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The first time Tocqueville met with the English economist Nassau Senior has been recorded by Senior’s daughter:

One day in the year 1833 a knock was heard at the door of the Chambers in which Mr. Senior was sitting at work, and a young man entered who announced himself in these terms: “I am Alexis de Tocqueville, and I have come to make your acquaintance.” He had no other introduction.1

Tocqueville and Senior quickly became friends, and their friendship lasted till Tocqueville’s death some twenty-five years later. The two especially liked to talk about politics, but they also touched on economic topics to which Tocqueville always attached a special importance.

Many readers of the work of Alexis de Tocqueville (1805–59) have felt as fortunate as Nassau Senior in being introduced to Tocqueville; they have similarly come to regard him as a friend with whom to argue, agree, and disagree. Tocqueville’s readers have especially come to appreciate his analyses of politics and society; today he is regarded as a major figure in political theory as well as a classic in sociology.

One area that has not found many commentators is Tocqueville’s views on economics. This is a pity because Tocqueville, as I will try to show in this book, developed an analysis of economic phenomena that in some ways is as interesting and evocative as his analysis of politics. There is, first and foremost, his magnificent portrait and analysis in Democracy in America of the entrepreneurial economy in early nineteenth-century America. When Tocqueville traveled in the United States during 1831–32 the country had just begun its economic takeoff that would eventually transform the nation into the world’s most powerful capitalist economy. There is also the outstanding picture of a traditional and blocked economy in The Old Regime and the Revolution. What drives much of the economic analysis in the latter work is how the French state for centuries had undermined the economic confidence and capacities of the French people. There are also some striking ideas on economic phenomena in Tocqueville’s less-known writings, such as Memoir on Pauperism and his travel notes from his journeys to England and Ireland.

Besides entrepreneurship and how the state can discourage economic initiative, Tocqueville also discusses many other economic topics. There is, first of all, his general thesis that the mores (moeurs) of a country primarily explain economic behavior.2 This is a strikingly modern idea that many
current economists and sociologists are working with, often in conjunction with a theory of institutions. Tocqueville, as I shall show, also had some interesting things to say about the role of institutions in economic life, even if he always assigned primary importance to the mores.

Two other economic topics that Tocqueville was very interested in are property and taxation, and his analyses of them are often profound as well as original. Tocqueville is also astonishingly modern in his view of property and fiscal issues; one often wonders if this is a voice from the nineteenth century or from today. In any case, he definitely addresses many of the concerns of the twenty-first century.

Given the originality of Tocqueville’s economic analysis, one may ask why it has not attracted more attention over the years. One answer is that Tocqueville was early cast as a political analyst by his admirers and commentators, and this identity has tended to preempt his other identities. In addition, modern economics quickly acquired a monopoly on what counts as “economic,” and its vision is very different from that of Tocqueville.

But there are also ways of defining the area of the economy that are closer in spirit to Tocqueville’s way of proceeding than to mainstream economics. This is especially the case with the approach known as social economics (Sozialökonomik), which is primarily associated with Joseph Schumpeter and Max Weber.

According to Schumpeter, a full analysis of economic phenomena demands knowledge of not only economic theory but also economic history, economic sociology, and economic statistics. This pretty much covers the range of Tocqueville’s analysis. While Schumpeter mainly discussed social economics in terms of the methods that were required, Weber also tried to theorize its object. Social economics, he argued, deals first of all with “economic phenomena,” that is, with markets, firms, and so on. But it also deals with two other areas that mainstream economists do not include: “economically relevant phenomena” and “economically conditioned phenomena.”

Economically relevant phenomena are defined by Weber as non-economic phenomena that may influence economic phenomena. The classic example is the analysis in The Protestant Ethic and the Spirit of Capitalism, according to which a certain type of religious mentality influenced the nature of capitalism in the West. Economically conditioned phenomena, in contrast, are non-economic phenomena that in important respects have been influenced by economic phenomena. One example of this from Weber’s work is the way that economic forces influence religion. Peasants, for example, tend to assign a religious meaning to the forces of nature as a result of their work with the land.
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While Tocqueville “painted to a considerable extent in economic colors,” in Schumpeter’s elegant formulation, he never devoted a major study to economics or economic topics. Did he ever think of doing so? In a letter he wrote as a young man, in which he discusses a journal that he was hoping to launch with some friends, he addressed the issue of what was wrong with political economy. He wrote as follows:

While all the efforts in political economy seem today to be in the direction of materialism, I would like the policy of the journal to be to emphasize the most immaterial side of this science, to try to introduce ideas and moral feelings as elements of prosperity and happiness, to try to rehabilitate the spiritual dimension in politics and make it popular by making it useful. I would also like the same spiritualist tendency to be part of the way that the other sciences and the arts are treated.

If I were to develop this idea by application and example, I would have to write a whole treatise, something I have neither the faculty nor the desire to do at the moment. But I think that what I have said here in general is enough to make you understand what my goal with this journal would be.

Tocqueville, as we know, never wrote a treatise of the type that he refers to in this letter. Indeed, he would only publish one major study besides Democracy in America, namely The Old Regime and the Revolution. He did, however, write quite a bit on economic topics during his lifetime, and in this work I shall single out this material and show its relevance for the analysis and understanding of economic life.

In doing so, I will often refer to the main themes in Tocqueville’s letter from 1834 on what an improved political economy along Tocquevillian lines might look like. The political economists of his day, Tocqueville charged, only paid attention to material interests and motives, and ignored the role that “ideas and moral feelings” play in economic life. The ideal for Tocqueville was a balance between the body and the soul, and unless such a balance was established (and in society as well), there would be no true “prosperity and happiness.”

The title of this study is Tocqueville’s Political Economy, the reason I have used the term “political economy” is that it was common in Tocqueville’s time. The adjective “political” also makes clear that the economy was seen as closely related to the sphere of politics. This was the general view in the nineteenth century and something Tocqueville strongly agreed with.

It should also be emphasized that Tocqueville produced his body of work well before the current division of labor in social science had come into existence. This is one reason why his work at first sight may seem “amateurish” when compared to contemporary social science. But it should also be noted that it was precisely the early and rudimentary divi-
The expansion of intellectual labor that allowed Tocqueville to analyze a series of topics he was interested in—including economic phenomena—and to do so in a much freer way than today’s social scientists are able to do with their firm conceptions of what belongs to “political science,” “sociology,” “economics,” and so on. Being active during the first half of the nineteenth century, in brief, made it much easier for Tocqueville to establish the new and surprising connections between phenomena that are at the heart of the intellectual enterprise than it is for today’s social scientists.

But there is more to Tocqueville’s originality when it comes to analyzing economic phenomena; it is time to mention what I consider Tocqueville’s most important contribution to today’s discussion of the economy. This has to do with his method or, more precisely, with his way of thinking about the economy—how he struggled to make sense of economic phenomena.

Tocqueville was truly obsessed with a desire to understand and explain, and he would not rest until he had laid bare the social mechanism underlying some phenomenon. There is no easy way to summarize how he went about his analysis. One can perhaps say that he primarily tried to think about economic phenomena by linking them to other social phenomena. Instead of trying to lay bare their essence, and work from there, he carefully studied economic phenomena in their empirical setting and tried to connect them to other social phenomena.

John Stuart Mill, Tocqueville’s contemporary and friend, realized that it was first and foremost Tocqueville’s way of thinking that was of interest—more so than the result. “The value of his work is less in the conclusions, than in the mode of arriving at them,” as Mill put it. Tocqueville described himself as deeply fascinated with “ideas”; as a young man he compared the pleasures of thinking and playing with ideas to being in love. As he wrote in 1827, “the result [of serious thought and of having ideas] gives me the same satisfaction as I have felt when I was in love . . . it makes me feel alive.”

In addition to having this love of thinking, Tocqueville was also burning with ambition to be original, something that made him look for new angles and avoid what could be found in the works of other writers. Part of Tocqueville’s desire to go to the United States was precisely to analyze a topic that was little known in France at the time. And just as Tocqueville famously argues in *Democracy in America* that a new political science is needed to analyze a new world, one may ask whether the same was not also true for economics. The entrepreneurial economy in the United States was as unique as its political system, according to *Democracy in America*.

The search for originality also left its mark on Tocqueville’s vocabulary. He constantly struggled with the issue of whether to use old words for new phenomena or invent new ones. His attempt to capture subtle shifts in meaning is closely linked to his effort to think things through in novel
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ways. This is also reflected in his way of writing, which encourages the reader to think rather than to just follow the argument of the author.

Chapters 1 and 2 present and discuss Tocqueville’s analysis of economic phenomena in Democracy in America. This is where one can find what amounts to the first portrait, in conjunction with the first sophisticated analysis, of the U.S. entrepreneurial economy. It is also here that Tocqueville comes the closest to arguing that a new science of economics is needed for a new world. In chapters 3 and 4 Tocqueville’s relationship to the economic theory and the economists of his time is discussed. While Tocqueville was a friend of John Stuart Mill and Nassau Senior, he developed his own, very distinct way of analyzing economic phenomena. Tocqueville’s general approach to economic analysis is presented and compared to that of analytical economics in nineteenth-century England.

In chapter 5 Tocqueville’s trips to Manchester and Birmingham in the 1830s as well as his analysis of poverty in Europe are discussed. Chapters 6 through 8 are devoted to Tocqueville’s years in politics (1839–51). As a politician, Tocqueville had practical rather than theoretical concerns, and this was also reflected in his analyses of economic phenomena. Special attention is paid to Tocqueville’s analysis of the social and economic conditions in the French colonies, especially Algeria.

As discussed in chapter 9, Tocqueville eventually made the decision to withdraw from politics and return to being an author and thinker. The main result of this decision, as presented in chapter 10, was The Old Regime and the Revolution, which among other things contains an outstanding analysis of the economy of pre-revolutionary France. Just as Democracy in America is centered on economy and society in the New World, The Old Regime is centered on economy and society in the Old World. In the epilogue I try to sum up what to my mind is most precious about Tocqueville’s analysis of the economy—his very special way of thinking.