

Agrarianism, Wealth, and Economics

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ABSTRACT. Is it possible to avoid "the agrarian myth" while recognizing the genuine value—which is not necessarily the economic or monetary value—of agrarian pursuits? My answer is that such a recognition of genuine agrarian values is possible, but only if we recapture a lost sense of the value of productive activities generally. An impediment to this recognition, I maintain, is modern economics—both socialist and free market; one important means to it, the natural law philosophy of the eighteenth century French Physiocrats.

Is it possible to avoid "the agrarian myth" while recognizing the genuine value—which is not necessarily the economic or monetary value—of agrarian pursuits? My answer, in brief, will be that a recognition of genuine agrarian values is possible, but only if we recapture what two centuries of utilitarian economic thought have done much to help us lose: our sense of the value of productive activities *generally*.

1. The Agrarian Myth.

By "the agrarian myth" I mean the view that farmers are, on the whole and a result of their distinctive experiences, more virtuous than those engaged in urban, commercial activities.¹ Here I use the term "farmers" broadly so as to encompass different, historically important forms of this idea. Three of these deserve special mention here:²

(i) There is a tradition which has stressed the virtues of hard agricultural labor itself. Although the idea can be found in some measure as far back as Hesiod's *Words and Days*, it typically has manifested itself in ideological settings which are Christian, conservative and medieval in spirit—thus in such locales as the monastic rules promulgated by Saint Benedict,

in Langland's *Piers Plowman* and in Martin Luther's social thought. This is the same Luther, of course, who called on the authorities to "stab, smite and slay" the peasant rebels of 1525—but, as I said, this is a *conservative* tradition, upholding the virtues of obedience and humility alongside the dignity of agricultural labor.

(ii) At the opposite extreme is the classical tradition of such authors as Xenophon, Cicero and Cato, which is concerned with the virtues of owning, and those who own, large agricultural estates.³ The dominant virtues here are those of "nobility"—not Christian humility. This tradition largely dies out during the feudal period, when those who own the land are more concerned with martial than with agrarian virtues. But it comes back, if in a more economically oriented way, in eighteenth century England and France (see below), as more emphasis comes to be placed on the productive possibilities of large estates and the economic responsibilities of their owners.

(iii) Still a different point of agrarian emphasis would be on the virtues of the prosperous but nonaristocratic 'yeoman' farmer. Perhaps the dominant virtue associated with this tradition is "industriousness."⁴ Notice the difference be-

tween this and the first tradition: the simple peasant may labor, but lacking the more entrepreneurial virtues, he is not truly industrious (unless upwardly mobile). Although the intellectual origins of this view can be traced back to Aristotle's discussion of the relation between democracy and widely dispersed land ownership, this is perhaps of all three traditions, the most distinctly Anglo-American (and in the setting of contemporary America, the most viable). It begins with the rise of prosperous middle class farmers during Tudor England and continues up to discussions of family farms today.

Now I do not mean to say that there is a unitary affirmation—within any of these very loosely knit 'traditions'—of an agrarian myth in exactly the form I have stated it. For the power of this myth—this "ideal," if you prefer—lies not in those few purists who might explicitly endorse it, so much as in that large and very diverse group whose social thought it has influenced. And there is no more striking evidence of this widely dispersed influence than the *competing* groups, the strange (and otherwise incompatible) bedfellows which have simultaneously shared it. Both conservative, orthodox Christianity and radical millenarian Christianity (both Luther and the leaders of the Peasant War) reflect its influence. In the eighteenth century something like the agrarian myth is invoked both by Arthur Young and the defenders of scientific, heavily capitalized agriculture and by such romantics as Oliver Goldsmith, whose poem, "The Deserted Village," is the most memorable short statement of protest against the changes Young and his landowner friends were advocating. Thus:

Ill fares the land, to hastening ills a prey
Where wealth accumulates and men decay.

One final introductory remark. I have called this idea of agrarian virtue "a myth"—and I make no apologies for the term, even with its negative connotations. In so speaking, however, I wish mainly to call attention to one point. Like other ideas termed "mythical," this is one whose influence has far exceeded its evidence. I am, thus, not claiming that this idea, or these ideas, are false—so much as pointing out that their pervasive influence is not very well explained by any very careful or systematic attention which has ever been paid to whether or not they are true.⁵

2. Value in Economic Theory

We have heard the definition of an economist as someone who knows "the price of everything but the value of nothing." But what precisely does "value" mean to the economist? In classical

economics (Adam Smith, David Ricardo and on this issue, Karl Marx as well) value was supposed to be determined by *labor*. In later economic thought—in the development of "neoclassical economics" in the last quarter of the nineteenth century—the labor theory gave way to a less obscure formulation. Value meant the marginal utility of a good or asset. As William Jevons, a leading figure in the development of this school, put it⁶

Repeated reflection and inquiry have led me to the somewhat novel opinion that value depends entirely on utility. Prevailing opinions make labor rather than utility the origin of value; and there are those who assert that labor is the cause of value . . . Labor is often found to determine value, but only in an indirect manner, by varying the utility of a commodity through an increase or limitation of its supply.

It is, at least for my purposes here, however, a mistake to exaggerate the differences between classical and neoclassical thinking on this point, as they amount more to different levels of theoretical understanding of markets than they do substantive differences in value judgments themselves. Adam Smith, after all, had held (against the mercantilists) that consumption—not the mere accumulation of wealth—is the proper goal of national policy. Thus, I prefer to understand such theorists as Jevons, Walras and Marshall as bringing to theoretical fruition, much more than contradicting, the implicit value theory of a Ricardo or Adam Smith. On this emerging view, man exchanges what he disvalues (his labor) for what he values (the enjoyment of those goods he can purchase, thanks to that labor)—thus, *consumption* becomes the overriding economic value, or, as Jevons also remarked:

The whole theory of the Economy depends upon a correct theory of consumption . . . Thus the demand for, and the consumption of, objects of refined enjoyment has its lever in the facility with which the primary wants are satisfied. This is the key to the true theory of value (*loc. cit.*).

The practical expression of this system of values may be seen in two of the celebrated doctrines of *The Wealth of Nations* which have remained economic orthodoxies in the centuries since Adam Smith wrote. These are the theory of comparative advantage (Smith's argument that free trade must be superior to protectionism) and the theory of division of labor (which Smith identified as the engine of expanding productivity). Now what Smith argued—and what subsequent economists have striven to prove—

is that free trade and division of labor will enable a society to maximize production and/or purchase of those commodities which its citizens most wish to have. But, as Smith recognized, here anticipating early Marx, the division of labor may reduce the erstwhile craftsman (fashioning his several pins a day) to a virtual idiot (performing the same rote task again and again on a pin assembly line). And, as we can see today in the case of U.S. and Japan, the operation of comparative advantage guarantees an efficient, but not necessarily a productively healthy relationship between nations. The influential MIT economist, Lester Thurow, puts it this way in a recent book,

Although it is true that one can show that free trade maximizes consumption, free trade does not necessarily maximize producer's utility. If the French love to be or see farmers, it may be rational to protect French farmers with tariffs and quotas. What is lost in terms of extra consumption utility is more than gained in extra producer's utility.⁷

My point, then, is that the economics of Adam Smith and, no less, that of his successors is consumption driven—so far as its value system, implicit or explicit, is concerned. To quote Thurow again,

... [E]conomic theory has always treated work—the giving up of leisure time—as an unpleasant disutility that one must be bribed to accept. All enjoyment—utility—is assumed to spring from consumption rather than production ... To the economists, man is not a beaver who loves to work but a grasshopper who will work only if privation looms (*ibid.*, p. 120).

Thus far—save for some passing references to Marx—we have been speaking of the dominant tradition (in the West) of free market economics. What of Marx and the socialist tradition in this regard? Certainly, one superficial difference between socialist and capitalist societies is the greater explicit attention paid to production—production goals, “five year plans” and the like—under socialism. And, too, certainly in the writings of early Marx, one finds a great emphasis on the “alienation of labor” under capitalism, on the potential within socialism for labor itself to be a positive good, not an evil endured (as Thurow puts it) “only if privation looms.” This sort of difference, however—especially if one looks at the reality of work in most socialist societies—is more superficial than real. For one thing, in mature Marxist theory—and certainly in Marxist practice—socialism is supposed primarily to liberate those productive possibilities

which the latent contradictions of capitalism have stifled. These possibilities—again both in theory and practice—are not to transform the nature or intrinsic appeal of work, so much as its total social product. To be sure, Marxists would insist that work itself will be fundamentally different under socialism, but this is ultimately because its *product* is no longer appropriated by the capitalist class—and not because necessarily the conditions of work will themselves be different. If anything, Stalinist socialism, at least, offers conditions of work, especially in agriculture, which would be widely perceived as inferior to those offered by capitalism. In sum, then, it is not surprising that such former Marxists as Walter Reuther in the U.S. labor movement, on perceiving the ability of capitalism to produce material benefits for union members, gave up their political radicalism, settling for what Samuel Gompers long ago said the U.S. labor movement wanted—“More.”

3. The Physiocrats and the Theory of Wealth

We have already mentioned Arthur Young and the eighteenth century movement to make English agriculture more productive. In France, a similar role was played by a group, or movement, which has come to be known as “the Physiocrats.” In their own time, the Physiocrats were known as “the Economists,” despite the occupation of their leader, Francois Quesnay, who was personal physician to the King's mistress, the illustrious Madame Pompadour. In fact, in his *History of Economic Analysis*, Schumpeter suggests half-humorously that it was the location of Dr. Quesnay's apartment at Versailles, near “that well of all preferment” (Madame Pompadour's quarters), more than the sagacity of his ideas, which explains the vogue of Physiocracy during the 1760's.⁸ Still, as even Schumpeter admits, the Physiocrats both exerted a considerable influence on later economists and anticipated on many points their doctrines: Adam Smith on the “invisible hand,” Marx on the exploitation of the working classes, the neo-classical theory of the economy as a system in equilibrium, Henry George on a “single tax” on rents, among others. But for my own part, I wish to see the Physiocrats in still different light: as advocating, or anticipating, a kind of agrarianism.

We find essentially two principles underlying Physiocracy: one of them a recurrent idea in western civilization; the other, distinctly their own. The recurrent theme they invoke is that of “natural law;” the new theme, the natural superiority they suppose agriculture to have over

other economic activities. Let me briefly expand on each of these in turn.

For Quesnay and his followers, the laws of economics—and it is to the Physiocrats that we must credit the very idea that economics is a science of laws—state valid principles of “natural law.” Natural laws they understood, in line with a long tradition stemming back to Aquinas, Cicero and Aristotle, as stating at once descriptive truths concerning the way the world is, and moral truths concerning how man ought to live. Natural law, according to this tradition, states principles of how human beings must live if they are to live well—i.e., in harmony with the natural universe, given the principles by which its operation is governed, and the nature of man himself as part of this universe. What economics concerns, then, is those laws governing production and exchange, acting in harmony with which will enable man to live well.

Now a central principle of this system of natural law, for the Physiocrats, was that only agriculture genuinely adds to a nation’s store of wealth.⁹ Other occupations are important, as they transform this stock into, or exchange it for, other useable forms of wealth. But, according to this doctrine, they do not increase it—hence the derisive term Quesnay applies to this group: the “sterile classes.” This is not to say that, according to the Physiocrats, the state should favor agriculture over other activities; at most, the state should remove artificial favoritism for industry (in France, the result of Colbert’s policies). The superiority of agriculture, for Quesnay, was based upon nature, and was not to be enhanced by the artifice of governmental policy. “Laissez-faire, laissez-passer,” counseled the Physiocrats.

Why this difference, many have wondered, between agricultural and industrial or mercantile activity? What impressed the Physiocrats was, first, the natural surplus, the difference between the final agricultural produce and the much smaller cost of the initial inputs (the “*avances*,” in Quesnay’s terminology) these required. It is upon this surplus, Quesnay uncontroversially maintained, that all other human civilization depends. What has puzzled his critics, from his own time to the present, has not been that contention, but Quesnay’s stubborn insistence that other economic activities lack even the capacity for *further* adding to the natural surplus of genuine wealth created by agriculture. Why cannot the maker of fine silks and not just the silk worm rancher genuinely create wealth?

Quesnay addressed this question most directly in his “Dialogue on the Work of Artisans.”¹⁰ Here he begins by observing that if we attempt to measure the value artisans create

according to what their labor adds to the market value of a good, we are left with the absurdity that society is *less* well off—that less wealth is created—if we find some less expensive way of making the same quality product (pp. 207–8); or that society is actually better off, say, if the portrait painter suddenly is able to increase the price he charges for his work (p. 209). To this, his interlocutor replies that expenditure for the artisan’s goods:

expands consumption and increases competition among purchasers, thus increasing the price of the products and consequently the annual wealth of the nation . . . It is this circle, then that the real production of wealth due to industrial work consists. (p. 209)

The spokesman for Quesnay replies, however, that in reference to such a circle it is:

self-evident that all we have here is a circulation of wealth without any increase, a circulation which is regulated by the annual . . . wealth which is generated from that territory.

Such a real increase in the dimensions of this circle, he goes on to say, ultimately can only come about through “the fertility of the land;” the artisan, he says, can only contribute to this real increase by “making certain implements which are necessary for turning over the land, and which in the absence of the artisan the cultivator would have to make for himself.” (p. 210). Otherwise, Quesnay maintains, the artisan simply uses materials and labor whose value balances the product he makes, so no net increase of wealth occurs. By contrast, in the case of agriculture, the inherent generativity of nature—the natural difference between seed and harvest, between parents alone and parents plus offspring—yields a net increase, even after the real costs of production are subtracted.¹¹

Now, we may reject (as subsequent thinkers have) such arguments as fallacious. Still, it does not follow that Quesnay’s position contains no insights of importance to agrarianism. I believe that it does. If, however, we are to discover these, it will prove necessary, first, to essay some fundamental reflections on the nature of wealth. For if one accepts uncritically the economist’s proposition—that any net increase in the marginal utility of a product is an increase in wealth—it will be difficult to sustain whatever distinction Quesnay may have wished to draw between “sterile” and genuinely productive enterprises.

To begin, let us notice that wealth is not necessarily created by doing something which satis-

fies a desire or augments “utility” by some finite amount. I may, by waving hello to the person passing outside on the sidewalk, either or both satisfy some desire of his or increase his happiness (utility), but I do not thereby, surely, “create wealth.” Nor is the issue here, as might be thought, the difference between satisfying desires and *needs*. For it will hardly do to suppose that *only* activities which satisfy genuine needs, as opposed to mere desires, augment wealth. For one thing, this would contradict—what is surely a truism—the statement that a wealthier person, or nation, can afford luxuries which a poorer one cannot.

How then *should* “wealth” be understood? A more plausible conception of wealth, I believe, would link it not to the satisfaction of particular desires or needs, but to a society’s *standing capacity* to satisfy a fairly broad range of needs and desires. In terms of this notion, a society’s natural and human resources, its basic industrial and agricultural capacity, its communication, information and educational resources—all of these will count, and properly so, as its wealth. But why, it may be asked, if the satisfaction of desires/needs is what such wealth is good for—why should we not say that all acts which satisfy desires *ipso facto* generate wealth? A full statement of my answer can only come in the light of the normative discussion to come in the next section. Here I will point out simply that the changing texture of a person’s desires and the contingencies of their satisfaction is simply too *insubstantial* to be directly linked to anything like wealth. This is not to degrade the ethical or economic importance of desires or needs: they remain the natural ends of man’s productive efforts. The point is, rather, that given the vagaries and vicissitudes of human beings’ habits, inclinations, wants and needs over time, and given our real uncertainty about the likely effects on these of all sorts of actions taken towards persons, we have contrived a notion of wealth which is measured in terms of the more substantial, continuing factors (resources and institutions) I have mentioned.

The difference, then, between genuine wealth and such individual actions or activities which may be productive of desires/needs satisfaction should be apparent. A social institution like a farm or steel mill can be *used* to satisfy desire/need satisfaction under a wide variety of psychological conditions. It is, one might say, the *material basis* for desire/need satisfying actions; and is in this respect fundamentally different from those actions themselves. Whereas this material basis is substantial, and easily known to be present (or absent), the satisfaction of individual desires/needs may be highly uncertain

even to the subject himself; whereas this base is continuing, such satisfactions are often ephemeral; and whereas this base is relatively predictable in its operation, individual psychology typically is not.

4. The Ethical Import: A New Agrarianism

Now to return to the Physiocrats. Given the preceding discussion of wealth, I think that we can begin to find a broader significance in their doctrines. Where our account most obviously agrees with theirs is that the satisfaction of human desire/need is only a necessary, not a sufficient condition of wealth and its real increase. Where our account most obviously departs from theirs is that we do not single out agriculture for special status. For us, all creation of the material (and intellectual) basis of desire/need satisfaction constitutes a genuine augmentation of wealth. Agriculture is but one form of this. To locate, however, a deeper rapprochement between Physiocracy and agrarianism, we need to draw on the tradition of “natural law” mentioned briefly already.

The natural law tradition to which the Physiocrats belonged was teleological, but not what is called *consequentialist*. Let me explain the relevant difference, for it will soon emerge as important. Take the present case of wealth and its creation. For the teleologist, productive acts by which wealth is created have a two-fold moral significance. They are good, in part, because they produce good results (the satisfaction of need/desire) and they are good, in part, in reference to the *nature* of the being whom we are, and the extent to which productive acts realize or fulfill that nature. The consequentialist, as the name suggests, reduces this duality to a unity: the moral significance of the act lies in the moral value of its consequences or results. It may thus be seen that the kind of economic thinking we surveyed in section 2. was essentially consequentialist in orientation. It would approach acts by which wealth is created as, morally speaking, nothing more than acts productive of the satisfaction of need/desire; thus, in effect, see the moral significance of production ultimately in terms of the moral value of consumption.¹²

An agrarian, I believe, is well advised to reject such thinking and stand by the older teleological approach. On this view, whereas the satisfaction of human desires/needs remains, as I have said, the *sine qua non* of productive activity, it far from exhausts its moral significance. *In realizing man’s deeply rooted need to create substantial and enduring sources of future satisfaction, the creation of wealth has a significance which is, if not independent of results, not redu-*

cible to them. From this teleological perspective, different ways of creating wealth may, and typically will, have different—though not necessarily unequal—moral significances, depending on the different fundamental capacities of man they realize. Clearly, the significance of agriculture resides, at least in part, in the particular way it uses nature—nature in a relatively untransformed state—to produce useable goods. Other activities, other institutions—e.g., a steel mill or a university—realize different productive capacities of man and will have, consequently, a different moral significance, from a teleological standpoint.

This attribution of human value and moral significance to acts of production, and not merely to the consumption of their results, helps to explain, I suggest, why the average person, who is not schooled in neoclassical economics, views the loss of farmlands or steel mills, or even universities, as something more than an economic readjustment to changing consumer demands or contingencies of production. It also helps to explain, I believe, our willingness—and the willingness seemingly of every nation who can afford this—to heavily subsidize basic industries including agriculture. It may even help to explain our apparent indifference to the fact that such subsidies, even when they are targeted for small producers, have almost always disproportionately benefitted the large ones. If the deepest significance of agriculture lies in its being one of man's primary ways of wresting wealth from nature, smallness of operation will not, as such, be a virtue.

Thus the sort of agrarianism I advocate will mourn the loss of a family farm neither simply as the loss of a productive enterprise nor as the end of a "way of life." It certainly will not view this as the loss of a special, morally superior way of life (again: the agrarian myth). But neither will it equate the loss of such enterprises with that of corporate enterprises of comparable size and output. For the teleological significance of different ways of achieving the same end, as we have seen, is not necessarily the same. In this case, there is, we think, a significance to the individual (or, better, the individual family) doing this, which is not possessed by other, more impersonal modes of producing the same result.

Notes

1. This characterization of the "agrarian myth" may raise the question of whether it is farmers or farming which is supposed to be virtuous. The short answer is "both": the idea is that the distinctive virtues of farming, through doing the activity, make the farmer virtuous.

2. The interplay of these and other historical forms of agrarianism I discuss at considerable length in a forthcoming book, *Towards the Deserted Village: Agriculture and Agrarianism in Western Thought* (University of Idaho). A small portion of this same material is covered in my paper, "Philosophical Foundations for Agrarianism," *Agriculture and Human Values* 2 (Spring 1985).
3. This is not to say or by any means to suggest that all classical authors reflect this bias towards the estate owner. Two important and obvious exceptions would be Hesiod and Virgil, both of whom are largely concerned with the travail of the small farmer.
4. Compare in this connection John Locke, who writes in a famous paragraph (34) of the *Second Treatise of Government* that God gave the world "to the use of the Industrious and Rational (and Labour was to be his Title to it)." In different respects Locke partakes of all three of these agrarian traditions. On Locke's connections with agriculture, see especially Neal Wood, *Locke and Agrarian Capitalism* (Berkeley: University of California Press, 1984).
5. I am tempted in this connection to define a "myth" as an idea whose influence is not well explained by known evidence for its truth.
6. From *The Theory of Political Economy* (1871), quoted in John Bell, *A History of Economic Thought* (New York: Ronald Press, 1967), p. 412n.
7. *Dangerous Currents* (New York: Random House, 1983), p. 121.
8. Joseph A. Schumpeter, *History of Economic Analysis* (New York: Oxford University Press, 1954), p. 230.
9. An interpretation of the Physiocrats as strict natural law theorists in the medieval tradition is M. Beer's in *An Inquiry into Physiocracy* (London: Allen and Unwin, 1939), ch. 3. On this highly unconventional interpretation, the Physiocrats' denial that commerce and industry generate new wealth becomes just the familiar Aristotelian, medieval Christian moral critique of the acquisitiveness of those in business. A more authoritative guide to physiocratic thinking is Elizabeth Fox-Genovese's *The Origins of Physiocracy* (Ithaca: Cornell University Press, 1976).
10. In R. L. Meek, editor and translator, *The Economics of Physiocracy* (Cambridge: Harvard University Press, 1963); originally published by Quesnay in 1766.
11. Quesnay's most authoritative statement of his doctrine actually has it that all enterprises which transform raw materials into useable products are "productive" (as opposed to sterile). Cf. the opening passages of his *Explanation of the Tableau Economique*, third edition, edited and translated by R. L. Meek and M. Kuczynski (London: Macmillan, 1970). Here Quesnay, for example, explicitly allows that mining is a wealth-increasing activity. Elsewhere, (Cf. *The Economics of Physiocracy*, p. 96) he extends this to fishing.) Especially the first of these extensions, however, makes it problematic whether Quesnay can consistently link the creation of new wealth to the generativity of nature.
12. Here, strictly, one needs to add: plus whatever enjoyment the worker derives from the work itself. As will be seen, for the teleologist, the moral significance of work is not reducible either to the value of its product plus this additional quantity of enjoyment.
13. An earlier version of this paper was read at a conference of the Agriculture, Food, and Human Values Society, Orlando, Florida, October 9th, 1987. I thank those attending the paper and two referees (Harry Paul, Frederick Suppe) of this journal for many helpful suggestions and criticisms.