had a first-hand experience of French manners, first as an intellectual visitor, later as the hero of the salons, and even later, after publishing the essays on politics, as a diplomat serving his country in Paris and as an undersecretary in the government as well, was ready to accept the fact that the final rationale of politics is often to act in accordance with necessity and that political success might depend on whether you are able to listen to the voice of urgency. However, he seems to be rather critical about the discourse of contemporary high politics. While he was well aware of the demands of the moment in political decision-making, he was not ready to accept what was regarded as Machiavellianism in his own days, which was often more cruel than prudent.22 His characterisation of politics is rather telling. In his view, the ancients were fighting “wars of emulation rather than of politics”, the first of which was based on “honour”, while the second version mentioned was focused on “authority and dominion.”23 This distinction of ancient and modern ways of waging wars was not meant to arrive at a clear conceptual distinction between what is and what is not “real” politics.24 Neither is it a comparison aimed to decide which is superior in comparison with the other. As heir to virtue theory, although himself not exactly an orthodox Christian believer, Hume’s reference to moderation and prudence was based on that ancient tradition in which these concepts (together with justice and courage) were regarded as the expected driving forces of human behaviour. Ancient merits were preserved by being transformed into Christian virtues. But as his essays on four different types of ancient Greek philosophers show, Hume regarded himself
as an heir to the ancient Greco-Roman tradition, and not to the Christian one. It is in this context that one should also refer to the possibility to read Hume’s programme of sociability and commerce as stabilising forces as an example of virtue ethics. However, neither Hont, nor Sabl is interested in that historical context, and therefore this paper will not address that issue, either.

Hume’s point in the essay Of the Balance of Power is to show that both an empirical psychological account (where envy turns out to be the major motivating force in politics) and a more traditional moral account (where prudence is not simply caution but a moral virtue) will come to the same conclusion: that practitioners of politics need to aim at the balance of power – a key notion in the discourse of reason of state (re-presenting the whole in a pars pro toto format) –, no matter whether they are doing it by instinct or as a result of conscious reflections on what to do. While he does not deny explicitly the view of politics associated with virtue in the Western tradition, Hume is ready to re-construct it, this way partaking in the early modern “discovery” of a politics – independent from, but not opposed to morality, taking as its foundation stone the human character-trait of self-interest.

The Humean understanding and evaluation of politics is ambiguous – i.e. he does not question the legitimacy of morality, as Machiavelli did, and yet his interest in politics takes it as a more or less autonomous field. He would welcome more professionalization on this field, too. In the meantime, suspicion towards political intrusion into the “affairs of society” directly links the Scottish author to Bernard Mandeville, who worked out his own paradox thesis of commercial societies in Britain. The basic message of the Dutch physician in the nutshell formulation of “private vices, public benefits” of his The Fable of the Bees was that even straight human sins can serve the common good in the big picture, while highly estimated moral virtues can turn out to be simple tricks of individual self-esteem. In the luxury debate, a returning topic for our philosopher, Hume, too, repeatedly points out quite convincingly that the sin of enjoying luxury can be much more socially advantageous, than sloth and idleness.

Not really fascinated by Machiavelli, Hume has admitted his interest in Mandeville’s work. However, this way he has not become a sort of early relativist, as one would suppose. He simply wanted to stress that in politics one should calculate rather cautiously – his understanding of prudence in this context seems to point towards a politically and also theoretically moderate position. Prudence, a virtue both in ancient Greek and Roman theory and in Christian moral theology, in fact, is a key to Hume’s views on politics and economy, and it is the key term of this particular essay as well. The word prudence returns in different contexts four times in the essay and one time in negation in the following collocations: “envy or prudence”; “a jealousy founded on true politics and prudence”; “the imprudence of these measures”, “he acted with great wisdom and prudence”, “a nation, which had any pretension to politics and prudence”. Obviously he is referring with this concept to that sort of realistic approach which he finds indispensable in politics, and though he does not necessarily admire it in other contexts, scourges politicians and theorists who disregard it as a key factor in politics. Yet Hume is quite reluctant to exaggerate the
relevance of a professional attitude to politics. At another point he claims that to make judgements in (international or national) politics does not require much extra knowledge or intellectual virtue. In fact it is founded “on common sense and obvious reasoning”.33

In fact, the term used here by him is once again closely connected to prudence: common sense is, after all, the equivalent of *recta ratio*, as it was used by Aquinas and Cicero before him. It can be traced back to the ancient terms of Greek *koinē aisthēsis*, Latin *sensus communis*, and it leads to forward to French *bon sens* as well. Probably, Hume’s message was something like this: in ancient times, balance of power was just as advantageous to all participants involved as today, and therefore even if it was not conceptually formulated, it must have had “an influence on all the wiser and more experienced princes and politicians”.34 The modernity of the concept is due to the fact that by now it has been “acknowledged among speculative reasoners”. Views of this sect (of the philosophers, basically, whom he sometimes tends to criticize), however, is to be distinguished according to Hume from the views of those “who govern the world”.35 And members of the latter elite are not more interested in the balance of power as their forerunners used to be. Which means that in fact the impact of ordinary reason is not – and perhaps should not be – much wider as it used to be earlier.

This distinction of the speculate reasoners and the governers of the world is once again close to the Aristotelian differentiation between wisdom (*sophia*) and prudence (*phronesis*). But while in Aristotelian virtue ethics both of these virtues had its proper realm, where its full potential could be realised, Hume as a pragmatic thinker seems to imply that in politics no speculative reasoning (in the sense of wisdom) is welcome. On the contrary, he shares the view of those who think that the practice of politics requires a rather down-to-earth type of logic and this way admits the existence of a certain autonomy of politics.

But let us repeat, this is not a total surrender to relativism, to the optimism of anything goes, or to a sceptical position.36 Interestingly, it is closer to the positions of Christian theorists of reason of state, like that of the Italian late humanist thinker, Giovanni Botero, than to sceptical moral relativism.

5. Hume on balance of power and balance of trade

Botero represented a position, which is both anti-Machiavellian and takes on board the new approach to politics characteristic of the Florentine thinker.37 Botero’s book on reason of state, a concept which was widely used in political debates, gave a wide currency to it in the theoretical literature as well, all over Europe. The fascinating element of his story is that his anti-Machiavellian Machiavellianism was presented in a Christian framework.38 This part of the paper is to show that Hume’s ideas on the balance of power are the inverse of Botero’s case. They are in tune with the tradition of Christian Machiavellianism, initiated by Botero, while – as we have already seen – they themselves are non-Christian, remaining much closer to the ancient’s position than to anything else. Yet the surprising thing is that Hume’s theory, an enlightened combination of the remnants of Greco-Roman virtue ethics and modernist reason of state, contributed to the emergence of a new discourse, political economy.
To understand the relationship of the political and the economic perspective in his *Essays*, let us reflect on the parallel terms used by Hume: balance of power and balance of trade. Balance of power is well indicated in the following sentence: “The same principle, call it envy or prudence, which produced the Ostracism of ATHENS, and Petalism of SYRACUSE, and expelled every citizen whose fame or power overtopped the rest; the same principle, I say, naturally discovered itself in foreign politics, and soon raised enemies to the leading state, however moderate in the exercise of its authority.”\(^{39}\) Obviously, the explanation of the term has a sceptical-realistic foundation: as citizens (or courtiers) watch each other with due precaution, in order to avoid any unbalanced concentration of power in their group, the same way states are carefully watching each other in order to control any one or more of them who strives to turn over the delicate balance of the international society of states. The ideal situation is a balance, which precludes any misuse or abuse of power, causing a kind of political deadlock.

Hume's description of the balance of trade is analogical with the above line of argument about the individuals' effort to keep balance within a political community or the states' care for each other in the international arena. The analogy is expressed by Hume's choice of using the same terminology in the title of the two essays. Hume is famous for his rhetorical awareness. He came to attribute the failure of the Treatise to its mistaken philosophical “style”. With the essays he returned to the Addisonian (almost Shaftesburian) common sense philosophical rhetoric, which is closer to friendly chatting in company than to a dry analytical method.\(^{40}\)

The basis of the comparison of the two concepts (power and trade) is once again that general feature of human nature: that in economy, as much as in politics, states watch each other with much jealousy: “there still prevails, even in nations well acquainted with commerce, a strong jealousy with regard to the balance of trade, and a fear, that all their gold and silver may be leaving them”.\(^{41}\) Though Hume regards this as a natural reaction of humans, he wants to argue for the uselessness of it. His point is that this jealousy can prove to be counter-productive and unnecessary, based on a false conception of the streaming of money in the “global economy”. It is interesting to see that Hume had serious judgements of the disruptive, asocial passions in human beings, but had an enlightened hope that they can rely on their natural sociability, and that even the asocial passions can serve socially good purposes, too.

But how can he argue for a balance of power while denying the legitimacy of the demand for a balance of trade? Certainly, there is a serious difference between the two realms. While in politics the struggle for power is traditionally understood as a zero sum game (as we shall see, Hume finally does not fully share this view), his point is that market competition should not be seen as a zero sum game: even if profits are proportionally unequal, they can be useful for both sides in a bargain, even if they win disproportionately.\(^{42}\) In the balance of trade essay Hume deals with levels of money available on the international market. This is the summary of his argument: “any man who travels over EUROPE at this day, may see, by the prices of commodities, that money, in spite of the absurd jealousy of princes and states, has brought itself nearly to a level...”\(^{43}\) The point can be expressed in a different way, too. While in politics,
individuals’ jealousy should be coupled with that of states, in order to achieve standstill, peace and the possibility of prosperity, in economy individual’s jealousy is enough, it should be accompanied by an enlarged liberal-mindedness on the part of the institutions of states, instead of the aggressive interventionism suggested by mercantilist policies, in their own interest as well as for the benefit of their populace. In other words, it is political (i.e. prudent) for a state to remain on its own terrain of activity, as his real framework is the field of power, while it has good reason to leave the commercial activities of its own people and their economic units free, inside the state or outside of it, in the markets of international trade: “a government has great reason to preserve with care its people and its manufactures. Its money, it may safely trust to the course of human affairs, without fear or jealousy.” 44 This demand of a freedom of economic activity does not exclude the support of the state’s institutions to secure a safe and stable environment, but it only seems to exclude active economic involvement.

It is here, that we reach the crux of Hume’s argument about the relationship of politics and trade.

6. Hume’s argument for a dynamic political balance achieved by trade

One might find it strange, that quite a few years after the economic essays Hume once more returned to the topic of trade. The essay in question is Of The Jealousy of Trade, first published in some copies of the 1758 edition of Essays and Treatises. 45 It was written in reply to Josiah Tucker whose papers he received from Lord Kames. 46 Hume's criticism concerns the supposed irrationality to go on war against France, assuming that France strives for the role of Europe’s universal monarchy, and more particularly, against the idea to wage war “for the sake of trade”. 47 With this essay he wanted to make “the case that the logic of war was dangerously at odds with the logic of trade.” 48

Earlier he compared the (political) jealousy of states to the jealousy of individuals, as it was described in early modern manuals of courtiers, asserting its positive effects, i.e. that it is exactly this jealousy which – by an unintended consequence – leads to a balance of (individual and state) powers. Now he argues for the opposite case. As in domestic trade you need to cooperate with the others, in order to gain individually, the same way states are by nature forced to communicate with others, to establish trade relationships, if they want real economic development. In this essay he is to show that the fruits of domestic industry will turn out to be useless surplus unless they can be exchanged for other goods on the international market. Earlier, writing about human beings’ jealousy Hume concentrated on the negative aspects of their nature. Now he turned towards the cooperative inclinations of humans, as soon as they realise the mutual advantages of them. He seems to imply that there is a natural tendency in humans to commerce with each other, which can, however, be seriously endangered by a too intrusive political regime.

It might be relevant here to recall that commerce had a wide range of meaning in the age. It was part of the linguistic side of the battle between the ancients and the moderns. In the eyes of the moderns commerce represented all the merits of a society which has given up its ideal of the warrior hero, in order to cultivate the minds
and refine the passions of its citizens. Commerce had exactly this impact on those partaking in it. As Pocock interprets Montesquieu, “it refines and moderates the passions by making us aware of what we share with others; without it there can only be a barbaric sense of honour…”<ref49> This is the line followed by Hume. He, too, claims that commerce will make the difference between culture and barbarism. If you have industrious neighbours, you can first only buy commodities from them, but sooner or later most of the circumstances, including the way of life would also be overtaken, and this way the exchange would help the advancement of both parties.

The commodity is first imported from abroad, to our great discontent, while we imagine that it drains us of our money: Afterwards, the art itself is gradually imported, to our visible advantage: Yet we continue still to repine, that our neighbours should possess any art, industry, and invention; forgetting that, had they not first instructed us, we should have been at present barbarians…<ref50>

The point Hume wants to make is not simply part of the argument whether you can gain material advantage from the happy circumstances of rich and conversable neighbours. His description also points at the social-cultural consequences of foreign trade. The options offered here are either to be stuck in barbarism or to be moved towards refinement and improvement: and the claim is that without engaging in international commercial activity, your society could not develop. The terms he uses are those of the historical descriptions of European civilisation by the Scottish authors. Their abstract formula in what came to be called the four-stages theory is about societal development through technical innovation achieved by industry and social cooperation, based on self-interest and envy, without the help of a centralised power, in other words, almost by nature. Though Hume himself only differentiates three independent but interconnected phases in Of Commerce, what he calls “the savage state”, followed by “the arts of agriculture”, which prepares the ground for “the finer arts” or “the arts of luxury”<ref51>, he seems to be convinced that through commerce a more developed form of society can be achieved without direct political means. It is enough that people are encouraged by self-interest to take part in the “language game” or “form of life” of commerce – as soon as they do so, they will learn to follow unwritten norms they encountered during the procedures of exchange.<ref52>

In fact we see here something similar to Hume’s description of the rise of justice and other social conventions. In Schelling’s, Lewis’ and Sabl’s terms these are refined mechanisms of cooperation without a prior formal agreement, kinds of natural harmonisation based on a blind trial and error process, good examples and tested experience. How exactly does social or international cooperation work? The starting point is an openness of neighbours towards each other: “where an open communication is preserved among nations, it is impossible but the domestic industry of every one must receive an increase from the improvements of the others.”<ref53> The
cause of this increase is natural imitation (in an Aristotelian fashion), adaption and adoption: neighbours learn from each other by following each other’s example. Instead of oppressing the others, neighbours should be encouraged to contact each other, traders profiting from the advances made by their commercial partners, and vice versa, the two sides mutually strengthening each other. Next, commercial ties will have a feedback on the home markets as well, including the industrial backgrounds of those markets: “The emulation among rival nations serves rather to keep industry alive in all of them.” All these aspects help participants to recognise their shared interest in the connections, which on its turn will function as the rationale to understand the nature of their cooperation as based on a kind of tacit agreement. Yet of course business connections remain rather uncertain, as they depend on political circumstances, therefore commercial agents are interested to stabilise them, introducing conventions, rituals and other safeguards of the tacit agreement.

Commercial conventions, however, have further effects, on the domestic and the international level as well. Beside linking people, they help the development of matching manners. Successful business transactions require trust, and you can only win your partner to favour you if you are able to raise sympathy towards you in them. And there is no better way to do so but by tuning on their tone. Obviously, Hume invested a lot of energy in working out his conception of sympathy in the Treatise, and he keeps his interest in that human phenomenon in his whole literary oeuvre. He takes sympathy as a natural inclination, and one of the key conditions of the birth of society, and vice versa, a result of the continuous perseverance of a political community. In Of National Characters, he gives a detailed account of this correspondence between social coexistence and a resemblance of manners: “Where a number of men are united into one political body, the occasions of their intercourse must be so frequent, for defence, commerce, and government, that, together with the same speech or language, they must acquire a resemblance in their manners.” These acquired manners can in fact take over the job of the vigilance of political power: they guarantee social coordination with much better results than autocratic governance and severe laws. Which is not to say that Hume devalues institutions in comparison with manners! In fact he keeps emphasising that the right institutions can secure the reproduction of sociable manners, by providing occasions for humans to reflect on their own self-interests, and by turning free riding more difficult and expensive.

If individuals can so easily learn to adapt to others within one political continuity, how about personal relationships within long distance trade. After all, Hume keeps stressing that distance weakens human attachments. But the point in this respect is that international trade is relevant politically on account of its combatting geographic distance between societies. From the distance alien customs might look strange or even frightful. But international trade compels people to get into closer acquaintance with each other, in the framework of formalised business transactions to establish trust, which require building closer ties, this time among strangers as well. There is hardly any better safeguards against agonistic aggressivity, inherent in human nature than a reflection on self-interest, and the manners refined by direct personal contact with potential enemies turned into actual business partners and everlasting rivals. In fact, the moderation of humans’ sanguine spirit initiated by international
trade can potentially lead to human agency freed from warlike mentality, or at least to a spiritual makeup in which aggressive instincts are turned into healthy and stimulating emulation. It is here, that it becomes obvious that Hume’s political philosophy is not simply about the best possible institutional arrangements within the state or among neighbours. His programme is a programme of civilisation as a learning process, following the pattern of natural developments. His basic criticism against the autocratic nature of monarchical governments remains that they are still not competitive (in comparison with popular government) in the formation of human character: “though monarchical governments have approached nearer to popular ones, in gentleness and stability they are still inferior”. In the same time he is ready to admit that “Our modern education and customs instil more humanity and moderation than the ancient”. These considerations throw light on key features in Hume’s system of values. Gentleness, stability, humanity and moderation are all values that he advocates not only as helpful means to achieve internal cooperation, but also as ways to achieve through a general civilizational process an international order less bellicose and yet able to defend and perpetuate itself.

7. Conclusion

Certainly, in the mirror of later developments of global political history, Hume’s more far-reaching hopes of a political order introduced by commercial society which honours peace and tranquility on the long run as well, did not prove true. In the two centuries following Hume’s death Europe remained a global hotbed of wars, imperial rivalry and inhuman political violence. What is it then that makes his work remind the modern readers of 20th century political realism? First of all, it has a very desperate, illusion-free view of human nature. Selfishness and envy are shown to be inevitable parts of the human character. It is also rather telling that in Hume’s thought there is no institutional framework, utopian scheme or legal technique that can play that character trait down. Also, on the meta-level, Hume thinks that political theory, or for that matter a system of political institutions is not able to solve political problems instead of the politician. Rather he suggests that individual case studies executed by political theorists might better help to educate political agents to learn the art of politics, than any grand theory. It is perhaps here that Hume’s suggestions can help social science to find its way of being useful in a democratic polity, instead of taking on the role of a Machiavelli-like political adviser.

By acquiring political virtues through the unintended conventional mechanisms of commercial society Hume thinks fallible human creatures are able to create rather complex socio-political structures. Of course, commercial society is not simply a spontaneous product of developed economies. It is completed by the lawgiver’s reflections on how to use individual envy and self-interest, as well as a basic sociability, for the sake of the common good, and by long lasting political institutions cultivating the mind and moderating the behaviour of economic and political agents in the way Cicero expected from Roman institutions.

Hume’s ideal of the selfish but sympathy-ridden homo economicus with a cultivated mind and refined manners is quite close to the picture he presents as his
self-portrait, in *My Own Life*. Here he constructs his ideal self with the following words: “I was, I say, a man of mild disposition, of command of temper, of an open, social, and cheerful humour, capable of attachment, but little susceptible of enmity, and of great moderation in all my passions.” The closeness of the two portraits reminds us that Hume’s view of commercial society is of course an ideal construct, one in which he seems to be personally involved. In other words, his historical vision has got a normative dimension, which is perhaps less evident, but perhaps also true of the way of thinking of political realists.

Let us finally compare this ideal Humean construct with the tenor of Hont’s and Sabl’s analysis. Referring to the essay Of the Rise and Progress of the Arts and Sciences, Hont provides the following summary in the introduction to his collected volume: “When Hume suggested that ‘jealous emulation’ was the best policy for the cultural and economic development of Europe, serving both the military balance of powers and social flourishing, he added that Europe also should be divided into small countries in order to prevent emulation from creating anarchy and war.” On the whole, after his own 20th century experiences, Hont is rather cautious and pessimistic about the prospects of Hume’s analysis: he looks at the nation state not as the solution of the problem, but the problem itself. On the other hand, he probably shares a lot of Hume’s views of the advantageous consequences of commerce for the social order and he surely thought that Hume’s questions (if perhaps not his answers) about international economic and political rivalry are still valid. On that matter he seems to imply that the usual terminological bipolarity of war and trade, and philosophical antagonism of realism and liberalism is useless, and Hume’s complex politico-economical approach is more subtle: “Urgent and interesting issues in politics are rarely located entirely on either side of the alleged fault line between realism and liberalism, or between ancient and modern republicanism. There is a messy overlap where pure theory is adapted to political reality. This hybrid space is the natural home of jealousy of trade.”

On the other hand, let me – quite arbitrarily – pick out three points from Sabl’s nuanced and multitudinous analysis, too. First a formulation of his views on Hume as a realist: “In the language of modern international relations theory, Hume is a normative rather than an empirical realist. He thinks balance-of-power policies a very good thing. He is not afraid to use evaluative language, and goes so far as to call maintaining the balance ‘the aim of modern politics’ (...) but he doubts that most statesmen of his day actually practice power politics consistently or well.” This claim connects to our earlier analysis of Hume’s views of balance of power, where we called him an author close to realist theory. But Sabl is quick to point out that this is not a reativistic realism, it has its own stable value hierarchy. However, from this perspective Hume is less optimistic about the prudence of politicians, and trusts much more the common sense of civil societies composed of self-interested individuals than philosophers with their abstruse way of thinking.

The critical tone of Hume, as far as political practitioners are concerned, is due to the fact that their voluntarism might blind them towards the significance of conventions in keeping societies together. Here is Sabl’s comment on that issue: “Thus Hume’s praise of moderation and prudence, which might seem a residue of
ancient ethics, is in fact part of a theory of convention. A statesman who conquers foreign countries may expect them to spend all their efforts trying to conquer them back. But one who establishes and buttresses conventions may expect to see them further strengthened by future generations of subjects who find them useful.66 Once again, Sabl seems to classify Hume here as a kind of virtue theorist as well as a conventionalist, claims that might sound contradicting, but that are, in fact, harmonious, and in tune with our analysis above. But the interesting point is that in Sabl's view the theory of convention contains virtue ethics, or at least as much of it as the cardinal virtues of moderation and prudence. Sabl writes: “For him (i.e. for Hume), a human virtue, or its impersonal counterpart, a “convention”, was to be judged by whether it was useful or agreeable to oneself or others.”67 This is, of course, a non-orthodox form of virtue ethics, neither ancient, nor Christian, much closer to a kind of utilitarian, moderate hedonism, so characteristic of le bon David, the friendly philosopher: “The dismal dress falls off (i.e. from virtue), with which many divines, and some philosophers have covered her; and nothing appears but gentleness, humanity, beneficence, affability; nay even, at proper intervals, play, frolic, and gaiety. She talks not of useless austerities and rigours, suffering and self-denial.”68

Certainly, metaphysically this description of virtue seems to be rather shallow, and theologically perhaps even meaningless. From a utilitarian perspective it is too optimistic. But if you look at it from the perspective of the human condition, it might sound rather liberating: suggesting in a less than rigorous fashion that your fate – to a large extent – depends on you. But it is not a sheer (methodologically) individualist vision, like that of the latter day liberal. The terms gentleness and humanity, which Hume also used in his essay Of Civil Liberty, the first version of which was published as early as 1741 (still under the title of Of Liberty and Despotism), show that in fact the coordination of a political community for Hume depends on the sort of humanistic moral (self)education that one can acquire by relying on a network of social contacts, which can encourage sociable manners, and which requires adequate legal-political institutions in order to induce their configuration. The paradox is that already the birth of these institutions presupposes a certain level of social refinement: “Laws, order, police, discipline; these can never be carried to any degree of perfection, before human reason has refined itself by exercise, and by an application to the more vulgar arts, at least, of commerce and manufacture.”69 In other words manners and institutions, perhaps the two most important building blocks of Hume's social philosophy, mutually reinforce each other in his vision. Politics, on the other hand, can only grease this procedure, but it should not get directly involved, because a straight intervention can easily turn out to be counterproductive. This anti-political exhortation is balanced by a reliance on a politics of prudence, when the right moment comes for action – not necessarily for professional politicians, but sometimes for large masses of society. These are the moments when political authority needs to be questioned – an important theme in Sabl's analysis, but one which is beyond the reach of the present paper.
References


2 Hume is considered as one of the founding fathers of the discipline of political economy. See for example the following formulation: David Hume’s essays were “the cradle of economics”. Burton, J.H., Life and Correspondence of David Hume, 2 vols. (Edinburgh: W. Tait, 1846), I:354.


4 To be sure, most of the essays concerned appeared in a collection of Hume’s essays entitled: Political Discourses (which he composed in his brother’s countryhouse between 1749 and 1751, according to his My Own Life), first published in 1752 and republished in the same year and in 1754, too. See Eugene F. Miller’s “Foreword”, in Hume, D., Essays, moral, political, and literary, ed. Miller, E. F., revised edition, (Indianapolis: LibertyClassics, 1987), xxv., xiii.

5 This essay will not tackle the issue of the close connections between Hume’s and Smith’s ideas of commerce and sociability. But one should be aware that Hume held a strong friendship with his younger compatriot who was later regarded as the founder of political economy.

6 This paper cannot address the sparse references on commerce in other writings by Hume, including the Treatise and the Enquiry. This choice is based on the assumption that for Hume the essay format was a specific literary genre which allowed short investigations of key problems of politics and economics in a condensed form for non-professional readership.

7 Hont reminds us of a note by Hume, where he claims: ‘There is not a Word of Trade in all Machiavel, which is strange considering that Florence rose only by Trade’. (Hont, I., Jealousy of Trade. International Competition and the nation-State in Historical Perspective (Cambridge, Mass. – London, Engl.: The Belknap Press of Harvard University Press, 2005.) 9., n.10. Hont also refers to Nicholas Barbon, who already in 1690 pointed out the lack of an economic dimension in Machiavelli’s heritage: „Trade is now become as necessary to Preserve Governments, as it is useful to make them Rich. (…) Machiavel a Modern Writer, and the best, though lived in a Government, where the Family of Medicis had advanced themselves to the Soveraignty by their riches, acquired by Merchandizing, doth not mention Trade, as any way interested in the Affairs of State.” (Hont, I. (2005), 8-9., n. 10., quoting N.B.M.D. (Barbon, N.), A Discourse of Trade (London: Tho. Milbourn, 1690.), Preface, A3r-v.).

8 Hont, I., (2005), 13. One should be careful not to forget that he also includes references to the early economic theories of Botero, a humanist theorist of reason of state who published on the causes of the wealth of the cities (or city-states) already in the 1580s. See Botero, G., A Treatise Concerning the Causes of the Magnificency and Greatness of Cities, trans. R. Peterson (London: Richard Ockould and Henry Tomes, 1606), Bk. 3.


10 Hont refers to the classic works of these two writers, Skinner, Q.: The Foundations of Modern Political Thought (Cambridge: Cambridge University Press, 1978) and Pocock, J.G.A., The

11 Hont, I., (2005), 13., referring to Hans Blom and Annabel Brett as his secondary sources.

12 Hont, I., (2005), 15.

13 Hont, I., (2005), 9.

14 „Though Hume was mostly concerned with the parties of his time, his method of reconciling them has lessons for all times.“ (Sabl, A., Hume’s Politics. Coordination and Crisis in the History of England (Princeton and Oxford: Princeton University Press, 2012), 9.)


22 In Of Civil Liberty he is claiming that Machiavelli whom he calls a politician, committed so many mistakes because he lived „in too early an age of the world to be a good judge of political truth“. (Hume, David, “Of Civil Liberty”, in Hume, D., (1985), 87-96., 88).


24 One should note here that Hume is regarded as a key exponent of political realism in the early modern context.


27 This is a term from “Of Commerce”, in Hume, D., (1985), 253-267., 264.


For an example of the use of the concept of prudence in present day realist discussion, see the following quote: “While liberals encouraged the achievement of common goals, classical realists viewed pursuing a selfish national interest as the only prudent and rational policy.” Elman, C. and Jensen, M.A. (eds), *Realism Reader* (London and New York: Routledge, 2014), 33.

To be philologically correct, the adjective ‘prudent’ also comes back four times in the text, mentioned both in a positive and a negative spirit.


This distinction of philosophers and decision-makers has perhaps an anti-Platonic overtone to it, as well. Hume, D., (1985), 339.

As we know, Hume published four essays, closely related to each other, on ancient philosophical schools. One of them was “The Sceptic”. See Hume, D., (1985), 159-180.


Botero in this respect resembles the late scholastics, like the Salamanca School, as represented by Vitoria or Suarez.


For a detailed account of Tucker’s and Hume’s exchange via Lord Kames see Hont, I. (2005), 272., n. 6.


Representative of this historical narratives of the “civilising process” (N. Elias) include Lord Kames, John Millar, Adam Ferguson and William Robertson. But the most refined narrative of the story belongs to Adam Smith who however diagnosed a reversed order in the European
development. István Hont returned to Smith in a number of essays, comparing his theories to those of Rousseau. See his classic essay, for example: Hont, I., “Adam Smith and the Political Economy of the Unnatural and Retrograde Order”, in Hont, I. (2005), 354-388. Smith and Hume had a famous friendship, but Smith is simply too complex to bring him into the discussion of the present paper.

56 Once again, the reader is passingly reminded of Adam Smith, who will work out his major theory of moral sentiments, among which sympathy is the crucial one, following the inspirations of Hume.
58 In fact the Humean argument can remind us of the continuity between social manners and political culture on the one side and socio-political institutions, on the other.
59 Interestingly, Darwin’s own evolutionary narrative was inspired by the Scottish four-stages theory.
63 Hont’s historical scholarship is nuanced enough to allow us to refer here to the German term of Realpolitik. (Hont, I., 2005., 7, n. 6) Let us also recall Meinecke’s classic piece about the history of reason of state: Meinecke, F., Machiavellism: The Doctrine of Raison d’État and its Place in Modern History (London: Routledge and Kegan Paul, 1957).
64 Hont, I., (2005), 6-7.