

— CHAPTER ONE —

INTRODUCTION

How should we cope with risk? How do we confront a future that is, by definition, uncertain but still likely to contain *some* kind of peril or promise? Risk is an integral—and frequently uncomfortable—part of our daily experiences, an inevitable consequence of living in the world. As French philosopher and historian François Ewald explains, contemporary life is defined by risk; it is “in human beings, in their conduct, in their liberty, in the relations between them, in the fact of their association, in society.”¹ The ubiquity and permanence of risk in our contemporary relations with each other and with nature make it hard to imagine that anyone has ever lived without it. But human beings once did, and thus the idea of risk has an origin and a history.²

Risk emerged in specific times and places as a new way of understanding the future and what harms or possibilities it might hold. In this book, I explore one site of emergence, to establish that risk developed as a new idea in seventeenth- and eighteenth-century British political and economic discourse. I interpret political theory and political economy from this period and place to show that risk became a meaningful concept for people trying to cope with the unknown, particularly in their political and commercial endeavors.³ Accordingly, early modern British political thinkers developed critical accounts of the struggle to think about risk and to act on it, and they started to evaluate how its appearance transformed the forms and meanings of thought and action in politics and commerce. By the end of the eighteenth century, I argue, Ewald’s diagnosis of the contemporary condition already held in Britain: political and commercial actors understood their conduct, relations, and associations in terms of risk. By then, risk was, to use his language, “in human beings,” and thus a new age of risk had begun.

“Risk” and Risk in Early Modern Britain

“Risk” entered the English lexicon much as it did that of other European languages—as part of a technical, professional vocabulary belonging to traders and other commercial actors.⁴ In the English language, the first known appearance of the word “risk” was in 1661, when it was defined, according to the *Oxford English Dictionary*, as a noun meaning “peril, jeopardy, danger, hazard, chance,” reflecting an early and persistent association between risk and harm or loss. But it is worth noting that this early definition also included “chance,” establishing an important link between risk and probability.⁵

As risk became a way for people in early modern Britain to describe what could lie ahead, a corresponding development in epistemology started to take hold. No longer a realm of fate, fortune, or providence, the future was conceived as a terrain of calculable risk.⁶ In particular, probabilistic calculation—the basis of risk—began to gain traction in contentious epistemological debates about how human beings could best determine what an unknowable future might bring and how to respond.⁷ The seventeenth century saw the production of the earliest probability theory texts, and philosophers and political thinkers also started to focus on probabilistic reasoning and the possibility (or impossibility) of acquiring certain knowledge that could guide decision making and action.⁸ During this period, new forms of political and economic organization—centralized trading states, central banks, and insurance markets—also developed and consolidated. These institutions were designed expressly for coping with the uncertainties of politics and commerce as well as for managing a contingent future by conceptualizing it in terms of probability, prediction, and shared risk.

One of my major contentions in this book is that seventeenth- and eighteenth-century British political thought reflected these transformations and contended openly with the problem of risk.⁹ In the following chapters, I concentrate on the contributions of four thinkers who offered particularly robust considerations of what risk means for political communities being transformed by new modes of knowledge production and by new institutions meant to cope with risk: Thomas Hobbes, John Locke, David Hume, and Adam Smith. I concentrate on Hobbes, Locke, Hume, and Smith because each of them produced a body of work that engaged deeply with different components essential to a rich account of risk. Although they were certainly not the first writers or thinkers to understand that the future was unknown and full of contingency, the aim of my study

is to establish them as distinctive voices in advancing an idea of the future as a realm of risk. To do this, I take advantage of their polymathic proclivities and bring together their writings on epistemology, politics, sociability, and political economy to identify three important insights on risk and politics that should resonate with contemporary readers as well.

Scope and Summary

In chapter 2, I begin with Hobbes's intertwined theories of knowledge and politics, as they emerged from his experience of a violent civil war and fierce struggles over epistemological and political authority. As I argue, he provokes an early modern engagement with the concept of risk in politics by positing uncertainty as the main problem that political theory and political order are meant to solve. In *Leviathan*, Hobbes's construction of a unified sovereign power that quashes conflict is motivated by an epistemological obsession with the problem of uncertainty, and the primary aim of his civil science is to displace the conflicts created by limited knowledge of an unknown political future. For Hobbes, uncertainty is the root cause of violence and insecurity, and thus it becomes a target for elimination when he begins to think about how to construct a safe political community. In this chapter, I reconstruct Hobbes's commitment to a science of politics modeled on geometry, emphasizing its certain character by contrasting it with other ways of knowing about politics that are more experiential, such as prudence.

As I argue, despite his best efforts to construct a unified regime of certain knowledge production and absolutist political power, Hobbes's civil science is not capacious enough to cope with everything the future might bring. His heroic attempt to displace uncertainty from political life is especially important because of this failure, however. His thwarted efforts raise a valuable question, which sets an agenda for the thinkers who follow him: Can risk, suffering, and fear ever be truly overcome by political planning and more certain forms of scientific knowledge about collective life? Although Hobbes identifies epistemological and political uncertainty as a major source of political insecurity and suffering, his work leaves readers with the conclusion that uncertainty can never be displaced altogether. The thinkers after him turn to probability and judgment rather than certain knowledge as a resource for securing the future. This shift prepares them to think about the future in terms of calculable risk.

In chapter 3, I explain how Locke's work on epistemology, politics, and economy can be read as a sustained meditation on the relationship of risk

and trust. The extensive literature on trust and authority in Locke's work establishes that he thinks citizens' trust in the state helps them organize and survive in the face of uncertainty, as well as manage the risks they might find in the future. In this chapter, I argue that Lockean political trust is actually more closely related to risk than it appears at first glance. Political trust, Locke theorizes, is actually underwritten by the perpetual work of risk calculation and probabilistic reasoning by citizens. His work shows that if a strong central state is the institution that manages political and economic risk for subjects, then those subjects still must scrutinize the state as a new risk, using whatever cognitive tools they have at their disposal. Locke's relative comfort with the permanence of uncertainty and his acceptance of risk as a part of common life lead him to theorize very powerful political authority and institutions as well as equally robust forms of citizen power, coupled in relations of trust.

To advance this interpretation, I analyze three particular episodes in Locke's corpus—two from his political theory and one from his economic writings: his concession to prerogative power as a necessary tool for the state; his reservation of the powers of political judgment and revolution for citizens; and finally, his engagement with the coinage controversies of the late 1690s. The first two cases in particular emphasize Locke's insight that profound uncertainty is the background condition of politics and commerce, as well as his insistence that probability and judgment are the best cognitive tools people have for cutting through radical uncertainty to perceive a more manageable set of risks. Locke's work also offers trust as a mode of confronting risks in politics and commerce, while remaining attentive to how risk underwrites trusting relationships, a point that the coinage controversy particularly highlights.

Chapter 4 offers an interpretation of David Hume's body of work as simultaneously sensitive to how uncertainty and risk can enervate commercial actors and committed to emboldening these actors to take *more* risks. I find in Hume's writings on passion, cognition, politics, and commerce an apt representation of how risk and uncertainty are entangled in the minds of subjects, as well as a robust explanation for why so many people are made anxious by risks, even ones that promise a good outcome. Hume's expressions of philosophical skepticism and his treatment of probability establish his view that deep uncertainty is the background condition for commerce and for the politics of commercial societies, and show that he is unusually mindful of the disconcerting experience of living with uncertainty. Although individuals can use probabilistic reasoning to formulate better understandings of the risks of an unknown

future, Hume thinks this taxes them psychologically. Whereas thinking about the future can trigger hope *and* fear in individuals, he argues that in practice, it seems to generate *mostly* fear, even when people have stable probable beliefs about the future and well-founded expectations that joy rather than grief awaits them there.

After explaining how Hume reaches this conclusion, I explore the idea that his popular writings for a general reading public were meant as a resource for those who might wish to shake off the paralysis of uncertainty and the anxieties provoked by probabilistic thinking, at least to a degree sufficient to confront risk in commerce. Hume anticipates that members of a commercial public will fixate on both the probable and the improbable misfortunes introduced by complex and increasingly international economic exchanges. In his moral, political, and economic essays, Hume draws on his notions of philosophical proof as well as on familiar metaphors of stable natural phenomena to introduce the idea of a balanced system, in which risk taking in overseas commercial ventures produces profits in the long term and for the whole nation-state, while it sometimes hurts primary actors in the immediate term. Hume uses the conversational essay form to coax his readers into an attitudinal shift regarding risk taking, by reorienting them toward a measure of hope and optimism.

Finally, in chapter 5, I argue that Smith's moral theory and political economy confront human ambivalence about risk, by now a permanent feature of the human condition. Smith's analysis of individuals, groups, institutions, and policies leads him to find that human beings have a risk-loving side, which drives them to take chances to pursue gain, but that they also clamor to secure themselves against possible loss. How well they balance these two impulses can, Smith argues, issue in productive or dangerous approaches to risk taking. *The Wealth of Nations* records instances of a more pathological approach to risk, as Smith describes traders' corrupt manipulation of institutions, political networks, and policy to displace the responsibilities and losses that risk taking may incur. Smith's critique of monopolies and mercantile policies depends very much, I argue, on his view that traders exploit risk badly, by redistributing or jettisoning loss. Smith argues that those who pursue highly uncertain profits by taking risks in the political economy must also be willing to brook loss.

In his 1790 revisions to *The Theory of Moral Sentiments*, Smith draws a portrait of the prudent and trustworthy merchant, whose observable practices and character cultivate a climate of trust and predictability, which offsets the risks of trade without eschewing responsibility for losses. The prudent merchant's ambivalence toward risk tips him toward caution, and

he supports his security-seeking endeavors with practical knowledge, reliable partners, and networks of trust and credit. Smith's call here for prudential approaches to risk taking at the level of individual actors may have been in response to an intervention from Jeremy Bentham, who counters Smith's pessimism about risk taking in *The Wealth of Nations* with the suggestion that progress is inextricably linked to risky endeavors pursued by bold individuals. Bentham's more sanguine views on risk may have invited further reflection by Smith on how commercial actors should approach risk, resulting in Smith's own modest but quite powerful intervention—a defense of the prudent man as the right kind of risk taker.

In each of these chapters, I reinterpret texts that are familiar to political theorists by arguing that we should look at them anew as significant contributions to emerging discourses of risk. At the same time, the thinkers I engage are distinctive, and their arguments are impossible to weave into a coherent whole or a progressive narrative about how human beings come to know more about risk and to improve their efforts at managing it. If anything, reading these texts together underscores how fraught and multifaceted early modern efforts to calculate and confront risk were. Yet, I argue, it is possible to identify continuities alongside important innovations in early modern British political thought on risk.

Dimensions of Risk in Early Modern British Thought

My interpretation of seventeenth- and eighteenth-century epistemological, political, and economic texts generates three insights into early modern British engagement with risk. First, we can spot a distinct conceptual refinement in late seventeenth-century sources, a development that carried over into the next century. Seventeenth-century epistemology and political thought was animated by the problem of uncertainty about the future, but by the eighteenth century, attention was more clearly focused on the problem of *risk*, as a matter of knowledge about the future that is rooted in conceptions of time, probability, and action. Curiously, however, even as we can identify this change, uncertainty and risk remained in something of a conceptual muddle throughout the eighteenth century—a confusion that we have inherited and that shapes our own efforts to confront an unknown future. While risk is conceptually distinct from blind uncertainty about the world and the future, it remains an uncertain form of knowledge.¹⁰ Even though we can often be quite precise in our risk calculations, just the act of making these calculations may heighten

the realization that we have to live with uncertainty. As such, we struggle to parse uncertainty and risk, and we even use the terms interchangeably at times, which strains our ability to make decisions for the future and to evaluate critically the efforts of authorities and experts to manage risk.¹¹

The second insight this book draws out is the tight relationship between risk and trust in seventeenth- and eighteenth-century political thought and political economy. As risk is foregrounded as a problem for politics and commerce, the meaning and limits of trust in political authority and creditworthiness in political economy are thrown into sharp relief. Because the probable judgments of political and commercial actors are necessarily partial, and the future does not yet exist, these actors frequently need support in their endeavors. Networks and relationships of trust and credit frequently ease the way, emboldening actors to take more risks and perhaps even cushioning their fall if they choose badly. Conversely, trust and credit acquire meaning and value from the risks that underpin them.

Third and finally, the character of the political subject is worked out in the early modern engagement with risk, and the fearful subject emerges from this fraught process. At the beginning of the eighteenth century, the question of whether risk taking is exhilarating or threatening was still open. By the end, it had been established that even risks promising profit and benefit are painful to think about and to take, probably because the struggle to parse risk and uncertainty is such a persistent problem for individuals. This affective response to risk again underscores why trust and credit are so important for risk takers, as two of the few resources that help steel humans against the downsides of risk.

Beyond these three observations, I also argue that early modern British engagement with risk offers two narratives, views of risk that persist in our own time and shape our orientation toward an unknown future. First, I focus on accounts of risk as a threat to security; indeed, this is probably the prominent narrative of this book and of the risk literature in general. Negative readings of risk assert that marshaling our partial knowledge of the future will enable us to hold back from taking unnecessary risks or to displace the risks of politics and commerce as much as we possibly can. Second, I explore depictions of risk as an opportunity to be exploited for profit or gain. In these accounts, risk taking is figured as exhilarating or pleasurable, a chance to exercise freedom and choice in the interest of some gain. Even a cursory glance at the political or financial pages of a newspaper reveals the persistence of these narratives in our own time, and I aim to demonstrate that they emerged as soon as people started framing

the future in terms of risk. Hence, these narratives have always conditioned our responses to a future that is not merely uncertain, but also risky.

At first glance, these two orientations to risk seem opposed, but they are in fact coupled in most of the key texts I interpret in this book. In some ways, this coupling is unsurprising—risk is not neutral, but it *is* indeterminate. It is simultaneously a threat to security and an opportunity for gain or profit because it is unknowable, except in a contingent or provisional way. Across the texts that are central to this book's analysis of the emergence of risk and of subsequent efforts to govern it, I find different iterations of the two faces of risk, in which one narrative is emphasized more than the other. I also find them linked in curious ways, such as in reflections on insurance, in which capitalizing on the risk of loss is quite profitable, or at moments when states claim outsized power to guard against the potential losses that subjects might suffer at the hands of disaster or war. Our ambivalence about risk taking, and our frequent inability to determine whether risks pose golden opportunities or profound threats, can be found in the earliest accounts of risk.

This ambivalence has serious consequences, as it may shape our choices regarding how to govern risk. In our own time, we are also frequently of two minds about what risk offers and equally uncertain about how it should be governed. We have the option to take an authoritarian approach to the production of knowledge about the future, informed by an endless search for security in the face of risk. Or, we can endorse a system that harnesses experience, intuition, flexibility, and a wider distribution of risk management. Our choices regarding how to articulate and cope with risk matter, not only in assessing risk accurately and facing it effectively, but also in the kinds of choices we make about knowledge production and the distribution of epistemological, political, and economic authority. We have not yet determined which paths to take, and this is why a historical perspective is so important. If we can recognize that our deliberations about what constitutes a risk, how it should be approached, and how it should be governed or managed are not especially novel, but as old as risk itself, we can reflect more critically on our own decisions.